

2022-23
**FISCAL
FRAMEWORK
UPDATE**

A GUIDE TO LONG-TERM FINANCIAL PLANNING

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This report contains certain forward-looking information. In preparing the Fiscal Framework, certain assumptions and estimates were necessary. They are based on information available to management at the time of preparation. Users are cautioned that actual results may vary.

Throughout the text in this report, financial values have been rounded to the nearest thousand unless otherwise stated.

On the cover: Arrows symbolizing the Brock University community is moving forward, even when the pandemic moved us backwards and gave us some stumbling blocks. Includes a photo of Brock University Biological Sciences Professor Liette Vasseur.

Overview

The 2022-23 Fiscal Framework Update is an extension of the 2016-17 Fiscal Framework and the 2018-19 and 2020-21 Fiscal Framework Updates, including updated fiscal guidance where necessary. The focus of this update is to build upon the existing framework and refine guidance where necessary, recognizing that the University operates in a dynamic environment and must address changes to our core funding model to remain competitive.

The 2022-23 update focuses on enhancements to our strategic objectives outlined in the Brock University Institutional Strategic Plan 2018-2025 Niagara Roots – Global Reach. This update will provide enhancements to student accessibility and experience through improvements to international student billing practices and funding packages for student awards. Enhancements to build the research capacity across the University are found with investments in the central research enterprise. A commitment to fund Brock’s strategic priority to foster a culture of inclusivity, accessibility, reconciliation and decolonization is reinforced in this update. This commitment will include a range of new and existing strategic initiatives in the area of equity, diversity and inclusion, including reconciliation and decolonization supported through a mechanism to set aside and reserve funding specifically for this priority. Our planning also includes additional investments and financial strategies to support the advancement of Professional and Continuing Studies, which will certainly enhance the life and vitality of our local region and beyond. Financial sustainability is also a priority, and whilst our sector is no stranger to financial challenges, Brock has performed exceptionally well through collegial governance, ongoing commitments to our strategic priorities and sound financial planning. In addition, as we begin to recover from the pandemic and its impact on operations over the past few years, there is work to rebuild and recover lost ground. This Framework is one element of Brock’s dynamic approach towards achieving our strategic objectives.

The core financial framework as set out in this document is structurally unbalanced due to government policy, such as the 10 per cent cut to domestic tuition rates and the subsequent tuition rate freeze for multiple years. There remains a lack of guidance for tuition rate policies for 2022 and beyond along with the reality that core operating grant funding remains fixed. Governments have incurred unprecedented levels of debt because of the pandemic resulting in competing priorities and demands on public services. We cannot rely on additional government grants or subsidies. While we cannot build them into the forecast, we will advocate tenaciously for government support. This said, the University is planning on mitigating this challenge over the duration of the forecast period by continuing to invest in new enrolment generating programs, such as Engineering and Professional and Continuing Studies, while maximizing opportunities to grow programs identified as priorities by the Province through increased special purpose funding, such as Nursing and potentially Education. While this document and the assumptions included in the forecast are based on the University’s best estimates for future outcomes, there is always inherent risk with forecasting. There is no better example of this inherent financial risk than the global pandemic that has taken us off our enrolment growth plan that was outlined in the strategic plan and the previous Fiscal Framework Update. This document provides information to understand the implications of some of the major assumptions, such as enrolment targets, and the financial impact associated with those assumptions in the forecast section.

Figure 1 references each of the components of the framework and details which of these components will be updated in this document in relation to the 2016-17 Fiscal Framework report and the 2018-19 and 2020-21 Fiscal Framework Updates.

