



Annual Budget Report 2024/2025

Board Approved March 22, 2024

2024/2025 BUDGET REPORT

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FOREWORD

This report is intended to provide a comprehensive review and summary of the process, consultations, and results of the Trent University 2024/2025 Budget for the Operating and Ancillary Funds.

Trent's administration has attempted to pursue a budget development process that enhances the degree of transparency, communication, and input of all constituencies of the University community. This report captures the key elements and content of the development process, including consultation outcomes and specific impacts of budget decisions on the various academic, non-academic, and ancillary units of the University.

It is our intention to produce a summary report annually, and circulate it widely, in order that the budget and underlying program activity of the University can be better understood and assessed.

Your comments and feedback are welcome.

Tariq Al-idrissi, Vice President, Finance and Administration
Cheryl Turk, Associate Vice President, Finance

EXECUTIVE SUMMARY

The budget planning process for fiscal 2024/2025 began in September 2023 with enrolment modelling and discussions with various groups in the University community regarding the current fiscal environment, the budget process, and timelines.

The current fiscal environment can be characterized as challenging and uncertain. Government grant revenue remains fixed, domestic tuition rates continue to be frozen, the Financial Accountability Framework is now in effect, government restrictions on international enrolment have been introduced, and costs continue to escalate. This environment makes it difficult to plan for sufficient strategic investments to address enrolment growth and other operating or inflationary pressures while continuing to provide quality programs and learning opportunities that are personal, purposeful, and transformative.

For 2024/2025, Trent is conservatively anticipating total student enrolment will increase by 2.9% to 13,658 full-time equivalents (FTEs), an increase of 383 FTEs from 2023/2024, and remain relatively stable thereafter. These enrolment projections represent an increase of nearly 65.0% from the 2016/2017 corridor mid-point used in the current Ministry funding model. Building on the expansion of post-graduate certificate programs and the opening of the new Advanced Learning Center in Durham in September 2023, international enrolment is projected to grow to approximately 26% of total FTEs in 2024/2025 and remain relatively stable thereafter. The University conservatively included a provision for possible lost international tuition revenue to mitigate the potential impact of the restrictions placed on international study permits by the Federal government in January 2024.

Under the five-year Strategic Mandate Agreement (SMA3), which commenced with fiscal 2020/2021, total eligible funding for the University is fixed. Under the current funding model, there is no mechanism to fund planned enrolment growth. The amount of funding tied to performance metrics and therefore at risk will increase to 25% in 2024/2025 with the remaining differentiation funding flowing to the institution based on other accountabilities. One-time funding over the next three years allocated from the Post-secondary Education Sustainability Fund in early June 2024 is not included in this Operating Budget.

The current Tuition Fee Framework, which was recently extended to April 2027, mandates tuition fees for domestic students continue to be frozen at 2019/2020 rates, which were reduced by 10% compared to 2018/2019 fees. Trent was successful in obtaining approval to increase domestic tuition fees by 7.5% in three programs through the Tuition Anomalies initiative. International fees are not regulated by the province. In an effort to grow international enrolment and remain competitive yet affordable, Trent's Board of Governors approved an increase in international tuition rates of 3% to 8% depending on the type of student and program. Tuition revenue is projected to generate 73% of the University's total operating revenue in 2024/2025.

With fixed Ministry funding and domestic tuition fees frozen, many universities including Trent, are adopting an enrolment growth strategy reliant on tuition-only revenue (net of related student financial aid and agency fees) and increased international recruitment to offset inflationary pressures.

Based on the key planning assumptions, the preliminary 2024/2025 Operating Budget before making any new strategic investments or implementing new budget reduction strategies projected approximately \$9.1 million available for strategic investments.

With limited funds available to address the enrolment growth on which the preliminary budget was predicated, budget owners were expected to manage within their existing departmental budgets. Budget owners who wished to propose new investments during the budget cycle were asked to identify budget reduction strategies to offset the strategic investment request, where possible.

The President and Vice-Presidents carefully reviewed all presentations and proposals. For new strategic investments, particular attention was given to current needs that addressed student enrolment growth and longer-term impact on the allocation of resources, as well as alignment with the University's strategic plans. For budget reduction proposals, they gave careful consideration to strategies that minimized the impact to students and to staff and did not compromise quality of programs and services.

The approved net new investments of \$8.9 million for 2024/2025 focus on the following strategic priorities of the University:

- Maintaining financial sustainability by achieving a balanced operating budget, including contributions from ancillary services.
- Continuing enrolment growth, with a particular emphasis on international students and expanding the Durham GTA campus.
- Building co-op and experiential learning opportunities for students.
- Maintaining or enhancing institutional capacity to support growth.
- Enhancing student supports.

As a result of the approved net new strategic investments, the 2024/2025 Operating Budget is expected to be balanced with a nominal surplus of \$199,000. This Operating Budget assumes a combined contribution from ancillary services of over \$1.7 million. Ancillary services are also expected to add over \$2.2 million to their reserves to be used for critical capital and infrastructure renewal.

This operating plan was approved by the Board of Governors on March 22, 2024.

Further details of the 2024/2025 budget process, major assumptions, budget strategies, new strategic investments, and projected financial position are provided in this report.

FISCAL ENVIRONMENT, BUDGET DEVELOPMENT PROCESS, AND TIMELINES

The comprehensive budget planning process for fiscal 2024/2025 began in September 2023 with discussions with various groups in the University community regarding the current fiscal environment, the budget process, and timelines. Through the Strategic Enrolment Management Committee and other working groups, various enrolment scenarios were modelled building on Fall 2023 then-projected enrolment.

Fiscal Environment

The current fiscal environment can be characterized as challenging and uncertain. Government grant revenue remains fixed, domestic tuition rates continue to be frozen, the Financial Accountability Framework is now in effect, government restrictions on international enrolment have been introduced, and costs continue to escalate.

Trent signed its Strategic Mandate Agreement 2020-2025 (SMA3) with the Ministry in August 2020. The SMA3 fixes total operating funding for the duration of the five-year agreement with no mechanism for funding enrolment growth. The SMA3 includes ten performance-based metrics focused on jobs and economic impact, two of which are institution-specific. These metrics and associated targets are reviewed and amended annually to support the continuous improvement approach by the Ministry. For 2024/2025, the last year of the SMA3, the performance envelope will consist of 60% of total eligible funding with 25% of funding at risk dependent on performance outcomes and the remainder disbursed on the other accountabilities. Development of the next Strategic Mandate Agreement, SMA4, has just commenced.

In February 2024, the Ontario government announced a \$903 million investment over three years through the new Post-secondary Education Sustainability Fund starting in 2024/2025. At the time of budget approval, specific allocations of this one-time funding to individual universities had not been determined or communicated. In early June 2024, the University learned its allocation will result in increases of \$1.5 million in 2024/2025, \$2.5 million in 2025/2026 and nearly \$3.6 million in 2026/2027; these funding increases have not been factored into this operating budget.

Also included in the February 2024 announcement, the Ministry confirmed the general freeze on domestic tuition will remain in place for the next three years. This freeze means domestic tuition rates will continue at 2019/2020 level until at least 2026/2027, eight years at the same rates which were reduced by 10% from the 2018/2019 rates. The only permissible increases are 5% for domestic out of province students and 7.5% for programs approved as part of the Tuition Anomalies initiative in 2023/2024.

In Fall 2023, the Ministry provided details of the Financial Accountability Framework for universities implemented for the 2023/2024 fiscal year. The Framework is closely aligned with the sector's ongoing commitment to the transparency of financial information and additional commitments to proactively monitor institutional financial health. It uses eight financial metrics/ratios and the University's credit rating to measure the financial health risk of universities across four categories: liquidity, sustainability, performance, and credit rating. A university's achievement on each metric is aggregated into an overall score that is then grouped according to one of four action plans: No Action, Low Action, Medium Action, and High Action. Based on the 2022/2023 financial health risk assessment, Trent has been ranked in the Low Action plan category based on its credit rating and must provide to the Ministry an analysis of the financial health metric results and the steps the University will take to restore its metrics to the low-risk level. Budget decisions will need to be made with careful consideration of their impact on the financial metrics/ratios under this Framework.

In January 2024, the Federal government announced they are limiting the number of international student study permits for undergraduate students (degree-seeking and post-graduate certificates) for the next two years. The impact of this cap to the university sector, and to Trent specifically, was not known at the time of budget development as the Ministry was determining the system for allocating permits and attestation letters for new international student intake. Although Trent's allocation was consistent with that of prior years, it will take time to assess the actual impact on the University's international enrolment strategies for 2024/2025 and beyond.

Despite the Bank of Canada's efforts, it is taking longer than expected to lower inflation to the target of 2%, now not anticipated until mid-2025. Higher inflation means lost purchasing power and is driving up the cost of most goods and services, including construction costs, while labour shortages are causing employee compensation to escalate. Supply chain issues are resulting in longer lead times and higher prices for supplies. Higher inflation, interest rates and market volatility are impacting investments, particularly for endowments and pension plan assets. As a result, the University will need to accommodate for escalations in existing salary and non-salary expenses and will need to maintain an adequate inflation provision, which will divert some resources that would otherwise be available for new investments.

