Wilfrid Laurier University

Inspiring Lives of Leadership and Purpose

2023/24 Budget

Board Approved

April 20, 2023 – Board of Governors

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Wilfrid Laurier University 2023/24 Budget

Part A – Overview

The 2023/24 budget anticipates a full return to on-campus operations following multiple years of pandemic-driven budget assumptions. In recent years, the organization has been successful in mitigating the cumulative fiscal impacts of tuition cuts, grant and tuition freezes, pandemic-related public health restrictions, and challenges affecting sector efforts in internationalization. The provincial government has recently announced a blue-ribbon panel, composed of business and academic leaders, that will provide advice and recommendations related to sector financial stability beyond 2023/24. For 2023/24, funding constraints are continuing, with a continued tuition freeze for most Ontario students and fixed operating grant funding.

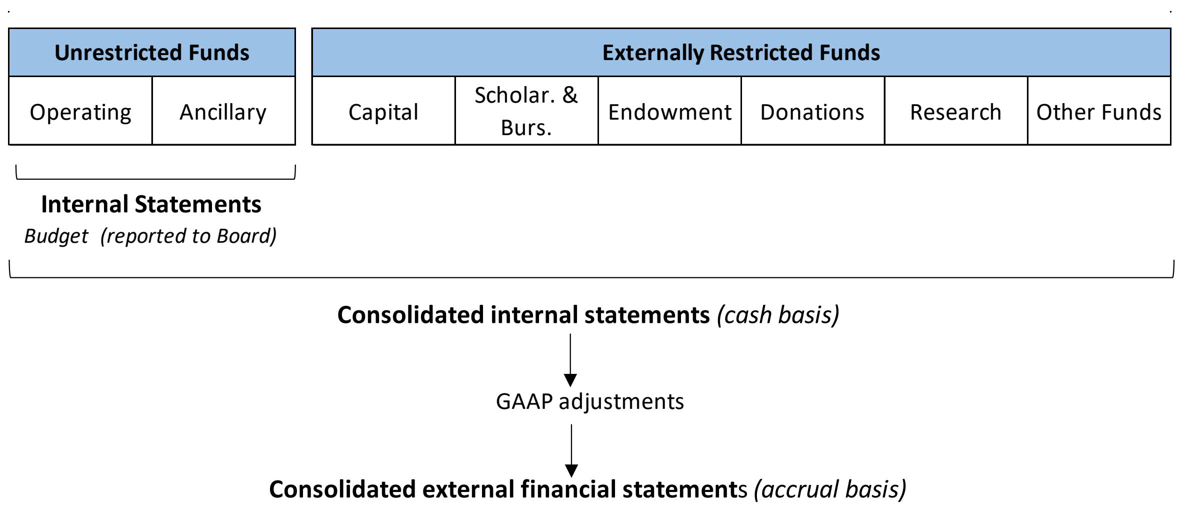
With financial challenges escalating, the sector is also subject to increased scrutiny resulting from recent auditor general value-for-money audits. While annual operating budget plans are critical to financial sustainability, the assessment of comprehensive fiscal health inclusive of capital planning, reserve considerations, and debt capacity, will be needed to support Laurier's significant upcoming growth initiatives. Laurier is poised to embark upon a number of exciting initiatives which will contribute to its strategic mandate and success in a highly competitive sector. The prioritization and focus on key investments with consideration for revenue generation, cost containment and spending to increase priority services and programs, will be critical in optimizing limited resources and safeguarding Laurier's financial health – key principles in the development of the 2023/24 Budget.

This draft report includes the Operating and Ancillary Funds which are Laurier's largest funds and components of the overall Consolidated Financial Statement Funds. The Capital Budget will be presented to the Board for approval at the June meeting. At this time, the Milton operating plan and capital project budget are not included. Program and campus development are currently underway with a projected Milton campus opening in Fall 2024. Based on a risk analysis of pursuing campus expansion in the current environment, programming will commence in pre-existing leased space with construction of Milton One timed in accordance with enrolment trajectory and debt-servicing capacity. A revised business plan is in development for presentation in the May/June governance cycle.

Figure 1 depicts the different funds which are presented annually in the audited financial statements.

Every budget report contains forward-looking information and is based on information available to management at the time of preparation; actual results may vary from these assumptions.

Figure 1: *Consolidated Financial Statement Funds*



Prior to the Board of Governors receiving this final Budget, the draft Budget was presented to the Finance, Investments & Property Committee on March 23, the Executive and Finance Committee on March 27 and to Senate on April 12. Fee information, a key assumption included in this 2023/24 Budget report, has been included in a separate 2023/24 Fee Report and was presented and reviewed during the February/March governance cycle, culminating with approval at the March meeting of the Board Executive Committee.

For Approval:

- Operating Budget
- Ancillary Budget

For Information:

- Multi-Year Operating Budget Forecast
- Multi-Year Ancillary Budget Forecast

Budget Components to be Presented in May & June 2023:

- Capital Budget
- Milton Business Plan

Financial Policies to be Presented in May & June 2023:

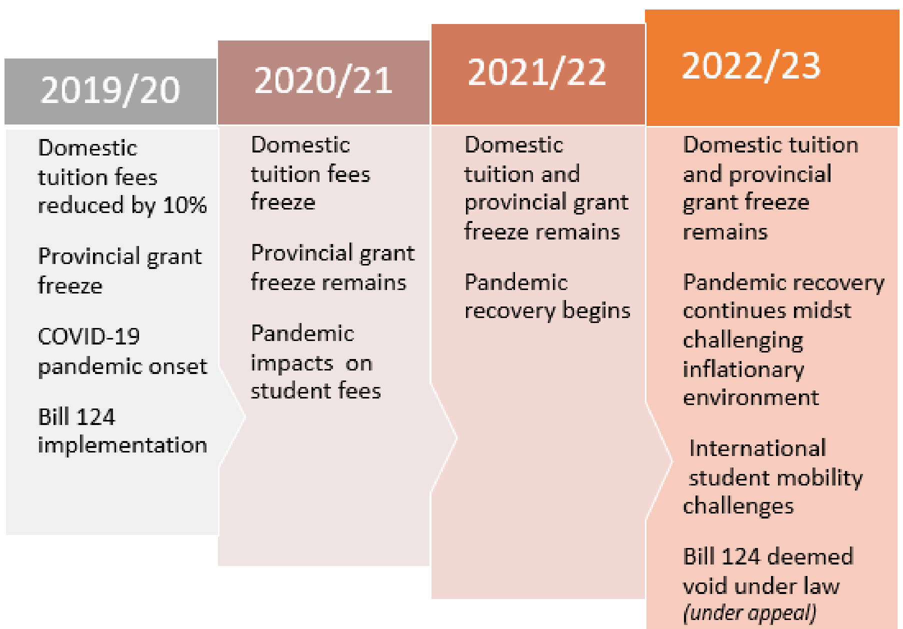
- Capital Planning Policy Update
- Capital Budgeting and Debt Policies

Executive Summary – 2023/24 Budget Highlights

Overall Fiscal Outlook

The assumptions and estimates included in the 2023/24 Operating and Ancillary budgets are based on the information available to management at the time of preparation. Post-secondary institutions in Canada are facing sector-wide challenges; the cumulative impact of tuition cuts, grant and tuition freezes, COVID-19 pandemic impacts and significant inflationary pressures have contributed to growing financial risks. Universities across Ontario are facing increased scrutiny on fiscal performance and a greater focus on financial health indicators is expected as part of the province's overall performance management framework. This will require demonstration of effective financial planning which considers the short-term needs articulated in a fiscal year budget, as well as longer term strategies that tie into strategic priorities and capital planning. Throughout our history, the strength of the Wilfrid Laurier University community has allowed us to capitalize on opportunities and prevail over challenges to become a comprehensive, multi-campus institution focused on excellence in academics, a student experience second to none, and growing research enterprise. The 2023/24 budget builds upon those strengths as the university embarks on a number of efforts which will contribute to its continued success.

Figure 2: *Road to Recovery*



Beyond pandemic recovery, Laurier is faced with frozen Ontario tuition and grant values, increasing building renewal needs, continued investment in information technology systems, compounding inflationary pressures and funding requirements for investment in strategic initiatives and programs to succeed in a highly competitive sector.

While Laurier currently meets the minimum benchmark in four out of five financial health indicators and enjoys a DBRS Long Term Debt Rating of "A", consideration of financial decisions must be made in the context of the organization's strategic mandate, as well as the full financial picture inclusive of capital, reserves, debt, and operating and ancillary services budgets.

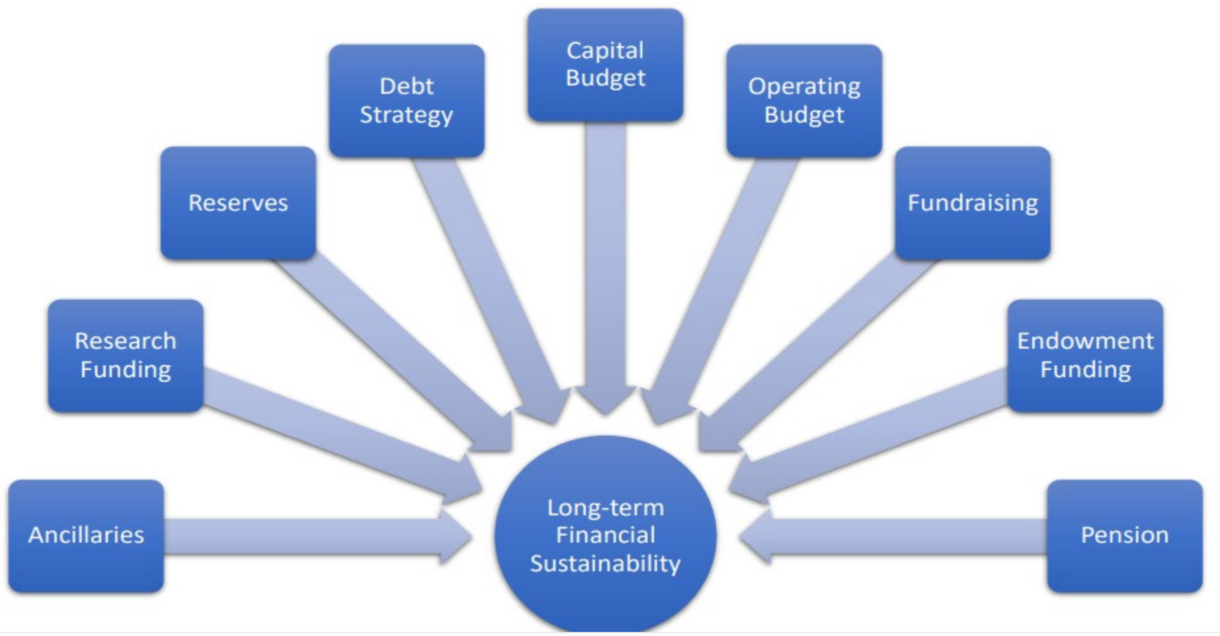
Prioritization and a focus on key investments, with consideration for growth strategies, revenue generation, cost containment and spending to increase priority services and programs will be critical to optimize limited resources and safeguard Laurier's fiscal health.

Financial Sustainability

Financial sustainability is a critical enabler that will equip Laurier with the financial strength and capacity to achieve its strategic objectives. Financial sustainability refers to the balance between the revenues available to institutions to support their academic activities and the expenses they incur in delivering their mission.

Laurier continues work to strengthen financial sustainability to support the strategic objectives of the organization. In 2023/24, Laurier will continue 2022/23 efforts to deliver enhanced, consolidated quarterly financial reports, develop preliminary debt and reserve strategies, and improve capital budgeting practices. The recent reports by the Auditor General have also provided additional considerations for Laurier in the pursuit of financial sustainability and effective financial management.

Figure 3: *Components of Financial Sustainability*



Operating Budget

The Operating Budget comprises the major annual revenues and expenditures of the university's financial operations. Revenues from student tuition fees and government operating grants account for 87% of the total operating revenues. Faculty and staff salaries and benefits account for 73% of the total operating expenditures. Table 1 below is a summary of the 2023/24 Operating Budget.

Table 1: *2023/24 Operating Budget Summary*

	Budget 2022/23	Budget 2023/24	Change
Revenue	**332,461**	**327,397**	**(5,064)**
Salary & Benefit	243,048	242,983	(65)
Non-Salary Expenses	87,346	91,144	3,797
Total Expenses	**330,394**	**334,127**	**3,733**
Surplus/(Deficit) Before Contributions	**2,067**	**(6,730)**	**(8,797)**
Austerity Measures		(5,800)	(5,800)
Contribution to Operating Reserves	1,000	1,000	
Contribution to Other Reserves	1,067	-	(1,067)
Surplus/(Deficit) After Contributions	**(0)**	**(1,930)**	**(1,930)**

The 2023/24 Budget shows forecasted total revenues of $327.4 million, a decrease of $5.1 million, or 1.5%, over last year's Budget. Tuition revenue has decreased significantly by $13.7 million or 6.9%, reflecting the flow-through of the tuition shortfall experienced in 2022/23. Government operating grants remain steady with a slight increase of $0.2 million.

Total expenditures are forecasted at $334.1 million, an increase of $3.7 million, or 1.1%, over last year. Salaries and benefits remained relatively constant over the previous year, with multiple factors contributing both favourably and unfavourably and non-salary expenses increasing by $3.8 million.

The 2023/24 Budget being presented is a deficit budget of $1.9 million. Laurier will be pursuing a multi-year approach to addressing financial sustainability, with in-year strategies to minimize the draw on reserves coupled with a return to realizing a surplus budget strategy.

Ancillary Budget

The Ancillary Services Budget as summarized in Table 2 below includes the self-sustaining organizations of Bookstore Operations, Business Development, Conference Services, Food Services, HUB Operations, Off Campus Housing (Ezra Bricker Apartments & Houses), OneCard Operations, Parking & Transportation Resources, Printing Services and Residence Operations (Waterloo & Brantford campuses).

Table 2: *2023/24 Ancillary Budget Summary*

	Budget 2022/23	Budget 2023/24	Change
Revenue	**54,846**	**57,181**	**2,336**
Salaries & Benefit	7,187	7,335	149
Non-Salary Expenses	43,610	46,096	2,486
Total Expenses	**50,797**	**53,431**	**2,634**
Net Surplus/(Deficit)	**4,049**	**3,751**	**(299)**

The revenue of the ancillary enterprises is estimated to increase by 4.3% from an approved budget of $54.8 million in 2022/23 to $57.2 million in 2023/24.

Aligned with revenue increases, expenses are expected to be higher than 2022/23 with a budget of $53.4 million in 2023/24. The most significant expense impact is the leasing of additional beds to bring the total bed inventory back to a pre-pandemic level to fulfill the first-year residence guarantee as well as additional expenses to support all ancillary operations to align with revenue projections.

The ancillary portfolio net position is a projected surplus of $3.8 million in 2023/24. This is a reduction of $0.3 million on an ancillary fund only basis. It should be noted that the contribution directly to the operating fund has increased by $0.7 million – from $0.3 million to $1.0 million – to reflect a contribution to overhead in alignment with the sector average. Therefore, on a consolidated basis, Ancillary Services is contributing $0.4 million more to net income than the previous budget year.

Part B - Operating Budget

1. 2023/24 Budget Context

The Operating Budget comprises the major annual revenues and expenditures of the university's financial operations. Revenue from student tuition fees and government operating grants account for 87% of the total operating revenues. Faculty and staff salaries and benefits account for 73% of the total operating expenditures.

The Operating Budget does not include those financial activities that are not available for general operating purposes such as direct sponsored research, trust and endowments, and government grants for major capital projects. These financial activities are consolidated and presented annually in the audited financial statements.

Several internal and external factors directly influence Laurier's Budget. These include:

Strategic Plan

The university is currently operating under the Laurier Strategy (2019-2024) which outlines the university's high-level priorities for the five-year period. The strategy highlights Laurier's role and responsibility in preparing people to be engaged global citizens who will work to address the world's challenges in the coming decade. The strategy focuses on two distinct themes – thriving community and future-readiness — which position the university to address societal and sector challenges and harness opportunities by leveraging our foundational strengths in teaching and learning, research, partnerships, and community engagement. Aligned with the Laurier Strategy, during 2022/23, the university approved the Equity, Diversity, and Inclusion Strategic Plan and commenced work on a Strategic Academic Plan, a Global Strategy, and a Strategic Plan for Indigenization.

Tuition Fee Framework

The Ministry of Colleges and Universities (MCU) provides a regulatory framework that guides the fee setting for publicly-funded tuition fees and the application of the framework for tuition fee set-aside, billing, and program fee policy.

In 2019, MCU released the 'Tuition Fee Framework and Ancillary Fee Guidelines' which included a 10% domestic tuition fee reduction for 2019/20 and a subsequent domestic tuition fee freeze up to and including 2022/23. The total estimated foregone tuition revenue is in excess of $25 million by 2023/24. On March 2nd, 2023 MCU announced a continued general freeze on most Ontario tuition rates for 2023/24. MCU is providing for Ontario tuition increases in limited programs for 2023/24. As limited details are known at the time of writing, no domestic tuition increases have been included for the 2023/24 budget. As more information becomes available, any applicable changes will be presented to the Board of Governors for approval in the form of a revised Tuition Fee Report.

Under the current tuition fee framework, and approved by the Board of Governors, Canadian citizens/permanent residents who reside outside of Ontario at the time of admission may be charged a tuition fee that is up to 3% higher in 2021/22, and up to 5% higher in 2022/23 and 2023/24 than for students applying from Ontario in equivalent programs. The impact of this change is regularly assessed and may be implemented when the overall revenue impact is material.

For the 2023/24 budget, undergraduate domestic tuition represents 38.7% of total operating revenue and graduate eligible tuition represents 4.7% of total operating revenue for a total of 43.4% of total operating revenue from grant-eligible tuition fees.

Strategic Mandate Agreement

The Strategic Mandate Agreement (SMA) between the MCU and Laurier is the university's formal agreement with the government regarding the institution's role in support of the provincial government's objectives and priority areas for the postsecondary education system. We are entering year four of a five-year agreement, SMA3, which runs from April 1, 2020 to March 31, 2025. SMA3 continues the previous corridor funding model and introduces a performance/outcomes-based funding system linked to ten metrics. The metrics are mostly system-wide metrics determined by MCU, with two metrics defined in part by the university.

***Table 3**: SMA3 Funding Metrics*

Metric	Description
Effective 2020/21	
Graduate Employment in a Related Field	Based on responses to the MCU Ontario University Graduate Survey (OUGS)
Institutional Strength & Focus	Proportion of enrolment in institution's areas of strength and focus (areas determined by each university)
Graduation Rate	Undergraduate seven-year graduation rate
Community/Local Impact of Student Enrolment	Institutional enrolment as a proportion of the city/town in which the institution is located (weighted average for multi-campus institutions)
Economic Impact (institution-specific)	Number of graduating students who are employed in Ontario multiplied by the average salary
Research Funding & Capacity	The university's share of federal Tri-Agency funding
Additional Metrics for 2021/22	
Experiential Learning	Number and proportion of graduates from undergraduate programs who participate in at least one course with required experiential learning component(s)
Research Revenue Attracted from Private Sources	Research revenue from private and non-profit sectors
Graduate Employment Earnings	Based on Statistics Canada's Education and Labour Market Longitudinal Platform (ELMLP)
Additional Metric for 2022/23	
Skills & Competencies	Learning gains by senior year undergraduate students, as assessed by responses to National Survey of Student Engagement

Each metric includes an institutionally designated weighting, and a target with a band of tolerance informed by historical performance.