Figure 1: The Fiscal Framework Update reference

Framework component	Reference
Tuition: The 2016-17 Fiscal Framework established targeted guidance to maintain tuition rates at the median of other universities in the province of Ontario. This guidance remains in this update with further guidance on tuition rate increases for undergraduate international students. Enrolment forecasts are updated in this fiscal framework based on the long-term enrolment forecast.	See page 16 for an update on tuition strategy for international students and page 9 for an update on enrolment.
Grant: This update assumes overall grants are held flat for the fiscal framework forecast, with the exception of additional nursing funding in 2022-23, given that the government has stated there will be no additional funding to the sector or to Brock during Strategic Mandate Agreement 2020-25 (SMA3).	See page 8 for an update on Government Policy.
Ancillary and residence: The 2020-21 Fiscal Framework Update established targeted guidance to grow the annual contribution to the operating budget by four per cent each year with incremental contributions forecasted related to the student experience projects to cover a facilities condition reserve, and debt payments. This update also includes a one-time reset to the base contribution based on enrolment.	See page 18 for an update on ancillary and residence contribution.
Salary and benefits: The 2020-21 Fiscal Framework Update established targeted guidance to achieve salary and benefit growth of 2.8 per cent or lower annually. This guidance remains in this update.	No change: See page 14 of the 2020-21 Fiscal Framework Update.
Scholarships/fellowships: The 2020-21 Fiscal Framework Update established targeted guidance to grow the scholarships, fellowships, bursaries and awards budget by the rate of inflation plus the rate of enrolment growth. This guidance remains with additional guidance to maintain sufficient flexibility within the budget to fund financial aid as well as merit-based awards.	See page 20 for an update to scholarships, fellowships, bursaries and awards.
Capital: This Fiscal Framework maintains the targeted guidance for capital, including funding of deferred maintenance, its impact on the Facilities Condition Index (FCI) and additional contributions from the Ancillary/Residence student experience projects as set out in the 2020-21 Fiscal Framework Update.	No change: See page 14 for the capital funding incorporated into the financial forecast.
Debt and borrowing: The 2020-21 Fiscal Framework Update established targeted guidance to maintain the University’s credit rating of A (High) or better. This guidance remains in this update along with eliminating the debt repayment reserve, recognizing outstanding debt has been consolidated into a long-term debenture with the exception of a potential new loan.	See page 15 for details of the outstanding debt including the update to the debt repayment reserve.
Utilities: This update maintains the targeted guidance established in the 2020-21 Fiscal Framework Update that utility costs annual increases are two per cent or lower and also addresses the carbon tax increases.	See page 12 the utilities forecast including federal carbon tax requirements.
Library acquisitions: This Fiscal Framework Update reaffirms the targeted guidance for library acquisitions as set out in the 2018-19 Fiscal Framework Update – growth at two per cent annually.	No change: See page 12 for costs included in the forecast.
Strategic fund reserve: The 2020-21 Fiscal Framework Update established targeted guidance for a strategic funding reserve as one per cent of revenue. This guidance remains while also establishing priority envelopes and reserves.	See page 22 for an update to this strategic fund.
Unrestricted net assets/reserves: This Fiscal Framework Update reaffirms the targeted guidance established in the 2020-21 Fiscal Framework Update for unrestricted net assets/reserves where all surpluses will be allocated to the Faculties and central strategic priorities with additional incentive for Professional and Continuing Studies.	See page 26 for discussion of the Revenue and Expense allocation model.
Chargeback: This Fiscal Framework Update reaffirms the targeted guidance to eliminate chargebacks wherever possible to simplify operations.	No change: See page 22 of the 2018-19 Fiscal Framework Update.
NEW: Research Funding: This Fiscal Framework establishes targeted guidance for the Central Research Enterprise and Faculty-based research services.	New: See page 24 for discussion of research funding.



Financial overview

Figure 2 illustrates the 2021-22 budget for the University on both a funding basis, which represents committed cash, as well as in accordance with accounting standards for not-for-profit (NFPS). It also illustrates the 2020-21 budget and actual results. A reconciliation of the two presentations can be found on page 60 of the 2020-21 Annual Report and page 90 of the 2021-22 Budget Report.