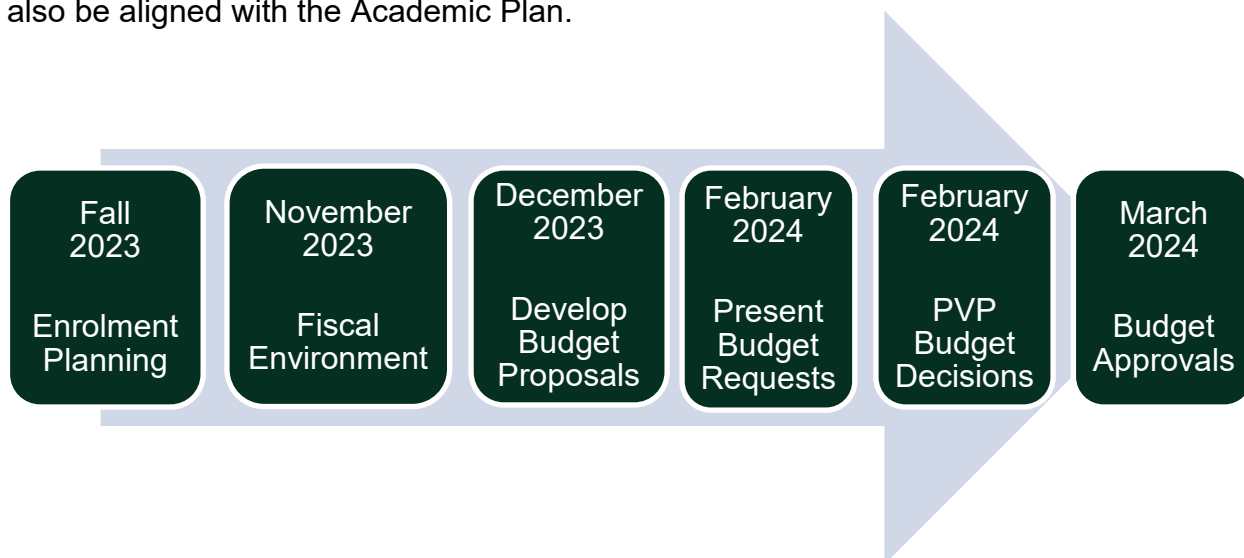
With this fiscal environment of uncertainty, it is challenging to achieve and maintain a balanced budget for this planning cycle while investing in strategic priorities. The University is more reliant on tuition-only enrolment growth strategies, optimizing international recruitment, and achieving operating efficiencies. The Preliminary Base Budget projected limited funds available for additional strategic investments to address enrolment growth and other operating or inflationary pressures while continuing to provide quality programs and learning opportunities that are personal, purposeful and transformative.

Budget Development Process

For the 2024/2025 budget cycle, Trent continued multi-year budgeting at the budget developer level as a way to promote longer-term planning and more efficient use of critical resources required to address projected enrolment growth and to align with the University's strategic direction and academic plan. Multi-year planning is key for Trent to strategically plan its future financial sustainability. The fiscal years included in this planning cycle are:

- May 1, 2024 to April 30, 2025 (2024/2025)
- May 1, 2025 to April 30, 2026 (2025/2026)
- May 1, 2026 to April 30, 2027 (2026/2027)

Budget owners were asked to prepare a three-year plan based on the current planning guidelines and assumptions. Proposals for the initial year (2024/2025) were provided at a more detailed level as decisions focused on year one of the plan. Plans for the second and third years offer an order of magnitude for planning purposes only. Multi-year plans are subject to annual review each fall to ensure the assumptions remain reasonable and/or up to date for additional known changes or new expectations. Such plans should also be aligned with the Academic Plan.



The budget process began in September 2023 as the University modelled enrolment projections for the next few years under various scenarios. The Enrolment Modelling Working Group, comprised of academic and administrative managers, undertook a comprehensive review of the prior year enrolment modelling and proposed revisions to the underlying assumptions and enrolment projections based on historical trending, changes in the current environment, new initiatives, new and/or expanding academic programs, international recruitment successes and challenges, and other known or anticipated factors. The recommended enrolment projections used for planning purposes were brought forward to the President and Vice Presidents Committee and the Strategic Enrolment Management Committee for review and approval.

Also in the Fall 2023, the University developed financial assumptions for budget planning purposes based on the current fiscal environment. Financial Services updated the prior year's base budget to reflect salary escalation, inflation and other known changes in staffing and other expenses. One-time budget adjustments, for example, time-limited investments or in-year budget reduction strategies, were removed. Revenues and associated student financial aid and other enrolment-related expenses were updated in alignment with the approved conservative enrolment projections.

Based on the key enrolment and financial planning assumptions described in more detail later in this document, the resulting Preliminary Base Budget indicated limited funds available for additional strategic investments to address enrolment growth on which the Preliminary Base Budget was predicated, or other operating pressures.

With this in mind, budget developers were expected to manage within their existing departmental budgets. Budget owners who wished to propose new investments during the budget cycle were asked to identify budget reduction strategies to offset the strategic investment request, where possible. For each new investment proposal, budget owners were required to identify the rationale supporting the investment and to indicate how such new investments would be accommodated within the departmental budget. Where this was not possible, they were asked to indicate the impact and risk associated with not proceeding with the proposed new investment initiative. For each reduction strategy identified, budget owners were requested to describe how the budget adjustments would be achieved. Budget owners were asked to describe the impact of the budget adjustment on the level and quality of service provided, and any potential negative impacts to students.

Budget developers received their updated departmental preliminary base budget, guidelines, and key planning assumptions, including multi-year enrolment projections, in November 2023. The budget packages also included a business case template to aid in the identification of proposed budget reduction strategies or recommended new strategic investments, as outlined above, and a budget presentation template. Finance provided support to budget owners, as needed, regarding the estimation of their in-year forecasts and the development of their budget adjustment requests for the budget cycle.

In early February 2024, budget owners presented details of their submitted proposals to the President and Vice-Presidents Committee (PVP) for their consideration. Each budget developer was required to include in their presentation details and rationale for proposed budget reduction strategies and strategic investments for the three years in this planning cycle, including potential impacts, and a high-level summary of their department's 2023/2024 in-year financial performance and forecast to year end, including their proposed use of any unspent budget where a surplus was anticipated or mitigating strategies if projecting a deficit.

Before deliberating on proposed new investments, PVP reviewed the preliminary enrolment projections to confirm the validity of the underlying assumptions based on the February 1, 2024 enrolment count. In the absence of knowing the impact of the newly

introduced cap on international study permits on international enrolment, senior administration set aside a provision to mitigate the potential loss of associated tuition revenue for the three years of this budget cycle. The Preliminary Base Budget was also adjusted for other known factors to provide a more accurate estimate of the funds available for new investments to address enrolment growth and other operating pressures.

PVP met following the presentations to discuss the requested strategies and determine recommendations. For strategic investments, particular attention was given to current needs that addressed student enrolment growth and longer-term impact on the allocation of resources as well as alignment with the University's strategic plans. For mitigating budget reduction proposals, they gave careful consideration to strategies that minimized the impact to students and did not compromise quality of programs and services.

Timelines

The table below sets out the timelines and consultative meetings held throughout the budget process.

Preliminary Enrolment and Financial Planning Discussions	
Enrolment Modelling Working Group	September 12, 19, 26, 2023
President / Vice President Committee	October 2 and November 13, 2023
Strategic Enrolment Management Committee	November 20, 2023
Fiscal Environment, Process and Timelines Consultations	
Provost's Planning Group	November 14, 2023
Special TUFA Joint Committee (FISC)	November 22, 2023
Finance and Property Committee	November 24, 2023
Administration Planning Group	November 30, 2023
Faculty Board	December 1, 2023
Board of Governors	December 8, 2023
Colleges and Student Services Committee	January 17, 2024

Budget Preparation	
Guidelines and budget packages provided to Budget Owners	November 13, 2023
Budget submissions due to Financial Services	December 21, 2023
Compilation of submissions distributed to Vice Presidents	January 26, 2024
Presentations to President / Vice President Committee	February 5, 6, 12, 13, 2024
President / Vice President Committee review of proposals	February 13, 2024
Draft Budget Update Discussions	
Provost's Planning Group	March 12, 2024
Operations Managers Group	March 20, 2024
Administrative Planning Group	April 4, 2024
Faculty Board	April 9, 2024
Special TUFA Joint Committee	April 10, 2024
Special OPSEU Joint Committee	April 29, 2024
Senate	May 14, 2024
Budget Approvals	
Finance and Property Committee	March 12, 2024
Board of Governors	March 22, 2024

KEY BUDGET ASSUMPTIONS

The Operating and Ancillary Budgets are based on the following key assumptions, described in more detail in this section:

- Enrolment growth in domestic and international students at both campuses.
- Fixed operating grants as there is no mechanism to fund enrolment growth, performance-based metrics will be met to retain at-risk funding, and Special Purpose grants are expected to continue at current levels.
- Tuition fees for all eligible domestic graduate and undergraduate programs will continue to be frozen at 2019/2020 rates, while international tuition rates will increase by 3% to 8% depending on the type of student and program.
- Student financial aid and scholarships expense is highly variable dependent primarily on student enrolment and entrance grades.
- Agency fees are variable dependent on international enrolment.
- Salaries and wages will increase based on collective agreements and progression through the salary grids; and
- Employee benefits, utilities costs and insurance premiums will increase in accordance with best estimates provided by the University's consultants.

Enrolment

The key driver in the University's planning is student enrolment as this generates the majority of the University's operating revenue through tuition fees (which represent over 70% of operating revenue) and is a key determinant in enrolment-based provincial operating grants. Resources required for academic programming are determined by the number and types of students. Other university operations and support services, as well as ancillary services, are significantly influenced by the student population.

With the prevailing uncertainties caused by the current fiscal environment, enrolment projections are based on a conservative approach for this budget cycle. This approach will allow the University to plan sufficient resources and address capacity challenges related to growing enrolment while ensuring the budget is flexible to respond to unmet enrolment targets should there be any.