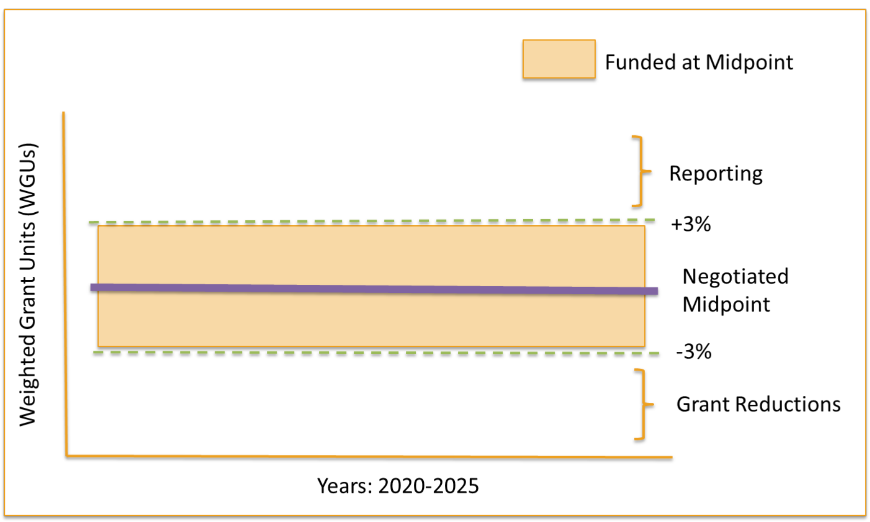
Over the course of the five-year agreement, the proportion of performance/outcomes-based funding included as part of the provincial operating grant was scheduled to increase from 25% in 2020/21 to 60% by 2024/25. In response to the pandemic, the government announced that for the first three years of the agreement operating grant funding was being de-coupled from the performance metrics. MCU is implementing a 10% performance-based funding allocation for 2023/24, increasing to 25% for 2024/25. Any increases or decreases in government grant funding due to performance-based funding are managed on a slip-year basis; as a result, we would not see any budget impact in 2023/24.

Corridor Funding Formula for Grants

Ontario universities operate in a corridor funding model (figure 4) where rather than incrementally funding grant eligible (normally domestic) enrolment, institutions are funded to a fixed mid-point level within a corridor. Our current midpoint was established at the beginning of SMA3 and included additional funding for achieved graduate enrolment growth. The 3% corridor remains in place, with compliance evaluated relative to a five-year growing moving average.

In April 2022, MCU approved 60 additional funded seats in the Bachelor of Education program located at the Brantford Campus, with an additional 60 funded seats for Fall 2023. This funding is outside of our enrolment corridor.

Figure 4: *Government Corridor Funding Formula Model*



Milton Campus

The Government of Ontario announced its approval on June 17, 2021 for Laurier to develop a new university campus in Milton in collaboration with the Town of Milton and Conestoga College. The campus, which is a key element of Laurier's strategic multi-campus growth, will focus on planetary health and offer programming, research, and experiential learning in interdisciplinary and STEAM (science, technology, engineering, arts and mathematics) fields. Academic programming in Milton will strengthen Laurier by diversifying the overall set of programs. Program and campus development are currently underway with a projected campus opening in Fall 2024. Programming will commence in pre-existing leased space, with construction of Milton One timed in accordance with enrolment trajectory and debt-servicing capacity.

As a multi-campus, multi-community university, Laurier has been working with the Town of Milton since 2008 to bring Laurier's high-quality academic and student experience to this vibrant and fast-growing community, located midway along the Toronto-Waterloo Innovation Corridor. Laurier has had a presence in the Town of Milton for a number of years, currently offering a Master of Education program in Milton as well as an ongoing Laurier Milton lecture series and participating in research and innovation partnerships.

A business plan inclusive of incurred and planned expenditures is in development to be presented in June 2023. Milton operations will be maintained as a separate budget to be funded through reserve strategies as revenues grow.

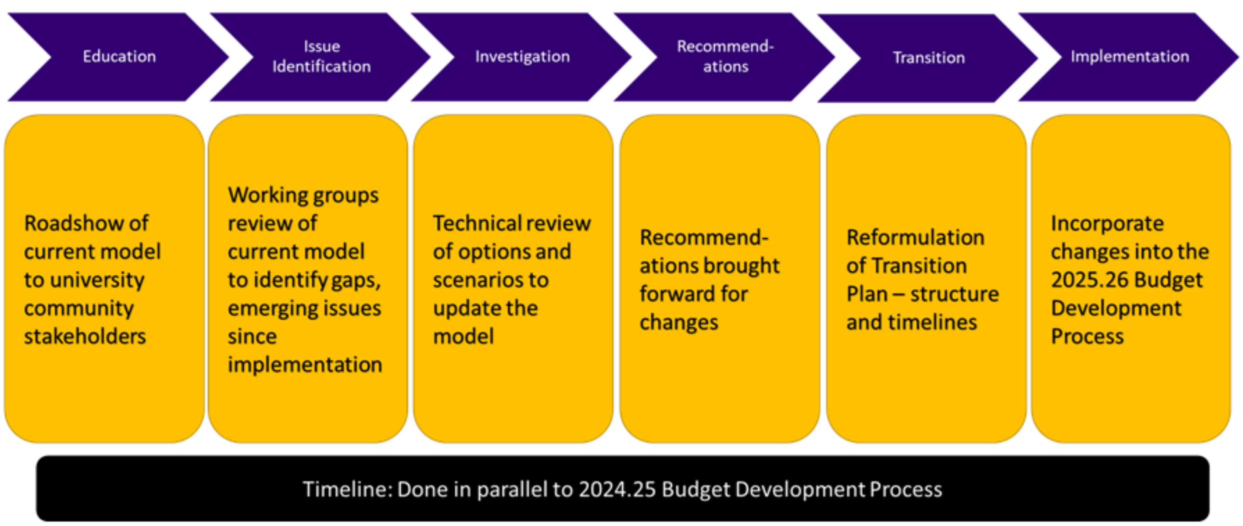
RCM Budget Model

Laurier adopted a Responsibility Centred Management (RCM) budget model in 2017/18, including a five-year transition plan to incrementally phase in implementation. The transition plan was paused in 2019/20 due to the significant impact of the change in domestic tuition policy, reducing tuition by 10% with a subsequent, and ongoing general freeze.

The RCM budget model remains active, with the full allocation of revenue and shared services costs across the Faculties. Each Faculty's financial position (see section 3.3) is a key factor in resource allocation decisions.

In 2019/20, the Provost & Vice President: Academic and the Vice President: Finance & Administration engaged expert advice and conducted a series of internal consultations to determine how best to resume the transition to full implementation of the RCM budget model. Beginning in 2023/24, a series of steps outlined below, will be taken towards full implementation, and aligned with the upcoming new Strategic Mandate Agreement (SMA4).

Figure 5: *RCM Transition to Full Implementation Timeline*



2. 2023/24 Budget Process

The 2023/24 budget process is focused on safeguarding our overall financial sustainability while pursuing Laurier's strategic objectives. In the short term, our main revenue sources – tuition and government grant – continue to be very constrained. Other factors such as inflation and barriers to international mobility are further challenging our finances. This budget cycle required actively seeking revenue streams and identifying potential cost savings.

The 2023/24 budget development process was guided by the following principles:

- Prioritize the longevity and financial sustainability of the institution in the long term
- Grow capacity for strategic action
- Focus on revenue generation aligned to mission
- Reinforce critical strengths and address critical weaknesses
- Minimize the impact of budget reductions on people

To manage this careful balancing act, the Budget Co-Chairs (Lloyd Noronha, Vice President: Finance & Administration, and Heidi Northwood, Interim Provost & Vice President: Academic) have worked closely with both the Executive Leadership Team and Budget Council, supported by the Budget Coordinating Team in accordance with the roles and responsibilities outlined below.

Budget Co-Chairs

The Provost & Vice President: Academic and the Vice President: Finance & Administration are jointly responsible for overseeing the development of the University Budget and making a recommendation to the President.

Budget Council (BC)

The Budget Council (BC) is an advisory committee to the President regarding the annual budget development and resource allocation decisions. Members fulfill fiduciary responsibilities at an institutional-level basis and advise on overall budget objectives that support the mission and goals of the university.

The Budget Council Provides oversight for the development of the University Budget, as informed by strategic and integrated planning.

- Establishes the annual budget development process
- Provides advice and recommendations for transparent resource allocation decisions reflective of the university's strategic priorities
- Informs assumptions on key budget drivers

Final approval of all budget recommendations, as presented in the Budget Report, is made by the Co-Chairs. The Budget Council is co-chaired by the Provost & Vice President: Academic and the Vice President: Finance and Administration. The Council membership is representative and ensures appropriate attention to the breadth of the University Budget and is structured to balance academic and administrative budget leaders.

Budget Coordinating Team (BCT)

The Budget Coordinating Team is co-chaired by the Assistant Vice President: Financial Resources and the Assistant Vice President: Integrated Planning & Budgeting. The Budget Coordinating Team is responsible for overseeing the operational development of the budget.

Working on the timeline in Figure 6, the ultimate objective of the budget process is to bring forward a recommended budget for consideration by the governing bodies – review and recommendation by Senate and review and approval by the Board of Governors (as depicted in Figure 7).

***Figure 6**: Annual Budget Process Timeline*

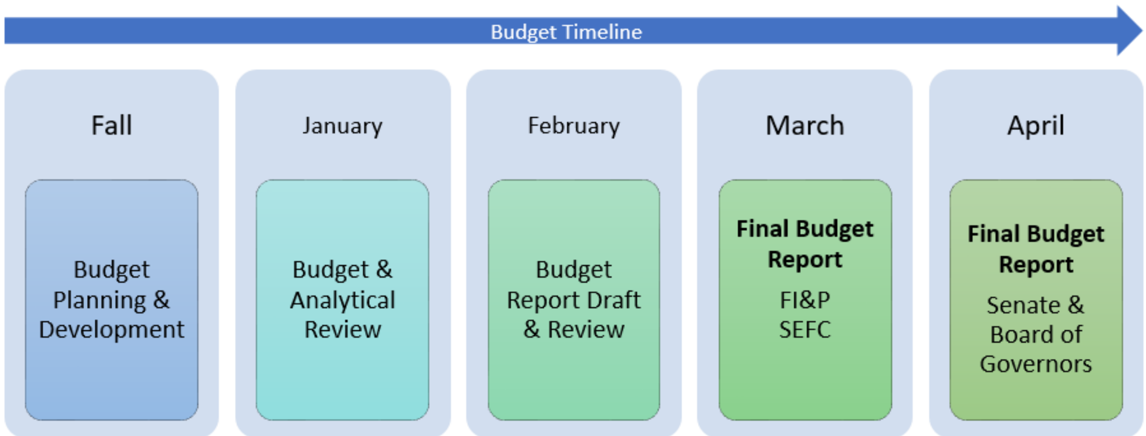
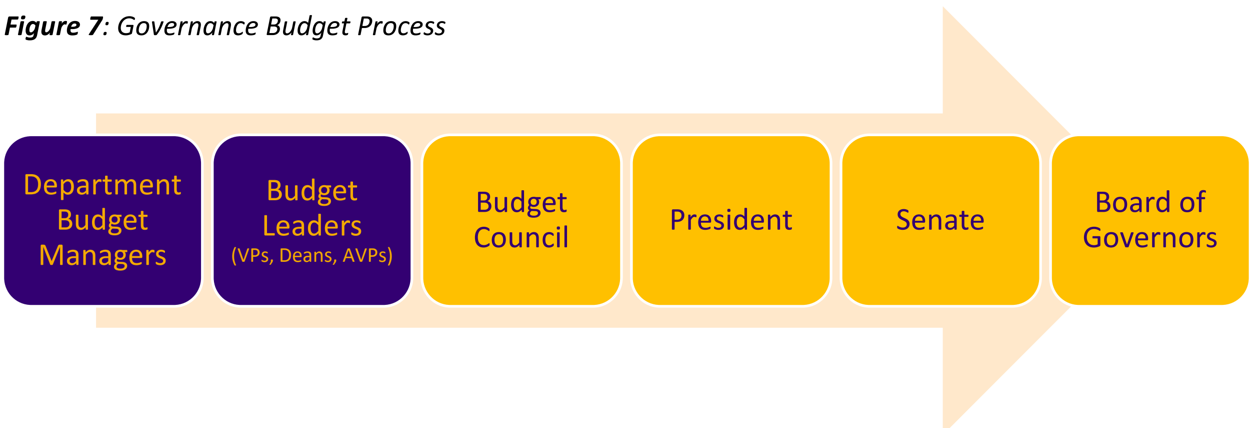


***Figure 7**: Governance Budget Process*

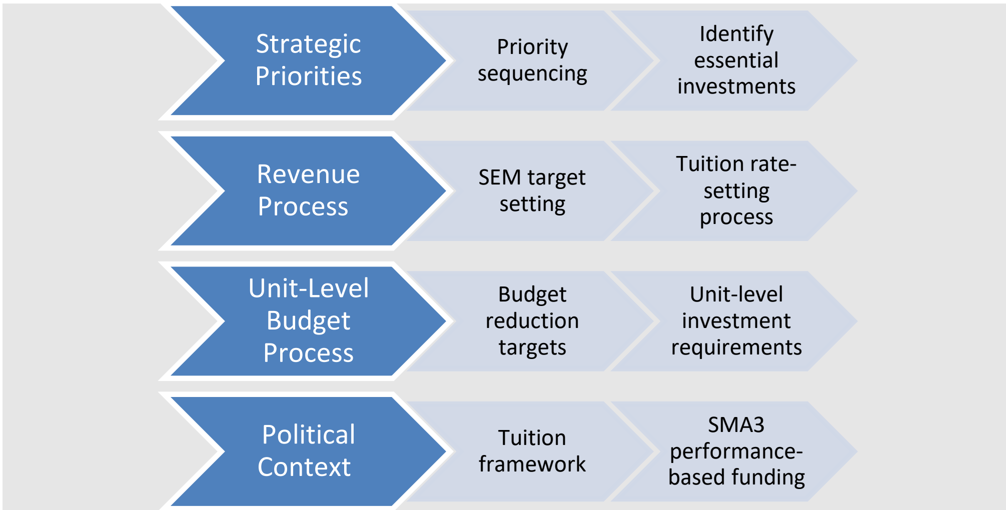


<u>The 2023/24 budget development process was divided into three phases</u>:

Phase I: Budget Planning & Development
Phase II: Budget Coordinating Team Analysis & Review
Phase III: Executive Leadership Team (ELT) and Budget Council Review

Although the budget process is developed through a phased approach with unit leaders across the university, additional iterative, parallel processes occur to build understanding of key inputs early in the process resulting in a framework to facilitate highly strategic decision-making on budget priorities.

***Figure 8**: Parallel Process Approach*



Phase I: Budget Planning & Development

The university is operating in a dynamic environment, which requires that we continually examine our priorities to ensure we are keeping current and meeting our obligations. We continue to look to the Laurier community to be future-oriented, innovative, constructive, and strategic as reflected in the Laurier Strategy: 2019-2024. This means being alert to opportunities, open to partnerships and synergies, and focused on institutional objectives.

Each budget leader was responsible for completing a budget development template. The purpose of this development template was to provide budget leaders an opportunity to:

- Identify cost reduction/revenue generation initiatives in alignment with assigned targets under three different scenarios.
- Rethink how work is currently being done across their units.
- Identify high risk critical needs for 2023/24.

Each VP (or equivalent) also received information pertaining to the portfolio-level financial performance in the most recent year, available reserve balances, and other relevant information specific to VP portfolios. Using the budget-leader submitted templates and additional information provided, each VP was responsible for modelling strategic reductions and recommending differentiated targets within their portfolio.

Phase II: Budget Coordinating Team Review

The Budget Coordination Team (BCT) conducted a comprehensive review and analysis of the revenue and expense factors driving the budget:

- revenue
- institutional costs, unit-level and central
- inflationary salary costs
- direct costs of teaching
- essential requests
- budget targets

The full detail on all these elements is provided in Sections 2.1 through 2.3 below.

Phase III: Executive Leadership Team and Budget Council Review

The Executive Leadership Team had intensive discussions on strategic budget reduction ideas brought forward this year and prioritized the strategic ideas submitted by each VP. ELT considered the proposals from a holistic perspective and nature of the idea in terms of recommended timeline and associated risk.

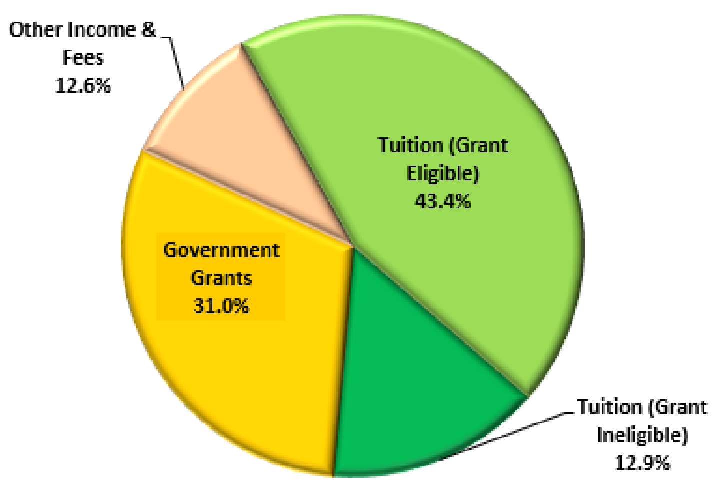
Based on the elements above, ELT evaluated the budget target strategy and made recommendations for the 2023/24 budget.

Budget Council reviewed the overall financial position of the 2023/24 draft budget through the review of the major revenue and expense drivers outlined above to determine what level of budget target would be required at the university level.

2.1 Revenue Process

The revenue process considers three separate components: government operating grant, tuition fees, and other income and fees.

Figure 9: *Breakdown of Total Revenue*



Operating grants

MCU allocates enrolment and performance-driven operating grant revenue in alignment with SMA3. Operating grant allocations for universities are governed by an enrolment corridor mechanism that includes a negotiated midpoint, indicating the level of funded student enrolments.

MCU's funding model includes three distinct funding envelopes:

- Enrolment Envelope: The Core Operating Grant (COG) funding does not exceed our corridor midpoint level.

- Differentiation Envelope: Performance-Based Funding (PBF) distributed based on outcomes against specified metrics. In response to the COVID-19 pandemic, MCU delayed the activation of performance-based funding, with no funding at-risk. For 2023/24, a planned 10% of enrolment-based funding will be performance-based, increasing to 25% for 2024/25.
- Special Purpose Grants Envelope: Designated purpose funding in support of system-wide priorities and initiatives. For the duration of SMA3, this includes enrolment funding related to the Bachelor of Education program in Brantford.

Both COG and PBF constitute Laurier's currently fixed enrolment grant funding. Laurier's operating grant funding includes an allocation for Martin Luther University College, a federated college of the university. In addition, a grant reduction is applied through the International Student Recovery, decreasing the operating grant allocation based on the level of applicable international students.

For 2023/24, the 10% performance-based funding was reviewed to assess the potential funding at-risk. Based on our performance on the metrics to date, there is a low risk of a grant reduction. Furthermore, any funding reductions are managed on a slip-year basis; as a result, we would not see any budget impact in 2023/24.

Tuition revenue

Revenue from tuition is the product of tuition rates and enrolment.

Tuition rates

Tuition rates for publicly funded (domestic) students are governed by the Provincial Government's Tuition Fee Framework. For 2023/24 Ontario student tuition rates are at the same levels as 2022/23 (0% change). In early March 2023, MCU indicated that tuition increases in limited programs will be permitted, however more details are needed on how that will apply to Laurier. There is provision for 5% increase for domestic out-of-province students[1].

For international students and students in non-publicly funded programs and courses, the university has discretion over tuition fee increases as these are not eligible for provincial government funding and are not governed by the tuition fee framework. Tuition rates for these programs are guided by the market and Laurier's relative competitiveness. For international students, the university is formalizing its practice of limiting continuing student increases to a maximum of 5%. This policy will enable international students to better determine the total cost of their degree.