Figure 2

(\$000s)	2021-22 Budget		2020-21 Funding		2020-21 NFPS	
	Funding	NFPS	Actual	Budget	Actual	Budget
Revenue						
Student fees	196,563	197,036	186,012	200,202	186,657	200,642
Grant revenue	97,708	94,758	106,724	97,288	103,943	95,823
Internal chargebacks	8,641		3,098	8,621		
Inter-fund revenue	7,462		8,843	7,042		
Research revenue		13,034			11,778	13,253
Other revenue	48,406	61,747	24,319	54,899	39,066	66,330
Total revenues	358,780	366,575	328,996	368,052	341,444	376,048
Operating costs						
Personnel costs	(233,761)	(237,560)	(214,657)	(238,613)	(220,557)	(241,611)
Inter-fund expense	(26,610)		(18,143)	(25,773)		
Other operating costs	(101,888)	(128,957)	(83,302)	(106,313)	(113,842)	(131,106)
Total operating costs	(362,259)	(366,517)	(316,102)	(370,699)	(334,399)	(372,717)
Mitigation target	3,479			2,647		
Funding surplus (before discretionary appropriations)	-	58	12,894		7,045	3,331
Discretionary appropriations			(12,885)			
Funding surplus (after discretionary appropriations)	-	58	9	-	7,045	3,331

Statement of operations metrics

The following metrics were developed to identify areas of strength as well as improvement.

Figure 3

By student headcount (\$000s)	Brock		Median ⁽¹⁾		Average ⁽¹⁾	
	April 2021	April 2020	April 2021	April 2020	April 2021	April 2020
Student fees (primarily tuition)	9.46	9.39	9.46	9.60	9.43	9.41
Grant	6.07	5.62	9.67	8.44	10.50	10.27
Personnel costs	11.18	11.48	13.77	13.88	14.01	13.82
Scholarships	1.40	1.25	1.53	1.39	1.63	1.55
Interest on long-term debt	0.53	0.35	0.33	0.35	0.33	0.31
Investment income	0.24	0.15	0.80	0.47	1.00	0.51

(1) Calculated using financial information from 13 comprehensive universities. Certain 2020 metrics have been updated due to revisions in certain universities' financial statements.

Brock's tuition is in line with the average; however, grant revenue per student continues to be well below the sector average. Naturally, Brock operates more efficiently given the below-average government funding, and this is seen in lower personnel costs per student. Brock continues to invest in students through increasing scholarships. Interest and investment income metrics are in line with Brock's financial health metrics, as detailed below.

Financial health metrics

Figure 4

	Brock		Median ⁽¹⁾		Weighted average ⁽¹⁾	
	April 2021	April 2020	April 2021	April 2020	April 2021	April 2020
Primary reserve ratio	25.6%	14.2%	27.5%	22.8%	45.2%	40.6%
Debt burden ratio	3.7%	6.7% ⁽²⁾	2.6%	2.4%	2.5%	3.8%
Interest burden %	3.4%	2.1%	1.5%	1.3%	1.7%	1.2%
Interest coverage	3.00	4.64	4.48	4.64	5.19	5.07
Viability ratio	32.9%	35.7%	113.1%	109.2%	131.5%	131.6%
Net operating revenues ratio	8.9%	9.3%	11.7%	4.6%	15.2%	5.4%
Employee future benefits per student headcount (\$000s)	\$(1.14)	\$(1.13)	\$(1.24)	\$(3.52)	\$(2.35)	\$(4.25)
Endowment per student headcount (\$000s)	\$6.28	\$5.25	\$10.37	\$8.61	\$8.81	\$7.94

(1) Calculated using financial information from 13 comprehensive universities. Certain 2020 metrics have been updated due to revisions in certain universities' financial statements.

(2) Increase is due to a one-time repayment of a \$14.4-million loan utilizing the debt repayment reserve established within the Fiscal Framework.

Refer to page 68 of the 2020-21 Annual Report for explanations of the financial health metrics.

Mission, Vision and the Strategic Plan

Illuminating Brock’s path forward is our Brock University Institutional Strategic Plan for 2018-2025, entitled “Niagara Roots, Global Reach,” referred to throughout the text of this document as the “Institutional Strategic Plan.” It was developed through a broad-based, full-year consultation process and has been approved by the Board of Trustees and Senate. The document sets out the vision, mission, guiding values and strategic priorities to support planning and decision-making until 2025. The entire Plan, including the Guiding Values, can be viewed at brocku.ca/vp-academic/wp-content/uploads/sites/65/Brock-University-Strategic-Plan.pdf

Vision

Brock University is a dynamic, comprehensive university that makes a positive difference in the lives of individuals in our Brock community, the Niagara Region, Canada and the world through leadership, innovation and excellence in learning, teaching, research, scholarship and creativity across disciplines.