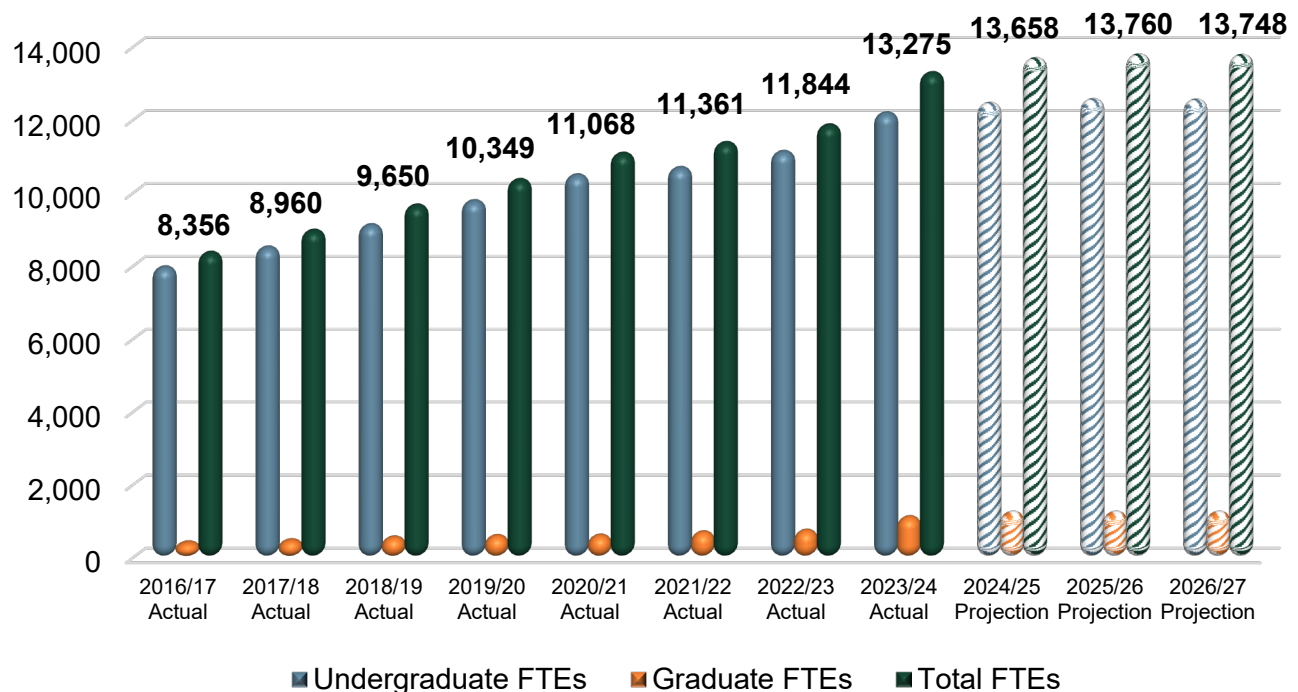
The three-year enrolment projections used for budget planning build on the 2023/2024 enrolment of 13,275 full-time equivalents (FTEs), and are based on the following assumptions:

- Undergraduate domestic intake for 2024 will remain flat at 2023 levels at both campuses. With the onboarding of new programs in 2025, Peterborough undergraduate domestic enrolment is planned to increase by 3.3% and 1% for 2025 and 2026 respectively, while Durham undergraduate enrolment is expected to increase by 1% in both 2025 and 2026.

- Undergraduate international intake is estimated to grow substantially for degree-seeking programs in 2024, followed by 1% increases every year thereafter.
- Nursing, Bachelor of Education, and Upper-Year Social Work intake will be held constant at current 2023 levels or capped enrolment.
- Continuation rates will be based on the average of the last four full years.
- Graduate enrolment intake for select high-demand programs is modelled at 2023/2024 levels with an additional year of growth due to flowthrough and then assumed to stabilize for subsequent years. Enrolment in all other graduate programs will continue to be stable.
- Post-graduate certificates will continue to grow at both campuses based on demand primarily from international students and new certificates that will be offered in the near term. The budget is targeting about 1,000 students in post-graduate certificate programs by Fall 2024, which will remain relatively stable thereafter.

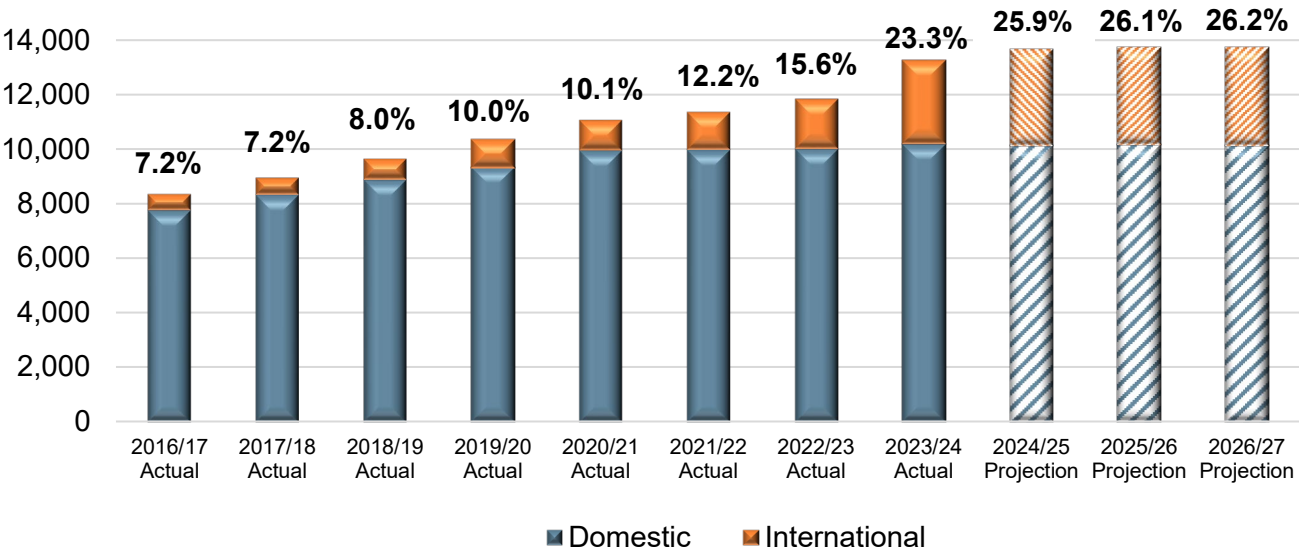
Overall, Trent is projecting total student enrolment will increase 2.9% to 13,658 FTEs in 2024/2025, an increase of 383 FTEs from 2023/2024. By the end of this planning cycle, total enrolment is expected to reach 13,748 FTEs, which represents an increase of nearly 65.0% from the 2016/2017 corridor mid-point used in the current Ministry funding model.

Full-time Equivalent Enrolment Projections to 2026/2027



With the significant focus on expanding post-graduate certificate programs and the opening of the new Advanced Learning Center in Durham in September 2023, international enrolment grew to 23.3% of total enrolment in 2023/2024. International enrolment is projected to grow to approximately 26% of total FTEs in 2024/2025 and remain relatively stable thereafter based on the above assumptions.

**Full-time Equivalent Enrolment Projections
International as a % of Total Enrolment**



The above enrolment assumptions were developed before the Federal government’s announcement in January 2024 that limits the number of international student study permits for undergraduate students (degree-seeking and post-graduate certificates) for the next two years. The impact of this cap to the university sector, and to Trent specifically, was not known at the time of budget development as the Ministry was determining the system for allocating permits and attestation letters for new international student intake. Although Trent’s subsequent allocation was consistent with that of prior years, it will take time to assess the actual impact on the University’s international enrolment strategies for 2024/2025 and beyond.

Based on various scenarios modelling potential intake reductions from the proposed budget and from 2023/2024 actual intake, the University conservatively included a provision of \$10 million for possible lost international tuition revenue to mitigate the potential impact for the next three years commencing with 2024/2025. Senior administration is also working on strategies to introduce new or expand existing graduate programs, which are not subject to the restriction on international study permits, and will enhance recruitment efforts for domestic and international students already in Canada.

Government Grants

The Strategic Mandate Agreement (SMA3) signed August 2020 is a five-year agreement commencing with fiscal 2020/2021 and ending with fiscal 2024/2025. Total eligible funding for the University is fixed during the SMA3 based on the sum of the 2018/2019 Core Operating Grant, the Performance-Based Differentiation Grant and Special Purpose Grants. The initial intent was to link funding to labour market outcomes with 25% of total eligible funding tied to performance outcomes in 2020/2021, growing by 10% each year until 60% of total eligible funding is performance-based in 2024/2025.

The 2018/2019 Core Operating Grant uses an enrolment corridor mechanism with 2016/2017 eligible (primarily domestic) undergraduate and graduate enrolment as the base year for the mid-point adjusted slightly for 2018/2019 graduate growth. For all universities, the enrolment corridor has a range of +/- 3% from this corridor midpoint. There is no mechanism within the current funding formula to fund enrolment growth.

Performance-based funding is linked to ten metrics, six of which are aligned with priorities in skills and job outcomes, and four metrics related to economic and community impacts. The University established its own institutional strength/focus metric and institution-specific economic impact metric; the remaining eight metrics were pre-determined by the Ministry. The University is measured each year against its own targets based on historical performance. The Ministry's approach is to set targets that promote continuous improvement; therefore, the targets and bands of tolerance are recalculated by the Ministry each year. The University had the flexibility to weight the metrics that best reflect its differentiated strategic goals. These weightings identify the portion of performance-based funding at risk for each metric if the University does not perform within the established band of tolerance. The University has the opportunity during the term of SMA3 to adjust the assigned weightings.

Due to the significant financial impact of the COVID pandemic, the Ministry suspended the coupling of funding to performance-based metrics for the first three years of the SMA3, meaning there were no adjustments to institutional funding based on performance in the SMA3 metrics for 2020/2021, 2021/2022 or 2022/2023. That said, the Ministry continued its annual evaluation and calculated the theoretical funding impacts of underachievement and reallocation based on the results of performance against these metrics to provide institutions with the impact on their grant had it been tied to funding in all three years. Trent performed well against its performance metrics in all three years.

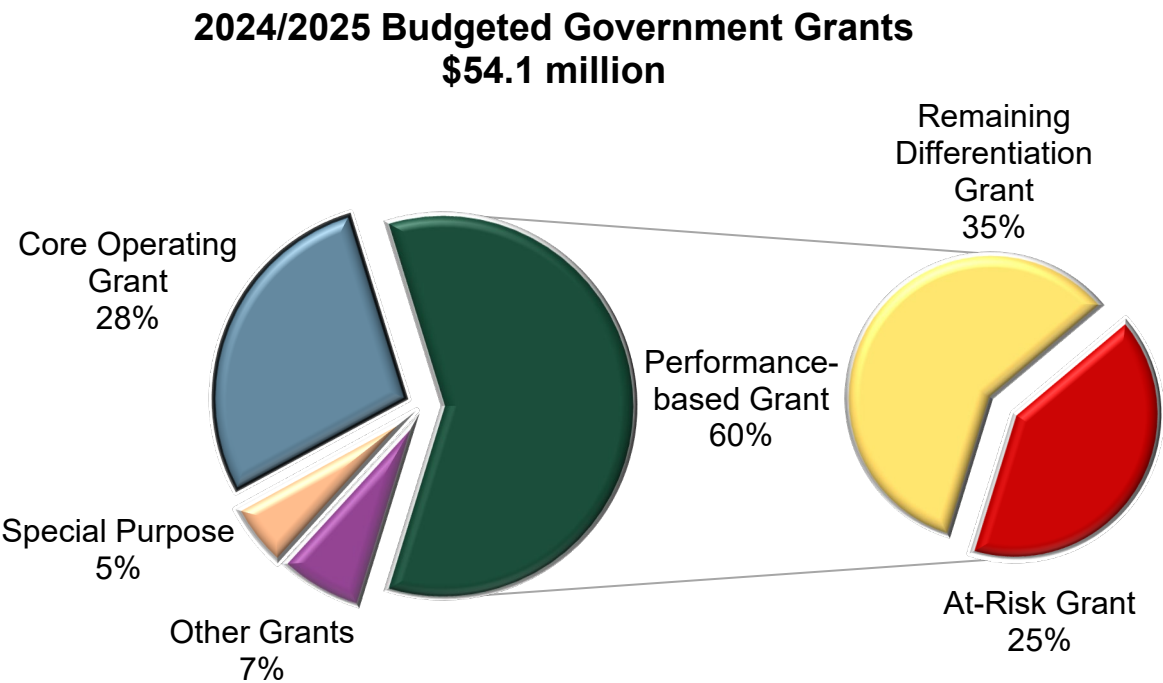
Commencing with 2023/2024, the Ministry recoupled funding with the performance metrics. Funding from the enrolment envelope was moved over to the differentiation envelope such that the differentiation envelope is 55% and 60% of the total operating grant in 2023/2024 and 2024/2025 respectively (as originally intended). The amount of funding tied to performance metrics and therefore at risk was 10% in 2023/2024 and will increase to 25% in 2024/2025 with the remaining differentiation funding flowing to the institution based on data collection, evaluation and publication.