The Tuition Fee Report, separate from the Budget Report, recommended by Senate, and approved by the Board Executive Committee in March includes the tuition fee rates that are incorporated into the 2023/24 budget. As further information becomes available, any subsequent changes will be presented to the governing bodies for recommendation and approval.

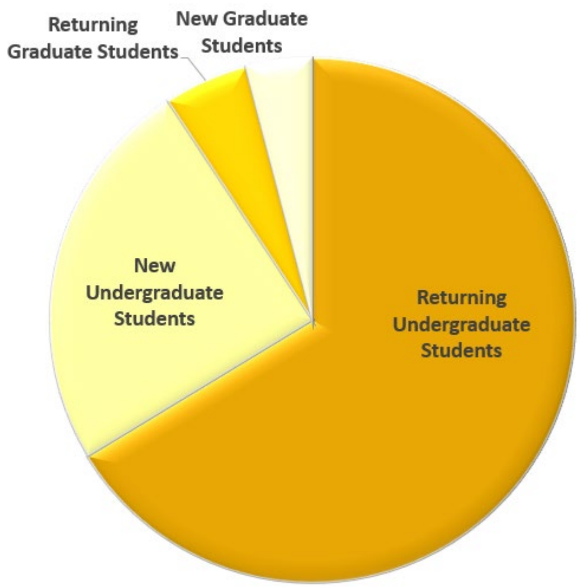
[1] Canadian citizens/permanent residents residing outside of Ontario at the time of admission may be charged a tuition fee that is up to 3% higher in 2021/22, and up to 5% higher in 2022/23 & 2023/24 than students applying from Ontario in equivalent programs. The impact of this change is regularly assessed and may be implemented when the overall revenue impact is material.

Enrolment projections

Student enrolment is the major driver of institutional revenue. The Strategic Enrolment Management (SEM) Committee is responsible for aligning the enrolment planning process with institutional and academic priorities. This includes the development of enrolment targets for both new graduate and undergraduate students, as well as monitoring retention metrics. These core inputs form the basis of the enrolment projection, which is then used to forecast tuition and operating grant revenue institutionally and by Faculty.

Figure 10 is a conceptual depiction of how the various cohorts of students make up the enrolment projection, which drives the total tuition and grant revenue forecast.

Figure 10: *Components of Enrolment Forecast by Student Headcount*



2.2 Enrolment

The following table illustrates the projected change in total students[2]:

***Table 4**: Forecasted Change in Total Students*

	Total Fall Headcount (Full-time & Part-time) *				
	2021-22	**2022-23**	**2023-24**	**2023-24 /2022-23**	
	Actual	**Actual**	**Projected**	Projected / Actual	
Undergraduate				**#**	**%**
Domestic	18,833	18,778	18,976	198	1.1%
International	1,254	1,128	1,185	57	5.1%
Full Time	16,173	16,226	16,535	309	1.9%
Part Time	3,914	3,680	3,626	-54	-1.5%
Graduate					
Domestic	2,026	1,843	1,867	24	1.3%
International	150	163	195	32	19.6%
Full Time	1,035	956	1,047	91	9.5%
Part Time	1,141	1,050	1,015	-35	-3.3%
Undergraduate	20,087	19,906	20,161	255	1.3%
Graduate	2,176	2,006	2,062	56	2.8%
Total	**22,263**	**21,912**	**22,223**	**311**	**1.4%**
Domestic	20,859	20,621	20,843	222	1.1%
International	1,404	1,291	1,380	89	6.9%
Total	**22,263**	**21,912**	**22,223**	**311**	**1.4%**
Full Time	17,208	17,182	17,582	400	2.3%
Part Time	5,055	4,730	4,641	-89	-1.9%
Total	**22,263**	**21,912**	**22,223**	**311**	**1.4%**

* # of registered students in Fall Term

Overall, the total student headcount for Fall 2023 is projected to increase by 311 students or 1.4% over Fall 2022. Modest growth is seen in both undergraduate and graduate full-time students, up 2.3%, while part-time enrolment is projected to decline 1.9% overall. Increases in international students are anticipated, up 6.9% overall with graduate international enrolment projected to increase 19.6%. One contributor to the increase in undergraduate international students is the projected increase in transfer students from Wilfrid Laurier International College (WLIC).

[2] Student enrolment tables exclude students registered at Martin Luther University College

***Figure 11**: Student Composition*

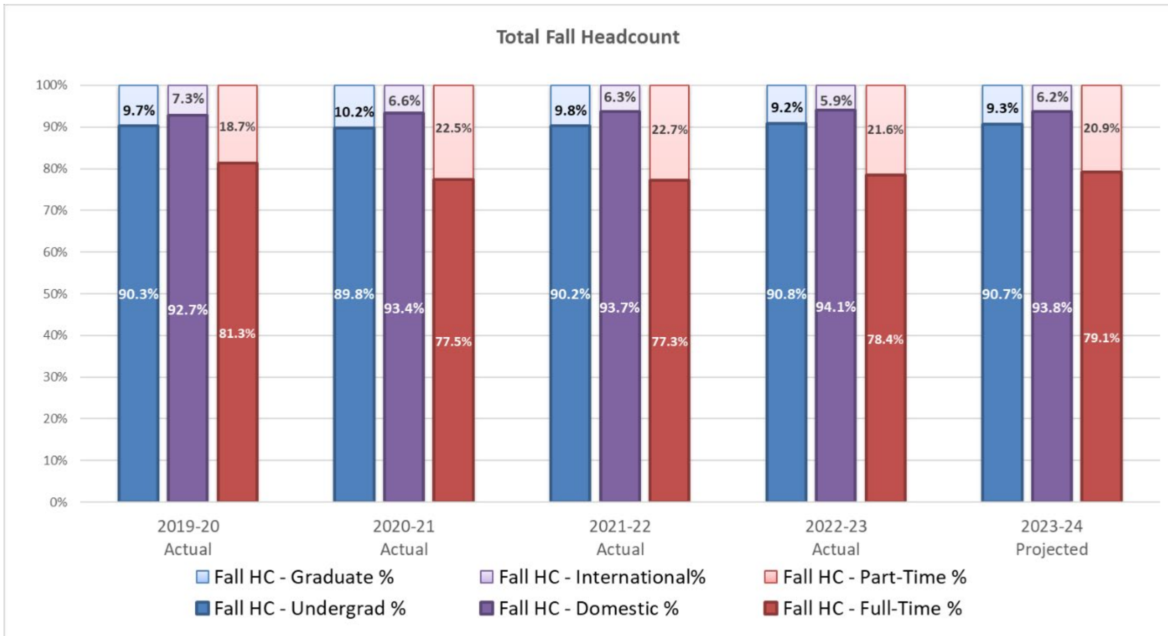


Figure 11 illustrates anticipated growth overall in international students, as challenges related to international student mobility continue to ease. Part-time students are projected to decrease as a percentage of overall student population. This is due to both enrolment decreases in part-time graduate programs and to the reduction in part-time undergraduate international students, as more international students are anticipated to return to full-time, in-person learning.

Undergraduate (UG) Students:

Total projected undergraduate headcount for Fall 2023 is 20,161 reflecting a 1.3% increase over the prior year. Included is a 1.1% increase in domestic enrolment and a 5.1% increase in international enrolment, largely driven by an increase in incoming first year international students.

The incoming first year class makes up 31% of the total full-time undergraduate enrolment.

***Table 5**: Fall Full-Time Headcounts – Undergraduate*

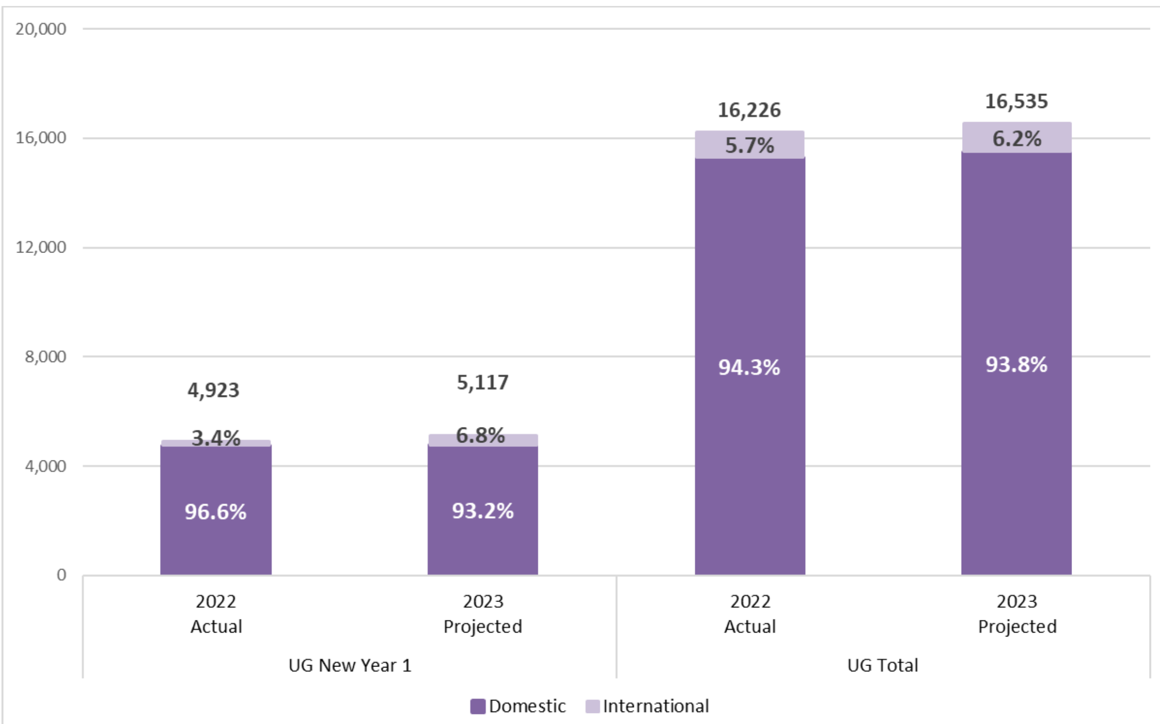
1st Year Fall Full-Time Headcount – Undergraduate				
Fall Full-Time Headcount	2021 Actual	2022 Actual	2023 Projected	23p vs 22a % Change
Domestic – 1st entry	4,811	4,520	4,511	-0.2%
International – 1st entry	230	165	350	112.1%
1st entry Sub-Total	**5,041**	**4,685**	**4,861**	**3.8%**
Domestic – 2nd entry (Bachelor of Education)	155	236	256	8.5%
International – 2nd entry	0	2	0	-
Total	**5,196**	**4,923**	**5,117**	**3.9%**

The majority of entering students are 1st entry students. The projected target shows a 3.8% increase from 2022, with significant growth projected in international students as the barriers related to international student mobility continue to ease. Intake of domestic students is consistent with the prior year. Intake in Fall 2021 represented the largest ever incoming class.

The Bachelor of Education program, introduced a cohort of 60 students at the Brantford campus for Fall 2022. The 8.5% growth in intake reflects an additional cohort of 60 BEd students at the Brantford Campus this coming year.

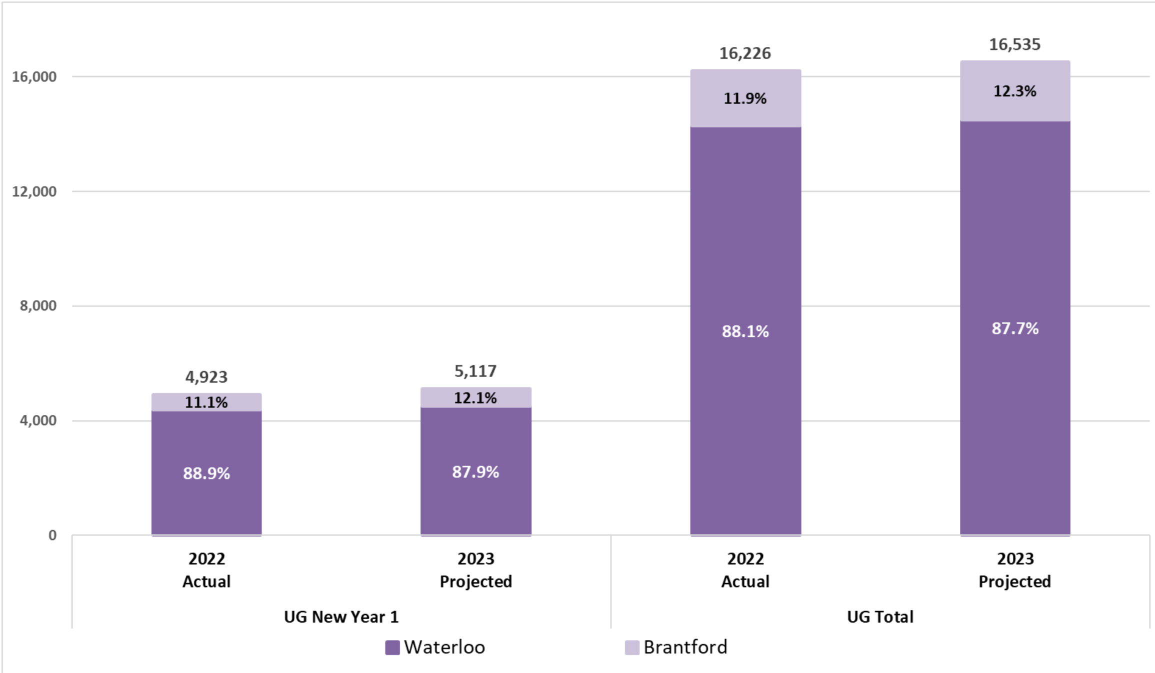
Total full-time undergraduate enrolment for both first year intake and overall is displayed by Domestic/International via student visa status (Figure 12), by Campus (Figure 13) and by Faculty (Figure 14).

Figure 12: *Total Undergraduate Fall Full-time Headcount-Domestic/International*



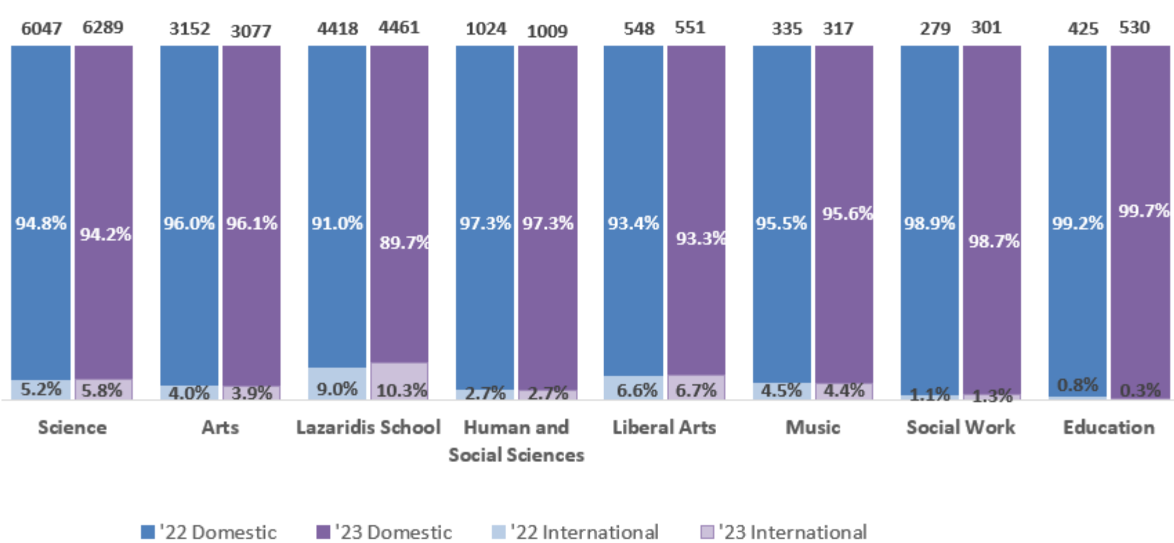
The above figure demonstrates the domestic/international breakdown for both total full-time undergraduate enrolment and 1st year intake. Fall 2022 international student enrolment was significantly reduced by ongoing pandemic impacts, in particular visa processing delays. For Fall 2023, a return to pre-pandemic international intake is projected to a total of 350 students, with increased enrolment focused in professional programs. This contributes to an overall anticipated increase in the proportion of international undergraduate students. In addition, for 2023/24, a full cohort of advanced standing international students are expected from Wilfrid Laurier International College (WLIC).

Figure 13: *Total Undergraduate Fall Full-time Headcount by Campus*



The Brantford campus is projecting a 13.2% increase in intake, aligned with an overall growth strategy for the campus and resulting in a slight increase in overall proportion of undergraduate students at the Brantford campus. Intake for the Waterloo campus is expected to increase by 2.8%, largely attributed to a higher intake of international students than the prior year. Overall, full-time undergraduate enrolment is expected to increase by 1.9%.

Figure 14: *Total Undergraduate Fall Full-time Headcount by Faculty*



The projected overall 1.9% increase in undergraduate full-time enrolment is not distributed evenly across all Faculties. The most significant undergraduate enrolment growth is projected in the Faculty of Science at 4.0% with growth in professional programs and the Faculty of Education at 25% with an additional cohort of Bachelor of Education students beginning at the Brantford campus in Fall 2023. Overall undergraduate enrolment in the other Faculties is projected to remain relatively stable. Proportionally, international enrolment is concentrated in the Lazaridis School, Faculty of Science and the Faculty of Liberal Arts.

Graduate Students:

At the graduate level, student enrolment is projected to increase by 6.3%[3] with growth anticipated across all program categories.

The composition for the projected Graduate Fall FTE is displayed by Program Category (Table 6), Domestic/International via student visa status (Table 7) and by Faculty (Figure 15):

Table 6: *Graduate Fall FTE by Program Category*

Graduate FTE by Program Category				
Fall FTE	**2021 Actual**	**2022 Actual**	**2023 Projected**	**23p vs 22a % Change**
Grant Eligible Programs				
Professional Masters *	454.2	457.0	465.0	1.8%
Research Masters	384.1	361.9	397.4	9.8%
Doctoral	223.6	223.1	247.4	10.9%
Grant Ineligible Programs				
Full Cost Recovery **	315.4	229.0	241.7	5.5%
Total	**1,377.3**	**1,271.0**	**1,351.5**	**6.3%**

* includes diploma and general grad studies

** Enrolment in cost recovery programs (e.g. Mfin, Graduate diploma in Accounting) is not eligible for grant funding

Growth is projected across all graduate program categories, with the majority anticipated in PhD and Research Masters programs.