Mission

Brock flourishes through the scholarly, creative and professional achievements of our students, faculty and staff. Although we share a common purpose, we recognize and honour knowledge pursued through diverse perspectives and approaches. Our academic mission is to nurture and support our students and faculty in the discovery of knowledge through exemplary scholarship, teaching and service.

We provide undergraduate, graduate and professional education of the highest quality. Our graduate programs enhance Brock’s growing reputation for excellence in teaching, research, creativity and innovation. We provide a transformative experience for our students inside and outside the classroom by helping to develop their full potential as educated and engaged citizens in local and global communities. Brock graduates go out into the world as leaders, with a track record of entering fulfilling careers across all disciplines.

Brock University works to enhance the economic, social, cultural and intellectual lives of the communities around us – Niagara, Ontario, Canada and globally – and to demonstrate the vital ways in which we contribute to the well-being and betterment of society in the 21st century.

Strategic priorities

The Institutional Strategic Plan establishes four strategic priorities, along with associated goals and action items, to advance Brock’s vision over the seven years of the plan. These priorities focus the University community on fulfilling and strengthening our mission as an engaged and comprehensive university through:

Strategic priority: Offer a transformational and accessible academic and university experience

To be a destination of choice for undergraduate, graduate and part-time students, we must ensure an academic and university experience that positively transforms our students’ abilities, understanding and impact on the world. We teach future-ready students and equip lifelong learners with a zest for knowledge, skills and competencies that will enable them to achieve their full academic, professional, career and life potential. Core to our student experience is the development of engaged citizens who are resilient, involved, career-ready and versatile.

Strategic priority: Build research capacity across the University

Our research focus is central to our identity. Brock will invest in building a world-leading research institution that is grounded in scholarly excellence and strong graduate and post-graduate programs. We will leverage our strengths within and across disciplines to enhance research impact.

Strategic priority: Enhance the life and vitality of our local region and beyond

Brock is committed to working with the communities in Niagara, Ontario, Canada and the world. Through local and global connections, we increase opportunities for the residents of Niagara. By responding to the needs of society and supporting its growth and development, we strengthen community vitality and vibrancy.