Special Purpose Grants are separate grants aligned with Ministry priorities and are subject to specific accountabilities and processes. These grants are not necessarily dependent on enrolment and may change from year to year.

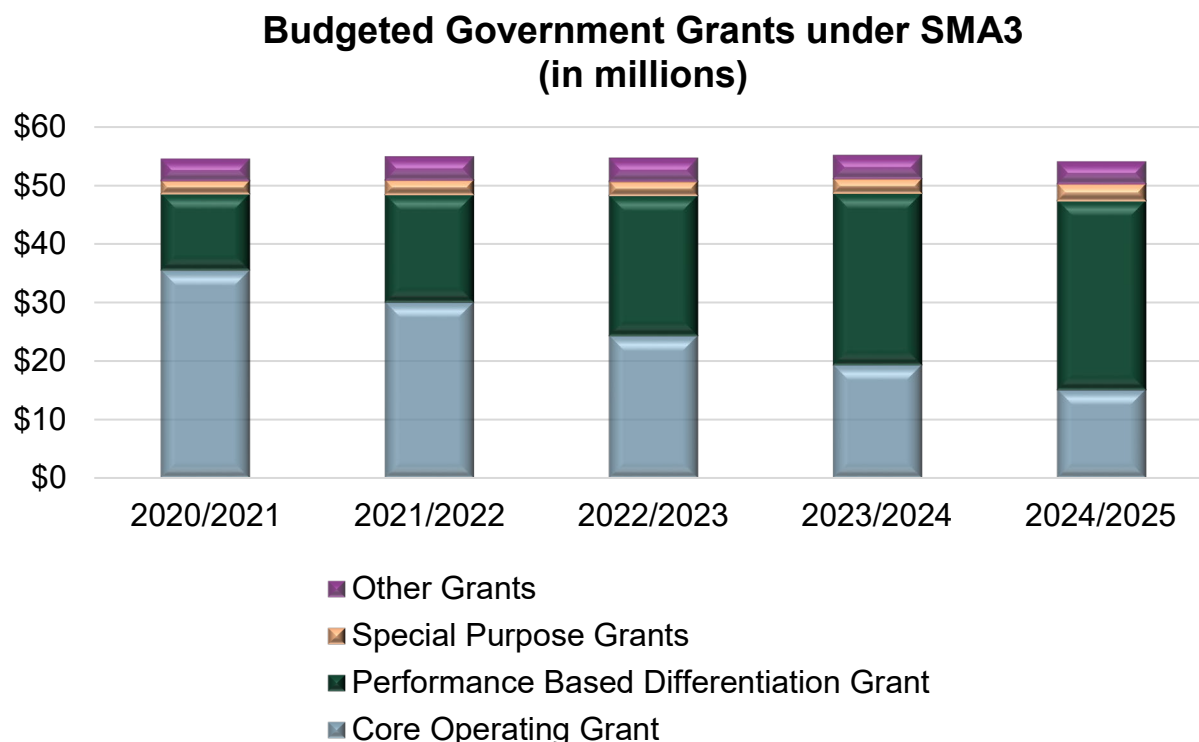
In February 2024, the Ontario government announced a \$903 million investment over three years through the new Post-secondary Education Sustainability Fund starting in 2024/2025. At the time of budget approval, specific allocations of this funding to individual universities had not been determined or communicated. In early June 2024, the University learned it will receive \$1.5 million in 2024/2025, \$2.5 million in 2025/2026 and nearly \$3.6 million in 2026/2027; these funding increases have not been factored into this operating budget. It is important to note these additional funding allocations are one-time and may not continue beyond the three years of this budget cycle.

For planning purposes, government grant revenue is based on the following assumptions:

- While the University is planning enrolment well above the established corridor, Trent has assumed enrolment growth will not be funded.
- The University expects to meet all of its required targets throughout this budget cycle thereby avoiding any recovery of government performance-based funding.
- Special purpose grants have been adjusted based on known changes at the time of planning and otherwise assumed constant.
- Other grants assumed in this budget are comprised of the Collaborative Nursing grant with Fleming College and the Research Support grant.



While total government grants have remained relatively constant, the following chart depicts the shift from the enrolment-based Core Operating Grant to the performance-based Differentiation Grant, which is at risk if performance metrics are not met, over the five years of the SMA3.



Note, the Ministry-required International Student Recovery fee of \$750 per FTE for all international students is offset against the Core Operating Grant in the charts above. International enrolment is not funded through government operating grants but the recovery fee, last updated by the Ministry in 2021/2022, is taken into the calculation of the University's total funding for purposes of determining the Performance-Based Differentiation Grant. As the number of international students increases so too does the amount of the recovery fee.

As the end of the SMA3 term approaches, the sector has started to turn its attention to the next version of the Strategic Mandate Agreements that will be applicable to fiscal years beyond 2024/2025. Changes to the funding framework, if any, have yet to be determined; therefore, no changes in funding have been made in the three years of this budget cycle.

Tuition Fees

With fixed Ministry funding, many universities including Trent have adopted an enrolment growth strategy reliant on tuition-only revenue and increased international recruitment to offset inflationary pressures.

The Tuition Fee Framework is governed by the provincial government and monitored through the annual Tuition Fee Compliance report. In February 2024, consistent with the University's prior assumptions, the Ministry announced a continuation of its existing tuition fee policy which stipulates that tuition fees for all publicly funded programs for all years of study for funding-eligible (primarily domestic) undergraduate and graduate students will remain frozen for the next three years to the end of fiscal 2026/2027. This announcement means eight years of tuition fees held at 2019/2020 tuition rates, which were mandated to be 10% less than 2018/2019 fees. Enrolment growth will partially mitigate lost revenue as a result of the mandated tuition reduction and subsequent freezes.

Commencing in 2021/2022, the Ministry's Tuition Fee Framework gives institutions the flexibility to increase tuition rates for domestic out-of-province students in all years of study. The University plans to continue applying a 5% increase to these fees, the maximum allowed under the Framework for 2024/2025, in each year of this planning cycle. The increase to domestic out-of-province fees does not generate material revenue for the University.

In early 2023, the Ministry considered tuition adjustments for certain programs with lower-than-sector-average tuition rates for comparable programs, referred to by the Ministry as Tuition Anomalies. Trent, like most Ontario universities, submitted an application for three programs, the maximum allowed, where domestic tuition rates were more than 15% lower than the sector average. Trent's application was approved in May 2023 allowing the University to apply an annual increase of 7.5% to tuition fees for first-year incoming students in the three Ministry-approved programs until the calculated sector average across comparable programs is reached. The Tuition Anomalies adjustments are included in tuition revenue in this budget cycle.

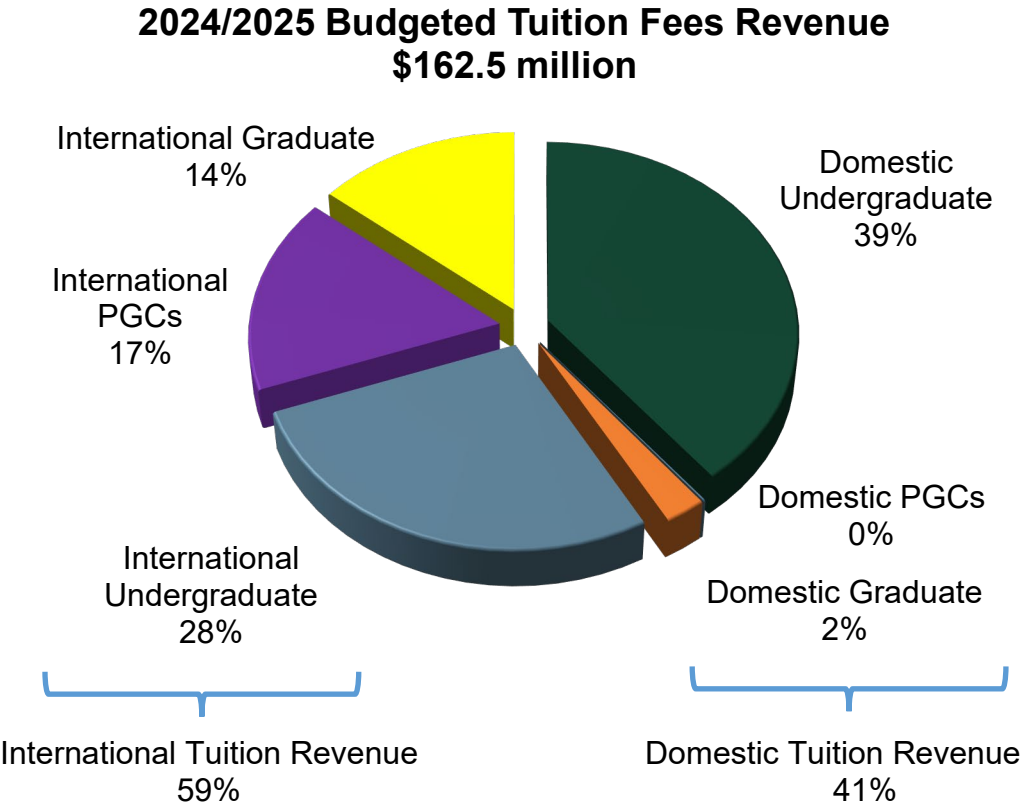
International fees are not regulated by the province and are subject to Board approval. There is a need to balance student affordability with perceived quality and reputation of academic programs in order to attract international students.