[3] Consistent with MCU reporting, graduate enrolment is reported as Fall full-time equivalents (FTEs) with 1 part-time graduate student = 0.3 FTE

***Table 7**: Graduate FTE - Domestic/International*

Graduate FTE by Type of Student				
Fall FTE	2021 Actual	2022 Actual	2023 Projected	23p vs 22a % Change
Domestic – Grant Eligible	879.7	829	883.2	6.5%
Domestic – Grant Ineligible *	351.1	283.2	275.4	-2.8%
International**	146.5	158.8	192.9	21.5%
Total	**1,377.3**	**1,271.0**	**1,351.5**	**6.3%**

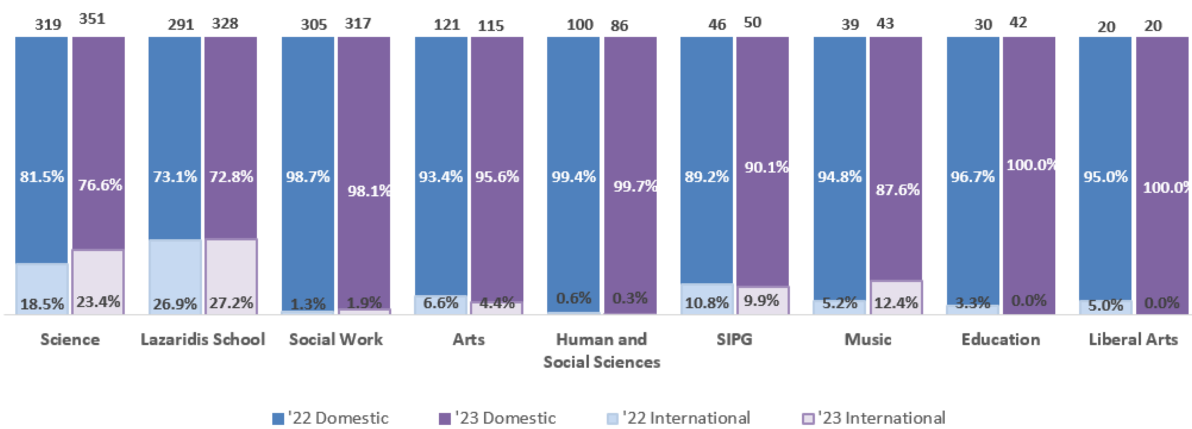
** Includes domestic students in cost-recovery programs (about 75%) and those who exceed WGU/grant limit (about 25%)*

*** Includes inbound exchange students and international students in full-cost recovery programs*

Graduate growth is projected to be in programs eligible for provincial grant funding, with an increase of 6.5% over the prior year.

International graduate enrolment is projected increase 21.5% projected over the prior year, mainly focused in professional programs..

***Figure 15**: Graduate FTE by Faculty*



Graduate growth is concentrated in the Faculty of Science at a 10.0% increase and the Lazaridis School at 12.7%, both with significant projected international enrolment.

2.3 Expense Process

The current financial expense assumptions incorporate updated salary and benefit information, updated projections including institutional costs, direct costs of teaching, and new investments in priority areas.

Total expenses for 2023/24 are $334.1 million. Expense changes are categorized as Direct Cost of Teaching, Essential Requests, Institutional Costs – Unit Oversight and Institutional Costs – Central Oversight.

Direct Cost of Teaching

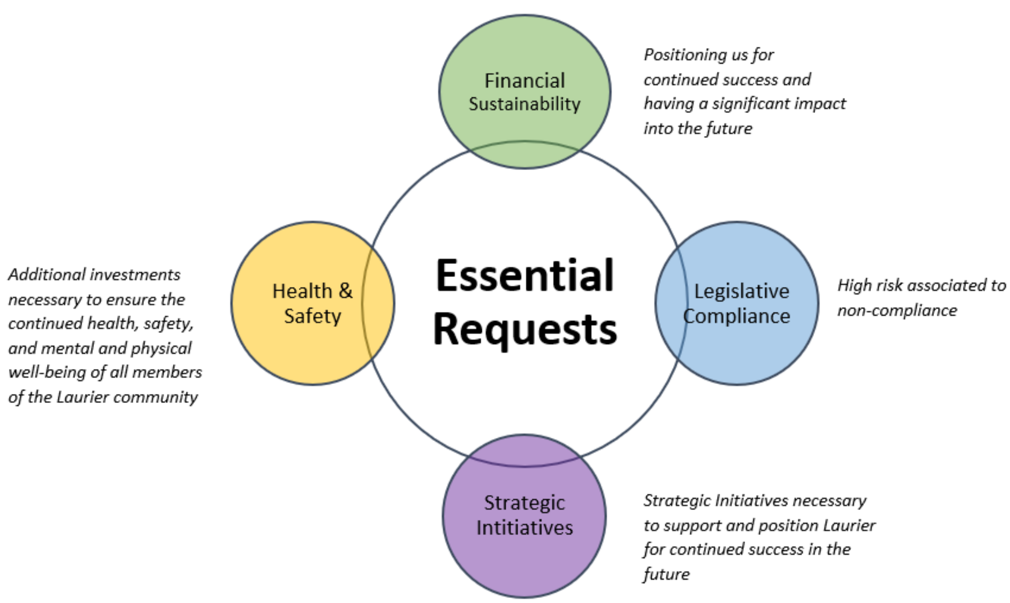
The direct costs of teaching associated with the creation of new academic programs and enrolment changes in continuing programs are considered when establishing the expense budget. Senate Academic Planning Committee and Senate review and approve the creation of new programs and the related detailed multi-year budgets. These necessary expenditures on direct program costs (principally teaching) are offset by incremental revenue from the new programs.

Each Dean reviewed their Strategic Enrolment Management (SEM) plans and identified whether the change in enrolment mix required additional direct teaching resources. Discussions between the Deans and the Provost occurred to review the enrolment numbers to determine eligible costs to be funded. Examples of direct cost of teaching expenditure may include the hiring of full-time faculty or Contract Teaching Faculty (CTF), the development and delivery of online courses, teaching assistance, lab supervision, support staff, partnerships, lab equipment, space, and operating costs.

Essential Requests

As part of the budget template process, budget leaders had the opportunity to identify critical needs for 2023/24. In the current fiscally constrained environment, budget leaders were asked to include only items that they would prioritize over current, ongoing activities in their unit or new costs that have already been committed. Examples of high-risk critical requests that would potentially be identified during this process are highlighted in Figure 16:

Figure 16: *Essential Request Principles*



In the current fiscally constrained environment, VPs were requested to focus on prioritizing only the most essential items to minimize the overall budget impact to the university. Prioritization included consideration if requests could be delayed or if there was potential for cost flexibility. The final prioritized list was reviewed by ELT and Budget Council.

Institutional Costs – Unit Oversight

Institutional costs with unit oversight are costs that are directly attributable to a unit, and the unit has the responsibility to oversee the cost. However, the unit has limited control over how the cost may increase or decrease (e.g., scholarships, pension valuation, contractual obligations, etc.).

These costs were reviewed by the unit and the Budget Coordinating Team as part of the budget development process with the objective of keeping any cost changes to a modest level based on actual experience and anticipated future changes, while reducing the level of conservatism. The proposed changes were reviewed with Vice President: Finance & Administration and the Provost & Vice President: Academic. Budget Council also had an opportunity to review cost changes and advise the Co-Chairs.

Institutional Costs – Central Oversight

Institutional costs with central oversight are costs that cannot be directly attributed to a unit. These costs are reviewed for any changes that may cause the cost to increase or decrease (e.g., interest income, ancillary contribution).

The central costs (both revenue and expense) were reviewed based on actual experience and/or anticipated future changes and adjusted accordingly. The expected change was reviewed with the Vice President: Finance & Administration and the Provost & Vice President: Academic and brought to Budget Council for information.

3. 2023/24 Operating Budget

The 2023/24 Operating Budget detailed information is presented in the following pages beginning with a summary of the Operating Budget (Table 8). The summary is broken out into major revenue and expense types with a comparison to the 2022/23 Budget, noting the major changes year-over-year. Additionally, the summary is further broken out into Base (ongoing revenue and expense components) and One-Time-Only (OTO), time-limited revenue and expense components.

Table 8: *2023/24 Budget by Revenue & Expense*

2023/24 Budget by Expense

In $000's

	Approved Budget 2022/23	BASE Budget 2023/24	OTO Budget 2023/24	Total Budget 2023/24	Change	% Chg
Revenue						
Tuition Fees	197,661	183,997		183,997	(13,664)	*(6.9%)*
Enrolment Based Government Grants	101,077	101,300		101,300	223	*0.2%*
Other Income & Fees	33,723	40,633	1,467	42,100	8,377	*24.8%*
Revenue Total	**332,461**	**325,930**	**1,467**	**327,397**	**(5,064)**	***(1.5%)***
Salary & Benefit Expenses						
Full/Part Time Faculty Costs	112,155	112,617	(1,163)	111,454	(701)	*(0.6%)*
Full/Part Time Staff Costs	82,867	86,922	(1,050)	85,872	3,005	*3.6%*
Benefits	26,968	26,106	(533)	25,573	(1,395)	*(5.2%)*
Current Service Costs	20,296	20,084		20,084	(212)	*(1.0%)*
Pension Plan Deficiency	762				(762)	*(100.0%)*
Salary & Benefit Expenses Total	**243,048**	**245,729**	**(2,746)**	**242,983**	**(65)**	***(0.0%)***
Non-Salary Expenses						
Scholarships & Bursaries	20,611	20,322	2,192	22,514	1,903	*9.2%*
Operating Costs	51,992	51,610	2,649	54,259	2,266	*4.4%*
Debt Service	5,915	5,915		5,915		*0.0%*
Utilities, Insurance & Taxes	6,829	6,457		6,457	(372)	*(5.4%)*
Contingency	2,000	2,000	0	2,000		*0.0%*
Non-Salary Expenses Total	**87,346**	**86,304**	**4,841**	**91,145**	**3,798**	***4.3%***
Expense Total	**330,394**	**332,033**	**2,095**	**334,127**	**3,732**	***1.1%***
Surplus/(Deficit) Before Contributions	**2,067**	**(6,103)**	**(627)**	**(6,730)**	**(8,797)**	
Austerity Measures			(5,800)	(5,800)	(5,800)	
Contribution to Operating Reserves	1,000	1,000		1,000		
Contribution to Other Reserves	1,067				(1,067)	
Surplus/(Deficit) After Contributions	**(0)**	**(7,103)**	**5,173**	**(1,930)**	**(1,930)**	

The figure below depicts the key components contributing to the year-over-year change as shown in Table 8. The details of these key components are further explained in Sections 3.1 (Revenue Projections and 3.2 (Expense Projections). Positive values indicate a favourable impact to the budget, whereas a negative value indicates an unfavourable impact.

Figure 17: *Key Components of the Budget Build Process*

	BASE	OTO	TOTAL
2022/23 Budget - BASE	**6,264**	**0**	**6,264**
Tuition, Grant & Other Revenue	-12,968		-12,968
Inflationary Salary Costs	-8,553	-547	-9,100
Direct Cost of Teaching	-2,065	-965	-3,029
Institutional Costs	7,412	-1,767	5,646
Essential Requests	-939	-33	-972
Budget Targets/Austerity Measures	4,296	6,332	10,629
Gapping Adjustments		3,025	3,025
Contribution to Reserves	-1,000		-1,000
Other Adjustments	449	-873	-424
2023/24 Surplus / (Deficit)	**-7,103**	**5,173**	**-1,930**

3.1 Revenue Projections

Overall, total revenues are expected to decrease by $5.1 million or 1.5%. Revenues from student tuition fees and government operating grants account for 87% of the total operating revenues. The following provides a comprehensive review of each major component of operating revenues and the factors causing the change from the previous year.

3.1.1 Tuition Revenue

Total tuition revenue is the product of enrolment projections and tuition rates. The process of how each input is determined is described in Section 2.1. Table 9 breaks out the tuition revenue components and year-over-year change in budget. Total tuition revenue is projected to decrease $13.7 million or 6.9% when compared to prior year budget. The 2022/23 fiscal year has shown a significant tuition shortfall due to several factors including:

- Lower than anticipated registration in the spring term as registration activity begins to return to pre-pandemic levels
- Incoming first year international students below target, further compounded by student visa processing delays
- Lower than expected registrations by returning undergraduate students, both domestic and international
- Graduate enrolment below target

The 2023/24 tuition budget shows a $4.1 million or 2.3% increase over the estimated 2022/23 actual tuition results, largely driven by increases in international undergraduate tuition, resulting from both a 2.5% projected increase in FTEs as well as international tuition rate increases.

***Table 9**: Budgeted Operating Revenue Components*

	Enrolment (UG Fiscal FTE & GR Fall FTE)							
	2021-22	2022-23	2022-23	2023-24	2023-24 /2022-23		2023-24 /2022-23	
	Actual	Projected	Actual	Projected	YoY Change		Projected / Actual	
Undergraduate					#	%	#	%
Domestic	17,787	18,378	18,001	18,058	-321	-1.7%	57	0.3%
International	1,298	1,518	1,177	1,207	-311	-20.5%	30	2.5%
Full Time	16,148	16,933	16,413	16,483	-449	-2.7%	71	0.4%
Part Time	2,937	2,964	2,765	2,781	-182	-6.2%	16	0.6%
Graduate								
Domestic	1,231	1,258	1,112	1,159	-99	-7.9%	46	4.2%
International	147	160	159	193	33	20.9%	34	21.5%
Full Time	1,035	1,076	956	1,047	-29	-2.7%	91	9.5%
Part Time	342	341	315	305	-37	-10.7%	-11	-3.3%
Undergraduate	19,085	19,896	19,178	19,265	-632	-3.2%	87	0.5%
Graduate	1,377	1,417	1,271	1,352	-66	-4.6%	80	6.3%
Total	**20,462**	**21,313**	**20,449**	**20,616**	**-697**	**-3.3%**	**168**	**0.8%**
Domestic	19,018	19,636	19,113	19,216	-419	-2.1%	104	0.5%
International	1,445	1,678	1,336	1,400	-278	-16.6%	64	4.8%
Total	**20,462**	**21,313**	**20,449**	**20,616**	**-697**	**-3.3%**	**168**	**0.8%**
Full Time	17,183	18,009	17,369	17,530	-478	-2.7%	162	0.9%
Part Time	3,280	3,305	3,080	3,086	-219	-6.6%	6	0.2%
Total	**20,462**	**21,313**	**20,449**	**20,616**	**-697**	**-3.3%**	**168**	**0.8%**

	Preliminary Tuition (in $000's)							
	2021-22	2022-23	2022-23	2023-24	2023-24 /2022-23		2023-24 /2022-23	
	Actual	Projected	Est. Actual	Projected	YoY Change		Projected / Actual	
Undergraduate					#	%	#	%
Domestic	$123,692	$128,127	$125,331	$125,880	-$2,247	-1.8%	$548	0.4%
International	$35,189	$45,217	$32,907	$36,556	-$8,662	-19.2%	$3,649	11.1%
Full Time								
Part Time								
Graduate								
Domestic	$20,155	$19,546	$17,173	$16,732	-$2,814	-14.4%	-$441	-2.6%
International	$3,794	$4,770	$4,444	$4,830	$59	1.2%	$386	8.7%
Full Time								
Part Time								
Undergraduate	$158,881	$173,344	$158,238	$162,435	-$10,909	-6.3%	$4,197	2.7%
Graduate	$23,949	$24,316	$21,617	$21,562	-$2,754	-11.3%	-$55	-0.3%
Total	**$182,831**	**$197,661**	**$179,855**	**$183,997**	**-$13,663**	**-6.9%**	**$4,142**	**2.3%**
Domestic	$143,847	$147,673	$142,504	$142,612	-$5,061	-3.4%	$108	0.1%
International	$38,984	$49,988	$37,351	$41,386	-$8,602	-17.2%	$4,035	10.8%
Total	**$182,831**	**$197,661**	**$179,855**	**$183,997**	**-$13,663**	**-6.9%**	**$4,142**	**2.3%**

Undergraduate domestic tuition revenue

Undergraduate domestic tuition revenue is forecasted to decrease by $2.2 million or 1.8% over the prior year budget. This is consistent with the projected 1.7% decline in the number of students above, and a flat tuition rate change of 0.0% for domestic students.

Undergraduate international tuition revenue

Undergraduate international tuition revenue is forecasted to decrease by $8.7 million or 19.2% over the prior year budget. While international tuition rate increases average approximately 5%, the 20.5% decline in international students compared to the 2022/23 budget is a result of the unrealized international intake from the prior year and subsequent impact on projected returning international students.

Graduate tuition revenue

Graduate tuition revenue is forecasted to decrease by $2.8 million or 11.3% over the prior year budget, reflecting a decrease in projected enrolment when compared to prior year projections. Graduate enrolment projections for 2023/24 are more closely aligned with 2022/23 actual enrolment achieved.

Figure 18: *Student Revenue Source by Type*

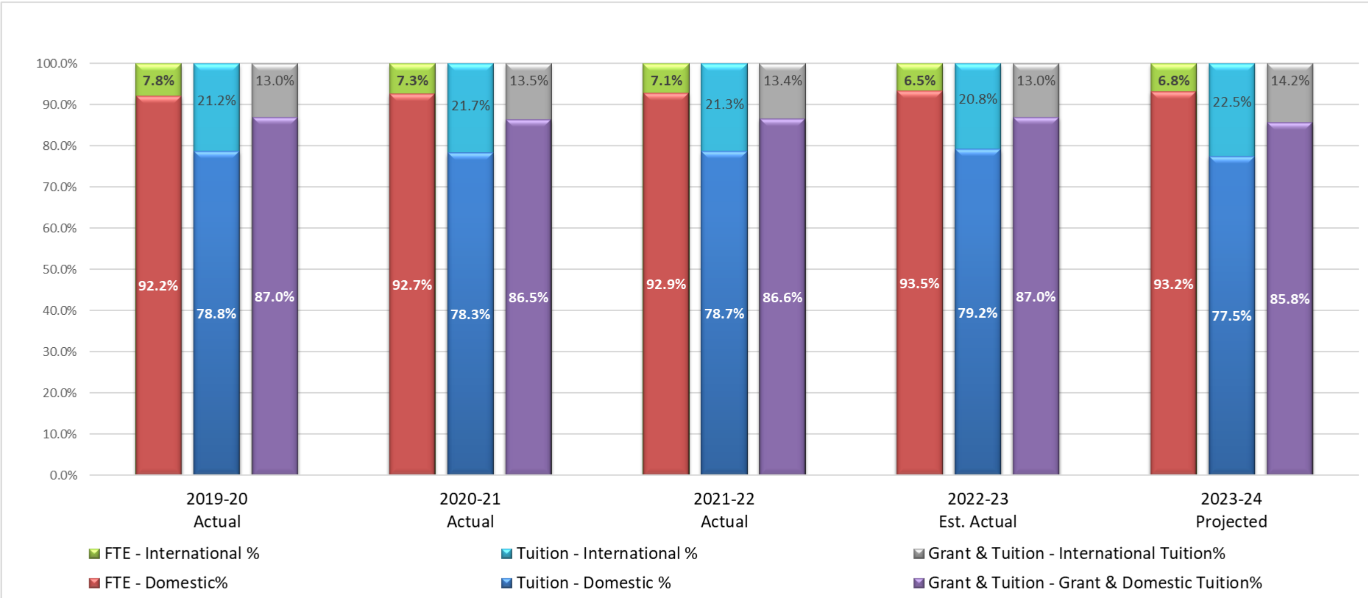


Figure 18 indicates a projected increase in international enrolment for 2023/24 to 6.8% as barriers related to international student mobility continue to ease. Overall enrolment-related tuition and operating grant revenue continues to primarily relate to domestic enrolment representing 77.5% of tuition and 85.8% of projected total enrolment-related revenue. However, growth in international enrolment and tuition rates, combined with frozen domestic tuition rates and fixed corridor grant funding results in a decrease in the proportion of domestic revenue from 87.0% to 85.8%.

3.1.2 Government Grants

Table 10 outlines the major sources of government grant funding in fiscal 2023/24.