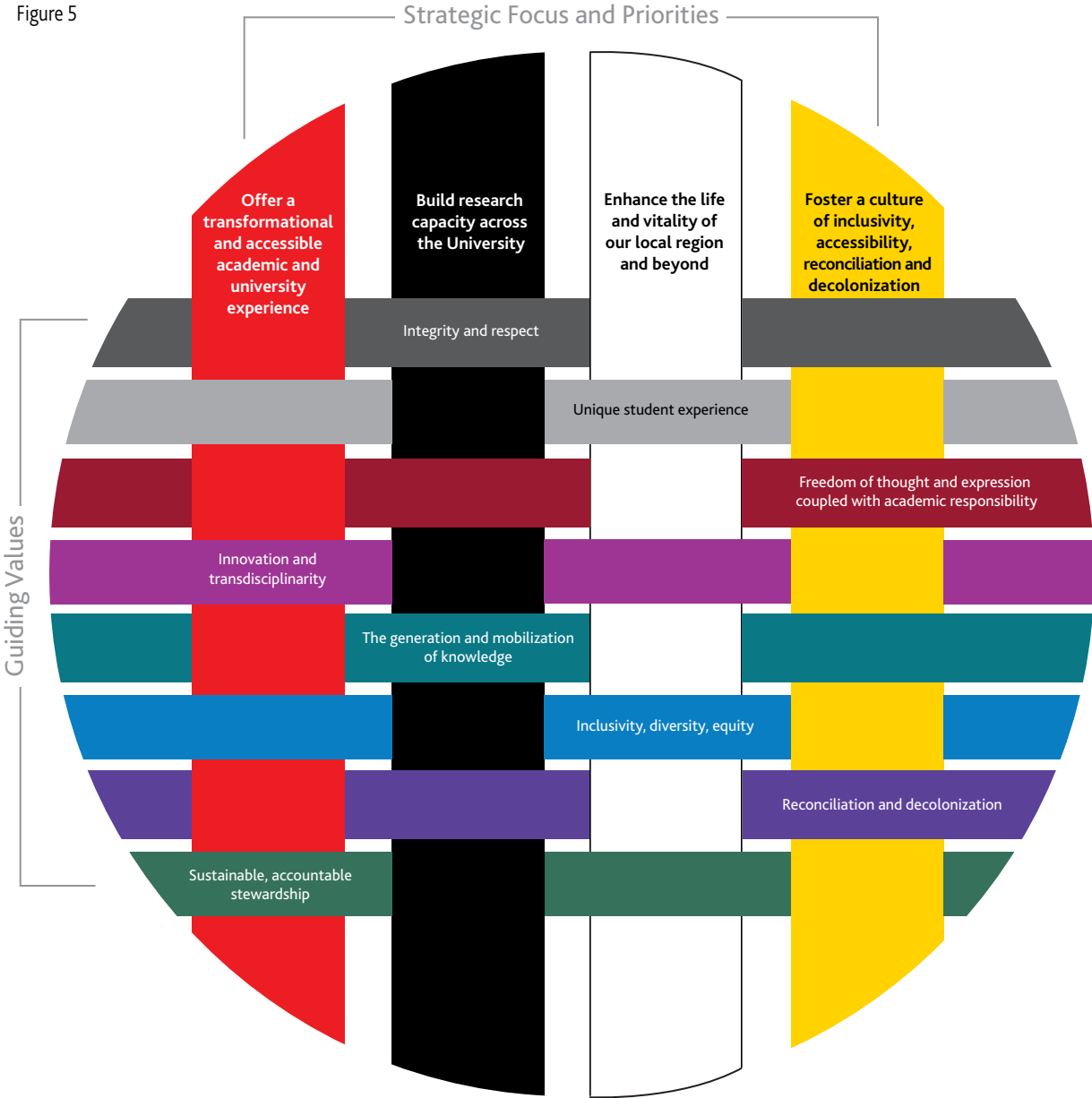
Strategic priority: Foster a culture of inclusivity, accessibility, reconciliation and decolonization

At Brock, we believe that a diverse and welcoming learning community is built upon the foundation of exceptional students, faculty, staff and alumni. This requires that Brock be attractive and welcoming to people of all identities, and accepting of the unique histories and experiences of Indigenous people within the Canadian state.

Our strategic priorities set the University on the path towards greater national and global recognition for its engagement and relevance to students and communities through enhanced innovation and excellence in teaching, learning, discovery, creativity and the application of knowledge across disciplines.