Based on a comparison of 2023/2024 international tuition rates in the Business and Arts programs category, Trent University's international undergraduate tuition fees for degree programs are currently third lowest in Ontario. In March 2024, in an effort to grow international enrolment and remain competitive, Trent's Board of Governors approved the same increases to international undergraduate fees for 2024/2025 as implemented in the prior three years: 8% for incoming students (2021 to 2024 cohorts) and 5% for continuing students (pre-2021 cohort). These increases have been applied to each year of this budget cycle.

International rates for certificate programs were adjusted downward in 2021/2022 to be more comparable to market rates as the University strives to grow certificate programs and meet its internationalization objective. In alignment with last year’s strategy, these program fees are assumed to increase by 5% each year of the planning cycle.

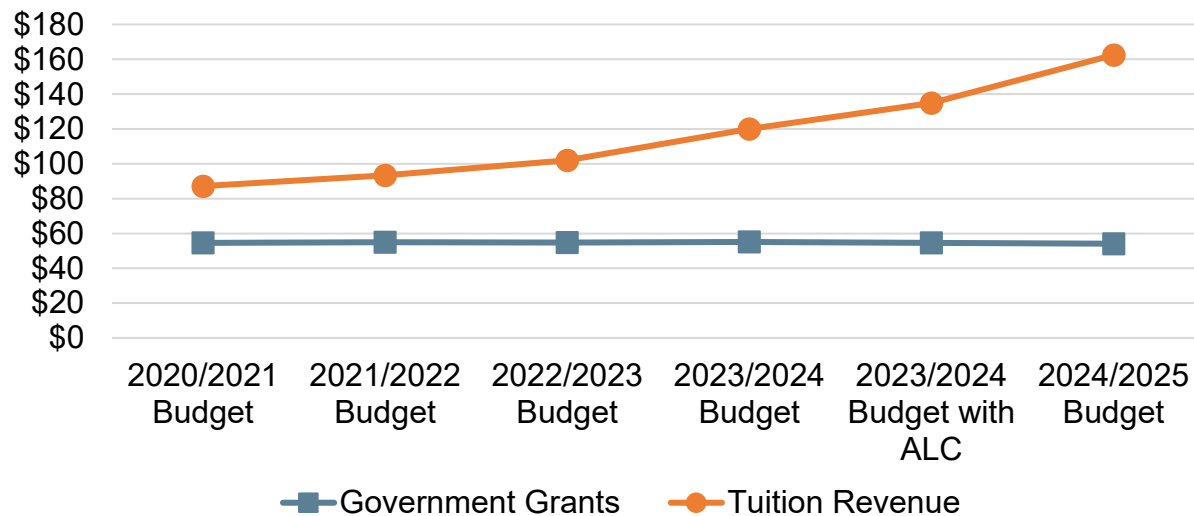
International fees for graduate programs are highly calibrated with market rates as the programs and fees were more recently established. Therefore, the Board of Governors approved an increase to 2024/2025 international graduate fees of 3% for research-based programs and 5% for professional programs to remain comparable to prevailing market rates. These increases have been applied to each year of this budget cycle.

As illustrated below, international enrolment, projected at 26% of total enrolment, is anticipated to generate approximately 59% of the estimated tuition revenue in 2024/2025.



With fixed funding over the last few years, the following chart depicts the University’s increasing reliance on tuition-only revenue from enrolment growth. Since 2020/2021, the first year of the SMA3, budgeted tuition revenue has grown 86.4% while government funding has remained relatively constant. Budgeted tuition revenue now represents 73.2% of total budgeted operating revenue, up from 60.5% of total budgeted operating revenue in 2020/2021.

Budgeted Government Grants and Tuition Revenue (in millions)



Student Financial Aid and Scholarships

Student aid and scholarship expense is a highly variable cost dependent primarily on student enrolment and the academic qualifications (entrance grades) of the student body. As enrolment grows, so too does this expense. The University has historically provided a high level of student aid relative to comparator universities, consistently standing at or near the top of university rankings in the percentage of its operating budget expended on scholarships and bursaries. Trent was once again #1 in Ontario for scholarships and bursaries in Maclean's University Rankings 2023 – Primarily Undergraduate category.

The Ministry requires universities to reserve a portion of additional revenue resulting from tuition fee increases to eligible domestic students to ensure that institutions can meet Student Access Guarantee requirements for need-based student aid and to provide other forms of assistance to students in need. For the purposes of budget planning for all three years in this budget cycle, tuition set-aside is estimated at 6.0% of tuition fee revenue for eligible domestic undergraduate and graduate students. For international undergraduate students, the University will also set aside an additional 2% of international undergraduate tuition fees revenue in each of the three years of this budget cycle for additional resources to support international students.

Based on prior year's experience, undergraduate domestic and international scholarship costs are anticipated to be approximately \$550 per FTE. In addition, undergraduate international scholarships and fee waivers are estimated to be 4.8% of undergraduate international tuition revenue based on the average of the last three years and the need for increased support due to the current fiscal and political climate. These rates are used to estimate undergraduate scholarship expense for each of the three years in this budget cycle.

Graduate scholarship expense varies significantly, depending on the program. For research and thesis-based graduate programs, the University estimates expenses for graduate scholarships, research fellowships and awards are approximately 31.8% of the related tuition revenue. This estimated rate applies to both domestic and international graduate students. In addition, graduate international fee waivers and bursaries for international graduate students in research and thesis-based programs are estimated at 56.7% of international graduate tuition revenue. Both of these rates, which are based on changes to the scholarships and financial aid model in 2023/2024, are used for planning purposes throughout this budget cycle.

Salaries and Benefits

Across-the-board compensation increases for all union employee groups are based on collective agreements, as well as progression through salary grids. Most of Trent's union groups and exempt staff completed the mandatory moderation period under Bill 124, which restricted salary increases to 1% for three years, prior to the Bill being struck down in November 2022. This resulted in significant cost of living adjustments for subsequently negotiated agreements, which adds to the operating pressures of the budget. The average salary rate increases including merit and step increases range from 5.5% to 6.0%, depending on the employee group. The University has also accounted for increases to part-time casual salaries resulting from the 6.8% raise in minimum wage effective October 1, 2023.

At the time of planning, the collective agreements for all union employee groups were settled. Trent University Faculty Association (TUFA), representing full-time faculty and professional librarians, and Ontario Public Service Employees Union (OPSEU), representing all non-academic employees, except supervisors and persons above the rank of supervisor, are settled to June 30, 2025. The collective agreement for Canadian Union of Public Employees Unit 1 (CUPE1), representing part-time employees engaged in teaching, demonstrating, tutoring, or marking in the academic programs (except registered students), is settled to August 31, 2027. The collective agreement for Canadian Union of Public Employees Unit 2 (CUPE2), which represents all employees registered as students who are regularly employed for not more than 24 hours per week as Teaching Assistants, Academic Assistants, Markers, Proctors, Lab Demonstrators, or Lab Advisors in the academic programs, is settled to August 31, 2024. Salary escalations for years beyond existing contracts but within this budget cycle are assumed at rates consistent with the increases negotiated in the last year of each settled agreement.

Benefit costs vary by collective agreement and employee. Benefit rates used for planning purposes, including extended health care, dental, and long-term disability benefits, are expected to increase in 2024/2025 by 7.5% to 20% depending on the type of benefit in accordance with estimates provided by the University's benefits consultant.

Pension Costs

Effective January 1, 2022, the TUFA Pension Plan previously sponsored by the University was converted to the University Pension Plan (UPP), a multi-employer jointly sponsored pension plan for the sector. On that date, the assets and liabilities for the TUFA Plan were transferred to the UPP, the accrual of benefits and contributions under the UPP commenced, and the TUFA Plan was terminated. Based on the average of contributions to the UPP for faculty, the budget estimates the University's normal cost at 10.5% of related payroll for the three years of this budget cycle. In addition, the budget maintains a provision for any actuarial gains or losses relative to Trent's assets that may be incurred over the next few years as specified in the Transfer Agreement. Solvency special payments were eliminated, and the standby letter of credit previously used to address these payments expired on January 1, 2022.

The Staff Pension Plan is a registered pension plan for OPSEU and exempt staff which remains sponsored by the University at this time. The most recent filed actuarial valuation was as at July 1, 2022, with the next filed valuation required in three years. Based on this valuation, the University's normal cost is estimated at 9.88% of payroll throughout this planning cycle. For budgeting purposes, annual going concern special payments and Pension Benefit Guarantee Fund payments are estimated at \$1.355 million. The University has permission to use a standby letter of credit to address annual special solvency payments until this pension plan can transition to the UPP. Therefore, this budget does not include a provision for special solvency payments.

At its May 12, 2023 meeting, the Board of Governors authorized the University to proceed with the transfer of the assets and liabilities from the Staff Pension Plan to the UPP effective January 1, 2025, subject to the approval of the Financial Services Regulatory Authority of Ontario (FSRA). The consent process was successfully concluded on December 28, 2023 with the requisite consent and objection thresholds met for all active and inactive members. The conversion has also been approved by the UPP Joint Sponsors and the UPP, and Trent has entered into a Transfer Agreement with the UPP Joint Sponsors and is amending its Participation Agreement with the UPP to include the Staff Pension Plan. On April 8, 2024, Trent submitted an application to FSRA seeking approval of the Staff Pension Plan conversion; FSRA approval is anticipated in September 2024. Trent administration is actively working on the final requirements to complete the transition. The letter of credit will expire in conjunction with the conversion to the UPP.

The Supplementary Retirement Agreement, which provides top-up benefits, continues to be maintained by the University. Based on an increase in the number of retirees, the budget anticipates annual benefit payments of \$1.8 million will be required from Trent as the plan assets are depleted.