Table 10: *Major Sources of Government Grant Funding*

Major Sources of Government Grant Funding				
Budget *(In 000's)*	**2022/23 Budget**	**2023/24 Budget**	**Change**	**%**
Enrolment Envelope (Core Operating Grant)	57,126	45,485	(11,641)	-20.4%
Differentiation Envelope (Performance/Outcomes Based Grant)	46,458	57,667	11,209	24.1%
International Student Recovery	(1,182)	(948)	234	-19.8%
Institutional Total	**102,403**	**102,205**	**(198)**	**-0.2%**
Allocation to Martin Luther University College	(1,326)	(1,627)	(301)	22.7%
Sub-Total	**101,077**	**100,578**	**(499)**	-0.5%
Bachelor of Education (Brantford Campus)*		722		
Total	**101,077**	**101,300**	**223**	0.2%

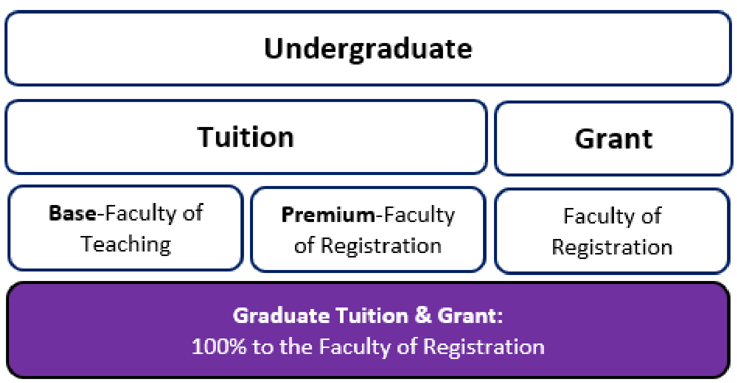
* Includes funding for Bachelor of Education program in Brantford, which is currently outside the corridor

The total revenue from the government operating grant remains relatively flat due to the SMA3 corridor funding model. The 0.2% increase relates to the increase in grant funding for the Bachelor of Education program at the Brantford campus, which receives incremental funding outside of the corridor funding model, as well as a decrease in the international student recovery, based on the overall decrease in projected international students. These changes are partially offset by an increase in operating grant allocation to Martin Luther University College, based on their projected increase in eligible enrolments. As 2023/24 is the fourth year of SMA3, the proportion of funding allocated to the Differentiation Envelope is significantly higher than in the previous year, reflecting the scheduled increase in the percentage of performance-based funding. Of the total operating grant, approximately 86% relates to undergraduate enrolment.

3.1.3 Total Revenue by Faculty

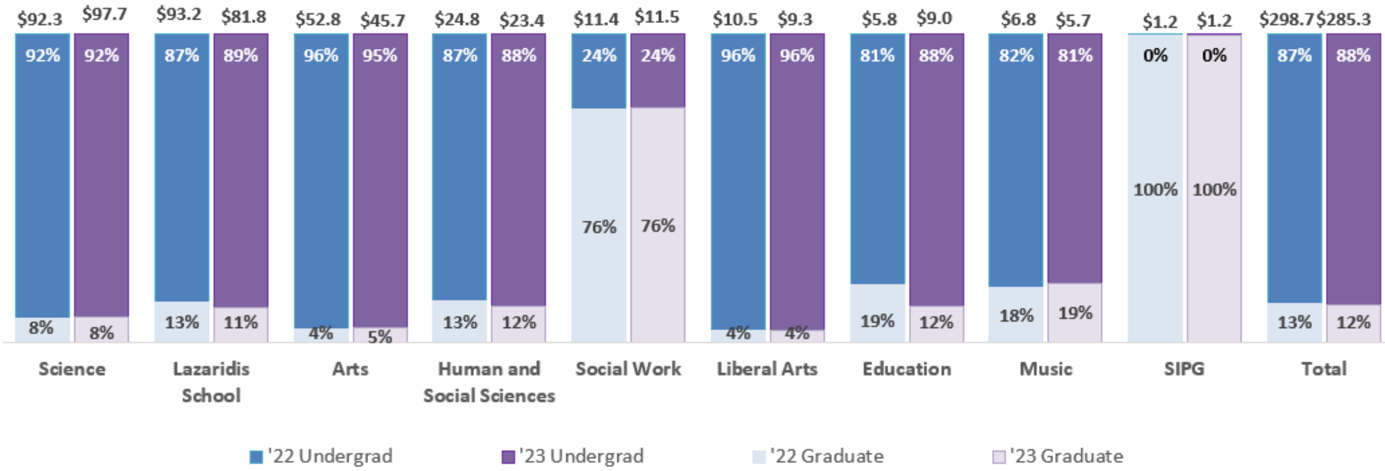
Laurier's RCM budget model allocates tuition and operating grant revenue based on student activity. A universal base-rate of undergraduate tuition amount is allocated to each Faculty based on teaching activity. For the purposes of the RCM allocation, the School of International Policy and Governance (SIPG) is treated as a distinct Faculty. Operating grant and any undergraduate tuition premium over and above the base-rate tuition, as well as all graduate tuition, is allocated based on students' Faculty of registration for their program. The figure below illustrates this allocation.

Figure 19: *RCM Tuition/Grant Allocation*



The total revenue for each Faculty is broken down as follows:

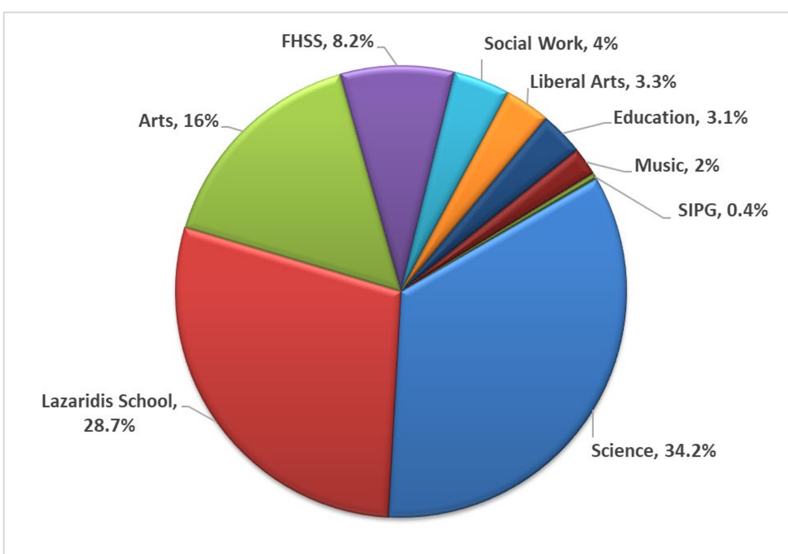
Figure 20*: Total Tuition & Operating Grant Revenue by Faculty*



The change in tuition and grant revenue by Faculty reflects the change in tuition rates as well as changes in student enrolment numbers, program mix and levels of service teaching. The overall decrease in total tuition and grant funding of -4.5% is not evenly distributed across Faculties. The Faculty of Education has projected revenue growth of 54.6% attributable to the growth in the Bachelor of Education program. The Faculty of Science is also projecting revenue growth of 5.9%, with increased revenue at both the undergraduate and graduate levels. Offsetting the revenue increases, several Faculties are seeing reductions in revenue compared to the 2022/23 budget. The 2022/23 tuition budget was not realized, with the 2023/24 budget more aligned to actual tuition achieved based on enrolment from 2022/23. The Lazaridis School is projecting a 12.2% revenue decrease, with declines at both the undergraduate and graduate level. The Faculty of Arts is also projecting a year-over-year revenue decrease of 13.4%, with the majority of the decrease at the undergraduate level.

The overall distribution of tuition and grant revenue by Faculty is illustrated below in Figure 21.

Figure 21*: Total Revenue Allocation by Faculty*



Other Income & Fees

Other income & fees are expected to increase $8.4 million from the prior year. This category includes the student fees for essential services as well as other general fees and program revenues such as transcript fees, co-op/internship fees, application fees, athletics, financing income, student interest, and continuing education. Additionally, this year, the main contributors to the overall net increase include:

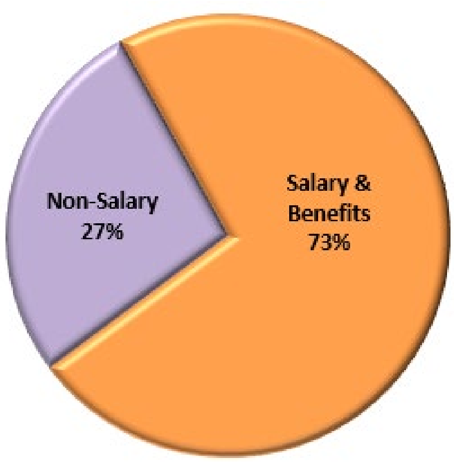
Positive contributors:

- Increase in grant revenue of $3.8 million to recognize the Facilities Renewal Program (FRP) grant provided by MCU which assists postsecondary institutions in addressing ongoing maintenance, repair and renovations. This funding amount is also recognized this year for the same amount in Operating Expenses.
- Increase in interest income of $3.2 million due to rising interest rates
- Increase in the Ancillary contribution to the Operating fund of $0.7 million
- Increase in revenue from the Comprehensive Student Services fees of $0.8 million to be comparable and competitive with sector peers

3.2 Expense Projections

Total expenses are expected to increase by $3.7 million (1.1%). Faculty and staff salaries and employee benefits account for 73% of the total operating expenditures. Figure 22 depicts the breakdown of total expenses.

***Figure 22**: Total Expenses Breakdown*



3.2.1 Direct Cost of Teaching

Direct costs of teaching costs (DCT) result from the creation of new programs and from significant changes in student enrolment.

Table 11: *Direct Cost of Teaching*

In 000's	BASE	OTO	TOTAL
Full-time Faculty	855	113	968
Contract Teaching Faculty		852	852
Support Staff and Program Operations	1,210		1,210
Total Direct Teaching Costs	2,065	965	3,029

Direct teaching costs budgeted for 2023/24 will primarily support growth in the Faculty of Education (61% of DCT) and Faculty of Science (34% of DCT). The Faculty of Education has realized significant enrolment growth in the B.Ed program; DCT budget will support the hiring of new faculty, CTF, and administrative staff. The Faculty of Science has realized significant enrolment growth in the areas of Computer Science and Health Science; DCT budget will support hiring of new faculty and lab support staff.

3.2.2 Essential Requests

The table below lists the Essential Requests that were recommended by Budget Council for approval in 2023/24.

Table 12: *Essential Requests*

	BASE	OTO	TOTAL
Strategic - Entrepreneurship	275		275
Strategic - Academic	219		219
Compliance, Security & Risk Mgmt	191		191
Strategic - Internationalization	113		113
Strategic - Multi-Campus	83		83
Financial Sustainability	58		58
Strategic - Talent Mgmt		33	33
Total Essential Requests	**939**	**33**	**972**

3.2.3 Institutional Costs – Unit Oversight

Institutional costs with unit oversight are costs that are directly attributed to a unit, and the unit has the responsibility to oversee the cost. However, the unit has limited control over how the cost may increase or decrease. Reflected below are the changes that have been incorporated into the budget. In Table 13, a positive figure indicates a positive impact, whereas a negative figure indicates a negative impact. The total impact of institutional costs (unit oversight) was favourable at $1.5 million. The significant favourability in the base column ($4.75 million) reflects the emphasis on identifying institutional cost savings as part of the overall budget reduction strategy.

***Table 13**: Institutional Costs – Unit Oversight*

In 000's		BASE	OTO	Total
Expense	Pension Valuation	2,520		2,520
	Scholarships		-2,192	-2,192
	Central Reduction Initiatives	1,700	300	2,000
	Contractural Obligations	366	-1,650	-1,284
	Equipment/Operating Renewal	130	370	500
	Academic Support	-124		-124
	Operations	147	-50	97
	Others less than $50K	12	-12	0
Positive Impact on Operating Budget		**4,751**	**-3,234**	**1,517**

3.2.4 Institutional Costs – Central Oversight

Institutional costs with central oversight are costs that cannot be directly attributed to any one unit. These costs are reviewed centrally for any changes that may cause the cost to increase or decrease. Reflected below are the changes that have been incorporated into the budget. In Table 14, a positive figure indicates a positive impact, whereas a negative figure indicates a negative impact. The total impact of changes to institutional costs (central oversight) was favourable at $4.1 million.

***Table 14**: Institutional Costs – Central Oversight*

In 000's		BASE	OTO	Total
Revenue	Interest Income	1,777	1,467	3,245
	Ancillary Contribution to Operating	700		700
	Application Fees	68		68
	Other	86		86
	Increase in Revenue	**2,631**	**1,467**	**4,099**
Expense	Central Memberships	-30		-30
	Decrease in Expenses	**-30**	**0**	**-30**
Positive Impact on Operating Budget		**2,661**	**1,467**	**4,129**

3.2.5 Budget Targets

The preliminary 2023/24 forecast reflected an operating deficit even before considerations for contributions to strategic and capital priorities. Additional tactics were required to improve the budget deficit and support the achievement of Laurier's strategic objectives.

Through the budget template process, each AVP/Dean was asked to model a 1%, 2% and 3% budget target scenario identifying specific cost reductions or revenue generation that would achieve the unit's budget target. The template information was for modelling purposes only to inform potentially differentiated targets within the overall VP (or equivalent) portfolio.

The Executive Leadership Team played a vital role considering from a holistic perspective how the budget objective could be achieved through a combination of institutional cost savings and unit-level budget targets. The institutional cost savings were incorporated first into the 2023/24 draft budget before the overall budget target percentage was assigned to each VP portfolio.

To determine the overall level of budget targets required, the Budget Co-Chairs and Budget Council reviewed the overall financial position of the 2023/24 draft budget. Based on the key components of the budget and the resulting deficit position, it was determined that an overall budget target of 2% was necessary.

VPs were responsible for assigning differentiated budget targets within their portfolio based on information received in the unit templates. The actual targets assigned are shown in Table 15.

***Table 15**: Budget Target % by VP Portfolio*

In 000's

VP Portfolio	22/23 BASE Budget	% of University Budget	Target %
Presidents Area	3,023	1.3%	3.0%
Chief Human Resources & Equity Offier	3,367	1.4%	1.0%
VP - Student Affairs	15,774	6.8%	2.0%
Vice President:Academic	169,883	73.1%	2.1%
VP - Research	1,660	0.7%	2.0%
SEO Brantford	621	0.3%	2.8%
VP - Finance & Administration	29,011	12.5%	2.0%
VP - Advancement and External Relations	9,123	3.9%	2.0%
	232,461	100.0%	**2.1%**

Figure 23 outlines the distribution of the $4.8 million budget target across the VP portfolios. Figure 24 shows the breakdown of the Operating Unit's targets by type and highlights the nature of activity that is planned to realize the budget target.

***Figure 23**: Budget Targets by VP Portfolio*

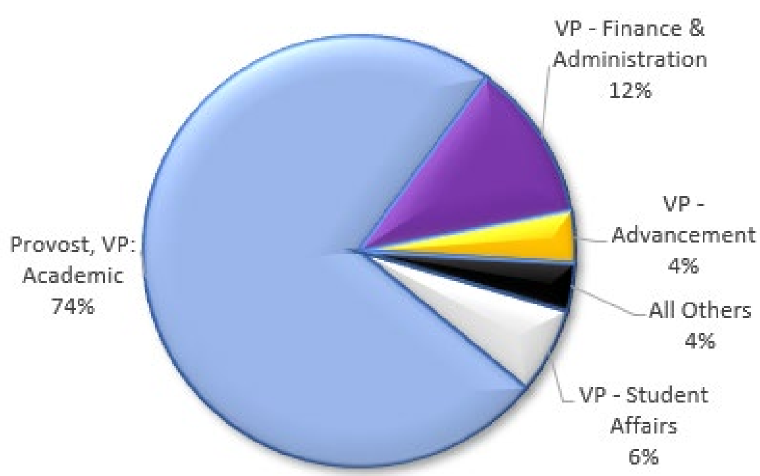
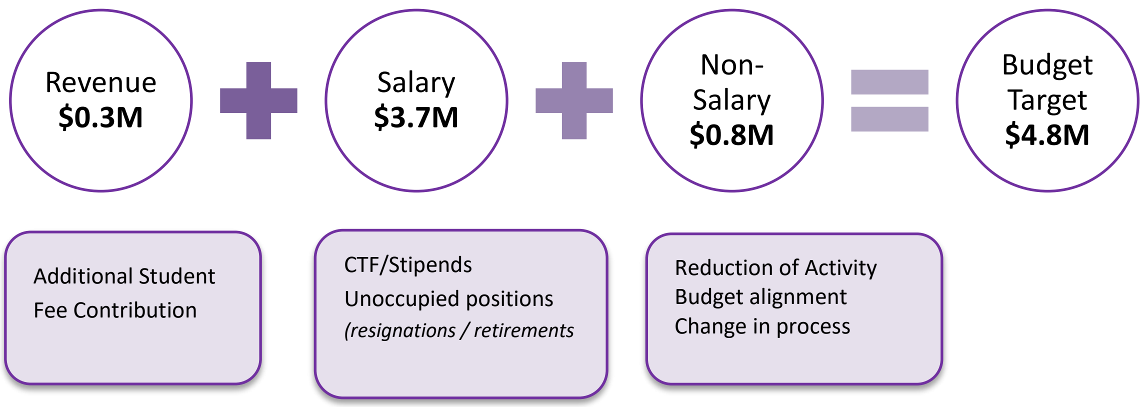


***Figure 24**: Unit Budget Targets by Type*

The salary targets represent a mix between academic and administrative units. The majority of salary targets were achieved by not replacing vacant positions (resignations or retirements) and by reducing CTF stipends through re-alignment of course offerings with student demand and teaching needs. Budget reductions in full-time staff and faculty lines have focused almost exclusively on vacant positions, aided by the position control initiative.



3.2.6 Central Review of Preliminary Deficit Position

As in previous years, the Budget Coordinating Team completed a comprehensive review of central and institutional items to identify potential savings and deficit reduction opportunities. The focus continues to be on reducing fiscal conservatism to bring the budget as close as possible to projected actuals; and to reduce the level of unit-level budget targets.

3.2.7 Commentary to 2023/24 Budget by Expense

This section provides detailed commentary to the 2023/24 Budget including review of the major drivers influencing the expenditure assumptions. Further, it provides explanation and highlights the major variances to expenditures as noted in Table 8 for 2023/24 as compared to the 2022/23.

Salary & Benefit Expenses

Salaries and benefits for faculty and staff (full and part-time) make up the largest portion of the university's operating expenditure budget ($243 million or 73%).

Salaries and benefits remained relatively constant over the previous year, with multiple factors contributing both favourably and unfavourably. The following are the major salary and benefit budget components:

Full/Part Time Faculty Costs – Decrease of $0.7 million

Compensation increases driven by collective agreements are the largest cost drivers of this budget category. Collective bargaining for WLUFA full-time will commence in spring/summer 2023. For the purpose of this budget, a percentage has been assumed based on current settlements across the sector, but is not intended to be indicative of the outcome of the upcoming negotiation process.

This year, a number of atypical factors offset the faculty salary increases including:

- Budget targets contributed $2.6 million of salary savings. The majority of salary savings were achieved by not replacing vacant positions and by reducing CTF stipends through re-alignment of course offerings with student demand and teaching needs.
- OTO savings of $0.7 million resulted from the temporary pause to Inclusive Excellent program hires, over and above the 12 committed to under the program.
- An adjustment to the additional direct cost of teaching budget that was increased in 2022/23 due to the significant projected increase in international students. This adjustment brings the budget down to reflect the projected level of international student enrolment for 2023/34.
- The OTO gapping adjustment (budgeting of projected salary underspending) incorporated into the 2023/24 budget has been increased based on the quarterly management reporting to date. This increases the passive salary savings from $0.75 million to $1.25 million.

Full/Part Time Staff Costs – Increase of $3.0 million

Compensation increases driven by collective agreements are the largest cost drivers of this budget category. Collective bargaining for WLUSA/OSSTF will commence in spring/summer 2023. For the purpose of this budget, a percentage has been assumed based on current settlements across the sector, but is not intended to be indicative of the outcome of the upcoming negotiation process.

This year, some atypical factors contributed to the increase including:

- Anticipated costs associated with the implementation of the WLUSA/OSSTF Job Evaluation Plan estimated to be an additional $0.8 million more than originally budgeted.
- Resources related to Essential Requests contributed $0.6 million. These additional resources relate to strategic initiatives and ensuring compliance, security, and risk management.

