2018-2019 Operating Budget
April 30, 2018
ENROLMENT PROJECTIONS
PROJECTED CHANGE IN 18-YEAR-OLD POPULATION IN ONTARIO: CARLETON IMPACT

Ontario University Application Centre (OUAC) yearly statistics, OIRP Data cubes
“Carleton Mix” is calculated based on actual Ontario enrolment mix Ontario intake (Fall 2016).
OUAC data from 2018 is as at Feb. 1, 2018/Carleton data for 2018 is extrapolated from current registration statistics.
Office of Institutional Research and Planning: 2018-03-13
Enrolment Growth by Faculty

Fall Full-time Enrolment: Office of Institutional Research and Planning March 13, 2018
### Carleton University First Year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>%  +/−</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicants</td>
<td>22,589</td>
<td>22,064</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Approved</td>
<td>10,862</td>
<td>11,221</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Confirmed</td>
<td>1,074</td>
<td>1,062</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

### Carleton University Target (Full-time Fall)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>%  +/−</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year</td>
<td>6,543</td>
<td>6,523</td>
<td>0.3%</td>
</tr>
<tr>
<td>First Year (New)</td>
<td>5,498</td>
<td>5,498</td>
<td>0.0%</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>21,568</td>
<td>21,289</td>
<td>1.3%</td>
</tr>
<tr>
<td>Total (FT+PT) Enrolment</td>
<td>30,818</td>
<td>29,916</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
BUDGET OVERVIEW
Total: $505 Million

- Tuition Fees, $307 M, 61%
- Government Grants, $173 M, 34%
- Investment Income, $8 M, 2%
- Misc. Fees and Income, $17 M, 3%
Total: $505 Million

- Staffing Costs, $335 M, 67%
- Salaries, $270 M, 54%
- Other, $25 M, 5%
- Library Acquisitions, $7 M, 1%
- Utilities, $9 M, 2%
- Facilities, $57 M, 11%
- Equipment, $11 M, 2%
- Student Aid, $35 M, 7%
- Employer Pension Contrib'ns, $30 M, 6%
- Other Benefit Contrib'ns, $35 M, 7%
- Enrolment Incentive, $25 M, 5%
## 2018-2019 Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>2017-2018 Budget ($000)</th>
<th>2017-2018 Projected Results ($000)</th>
<th>2018-2019 Budget ($000)</th>
<th>Variance to 2017-2018 Budget ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Grant</td>
<td>171,744</td>
<td>176,475</td>
<td>172,607</td>
<td>863</td>
</tr>
<tr>
<td>Tuition Fee</td>
<td>274,202</td>
<td>286,550</td>
<td>307,000</td>
<td>32,798</td>
</tr>
<tr>
<td>Investment Income</td>
<td>8,250</td>
<td>10,194</td>
<td>8,250</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>15,873</td>
<td>16,866</td>
<td>16,788</td>
<td>915</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>470,069</strong></td>
<td><strong>490,085</strong></td>
<td><strong>504,645</strong></td>
<td><strong>34,576</strong></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>470,069</strong></td>
<td><strong>480,000</strong></td>
<td><strong>504,645</strong></td>
<td><strong>34,576</strong></td>
</tr>
<tr>
<td><strong>Operating Results</strong></td>
<td>-</td>
<td>10,085</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Notes 2018-2019 Budget vs. 2017-2018 Budget:

1. Government Grant - Small increase expected from additional Performance grants
3. Investment Income – Projected return of 2.7%
4. Total expenses increases from salaries and benefits, pension, student aid, and general operating costs
Government Grants $172.6M, +$0.9M

• Return to “corridor” system (based on 2016-2017 levels) of “Weighted Grant Units”

• No increases in Undergraduate grants expected during current Strategic Mandate Agreement (SMA2): 2017-2018 to 2019-2020

• Small increase only in Graduate grants

• Grants reallocated to Enrolment (92%) & Differentiation (8%) funds; small amounts to Special Purpose funds

• Differentiation Grant - no impact until SMA3 (2020-2021)
Tuition Revenue $307M, + $32.8M

- $20.5M coming from 2017-2018 enrolment growth; $12.3M from 2018-2019 fee and flow through enrolment increases
- Targeting flat growth (new) Undergraduate, 3% (new) Graduate
- Overall Growth - Undergraduate 3%, Graduate 4.5%
- Domestic tuition fee increases of 3% overall
  - Undergraduate – 3% for most; 5% for ‘professional’ programs
  - Graduate – 0% to 5%, program dependent
- International tuition fee increases (unregulated)
  - 0% to 8%, program dependent
Investment Income $8.2M, no change

- Expected returns of 2.7% on invested funds available: 5% on equity and 1.6% on fixed income
- Decision to shift $100M from fixed income to equity funds by Investment Committee starting in 2015-2016
- Returns in excess of budget to be held in reserve to equalize investment revenues in years of negative return
**Other Income $7.1M, + $0.9M**

- Reflects minor increases in supplementary fees, as approved by the Board

- Includes $0.2M of additional fee income related to graduate application services previously handled by OUAC
Total Operating Allocations $72.1m

• Academic (Provost Office, Faculties, Library) $8.7M
• Student Support and Enrolment $2.3M
• Research and International $1.9M
• Administration $6.8M
  (e.g. President’s Office, Finance, HR, IT, Facilities, Security, Advancement)
• University Budget (annual recurring expenses) $15.6M
  (e.g. benefit increases, utilities, student support)
• Provisions and Contingencies $36.8M
Ref. 2018-19 Operating Budget Notes, page 12
Ongoing (approved) Projects:

- Health Science Building: $52M (Sept. 2017)
  - Fit-up 4th and 6th floors (March 2019)
- SIF Projects (extended to Nov. 2018):
  - ARISE Building: $29.5M
  - Energy Retrofit: $20.5M
- CoGen Project: $20.7M (Sept. 2018)
- Business (Nicol) Building: $48M-$50M
Potential Future Projects:

- New Athletic Facility (Ancillary): est. $10M-12M
- Extension to University (Students) Centre: est. $38M
- Extension to (P7) Parking Garage: est. $25M
- Others:
  — Condo type Student Residence (Ancillary): TBD
  — New Engineering Building (Ontario STEM funding): TBD
Total Capital Reserves Available (30/04/2017) $121.1M

- Approved Projects (balance outstanding):
  - Health Science Building $31.3M
  - Sprott Building $28.2M
  - Cogeneration facility $15.0M
  - ARISE Building (University’s share) $11.8M

- Future Projects:
  - HSB Fit-Up 4th and 6th floors $9.0M
  - University Centre ($38M required) $25.8M

TOTAL $121.1M

Note: Project costs are accounted for as “construction in progress” during the year and recognized to the capital reserve at year-end. To date, all projects are expected to come in on budget.
PENSION PLAN FUNDING
July 1, 2016 Valuation: $M
• Going concern deficit 80
• Solvency deficit 223

2017-2018 Funding:
• Base funding 18
• Required special payments 10
• Appropriation to pension reserve 25

2017-2018 Pension Reserve 129
(after appropriation)
Regulations expected in Q2 2018
Effective for valuations on or after Dec. 31st 2017

Going Concern Funding:
• Strengthening going-concern funding
• New funded Provision for Adverse Deviation (PfAD)
• 10-year amortization of deficits (now 15 years)

Solvency Funding:
• Funding only to meet solvency status to 85%
• 5-year amortization (no change)

Benefits Improvements & Contribution Holidays:
• New funding rules for benefit improvements
• New restrictions on contribution holidays

Source: Mercer, March 8, 2018
Approve the 2018-2019 Operating Budget as presented