Other Non-Salary Expenses

With Trent's strategic priority to grow international enrolment, the University's reliance on international recruitment agents is increasing. Agency commissions are highly dependent on the international enrolment and tuition revenue they generate. The Operating Budget includes a provision for these fees of 4.4% of international undergraduate and graduate tuition revenue for degree-seeking and professional programs and 15% to 20% of undergraduate international tuition revenue for certificate programs.

Utility costs have recently escalated significantly. Based on estimates provided by the University's energy consultants at the time of planning, the budget projects electricity, natural gas and water expenses will increase by 15%, 5.4% and 5.9%, respectively. A number of initiatives to reduce energy consumption have been implemented under the Energy Performance Contract. Savings related the agreement will be used towards financing the project until fully paid in May 2031. Therefore, these savings will not be available to contribute to the budget during this planning cycle.

Insurance premiums are expected to increase by as much as 10.5% for property and 2% for liability coverage based on discussions with Trent's insurance carriers. Such increases are reflective of the current fiscal environment.

With growing student enrolment and more challenging financial pressures faced by students, the University has budgeted a provision for bad debts of 1.08% of all tuition revenue based on prior year experience.

Certain non-salary expenses are subject to inflation, which has been estimated at 4% for 2024/2025, reducing to 2.5% for the remaining two years of this budget cycle to reflect the current economic environment and the Bank of Canada's efforts to bring inflation under control by 2025.

Under the current fiscal environment, interest earned on short-term investments and cash deposits has been significantly impacted. For budget planning purposes, the University has assumed higher-than-pre-pandemic interest rates will gradually decline over the next year as inflation returns to more normal targets.

In February 2017, Trent University refinanced its existing amortizing loans with non-amortizing debentures in order to provide the University with access to additional capital, to improve the overall flexibility in the Budget, and to reduce the effective cost of capital. The Board of Governors established an internally administered sinking fund with budgeted annual contributions to ensure sufficient funds are available from which to repay 100% of the principal of the debentures at maturity, February 17, 2057.

Other base budget adjustments were made to reflect current experience or known changes. New on-going investments approved in 2023/2024 have been annualized in this budget, while one-time non-recurring investments have been removed, where appropriate.

BUDGET STRATEGIES

Based on the key planning assumptions, the preliminary 2024/2025 Operating Budget before making any new strategic investments or implementing new budget reduction strategies projected approximately \$9.1 million available after the provision for potential lost tuition revenue due to the restrictions imposed on international study permits.

This projection was heavily reliant on enrolment growth and increased international recruitment to generate incremental revenue. With fixed Ministry funding and tuition rates for eligible (primarily domestic) students, many universities including Trent are implementing strategies to grow international enrolment, creating more competition and adding more operating pressures to provide the needed supports for this student population. The preliminary budget left limited funds available for additional strategic investments to address enrolment growth or other operating pressures.

Given the limited funds available, budget owners were asked to prioritize new investment requests that align with the following priorities of the University while minimizing any negative impact to students and without compromising the quality of programs and services:

- Address enrolment growth, both domestic and international.
- Generate additional net revenue for the University.
- Mitigate risk.
- Maintain or improve service.
- Maintain or enhance institutional capacity.
- Build co-op and experiential learning opportunities.
- Ensure compliance with current legislation or health and safety protocols.
- Reduce existing costs.
- Enable the avoidance of future costs.
- Achieve operating efficiencies.

Net New Strategic Investments

The approved net new investments for 2024/2025 focus on the following strategic priorities of the University:

- **Maintaining Financial Sustainability** – It is imperative the University maintain a balanced operating budget to ensure financial sustainability for the future. Especially in the current fiscal environment, strong financial health is required in order to continue the academic vision and mission of Trent, including the provision of quality academic programs and student experience, while addressing increasing operating pressures.

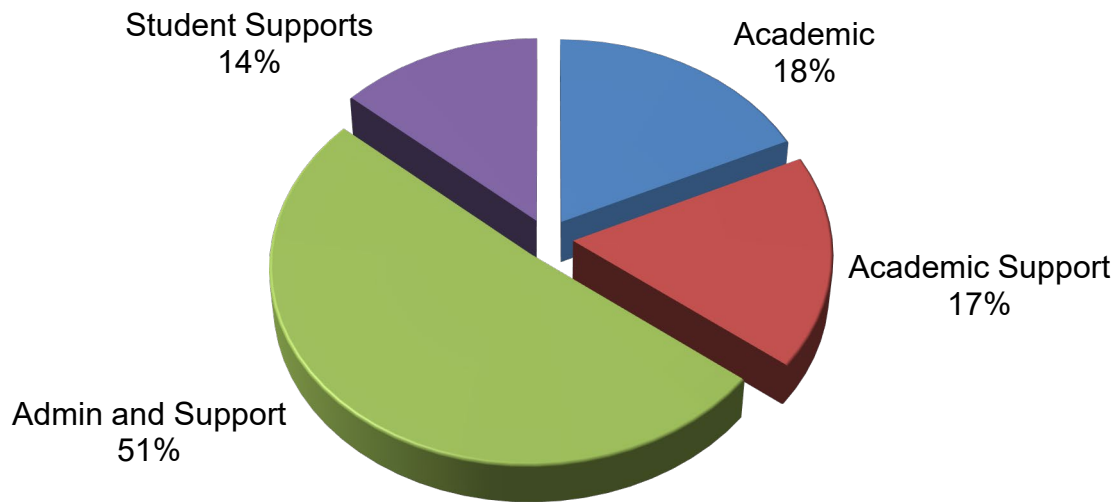
- **Continuing Enrolment Growth**, with a particular emphasis on international recruitment and expanding the Durham GTA campus – The Operating Budget is predicated on growing enrolment and strategically increasing the international student population to generate additional revenue in light of fixed government grants and frozen domestic tuition rates. Much of the anticipated enrolment growth is expected to be at the Durham GTA campus. To achieve this objective, investments in international recruitment strategies are necessary. The development of new or expanding existing academic programs, with corresponding investments in faculty and academic and administrative supports, are required to continue to attract students to the University. It is important to make appropriate investments in programs and services to support this continued growth and maintain the student experience.
- **Building Co-op and Experiential Learning** – One opportunity to attract more students and provide an enhanced student experience is to create new co-op opportunities and invest in placement co-ordination. The University will invest in new and expanding programs that offer more experiential learning opportunities for students and resources to assist with placement coordination.
- **Maintaining or Enhancing Institutional Capacity** – As the student population continues to increase, it is imperative to invest in areas of enrolment growth. The goal is to maintain or enhance the University's capacity by ensuring appropriate levels of teaching and learning resources, providing required student, faculty and staff supports, and improving physical space needs. Instructional staff planning is also part of this objective, including replacement of planned retirements and/or resignations and maintaining the faculty to student ratio. Enhancing library acquisitions will also aid in improving institutional capacity.
- **Enhancing Student Supports** – Students are facing increasing challenges in the current fiscal environment, such as financial pressures, obtaining study permits, locating affordable housing, and acquiring mental health supports. The University will make further investment in resources that support the growing student population, including additional student financial aid (scholarships, bursaries, waivers, etc.), academic and other advisors, and other supports.

A summary of the approved net new strategic investments of \$8.9 million is provided in the table below. The strategic investments are after offsetting savings from planned retirements and resignations.

Approximately 35% of the new investments are resources directly for academic or academic support with an additional 14% of the investments enhancing student supports. Significant investments in administrative and support resources, including information technology, facilities, security, campus and health safety, human resources, and finance, are also included in this year's operating budget to ensure adequate infrastructure and resources to support the continuous growth and academic mission of the University.

2024/2025 Strategic Investment (in thousands)	On-going Investment	One-time Investment	Total Investment
Academic resources and supports in Sciences; Offset by savings due to retirements/resignations	\$1,325 (\$ 884)		\$ 441
Academic resources and supports in Humanities and Social Sciences; Offset by savings due to retirements/resignations	\$ 590 (\$ 402)		\$ 188
Academic resources and supports in Durham GTA	\$1,103	\$ 134	\$1,237
Investment in Nursing and Education programs; Offset by savings due to retirements/resignations	\$ 627 (\$ 386)		\$ 241
Graduate studies resources (excluding student supports)	\$ 156		\$ 156
Supports to enhance on-line learning	\$ 210		\$ 210
Resources to grow co-op and experiential learning opportunities	\$ 107		\$ 107
Increase in library acquisitions	\$ 200	\$ 25	\$ 225
Student supports, including grad teaching assistants, financial aid, academic and other advisors, and communications	\$ 991	\$ 212	\$1,203
Investment in information technology, including resources to address Business Process Review recommendations, computer replacement and cybersecurity	\$1,128	\$ 110	\$1,238
Investment in facilities management, security and campus safety	\$ 885	\$ 18	\$ 903
Recruitment, admissions and external relations supports	\$ 938	\$ 105	\$1,043
Resources to enhance quality assurance, library, and research supports	\$ 208		\$ 208
Supports to enhance academic supports, human resources, health and safety, finance, and EDI	\$1,270	\$ 224	\$1,494
Total Net New Strategic Investments	\$8,066	\$ 828	\$8,894

2024/2025 Net New Strategic Investments
(after offsetting savings from retirements/resignations)