This year, a number of atypical factors offset the staff salary increases including:

- Salary savings of $0.9 million of which all are related to positions not currently occupied and anticipated vacancies.
- The OTO gapping adjustments (budgeting of projected salary underspending) incorporated into the 2023/24 budget has been increased based on the quarterly management reporting to date. This increases the passive salary savings from $0.75 million to $1.25 million.

Benefits – Decrease of $1.4 million

Statutory and fringe benefits are the main component and are based on the current and projected increase in the faculty and staff complement. This budget is estimated on an average percentage rate. An institutional adjustment has been made to bring budget in line with anticipated actual spend.

Pension Plan: Current Service Costs & Pension Plan Deficiency – Decrease of $1.0 million

The university required contributions to the WLU Pension Plan include 7% of earnings to each member's money purchase account plus the Current Service Costs and any special payments required to fund the minimum guaranteed pension. The Current Service Cost is set by the Actuary based on the results of the Plan valuation and is intended to cover the cost of benefits earned by Pension Plan members for the coming year. The Current Service Cost is calculated as a percentage of pensionable earnings. The Current Service Cost based on the December 31, 2021 valuation is 3.13%.

In addition to Current Service Costs, the university must pay for any unfunded deficits that have occurred in the Plan. Pension Plan deficiencies are calculated by the Actuary at the time of the Plan's formal valuation, which, in Laurier's case, was last performed as December 31, 2021. There are two calculations, both reflecting the funded status of the Plan at a point in time. The Going Concern valuation provides an assessment of the Plan's financial position at the valuation date on the premise the Plan continues into the future indefinitely. Based on the current funding framework, any Going Concern Deficits must be amortized and paid over a period not to exceed 10 years. Laurier's Going Concern funded ratio at December 31, 2021 is 1.02 with a surplus of $20.1 million. Given there is no Going Concern funding deficit, no special payments are required. The Solvency valuation is intended to provide an assessment of the Plan's financial position at the valuation date on the premise that certain obligations as prescribed by the act are settled on the valuation date for all members should the Plan wind up. The Actuary must comply with more restrictive assumptions and methodologies when performing this calculation. Laurier's December 31, 2021 valuation showed a solvency surplus of $36.2 million, and a solvency funded ratio of 1.04. There are no solvency special payments required so long as the solvency ratio is above 0.85.

The 2023/24 Budget contains a provision for employer contributions of 10.13% or pensionable earnings or $20.1 million, based on our last valuation in 2021.

The next valuation is due no later than December 31, 2024. The university and the Joint Finance/Pension Committee of the Board receive regular reports from the Actuary on the funded status of the Plan and may decide to file a valuation earlier than required by law if it is advantageous to do so.

Non-Salary Expenses

This category, which includes a number of non-salary budgets, increased by $3.8 million year-over-year. The following explains the main cost category changes:

Scholarship & Bursaries - Increase of $1.9 million

Undergraduate level scholarships increased for two main reasons. First, the proportion of new first-year students who received an entrance scholarship has remained higher than average during 2020/21 through 2022/23 because of strong high-school grades of incoming students during the pandemic. This has resulted in a greater volume of entrance scholarships awarded, and at higher average award values. We expect this trend to continue into 2023/24. Second, Laurier introduced a new Entrance Scholarship grid in 2021 with changes in award value for high-performing incoming students as they launch their post-secondary career. Notably, the award values for incoming students achieving 85-89.9% and 90-94.9% were both increased by $1,000. The updated Entrance Scholarship grid remains in effect for 2023/24. Scholarship costs are informed by award rate (%), award value ($), and enrolment levels.

Operating Costs - Increase of $2.3 million

This category includes a multitude of accounts across all units within the university. The largest categories with budget exceeding $3.0 million include Externally Contracted Services, Equipment/Software, Deferred Maintenance, Library Acquisitions, Online Partner Revenue Share, and Equipment/Operating Renewal. Annual review of Institutional costs relating to rental and other contractual agreements were reviewed and adjusted as necessary. Unit level budget targets of $0.7 million offset this overall increase.

The atypical changes to this category this year include:

Deferred Maintenance – Increase of $3.8 million

- Increase in the recognition of the grant revenue of $3.8 million for the Facilities Renewal Program (FRP) grant provided by MCU which assists postsecondary institutions in addressing ongoing maintenance, repair, and renovations. The funding amount is also recognized this year for the same amount in Other Revenue.

Online Partner Revenue Share – Increase of $0.35 million

- Additional OTO payment in 2023/24 to reflect renegotiation of revenue share payment (net)

Commissions – Decrease of $0.6 million

- Adjusted to reflect the anticipated budget required based on international intake and partner agreements

Equipment/Operating Renewal – Decrease of $0.5 million

- Non-ICT equipment renewal pause for 1 year, as an active cost containment strategy, accounts for $0.4 million of the decrease. Necessary investments will be funded through the equipment reserves.
- Reduction of $0.1 in Legal Services operating renewal to align budget with actual spend.

Utilities, Insurance & Taxes – Decrease of $0.4 million

This category has been adjusted for anticipated usage and rate changes as well as changes to insurance coverage premiums.

3.3 Budget by Faculty

Table 16 summarizes the Faculty allocation under the RCM Budget model and includes the bottom-line position for each Faculty with the allocation of all shared service costs. The University Fund section in the lower right balances the RCM allocation back to the operating budget as presented in Table 8. As noted previously, the transition plan to a fully implemented RCM budget remains paused; however, the RCM methodology continues to be active and is the major driver of resource allocation among Faculties.

Table 16: *2023/24 Budget by Faculty*

2023/24 Budget by Faculty *(In 000's)*

	FACULTIES									
	Arts	Lazaridis	Education	HSS	Liberal Arts	Music	SIPG	Science	Social Work	Total
Tuition & Grant Revenue	45,716	81,844	8,955	23,440	9,282	5,744	1,188	97,669	11,459	285,297
Non-Tuition & Grant Revenue	372	3,698	162	71	42	1,030	0	927	2,325	8,627
Total Revenue	**46,088**	**85,542**	**9,117**	**23,511**	**9,325**	**6,774**	**1,188**	**98,596**	**13,784**	**293,924**
Total Direct Costs	32,128	50,796	4,402	12,780	8,859	9,194	2,495	46,303	12,119	179,075
Contribution Margin	**13,959**	**34,746**	**4,715**	**10,731**	**466**	**(2,419)**	**(1,306)**	**52,293**	**1,665**	**114,849**
Shared Service Allocation	24,595	32,687	2,015	9,149	4,839	4,791	819	37,269	5,217	121,382
Austerity Measures	(1,045)	(1,585)	(111)	(473)	(306)	(280)	(112)	(1,522)	(366)	(5,800)
University Fund Revenue Assessment	3,657	6,548	716	1,875	743	460	95	7,814	917	22,824
Bottom-Line Position	**(13,248)**	**(2,904)**	**2,095**	**180**	**(4,810)**	**(7,391)**	**(2,109)**	**8,732**	**(4,102)**	**(23,557)**

University Fund Components:	
Unattributable Revenue	9,707
University Fund Assessment (8%)	22,824
Faculty Surpluses	11,007
University Fund In-Flows	**43,537**
Institutional Cost - Central Oversight	9,903
Contribution to Op. Reserves	1,000
Subvention Funds	34,564
Direct Attribution	0
Total University Fund Out-Flows	**45,468**
University Fund Balance	**(1,930)**

The University Fund revenue assessment of $22.8 million flows into the University Fund and along with Faculty surpluses essentially funds projected Faculty subventions for 2023/24. The other components of the University Fund are unattributable revenue, and institutional costs, including contributions to operating reserves. The net University Fund balance is a deficit of $1.9 million or the institutional surplus/(deficit) after contributions as seen in Table 8.

The bottom-line position of each Faculty reflects net changes in revenue, direct costs and the shared service allocation. Figure 20 provides the tuition and operating grant change by Faculty. The direct costs change is a result of increases in salary costs (see section 3.2.7) and new direct costs of teaching (Table 11) offset by the budget reductions (Figure 24).

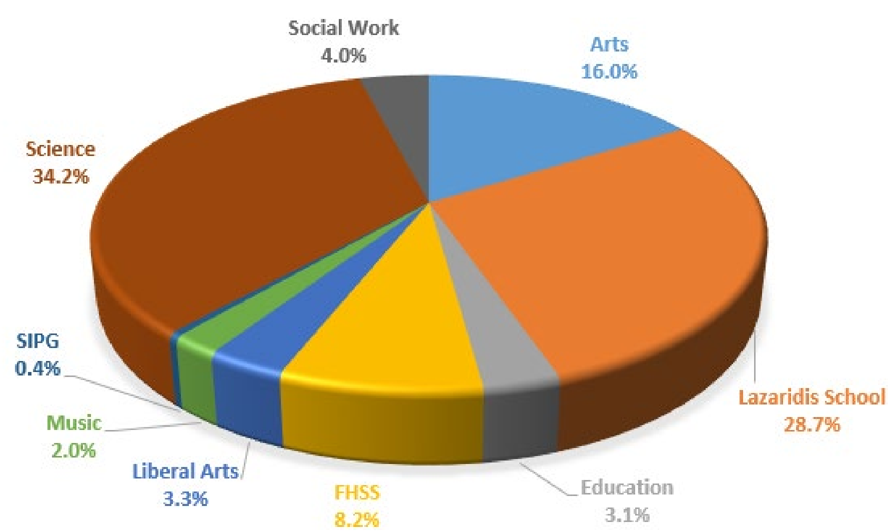
3.3.1 Shared Service Allocation

Table 17: *Shared Service Allocation (In 000's)*

Cost Pool	Departmental	Institutional: Unit Oversight	Total 2023/24
Central Support Services	21,497	2,473	23,969
Development & Alumni	4,740	-	4,740
Faculty, Staff & Student Services	21,694	18,469	40,164
Occupancy	16,542	9,347	25,889
Research Support	1,836	-364	1,472
Scholarships & Bursaries	137	6,330	6,467
Student Support	17,831	850	18,681
Total	**84,277**	**37,105**	**121,382**

The figure below illustrates the shared service allocation by Faculty using the cost driver methodology.

Figure 25: *Shared Service Allocation by Faculty*



Part C – Reserves

Internally Restricted Net Assets as shown on Laurier's audited financial statements represent funds restricted by the university for future commitments and projects. The majority of the reserves are for specific purposes and cannot be repurposed.

Reserves are an important component of the long-term fiscal strategy in a number of ways. Historically, reserves have provided a source of funds to address operating and ancillary fund deficits, and as a source of funding for specific strategic initiatives. More recently, reserves have provided internal loans for capital purposes. Laurier's efforts to strengthen financial sustainability include strategies to replenish reserves and serve these needs. The realization of annual operating and ancillary surpluses is a deliberate strategy to achieve solid reserve balances, and also supports stronger performance in financial sustainability indicators such as primary reserve and viability ratios.

The table below indicates preliminary forecasted reserve balances for 2023/24.

Table 18: *Internally Restricted Net Assets (Reserves)*

Summary *(In 000's)*	**Apr 2023** *(forecast)*	**Apr 2022**	**YoY Change**
Carryforward/Retained Surplus	11,748	14,096	(2,348)
Operating Specific Reserves	7,508	7,508	0
Operating General Reserves	2,327	2,327	0
Major Repairs and Maintenance	9,098	9,098	0
Equipment Replacement and Renewal Fund	3,031	3,031	0
Research Reserves	5,299	5,299	0
Ancillary Reserves	(2,372)	(6,076)	3,704
Sinking Fund	25,454	24,454	1,000
Post-Employment Benefits, Net of Internal Loans	5,000	2,580	2,420
Capital Reserve	27,235		27,235
Internally Restricted Net Assets	**94,329**	**62,317**	**32,012**

Sinking fund and post-employment benefit reserves are forecasted based on planned contributions and repayment of internal loans. Ancillary reserves demonstrate the continued recovery from pandemic impacts of lost revenues realized in 2020/21, as well as deliberate contributions for the purposes of deferred maintenance for infrastructure needs. Other reserve categories will be impacted by year-end results, including the use of unit-specific carry-over funds, and potential year-end surplus contributions.

The capital reserve is a newly established reserve for the purposes of major capital projects. The forecast balance for April 2023 reflects the proceeds from the sale of residence properties in Waterloo and Brantford, and a strategy to maintain the external debt obligations tied to these assets, which will be repurposed for Milton campus. The existing debt obligations carry a favourable interest rate. The proceeds reflected in the capital reserve are fully committed for current projects, including Milton campus. Further information will be provided in May and June.

Part D – Multi-Year Operating Budget Forecast

A multi-year planning approach is critical for ensuring institutional success and sustainability. The 2023/24 budget presented is a deficit budget which requires a multi-year approach in addressing financial sustainability and return to a surplus strategy. This multi-year approach strategy includes in-year austerity measures to bridge (position control, discretionary spending, etc.), a provision for strategies in progress, including a future Tuition Fee framework policy, strategic budget reduction initiatives, and longer-term revenue generation initiatives. With the strategy of returning to surplus budgets, it is essential to generate sustained and predictable operating surpluses to support capital projects and strategic initiatives, and to reduce the institution's debt burden. The multi-year approach will include a multi-year phased re-activation of the RCM budget model.

The Multi-Year Operating Budget model starts with proposed 2023/24 Budget as the base and consistently applies assumptions in developing the Multi-Year Forecast. It incorporates revenue expectations reflecting the government's current and anticipated future Tuition Fee Framework policy, the provincial operating grant funding formula, and the university's enrolment plan and projections. Inflationary factors have been added to non-salary costs, as well as provisions for gapping and austerity measures to allow time for revenue generation and strategic reduction ideas to scale up.

In preparing the multi-year model, certain assumptions and estimates were necessary. The assumptions and estimates are based on information available to management at the time of preparing the 2023/24 Operating Budget. Users of this information are cautioned that actual results may vary.

To accurately depict genuine uncertainty impacting specific assumptions, three scenarios have been developed in the Multi-Year Budget forecast.

Base Scenario: the 'most likely' scenario based on current knowledge
Scenario 1: represents the impact of financially favourable[4] budget assumptions
Scenario 2: represents the impact of financially unfavourable budget assumptions

Table 19: *Multi-Year Assumptions*

Enrolment:	BASE	Scenario 1	Scenario 2
Undergraduate: 1st year domestic intake (full-time headcount)	Growth focused at the Brantford Campus; All other held constant at 2023/24 levels	Growth achieved at both Waterloo and Brantford Campuses	Slight decrease in enrolment at the Waterloo Campus; All others held constant at 2022/23 levels
Undergraduate: 1st year international intake (full-time headcount)[5]	Growth of approximately 20% achieved over the period	Growth of approximately 40% achieved over the period	Hold at recent intake levels

[4] Financially favourable / unfavourable**:** Immediate fiscal impact at a point in time on the budget and should not be construed as commentary on the qualitative impact, nor on the investment value of the increase or decrease.
[5] Assumptions related to new advanced standing students from WLIC are also included in the forecast

Graduate: total full-time domestic enrolment	Growth of approximately 10% over the period	Growth of approximately 20% over the period	Hold at 2023/24 forecasted levels
Graduate: total part-time domestic enrolment	Growth of approximately 15% over the period	Growth of approximately 20% over the period	Hold at 2023/24 forecasted levels
Graduate: total international enrolment	Increases across all scenarios, up to an approximate doubling for Scenario 1		
Student retention	Steady at current levels		

Enrolment Commentary:

- The enrolment projections are the foundation of the multi-year revenue scenarios. They are based on a set of potential outcomes given our knowledge of current plans and future, planned initiatives. The enrolment levels have been factored into the projections for related increases in direct costs of teaching, student services, and scholarships and bursaries.

Tuition Rate: (annually)	BASE	Scenario 1	Scenario 2
UG & Graduate Domestic tuition increase	All scenarios include provision for varying levels of domestic tuition rate increase ranging from a partial continued freeze up to realized maximums under former fee frameworks.		
UG International tuition increase	5.0%		
Graduate Int’l tuition increase: research programs	2.0%		
Graduate Int’l tuition increase: professional programs	5.0%		

Tuition Commentary:

- The most recent Tuition Fee Framework policy extends only one year for 2023/24. There is significant uncertainty about future permitted increases. The range of likely outcomes is captured across the three scenarios.
- International tuition increases are in line with increases approved in recent years, as informed by ongoing market analysis. For continuing international students, these assumptions reflect the commitment – recently approved as part of the 2023/24 Tuition Fee Report – to guarantee that increases will be capped at 5% annually. This policy reflects longstanding institutional practice in international tuition fee setting.

Operating Grant:	BASE	Scenario 1	Scenario 2
Operating grant	Steady at current levels		

Operating Grant Commentary:

- As described at the beginning of Part B: Operating Budget, the provincial government has indicated a resumption of performance-based funding. Based on the breadth of metrics, allocation formula and metric performance to date, no gain or loss of operating grant funding has been assumed.
- The projected operating grant includes the relevant adjustments to account for the increase in the International Student Recovery as international enrolment increases.

Salary & Benefits:	BASE	Scenario 1	Scenario 2
Salary increases	Actual % to be determined through upcoming negotiations		
Student faculty ratio	Impact of enrolment		
Pension service cost/pension deficiency	Based on Dec 31, 2021 valuation		

Salary & Benefits Commentary:

- Collective bargaining for Laurier's two largest union groups (WLUFA Full-time Faculty & Librarians and WLUSA/OSSTF Staff) commences in spring/summer 2023. Across all scenarios, the same % has been assumed for forecast purposes only based on current settlements across the sector. The actual % increase will be determined through the upcoming negotiation process.
- The Pension Service cost/pension deficiency assumption included in all scenarios is based on actuarial estimate. Section 3.2.7 explains the Pension Plan: Current Service Costs & Pension Plan Deficiency in more detail.

Non-Salary Expenses:	BASE	Scenario 1	Scenario 2
Scholarships	Impact of enrolment		
Inflation	3%		
Efficiency Measures	$1.5 million		

Non-Salary Expenses Commentary:

- A 3% inflation rate has been included in all scenarios based on the Bank of Canada estimate and the desired impact the prime rate should have in reducing inflation.
- Efficiency measures of $1.5 million BASE has been included in all scenarios starting 2024/25. This reflects the fact that many institutional efficiencies may take time to be implemented.

Central Gapping Adjustments:	BASE	Scenario 1	Scenario 2
OTO salary savings ($2.5M)	Savings continue in future years		

Central Gapping Adjustments Commentary:

- The $2.5 million assumption reflects the recognition of anticipated passive vacancy savings. Each year we budget positions as full FTEs for the full year, and naturally over the year we have turnover and vacancies that lead to salary and benefit savings. The amount has been determined based on past vacancy savings and reflects salary and benefits savings.

Not included in this projection:

- Milton revenue/expenses

Table 20 and Figure 26 provides a very high-level overview of the Operating Budget forecast over the next four years.