GUIDING VALUES AND STRATEGIC PRIORITIES⁽¹⁾

Figure 5

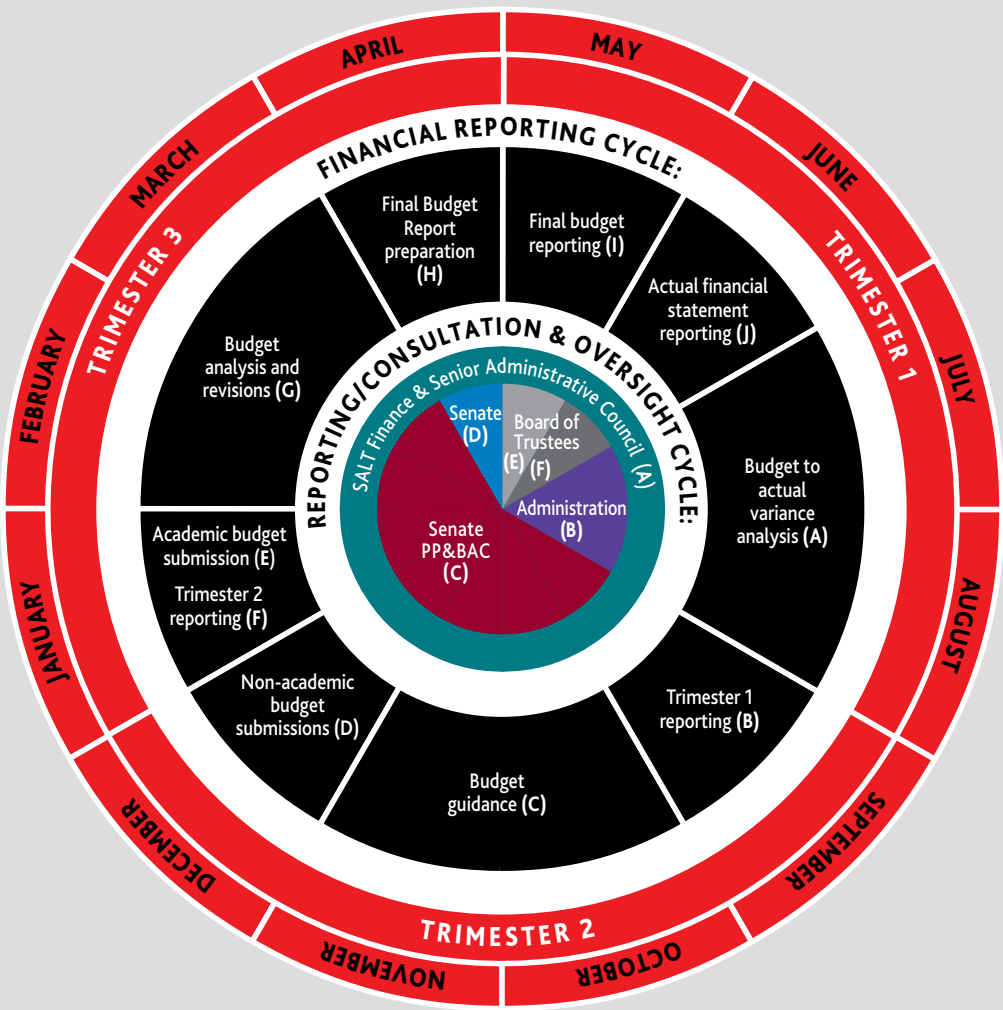


(1) The colours in the graphic include Brock’s brand standards and those from the Indigenous Medicine Wheel, the Pride Flag and the Dish with One Spoon Wampum Agreement Flag.



Budgeting and reporting cycle

Figure 6



Financial reporting cycle

- (A)** All units prepare an analysis of the prior year's actual results vs. budget, with the following goals: (1) analyze and understand each unit's results; (2) proactively identify funding risks and opportunities for upcoming budget development; and (3) understand the source of funding variances – structural vs. one-time.
- (B)** Trimester 1 (T1) reporting focuses on revenue forecasts given that undergraduate enrolment levels, which drive more than 80 per cent of tuition, are highly predictable at T1 as registration for the year is well under way. Preparing an analysis on revenue targets early in the fiscal year allows Administration to make necessary decisions to invest surplus or mitigate costs for the remaining eight months of the year should revenue targets exceed or fall short of budget respectively.
- (C)** Budget guidance is prepared for the upcoming year, incorporating information obtained in the budget to actual variance analysis, T1 reporting, as well as any other risks or opportunities identified throughout the strategic planning consultation process. Guidance includes strategic allocations supported by the Institutional Strategic Plan.
- (D) & (E)** Deadlines for non-academic budget submissions and academic budget submissions are based on a number of factors, including scheduling deadlines. The submission dates allow for budget consolidation, review and related adjustments to be completed in order to meet the Senate and Board of Trustees' meeting dates.
- (F)** Trimester 2 reporting represents a full update to all revenue and expenses, providing a more detailed and accurate update to forecasted fiscal results. This report also supports the finalization of revenue projections for the budget development process.

(1) Planning, Priorities & Budget Advisory Committee (PP&BAC), Executive Leadership Team (ELT), Senior Academic Council (SAC), Senior Academic Leadership team (SALT).