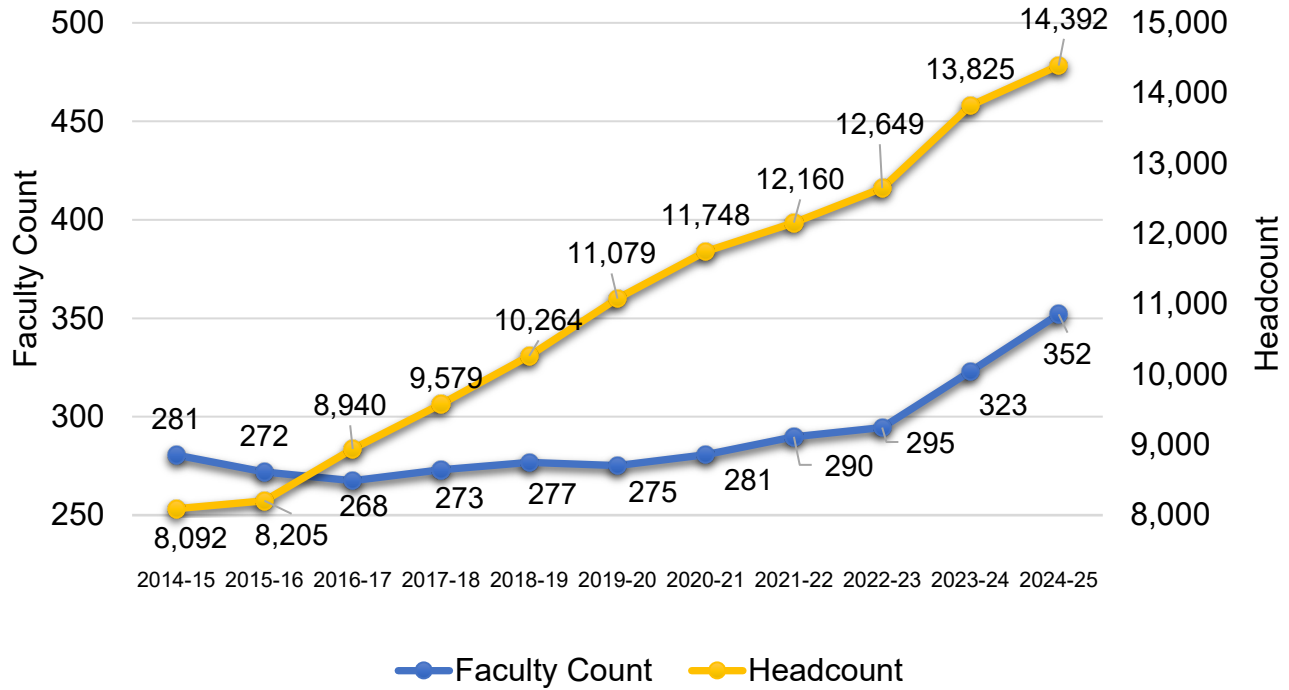


Also included in this Operating Budget are 16.5 net new faculty appointments to address capacity and growing enrolment and to replace planned retirements and resignations. It is important to note that these appointments will be strategically placed where there is the most need, which may not necessarily be an exact replacement of the retirement or resignation.

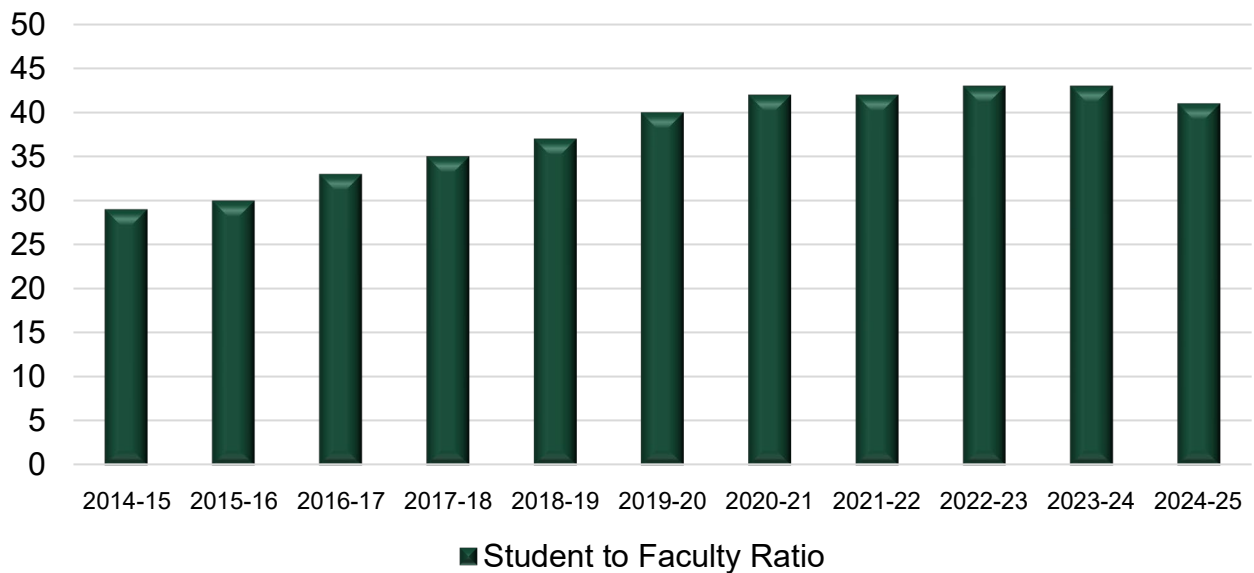
	Tenure Track Positions (TT)	Limited Term Appointments (LTA)	Total Faculty
Retirements/ Resignations	-6.0		-6.0
Replacements	+5.0		+5.0
Conversions from Limited Term Appointment to Tenure Track	+5.0	-4.0	+1.0
New Positions to address enrolment growth	+13.0	+3.5	+16.5
Net New Faculty Positions	+17.0	-0.5	+16.5

One of the challenges of the 2024/2025 Operating Budget is to maintain the student to faculty ratio within the constrained fiscal environment as student enrolment continues to increase. The above faculty investments will help ensure this ratio remains stable.

Faculty Count and Student Headcount



Student to Faculty Ratio



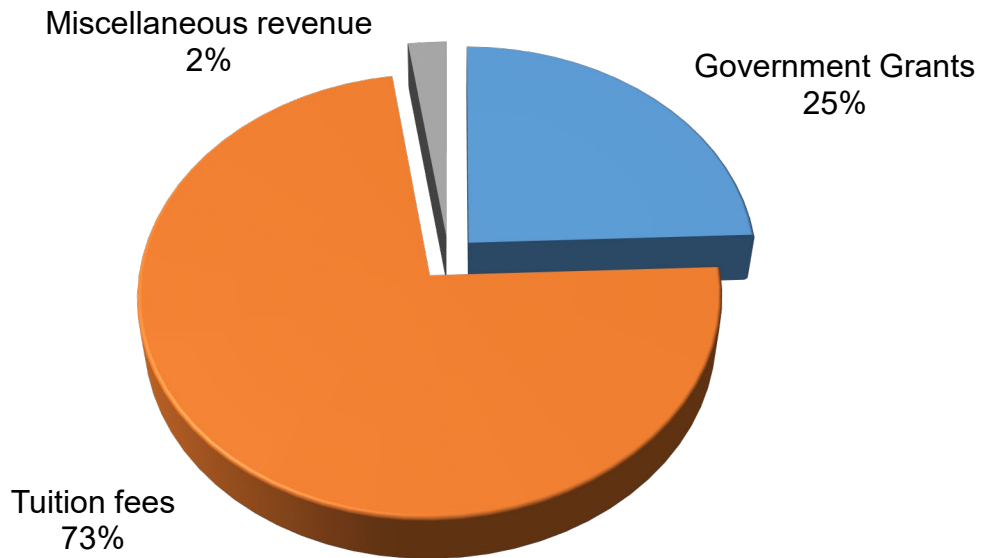
2024/2025 OPERATING BUDGET

As a result of the approved net new strategic investments, the 2024/2025 Operating Budget is expected to be balanced with a nominal surplus. This operating plan was approved by the Board of Governors on March 22, 2024

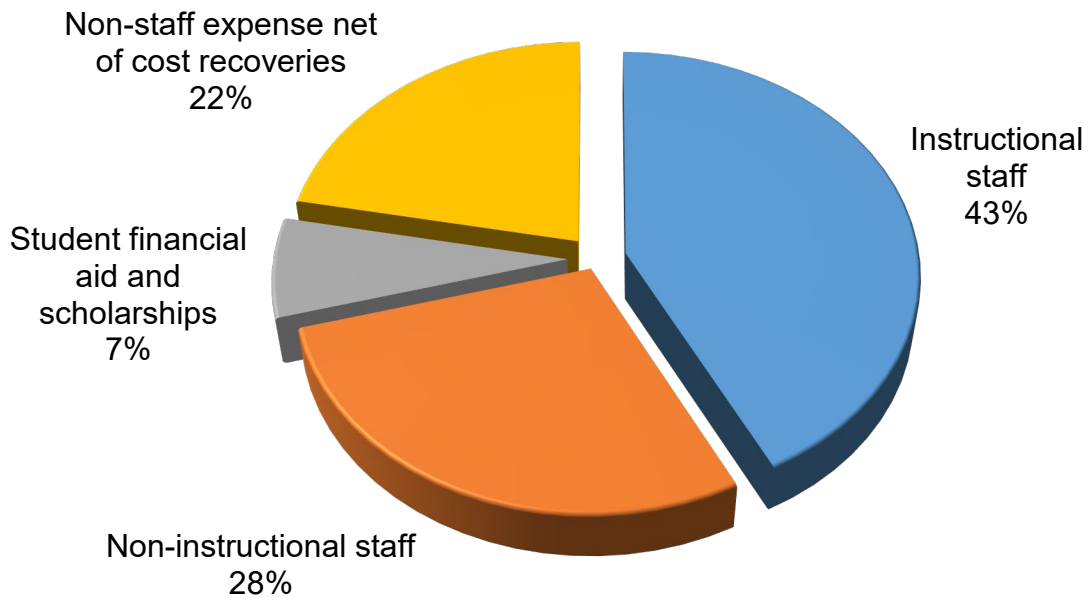
(in thousands)	2023/2024 Budget*	2024/2025 Budget	Change	
Government grants	\$ 54,528	\$ 54,145	\$ (383)	-0.7%
Tuition fees	\$ 134,835	\$162,539	\$ 27,704	20.5%
Miscellaneous revenue	\$ 4,364	\$ 5,230	\$ 866	19.8%
TOTAL REVENUE	\$193,727	\$221,914	\$ 28,187	14.5%
Instructional staff	\$ 88,060	\$ 94,271	\$ 6,211	7.1%
Non-instructional staff	\$ 54,657	\$ 62,923	\$ 8,266	15.1%
Student financial aid	\$ 14,186	\$ 15,963	\$ 1,777	12.5%
Non-staff expense	\$ 41,786	\$ 61,102	\$ 19,316	46.2%
Sub-total	\$198,689	\$234,259	\$ 35,570	17.9%
Cost recoveries	\$(11,116)	\$(12,294)	\$ (1,178)	10.6%
TOTAL NET EXPENSE	\$187,573	\$221,965	\$ 34,392	18.3%
NET REVENUE	\$ 6,154	\$ (51)	\$ (6,205)	
Change in internally restricted	\$ (43)	\$ 250	\$ 293	
ANNUAL EXCESS REVENUE OVER EXPENSE	\$ 6,111	\$ 199	\$(5,912)	

*2023/2024 Operating Budget includes the Advanced Learning Centre's inaugural budget commencing September 2023.