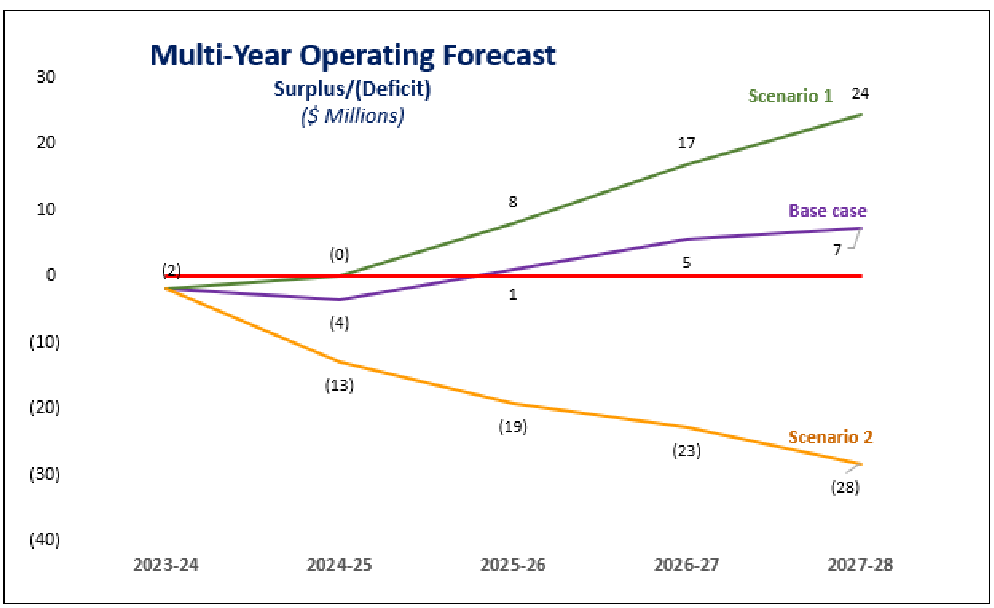
Table 20: *Multi-Year Operating Budget Model*

Multi-Year Operating Budget Forecast *(In millions)*

Operating	2023/24	2024/25			2025/26			2026/27			2027/28		
In Millions	**Budget**	BASE	Scenario 1	Scenario 2	BASE	Scenario 1	Scenario 2	BASE	Scenario 1	Scenario 2	BASE	Scenario 1	Scenario 2
Tuition Fees	184.0	202.1	207.0	189.8	224.0	234.3	197.1	248.7	265.7	207.3	271.8	298.4	216.2
Enrolment Based Government Grants	101.3	101.5	101.4	101.6	101.2	101.0	101.5	100.9	100.7	101.4	100.6	100.3	101.3
Grant & Tuition Total	**285.3**	**303.6**	**308.4**	**291.4**	**325.2**	**335.3**	**298.6**	**349.6**	**366.4**	**308.8**	**372.5**	**398.7**	**317.5**
Other Income & Fees	42.1	42.5	42.5	42.5	42.9	42.9	42.9	43.3	43.3	43.3	43.8	43.8	43.8
Revenue Total	**327.4**	**346.1**	**350.9**	**333.9**	**368.2**	**378.2**	**341.5**	**392.9**	**409.7**	**352.1**	**416.2**	**442.5**	**361.2**
Salary & Benefit Expenses	243.0	257.6	258.5	255.8	271.6	273.6	267.5	285.3	288.9	279.0	298.5	304.4	290.1
Non-Salary Expenses	91.1	91.1	91.5	90.2	94.4	95.3	92.3	98.7	100.6	95.1	104.6	107.8	98.6
Total Expenses	**334.1**	**348.8**	**350.0**	**346.0**	**365.9**	**369.0**	**359.9**	**384.0**	**389.5**	**374.1**	**403.1**	**412.2**	**388.7**
Operating Surplus/(Deficit) B4 Adj.	**-6.7**	**-2.7**	**0.9**	**-12.0**	**2.2**	**9.3**	**-18.3**	**8.9**	**20.2**	**-22.0**	**13.1**	**30.3**	**-27.5**
Austerity Measures	5.8												
Contribution to Capital/DM Reserves					-0.5	-0.5	0	-2.5	-2.5	0	-5.0	-5.0	0
Contribution to Operating Reserves	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Operating Surplus/(Deficit)	**-1.9**	**-3.7**	**-0.1**	**-13.0**	**0.7**	**7.8**	**-19.3**	**5.4**	**16.7**	**-23.0**	**7.1**	**24.3**	**-28.5**

In supporting long-term financial sustainability, contributions to capital, deferred maintenance (DM) and operating reserves have been included which will contribute to strengthening reserves and supporting capital and strategic projects.

Figure 26: *Multi-Year Operating Forecast*

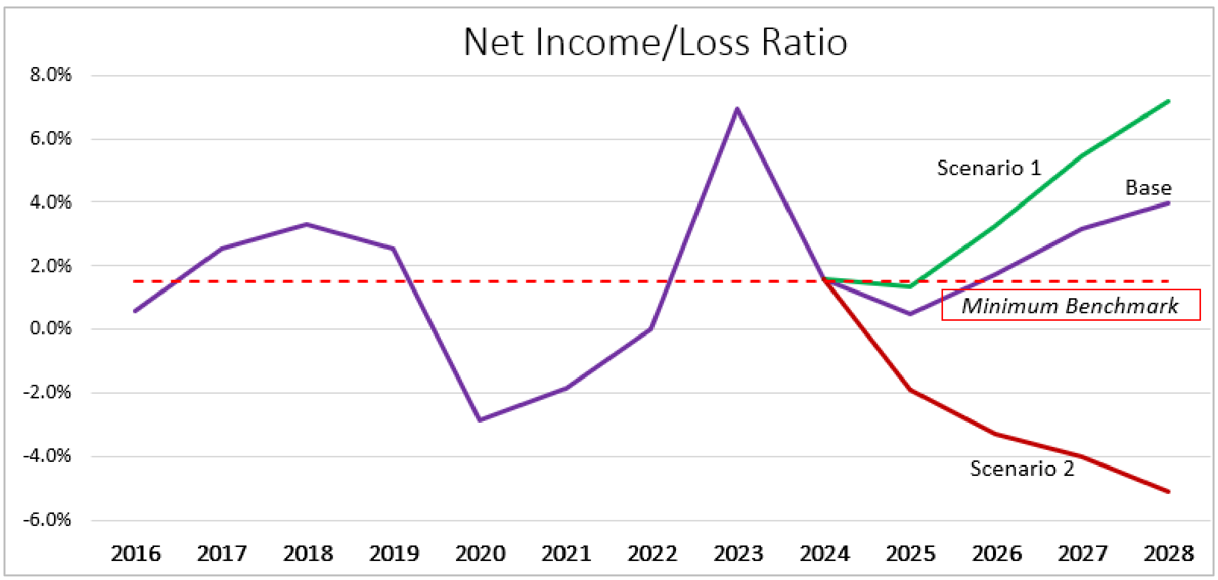


Future Years Planning and Impact

Revenue generation will be an essential part of the university's budget strategy. In accordance with the Laurier Strategy, the university's short-term revenue-generation priorities will depend on new program development, internationalization, credential innovation, and multi-campus development. Concerted action in these areas is aligned with Laurier's vision and mission and will contribute significantly to overall financial sustainability.

Projections of Net Income/(Loss) reflect the impact of ancillary and operating fund projections, as well as the proceeds from real estate transactions taking place in 2022/23 and 2023/24. Future years reflect ongoing operating and ancillary fund activities. Based on multi-year scenarios, a return to the minimum recommended benchmark of 1.5% net income (surplus over revenues) of the consolidated operating and ancillary fund is expected by 2026.

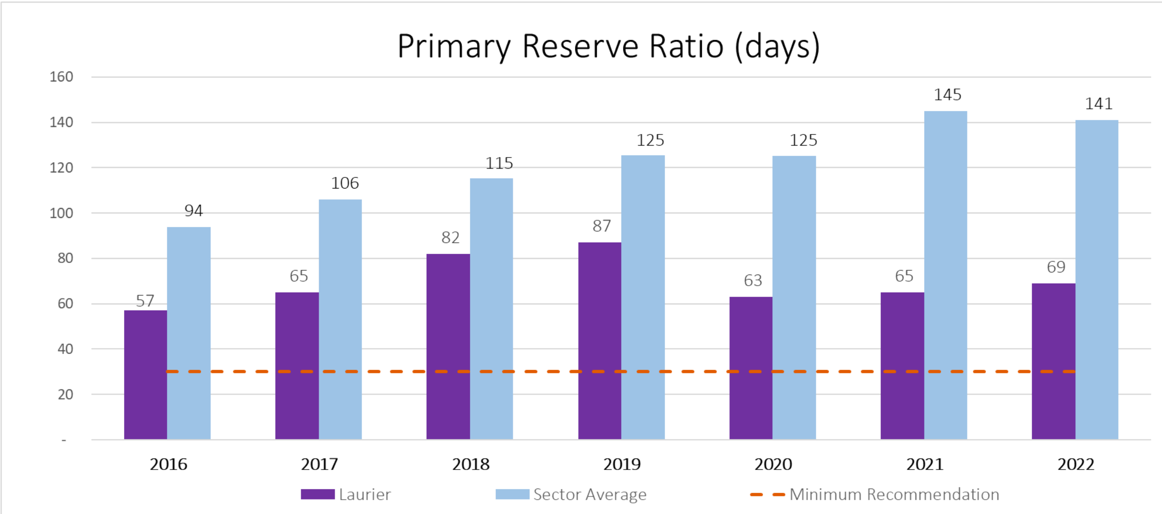
Figure 27: *Net Income/Loss Ratio*



In addition to improved performance in Net Income financial indicators, further strengthening of the Primary Reserve Ratio, a measure reflecting the health of the organizations expendable net assets relative to operations, is needed.

Primary Reserve Ratio is a measure of financial viability that compares expendable net assets to total expenses, and provides an indication of an institution's financial strength and flexibility by determining how many days an institution might (theoretically) function using only its expendable net assets. Expendable Net Assets include: unrestricted surplus (deficit), internally restricted net assets and internally restricted endowments, adjusted for the non-cash component of employee future benefits. A multi-year strategy that increases contributions to reserves will contribute to improvements in Laurier's primary reserve ratio, which is currently much lower than the sector average.

Figure 28: *Primary Reserve Ratio*



Part E – Ancillary Budget

The Ancillary Services Budget is separate and distinct from the Operating Budget. All direct expenditures incurred in service areas of the university (e.g., facilities management) are charged to the ancillary operations as they are required to be self-sustaining.

The Ancillary Services organization includes the ancillary operations of Food Services, One Card Operations, Conference Services, Residence Operations (Waterloo & Brantford campuses), Off Campus Housing (Houses & Ezra Bricker Apartments), Bookstore Operations, Parking & Transportation Resources, Printing Services, HUB Operations and Business Development. Table 22 provides a summary of the 2023/24 Budget being submitted for approval. Table 23 summarizes the 2023/24 Budget by each ancillary operation. The following provides highlights of the major changes in revenues and expenditures for Ancillary Services as compared to 2022/23 approved budget.

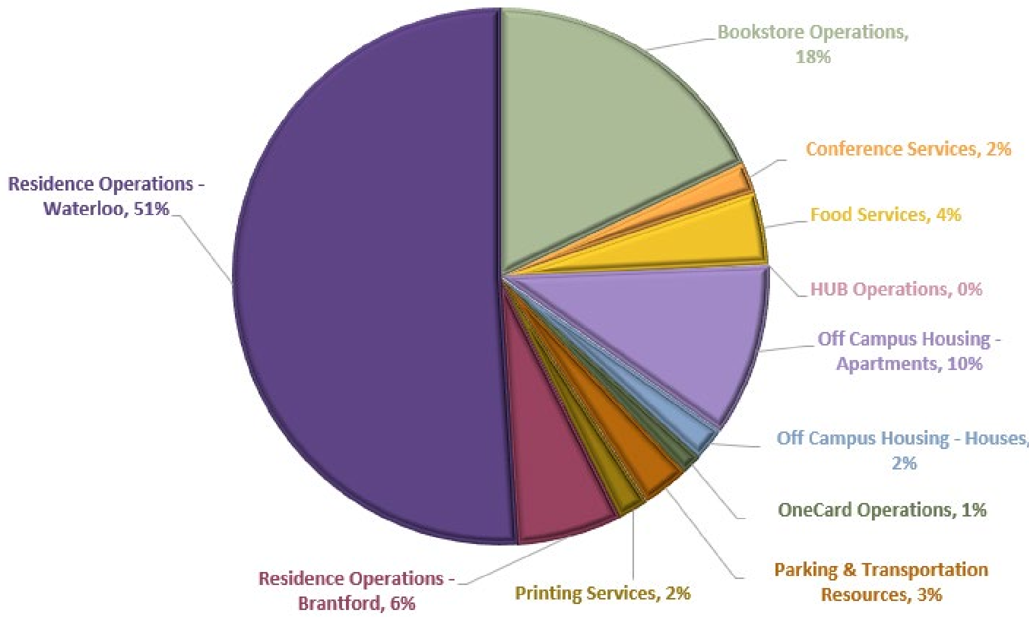
Ancillary Services is projecting a surplus of $3.8 million in 2023/24.

Revenue

The revenue of the ancillary organizations is estimated to increase from an approved budget of $54.8 million in 2022/23 to $57.2 million in 2023/24.

- Overall revenue associated with the Residence Operations reflects a new leased building on the Waterloo campus to fulfil the first-year residence guarantee, which replaces a building that will not be leased beyond the current year. There will also be fee increases in line with inflationary cost pressures. Fees for residence and other non-tuition fees are reviewed and endorsed by the Non-Tuition Fee Protocol Committee.
- Bookstore Operations' revenue growth is expected in general merchandise through revised pricing strategies, expanded e-commerce and enhanced partnerships across the university. However, the shift from physical textbooks to digital and inclusive access products will lower overall revenue.
- Off Campus Housing portfolio continues to reflect the change in student lease start dates from May to September which increases the vacancy rate over the summer months, in addition to a reduction related to recent real estate transactions in the house portfolio.
- Food Services revenue projection of $1.0 million reflects all food outlets operational for in-person activities, annual fee increases on meal plans in addition to the increased contract commission negotiated during the pandemic.
- Parking Resources revenue primarily represents the permit fee increase.
- Printing Services projected revenue reflects an adjustment to post-pandemic printing opportunities and lower print fleet volume.
- Conference Services expects a return to higher volume of group conference activities and short term stay bookings at Hotel Laurier. There is also an expanded role being planned beyond the summer semester for external bookings, especially in Brantford.
- OneCard Operations revenue will increase related to the initial card fee as well as revenue growth in business activities such as concourse rentals and commission revenue.

Figure 29: *Total Revenue Allocation by Ancillary Services Organization*



Expenses

Expenses are expected to be higher than 2022/23 with a budget of $53.4 million in 2023/24.

- Salary & benefits cost increases are based on assumptions made for budget purposes only, which are not intended to be indicative of the outcome of the upcoming negotiation process.
- Cost of Goods Sold is adjusted based on the projected revenue for each applicable organization.
- Off Campus Facility lease commitments increases from $10.2 million in 2022/23 to $13.1 million in 2023/24 which reflects market conditions. Laurier leases additional beds to augment the total number of residence beds to fulfill the first-year residence guarantee.
- Debt Service expenses decreased in 2023/24 with the sale of Lucy Marco Place in 2022.
- Operating Cost increases from $9.5 million in 2022/23 to $10.7 million in 2023/24.
- A new organizational structure (Business Development) has been created to support the strategic revenue generation opportunities with initial focus on One Market.
- New Capital & Deferred Maintenance budget expense of $2.3 million.
- Contribution directly to operating fund at $1.0 million, which is an increase from $0.3 million.

Figure 30: *Total Expenses Breakdown – Ancillary Services*

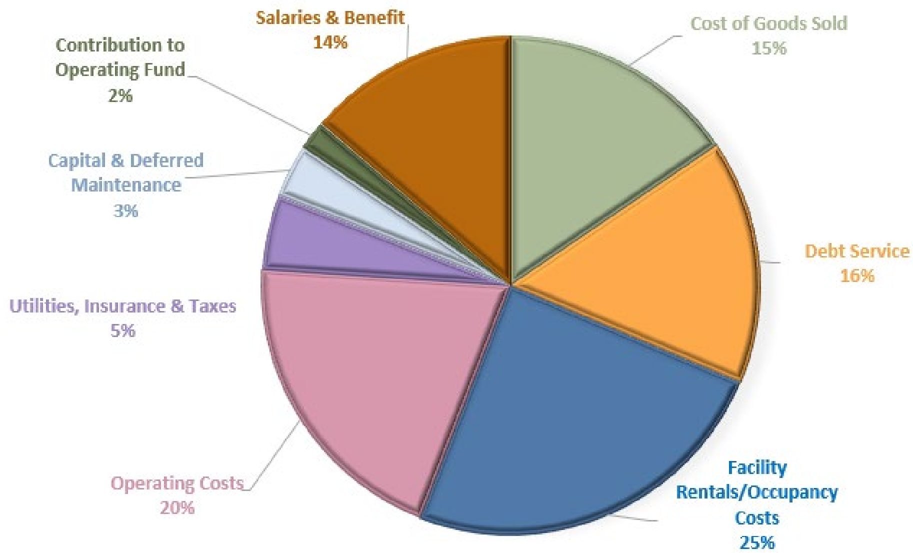


Table 21*: Ancillary Services Internally Restricted Net Assets Forecast*

Summary *(In 000's)*	**Apr 2023** *(forecast)*	**Apr 2022**	**YoY Change**
Bookstore Operations	(1,101)	(845)	(256)
Conference Services	706	731	(25)
Food Services	(2,139)	(3,139)	1,000
HUB Operations	(2)	0	(2)
Off Campus Housing Portfolio	105	(199)	304
OneCard Operations	(218)	(235)	17
Parking Resources	2,225	1,630	595
Printing Services	(1,021)	(766)	(255)
Residence Operations	(5,451)	(7,137)	1,686
Food Services Capital Improvements	615	244	371
Residence Buildings - Deferred Maintenance	822	552	270
Residence Building Reserve	3,087	3,087	0
Ancillary Internally Restricted Net Assets	**(2,372)**	**(6,076)**	**3,704**

The Ancillary Services Internally Restricted Net Assets (IRNA) is in a deficit position of $6.1 million due to the impact of the pandemic. The 2022/23 forecast projects a positive contribution and reduces the deficit by $3.7 million to $2.4 million.

The Ancillary Services internally restricted net assets strategy is to return to a surplus position for all organizations. These reserves are important to support strategic initiatives and capital investments within this portfolio. While the operating expenses are significantly different than departments within the operating budget, there are significant resources dedicated to equipment and facility renewals within the ancillary portfolio. Much of the technology (hardware or software) requires ongoing investment and the franchise concepts in Food Services require capital investment for compliance with brand standards. The

Residence and Off Campus Housing portfolio require significant facility renewals to address deferred maintenance and to remain competitive with student needs. Each ancillary unit has a dedicated reserve and distinct criteria that influence the dollar value and the prioritization of how the reserve funds are allocated.