- (G)** During the months of February and March, the full operating budget is consolidated and reviewed by Senate and Administrative committees, including PP&BAC, ELT, SAC, SALT⁽¹⁾ Finance, etc. Adjustments to the budget are discussed and prepared. Once complete, the final operating budget is prepared for presentation to the Senate and Board of Trustees.
- (H)** Financial Services prepares the final Budget Report.
- (I)** Final operating budget is presented to the Board of Trustees.
- (J)** Annual audited Financial Statements as well as the Annual Report is presented to the Board of Trustees for approval.

Reporting/consultation and oversight cycle

- (A)** Multiple meetings throughout the budget process leading up to a final presentation of the full operating budget to Senate in its capacity to advise the Board of Trustees that the budget is consistent with the academic policy of the University, followed by the Board's approval of the budget.
- (B)** ELT, along with the Strategic Planning committee, review the budget to actual variance analysis and the Institutional Strategic Plan priorities as well as organizes for the consultation phase of the budget development.
- (C)** Multiple meetings throughout the budget process inform the Senate PP&BAC, with a final presentation of the full operating budget as well as responses to PP&BAC questions to inform their recommendation to Senate that the budget is consistent with the academic policy of the University.
- (D)** Full operating budget presented to Senate for their recommendation to the Board of Trustees that the budget is consistent with the academic policy of the University.
- (E)** Full operating budget presented to Board of Trustees for approval.
- (F)** Annual audited Financial Statements and internally restricted net assets "accumulated funding reserves" are presented to the Board of Trustees for approval.

Fiscal Framework Update introduction

Demands on the University impose costs that will always exceed its available resources. Brock University must therefore have some means both of setting priorities among its many possible opportunities, and of planning to enable the strategies it undertakes. The Fiscal Framework (the Framework) is designed to support budgetary planning. The Framework touches everything the University does, since all University activities involve spending. It is not intended that the budget would match or achieve all framework targets immediately. An important distinction between the Budget and the Framework is that the Framework is in essence the lighthouse for guiding budget planning within the University's financial means. To facilitate long-term planning, the Framework is expected to remain directionally consistent over time; however, it must also be flexible to adapt with the evolving economic, environmental and strategic developments of the University. The Framework does not drive strategy, rather, the Framework is a tool to ensure Brock has a funding model that promotes strategy development in a sustainable, efficient, responsive and accountable manner. The Framework recognizes the distinctive characteristics and contributions of Faculties and support units and the interdependence of units within Brock's funding model.

The 2022-23 Fiscal Framework Update is an extension of the 2016-17 Fiscal Framework document and the 2018-19 and 2020-21 Fiscal Framework Updates that have been developed through a collegial effort on behalf of University stakeholders. Core themes of the Framework remain unchanged and this document serves to provide updates where necessary. For example, the funding framework for the University has changed significantly as a result of the government policy to reduce funded student tuition rates by 10 per cent in 2019-20 and a subsequent tuition rate freeze with no known end date. In addition, the global pandemic has negatively impacted Brock's enrolment trajectory. 2022-23 is likely the first year where we are starting to recover from the pandemic and its impact on the past few years, which means there is work to rebuild/recover lost ground.

The budget environment for the University is informed by the Institutional Strategic Plan, government policy and enrolment, all of which significantly impact the fiscal framework and budget development process. The University operates as an autonomous organization. That said, the University maintains an important partnership with our governments and community partners that support our operations by way of grants and donations.

Institutional Strategic Plan

The document, entitled "Brock University: Niagara Roots – Global Reach," was developed through a broad-based, full-year consultation process and has been approved by the Board of Trustees and Senate.

The Plan celebrates the University's connection to the Niagara region and reflects Brock's advancing global reach and reputation. Looking at a seven-year span, from 2018-2025, which includes Brock's 60th anniversary in 2024, the document brings focus on identifying and achieving the University's academic, cultural and community objectives, defined by developments and growth into a dynamic next-generation university with enhanced strengths, experiential and work-integrated learning, advanced research activity, and activated community partnerships.

The focus of this Fiscal Framework Update is in support of this plan. Brock University faculty and staff worked together to balance choices in solidarity, support this plan and balance many other factors within our budget environment in a fiscally responsible manner.