Breakdown of 2024/2025 Operating Revenue



Breakdown of 2024/2025 Operating Expenses



MULTI-YEAR PLANNING

In 2019, Trent resumed multi-year budgeting at the budget developer level as a way to promote longer-term planning and more efficient use of critical resources required to address projected enrolment growth and to align with the University's strategic direction. This multi-year planning continued for this budget cycle as it is key for Trent to strategically plan its future financial sustainability.

Budget owners were asked to prepare a three-year plan based on the current planning guidelines and assumptions. Plans for the second and third years offer an order of magnitude for planning purposes only. Multi-year plans are subject to annual review each fall to ensure the assumptions remain reasonable and/or up to date for additional known changes or new expectations.

The major planning assumptions for years two and three remain consistent with the key budget assumptions for the 2024/2025 fiscal year, except as follows:

- The University anticipates the Staff Pension Plan will convert to the University Pension Plan as of January 1, 2025, which will eliminate pension solvency payments, pension benefit guarantee payments, and fees associated with the letter of credit from that date onward.
- General inflation on relevant non-salary expenses will reduce to 2.5% as the Bank of Canada continues its efforts to achieve its target by 2025.
- Interest rates for investment and interest income will drop to 3.5% for 2025/2026 and to 3% for 2026/2027.

The high-level budget projections for 2025/2026 and 2026/2027 have also been adjusted for salary escalation and inflation estimates, annualization of the approved net new investments in 2024/2025, and the removal of one-time amounts no longer applicable.

These future-date projections do not include any additional strategic investments to address the enrolment growth on which these budgets are predicated.

With relatively stable total enrolment for the next three years, Trent's financial health is expected to remain strong over this budget cycle. The 2024/2025 provision for potential lost international tuition revenue has been maintained in these two years due to the uncertainty regarding possible longer-term impacts if international enrolment recruitment is adversely affected by the restrictions on international study permits. Mitigation strategies to limit the impact include introducing new and expanding existing graduate programs and enhancing recruitment efforts for domestic and international students already in Canada. Should this provision not be required, in part or in whole, it will free up resources for other strategic initiatives to maintain or enhance quality academic programming, research activities and student experiences.

(in thousands)	2024/2025 Budget	2025/2026* Projection	2026/2027* Projection
Government grants	\$ 54,145	\$ 54,174	\$ 54,269
Tuition fees	\$162,539	\$171,025	\$178,574
Miscellaneous revenue	\$ 5,230	\$ 4,528	\$ 3,878
TOTAL REVENUE	\$221,914	\$229,727	\$236,721
Instructional staff	\$ 94,271	\$ 99,288	\$103,816
Non-instructional staff	\$ 62,923	\$ 65,626	\$ 68,419
Student financial aid	\$ 15,963	\$ 16,402	\$ 16,788
Non-staff expense	\$ 61,102	\$ 60,612	\$ 59,997
Sub-total	\$234,259	\$241,928	\$249,020
Cost recoveries	\$(12,294)	\$(12,509)	\$(12,736)
TOTAL NET EXPENSE	\$221,965	\$229,419	\$236,284
NET REVENUE	\$ (51)	\$ 308	\$ 437
Change in internally restricted	\$ 250	\$ (117)	\$ (117)
ANNUAL EXCESS REVENUE OVER EXPENSE	\$ 199	\$ 191	\$ 320

*Projections do not include any additional strategic investments to address the enrolment growth on which these budgets are predicated.

2024/2025 ANCILLARY BUDGET

Ancillary departments also prepared budgets following the same budget planning principles set out for operating budget developers.

In accordance with the Board-approved ancillary fees protocol, the allowable inflationary increase in ancillary fees without approval from Colleges and Student Services Committee (CASSC) or a student referendum is the lesser of 3% or CPI. The applicable CPI at the time of budget planning was 3.8%. Fee increases between 3% and 20% require approval from CASSC while fee increases greater than 20% require a student referendum.

For 2024/2025, the following fee increases, which were reviewed by the relevant advisory committees and approved by CASSC (where necessary), have been factored into the Ancillary Services budgets:

- **Housing** – These fees are amenities based and include a laundry fee initiated in 2018/2019 to offset the capital costs of purchasing equipment. The average fee increase in Peterborough Symons is 5.0% to align with comparable institutions. Fees at Peterborough Traill College will increase 2% to 3%. Durham residence fees will increase by 3% to 7% pursuant to a third-party agreement. To achieve the 95% occupancy target for Durham, a residence incentive will be provided with the estimated cost of \$0.2 million covered by the Operating Fund.
- **Student Food Services** – The dining fees are comprised of a spending value, an overhead fee and a fee for orientation week meals. Any unused spending value carries forward to the next year. Traditional dining fees will increase by 6.6% and suite style plans will increase by 8.6%. Even with these increases, dining fees at Trent remain the lowest in the country.
- **Athletics, Colleges and Other Miscellaneous Fees** – These fees, excluding the Athletics capital flat fee, will increase by 3.0%.
- **Parking** – Permit fees will increase by 3.0% to 3.2%. Trent will also maintain a pay and display parking rate of \$2 per hour and provide day permits for \$12.50 per visit for Lot I and \$10 per visit for all other lots.
- **Student Services** – These fees will increase from 1.9% to 5.0% depending on the type of fee.
- **Convocation and Alumni Relations** – These fees will increase by 8.0%.
- **TrentU Card** – The fee for new cards will increase by 3.0%.
- **English as a Second Language** – Program fees will increase by 3.0%.

Ancillary Operations Funded Primarily from Student Fees

The departmental surpluses, if any, of ancillary operations funded primarily from student fees, including Housing, Student Food Services, Athletics, Colleges, Parking, Student Health Services, Orientation, Campus Card, Durham Campus Fee and Durham Transit Pass, are set aside at year end to fund future projects or initiatives of the respective departments to provide direct benefit to students. The exception is any surpluses generated by Athletics, which contribute directly to the Operating Fund to help offset the cost of prior capital expansion borne by the Operating Budget. This year, ancillary services expect to transfer over \$2.2 million to their reserves.

For 2024/2025, Athletics is anticipating a deficit of nearly \$1 million as lower community memberships are anticipated. This expected deficit has been factored into the Operating Budget.

These ancillary services are typically charged an administration overhead fee of 6.62% to help offset the cost of administrative support provided from Operations. This year, the expected ancillary administrative overhead contribution to the Operating Budget is nearly \$2.5 million.

Ancillary Operations Contributing to the Operating Fund

The annual surplus of several ancillary operations, including English as a Second Language (ESL), Conferences/Catering, Campus Print, and Campus Store, is transferred to the Operating Fund each year end. The exception is any surpluses generated by Campus Print commencing with this budget are transferred to their reserve to help fund future equipment needs. For 2024/2025, Campus Print anticipates transferring \$24,000 to its reserve.

For 2024/2025, it is anticipated these ancillary operations will have a net surplus of nearly \$0.2 million and will contribute nearly \$0.1 million in administration overhead fees. These amounts have been factored into the Operating Budget.

Total Ancillary Operations Contribution to the Operating Fund

Overall, ancillary services are planning to contribute over \$1.7 million to the Operating Fund and are expected to transfer over \$2.2 million to reserves in 2024/2025.

Ancillary Operations Funded Primarily from Student Fees

Funded by Students (in thousands)	Housing	Student Food Services	Athletics	Colleges	Parking	Other	Total
Revenue	\$19,058	\$12,373	\$ 5,302	\$ 3,107	\$ 1,432	\$ 3,745	\$45,017
Expenses							
Staff	(\$ 4,660)	(\$ 864)	(\$3,621)	(\$ 1,846)	(\$ 471)	(\$1,562)	(\$13,024)
Non-Staff	(\$11,318)	(\$10,867)	(\$2,430)	(\$ 1,034)	(\$ 616)	(\$1,988)	(\$28,253)
Surplus (Deficit) from Ancillary Operations	\$ 3,080	\$ 642	(\$ 749)	\$ 227	\$ 345	\$ 195	\$ 3,740
Administrative Overhead Contribution to Operating Fund	(\$1,259)	(\$ 515)	(\$ 217)	(\$ 205)	(\$ 95)	(\$ 172)	(\$ 2,463)
Transfer to Reserves	(\$1,821)	(\$ 127)		(\$ 22)	(\$ 250)	(\$ 23)	(\$ 2,243)
Surplus (Deficit) Transferred to Operating Fund	\$ 0	\$ 0	(\$ 966)	\$ 0	\$ 0	\$ 0	(\$ 966)

Ancillary Operations Contributing to the Operating Fund

Contributing to Operating (in thousands)	ESL Program	Conferences Catering	Campus Print	Campus Store	Total
Revenue	\$ 1,250	\$ 694	\$ 785	\$ 290	\$ 3,019
Expenses					
Staff	(\$ 965)	(\$ 419)	(\$ 385)	(\$ 42)	(\$ 1,811)
Non-Staff	(\$ 285)	(\$ 300)	(\$ 324)	(\$ 19)	(\$ 928)
Surplus (Deficit) from Ancillary Operations	\$ 0	(\$ 25)	\$ 76	\$ 229	\$ 280
Administrative Overhead Contribution to Operating Fund		(\$ 46)	(\$ 52)		(\$ 98)
Transfer to Reserves			(\$ 24)		(\$ 24)
Surplus (Deficit) Transferred to Operating Fund	\$ 0	(\$ 71)	\$ 0	\$ 229	\$ 158

Total Ancillary Operations Contribution to the Operating Fund

(in thousands)	Ancillary Services Funded Primarily by Students	Ancillary Services Contributing to the Operating Fund	Total
Revenue	\$45,017	\$ 3,019	\$48,036
Expenses	(\$41,277)	(\$ 2,739)	(\$44,016)
Surplus (Deficit) from Ancillary Operations	\$ 3,740	\$ 280	\$ 4,020
Administrative Overhead Contribution to the Operating Fund	(\$ 2,463)	(\$ 98)	(\$ 2,561)
Transfer to Reserves	(\$ 2,243)	(\$ 24)	(\$ 2,267)
Surplus (Deficit) Transferred to Operating Fund	(\$ 966)	\$ 158	(\$ 808)
Total Contributions to the Operating Fund re: Administrative Overhead + Surplus (Deficit)	\$ 1,497	\$ 256	\$ 1,753