Table 22: *2023/24 Ancillary Services Budget Summary*

2023/24 Ancillary Services Budget

In $000's

	Approved Budget 2022/23	Total Budget 2023/24	Change	% Chg
Revenue				
Revenue - Residence Fees	29,105	32,225	3,120	*10.7%*
Revenue - Other	25,741	24,956	(785)	*(3.0)%*
Revenue Total	**54,846**	**57,181**	**2,336**	***4.3%***
Salaries & Benefit Expenses				
Full/Part Time Staff Costs	5,236	5,319	83	*1.6%*
Statutory & Fringe Benefits	1,920	1,986	66	*3.4%*
Pension Plan Deficiency	31	31	0	*0.3%*
Salaries & Benefit Expenses Total	**7,187**	**7,335**	**149**	***2.1%***
Non-Salary Expenses				
Cost of Goods Sold	9,369	8,280	(1,089)	*(11.6)%*
Debt Service	9,061	8,471	(590)	*(6.5)%*
Facility Rentals/Occupancy Costs	10,161	13,115	2,954	*29.1%*
Operating Costs	9,543	10,748	1,206	*12.6%*
Utilities, Insurance & Taxes	2,961	2,610	(351)	*(11.8)%*
Capital & Deferred Maintenance	2,447	2,271	(177)	*(7.2)%*
Contribution to Operating Fund	428	1,000	572	*133.6%*
Appropriations	(360)	(400)	(40)	*11.1%*
Non-Salary Expenses Total	**43,610**	**46,096**	**2,486**	***5.7%***
Expense Total	**50,797**	**53,431**	**2,634**	***5.2%***
Net Surplus/(Deficit)	**4,049**	**3,751**	**(299)**	

Table 23: *2023/24 Ancillary Services Budget Detail*

2023/24 Ancillary Service Budget by Organization

In $000's

	Approved Budget 2022/23	Total Budget 2023/24	Change	% Chg
Bookstore Operations				
Revenue Total	11,532	10,295	(1,237)	*(10.7)%*
Expense Total	11,550	10,283	(1,267)	*(11.0)%*
Surplus/(Deficit)	**(18)**	**12**	**30**	***169.5%***
Business Development				
Revenue Total	-	-	-	-
Expense Total	-	152	152	*100.0%*
Surplus/(Deficit)	**-**	**(152)**	**(152)**	***100.0%***
Conference Services				
Revenue Total	976	1,080	104	*10.7%*
Expense Total	830	967	137	*16.5%*
Surplus/(Deficit)	**146**	**113**	**(33)**	***(22.5)%***
Food Services				
Revenue Total	2,120	2,466	346	*16.3%*
Expense Total	874	1,465	591	*67.6%*
Surplus/(Deficit)	**1,246**	**1,001**	**(245)**	***(19.7)%***
HUB Operations				
Revenue Total	99	98	(1)	*(.7)%*
Expense Total	97	97	1	*.5%*
Surplus/(Deficit)	**2**	**1**	**(1)**	***(60.4)%***
Off Campus Housing - Apartments				
Revenue Total	6,038	5,923	(115)	*(1.9)%*
Expense Total	5,911	5,807	(104)	*(1.8)%*
Surplus/(Deficit)	**127**	**117**	**(11)**	***(8.5)%***

Table 23: *2023/24 Ancillary Budget Detail-Continued*

2023/24 Ancillary Service Budget by Organization

In $000's

	Approved Budget 2022/23	Total Budget 2023/24	Change	% Chg
Off Campus Housing - Houses				
Revenue Total	1,227	1,156	(70)	*(5.7)%*
Expense Total	1,204	1,170	(34)	*(2.8)%*
Surplus/(Deficit)	**23**	**(14)**	**(37)**	***(159.9)%***
OneCard Operations				
Revenue Total	672	708	36	*5.4%*
Expense Total	632	701	68	*10.8%*
Surplus/(Deficit)	**39**	**7**	**(32)**	***(82.1)%***
Parking & Transportation Resources				
Revenue Total	1,490	1,625	134	*9.0%*
Expense Total	903	1,047	145	*16.0%*
Surplus/(Deficit)	**588**	**578**	**(10)**	***(1.7)%***
Printing Services				
Revenue Total	1,161	1,048	(113)	*(9.8)%*
Expense Total	1,078	1,040	(39)	*(3.6)%*
Surplus/(Deficit)	**83**	**9**	**(74)**	***(89.5)%***
Residence Operations - Brantford				
Revenue Total	4,200	3,608	(592)	*(14.1)%*
Expense Total	3,407	3,010	(397)	*(11.7)%*
Surplus/(Deficit)	**793**	**598**	**(195)**	***(24.6)%***
Residence Operations - Waterloo				
Revenue Total	25,330	29,174	3,844	*15.2%*
Expense Total	24,311	27,692	3,381	*13.9%*
Surplus/(Deficit)	**1,019**	**1,482**	**462**	***45.3%***

Part F – Multi-Year Ancillary Services Budget Forecast

A multi-year planning approach is critical for ensuring institutional success and sustainability of the ancillary portfolio. These projections are building on the work of the 2023/24 Proposed Budget. The strategy includes looking past our current challenges to lay the groundwork for Laurier and the Ancillary Services to succeed in a post-pandemic world.

The Multi-Year Budget Forecast model for Ancillary Services starts with the 2023/24 Proposed Budget as the base. The model consistently applies specific revenue assumptions by organization and inflationary factors to expenses. The net result is used to project the year-end reserve balances. These assumptions are based on information available to management at the time of preparing the multi-year budget forecast. However, strategic investment assumptions, essential requests, capital improvements and Milton campus have not been included in future years.

Table 24: *Multi-Year Budget Forecast for Ancillary Services*

Multi-Year Ancillary Budget Forecast *(In 000's)*

	Budget 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28
Revenue					
Revenue - Residence Fees	32,225	33,192	34,188	35,213	36,270
Revenue - Other	24,956	25,708	26,495	27,313	28,169
Revenue Total	**57,181**	**58,900**	**60,683**	**62,527**	**64,439**
Salaries & Benefit Expenses					
Full/Part Time Staff Costs	5,319	5,422	5,528	5,635	5,745
Statutory & Fringe Benefits	1,986	2,025	2,065	2,106	2,148
Pension Plan Deficiency	31	31	31	31	31
Salaries & Benefit Expenses Total	**7,335**	**7,478**	**7,624**	**7,772**	**7,924**
Non-Salary Expenses					
Cost of Goods Sold	8,280	8,472	8,698	8,931	9,172
Debt Service	8,361	8,498	8,630	8,765	8,905
Facility Rentals/Occupancy Costs	13,115	13,509	13,914	14,332	14,762
Operating Costs	10,858	11,051	11,333	11,644	11,969
Utilities, Insurance & Taxes	2,610	2,731	2,857	2,990	3,129
Capital & Deferred Maintenance	2,271	1,910	1,962	2,068	2,151
Contribution to Operating Fund	1,000	1,000	1,000	1,000	1,000
Appropriations	(400)	(420)	(441)	(463)	(486)
Non-Salary Expenses Total	**46,096**	**46,751**	**47,954**	**49,267**	**50,601**
Expense Total	**53,431**	**54,229**	**55,577**	**57,040**	**58,525**
Net Surplus/(Deficit)	**3,751**	**4,671**	**5,105**	**5,487**	**5,914**

Assumptions:

In preparing the multi-year model, certain assumptions and estimates were necessary.

Revenue and Cost of Goods Sold:

The revenue projections are the foundation of the multi-year revenue budget forecast. These projections are based on the most likely outcomes given current plans and knowledge. The revenue assumptions directly impact the cost of goods sold for the applicable organizations.

Table 25: *Multi-Year Assumptions - Ancillary Services*

Organization:	BASE
Bookstore Operations Sales*	2% year-over-year increase in Academic Materials 5% year-over-year increase in General Merchandise
Conference Services Sales	Conference Services activities increase in fiscal 2023/24, but will increase more significantly after that initial year
Food Services Sales Commission	New sales commission structure in place within the contract
Off Campus Housing Portfolio – Rental Fees	2% year-over-year increase in Rental Fees
OneCard Fees & Sales*	OneCard Fee revenue remains at first-year enrolment intake Business Growth in facilities rentals and commission revenue
Parking Resources Permit Fees	Actual year-over-year increase in Permit Fees are subject to staff and faculty collective bargaining negotiations
Printing Services Sales & Fees*	5% year-over-year increase on Printing Services 2% year-over-year increase on Fleet Printing
Residence Fees – Waterloo & Brantford Campuses	3% year-over-year increase in Residence Fees

** refers to Cost of Goods Sold commentary*

Revenue Commentary:

- Residence fees are projected to increase 3% year-over-year with a target occupancy of 97% on both the Waterloo and Brantford campuses.
    - International students admitted through Wilfrid Laurier International College are expected to increase residence occupancy on the Brantford campus.
- The revenue targets for Bookstore Operations are based on stretch goals to achieve 5% year-over-year growth for general merchandise and 2% year-over-year growth on academic materials.
- Off Campus Housing portfolio rental fees are projected to increase 2% year-over-year with a target occupancy of 90% or greater.
    - At the time of this report, the sale of 19 Ezra and 33 Ezra have not been finalized. The 2023/24 budget and multi-year forecast includes these properties until the terms of the sale are complete. However, the financial impact to the proposed 2023/24 budget and the multi-year forecast will be minimal.
- Conference Services activities are expected to be at pre-pandemic levels in the summer of 2023.
- Revenue from OneCard fees will remain at the same first-year enrolment intake in fiscal 2022/23. OneCard business operations growth in facilities rentals and commission revenue.
- New sales commissions percentages on meal plans and retail sales for Food Services.

- Printing Services modestly projects a 2% increase year-over-year on fleet printing across the campuses and a revenue target of 5% increase year-over-year for Printing Services activities.
- Parking Resources permit fees are projected to increase year-over-year noting that permit fees increases are subject to collective agreement negotiations.

*** Cost of Goods Sold Commentary:**

- Bookstore Operations cost of goods sold is adjusted based on a percentage of revenue for general merchandise and academic materials to reflect the current changes in operations and product mix.
- Printing Services cost of goods sold is based on a percentage of revenue for both fleet printing and Printing Services activities.
- OneCard cost of goods sold increases by 5% each year to reflect the inflationary adjustment to the cost of the dual chip cards even though the revenue is consistent with first-year enrollment.

Salaries & Benefit Expenses:

Salaries & Benefit Expenses:	Assumption
Salary increases	Actual % to be determined through upcoming negotiations

Non-Salary Expenses:

The Non-Salary expenses inflationary factors or assumptions have been held constant for the multi-year budget forecast. The inflationary factor is applied to non-salary expenses unless specifically indicated in the table below.

Not included in this projection are the following:

- Milton revenue/expenses pertaining to Ancillary Services operations.
- Essential requests, strategic initiatives, and capital improvements in future years.

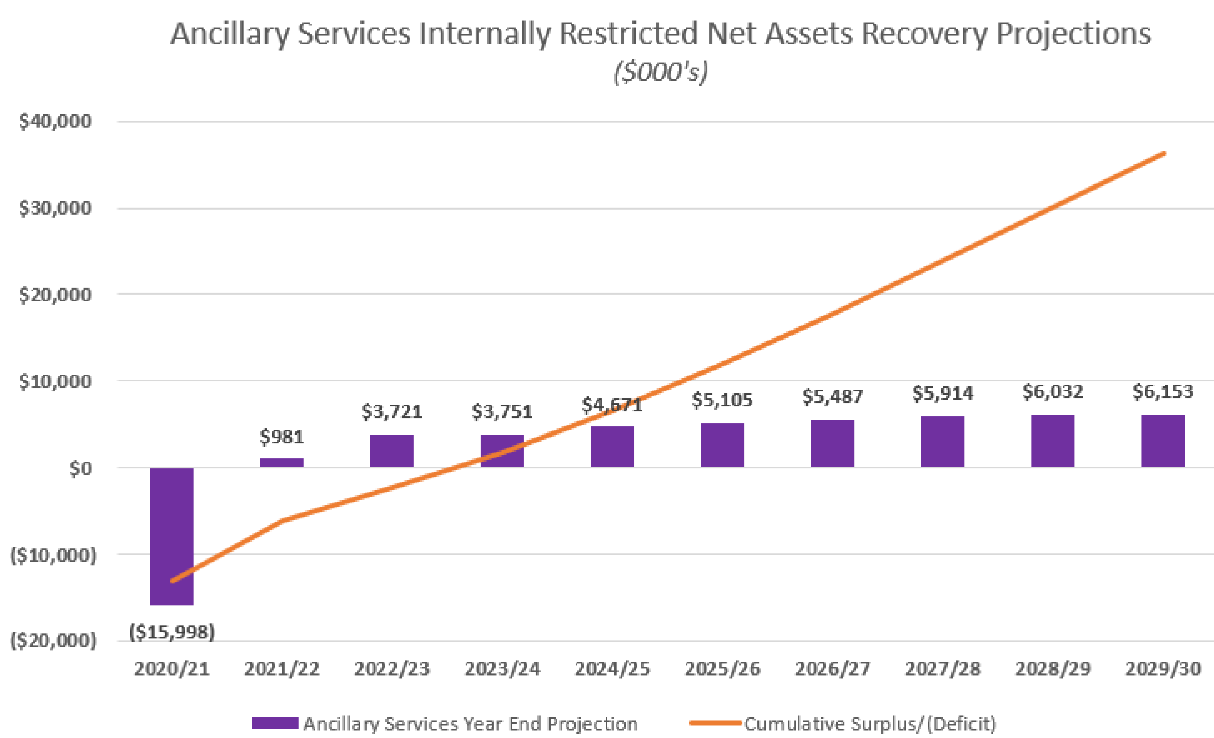
Non-Salary Expenses:	Assumption
Inflationary Factor	3%
Management Fees	4% of Total Revenue
Utilities Inflation	5%
Contribution to Operating Fund	$1 million per year
Interest on Reserve Debt	2% per annum on year-end reserve deficit balance by organization
Deferred Maintenance	Residences Operations (all campuses) – 3% of total revenue Off Campus Housing Portfolio - $200K with fixed amount increases in later years $25K per year for Bookstore Operations Food Services - $200K per year $5K per year for OneCard Operations Printing Services - $10K per year Parking Resources – 5% increase year-over-year

Ancillary Services Multi-Year Internally Restricted Net Assets Forecast

Ancillary Services internally restricted net assets (IRNA) was in a net deficit position of $6.1 million at the end of 2021/22 and a $2.4 million deficit is forecasted for 2022/23 as shown in Table 21. It is forecasted that at the end of fiscal 2023/24, the net reserve balance will be in a surplus of approximately $1.7 million.

Figure 31 below indicates the recovery projection trajectory. The new Business Development projection reflects the overhead required to develop and implement the strategy but will be offset with new revenue yet to be approved, so it is very conservative.

Figure 31: *Ancillary Services Internally Restricted Net Assets Recovery Projections*



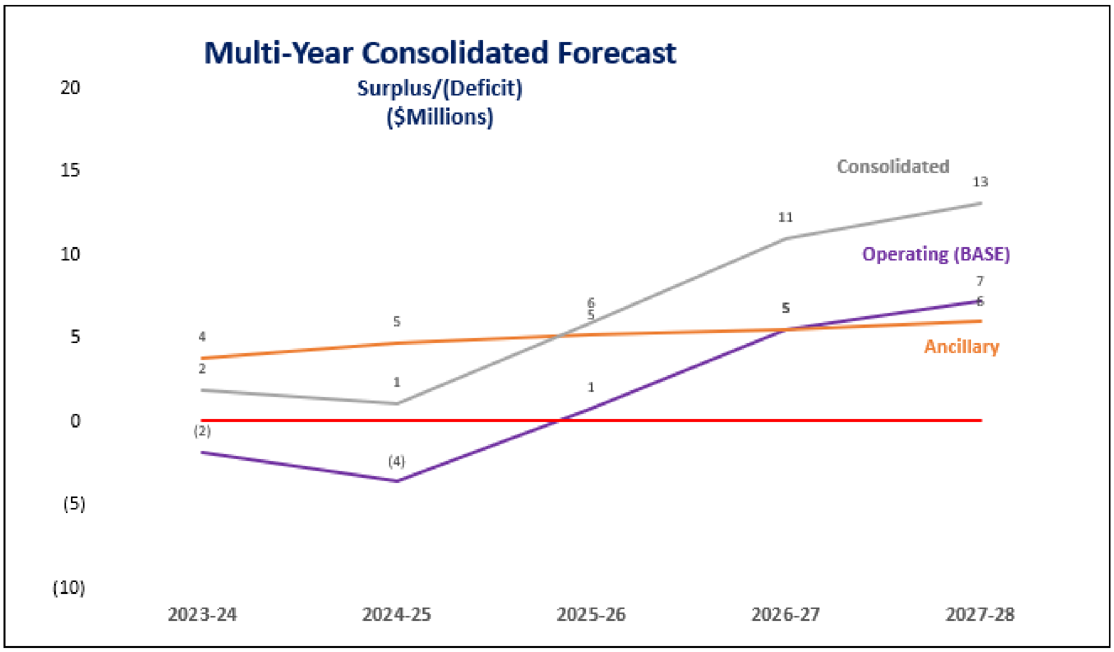
The Multi-Year IRNA recovery projection **does not include** any ongoing capital improvements or projects, essential requests, or strategic initiatives in future years.

Part G – Multi-Year Consolidated Forecast

On a consolidated basis, inclusive of operating and ancillary fund projections, a surplus is anticipated in 2023/24 with growing magnitude in future years. These future year surplus funds will support strength in reserves as well as capital investments for academic and ancillary purposes.

Figure 32 provides a very high-level overview of both the Operating and Ancillary Budget forecast over the next four years projecting a consolidated surplus of $13 million in 2027/28 in the Base case scenario.

Figure 32: *Multi-Year Consolidated Forecast*



Appendix I: Acronyms used in Budget document

Acronym	Description
AVP	Assistant Vice President
BC	Budget Council
BCT	Budget Coordinating Team
COG	Core Operating Grant
CSS	Comprehensive Student Service
CTF	Contract Teaching Faculty
DBRS	Dominion Bond Rating Service
DCT	Direct Cost of Teaching
ELT	Executive Leadership Team
FHSS	Faculty of Human and Social Sciences
FI&P	Finance, Investments & Property Committee
FRP	Facilities Renewal Program
FT	Full-Time
FTE	Full-Time Equivalent
GR	Graduate
ICT	Information and Communications Technologies
IRNA	Internally Restricted Net Assets
MCU	Ministry of Colleges and Universities
OSSTF	Ontario Secondary School Teachers Federation
OTO	One Time Only
OUGS	Ontario University Graduate Survey
PBF	Performance-Based Funding
RCM	Responsibility Centre Management
SEFC	Senate Executive and Financial Committee
SEM	Strategic Enrolment Management
SIPG	School of International Policy and Governance
SMA	Strategic Mandate Agreement
STEAM	Science, technology, engineering, arts, and mathematics
UG	Undergraduate
VP	Vice President
VPA	Vice President Academic
WLIC	Wilfrid Laurier International College
WLU	Wilfrid Laurier University
WLUFA	Wilfrid Laurier University Faculty Association
WLUGSA	Wilfrid Laurier University Graduate Students’ Association
WLUSA	Wilfrid Laurier University Staff Association
WLUSU	Wilfrid Laurier University Students’ Union

Appendix II: Glossary of Budget Terms

Budget Term	**Description**
Enrolment Envelope	Provincial operating grant funding related to enrolment, which includes a Core Operating Grant (COG) under which universities are given a portion of operating funding based on a specific level of eligible enrolment (expressed in Weighted Grant Units).
Performance/ Outcome-based Funding	The establishment of the Differentiation Envelope and creation of the Performance-based Grant, links a portion of operating grant funding to performance outcomes and allows a greater focus on performance and outcomes over successive SMA cycles.
International Student Recovery	A reduction in operating grant based on the number of international undergraduate and non-PhD students
OTO	Expenses that occur in the current year only and do not carry forward into the following budget year.
SMA3	Strategic Mandate Agreement (2020-2025). Bilateral agreements established between the Ministry of Training, Colleges and Universities and the Province's publicly funded colleges and universities.
Student FFTE/FTE	Fiscal Full-time Equivalent/Full-time Equivalent. . For Undergraduate students, 1.0 is equivalent to 10 half-credit course registrations. For Graduate students 1.0 is equivalent to 1 full-times student headcount; a part-time graduate student is 0.3 FTE).
Student Headcounts	A count of the number of students enrolled in programs at Laurier; refers to the number of students, regardless of course-load and includes both full and part-time students. The Fall academic term is normally used as the benchmark for measuring year-over-year enrolment changes.
Tuition (Grant Eligible)	Tuition fees from students who are eligible for operating grant funding from the Provincial Government. For example, domestic students in publicly funded programs.
Tuition (Grant Ineligible)	Tuition fees from students who are not eligible for operating grant funding from the Provincial Government and/or programs not eligible for operating grant funding. For example, full cost recovery or self-funded programs, and most international students.
WGU	Weighted Grant Unit. The weighting system that was introduced in 2017-18 as part of the new provincial operating grant funding model. The weighting factors for calculating WGUs were revised from those used previously in order to create equal funding per weighted student enrolment for students in similar program across all institutions as well as a common grant per WGU rate.