Government policy

Brock continues to appreciate its strong and collaborative relationship with the Province of Ontario through the Ministry of Colleges and Universities (MCU). Despite the Province's fiscal constraint, it continues to fund important activities and projects at Brock.

The global pandemic has significantly impacted governments' finances as they have had to focus on public health, restrictions and financial supports for individuals and businesses. By way of example, Brock incurred \$12.95 million of incremental expenses in fiscal 2020-21 to address COVID-19 impacts. The Province generously provided a COVID-19 relief grant, covering \$7.9 million of these expenses, which was an unplanned expense for the Province. Given the demands on the government to support public health and pandemic recovery, it is unlikely additional base operating grant funding will be made available to the sector; however, opportunities still exist through special-purpose funding for program expansions, such as nursing and potentially teacher education. The risks facing our sector remain elevated and examples of financial hardship are real to the extent that we have seen a publicly funded University in Ontario file for bankruptcy. The reality that the Province did not provide a bailout to avoid bankruptcy filing has changed public perception, especially with lending institutions, where Universities were previously considered low risk borrowers with the imputed backing of the Province to guarantee funding in a fiscal crisis.

The Province has tied grant funding to labour market outcomes beginning with the Strategic Mandate Agreement 2020-25 (SMA3), which took effect in 2020-21. As initially established, this updated funding model includes tying a larger portion of funding to metric performance through the Differentiation Envelope. This proportion started with a system average of 25 per cent in 2020-21 and is ramped up to a system average of 60 per cent of total MCU operating grant funding by 2024-25. Brock, along with our peers across the province, have 10 metrics used to determine funding allocations. Six metrics are aligned with priorities in skills and job outcomes: graduate earnings; experiential learning; skills and competencies; graduate employment; graduation rates; and a negotiated metric based on institutional strength/focus. Four metrics are related to economic and community impacts: research funding and capacity (Tri-Council funding); research funding from industry; impact in the local community; and a negotiated institution-specific metric. Brock's Institutional Strategic Plan aligns our strategic priorities well with the government. It should be noted that during 2020-21, the MCU announced that the metrics tied to the Differentiation Envelope would not impact the grant funding for 2020-21 due to the significant impact of the global pandemic on the sector, and this is still the case for 2021-22. Future budgets will focus on progressing towards our strategic goals, and our world-class faculty and dedicated staff will allow Brock to continuously advance our outcomes in a meaningful way. While there is no new government funding planned for the sector or for Brock specifically, our goal within the context of this framework is to achieve our target metrics and maintain our grant funding at current amounts while capitalizing on strategic growth areas where government is providing special-purpose grant opportunities.

Enrolment

Enrolment generates the majority of the University's revenue and is the focus of our planning process. Every unit's budget is influenced to some extent by enrolment projections. The University's current budgetary model relies on enrolment growth to offset inflationary pressures on existing expenses. This reliance on enrolment growth was intensified following government action to reduce domestic tuition rates by 10 per cent, resulting in a \$15.4-million dollar reduction to planned revenue. Domestic tuition rates are now subject to a rate freeze and for the purposes of this framework the domestic tuition freeze guidelines are assumed to carry forward for 2023-24; however, increasing at a nominal rate of inflation of two per cent thereafter. The sector cannot sustain permanent rate freezes and, through the Council of Ontario Universities (COU) and sector advocacy, we understand government recognizes this challenge.

When the Institutional Strategic Plan was approved in November 2018, Brock's strategic enrolment plan called for an 18 per cent increase in degree-seeking students by 2024. The Institutional Strategic Plan supported growth, including new programs such as Engineering and Professional and Continuing Studies. Figure 7 outlines projected enrolment growth to 2026-27 compared to the enrolment set out in the Strategic Plan.

The global pandemic has significantly impacted university enrolment across the sector. Increased competition for domestic students due to reduced international student intakes has impacted Brock and many of our peer universities. Investing in areas of growth such as Professional and Continuing Studies, Engineering, and other programs aligned with government priorities, such as Nursing, are supported in this framework and the University's Fiscal strategy.

Figure 7: Forecasted headcount enrolment versions

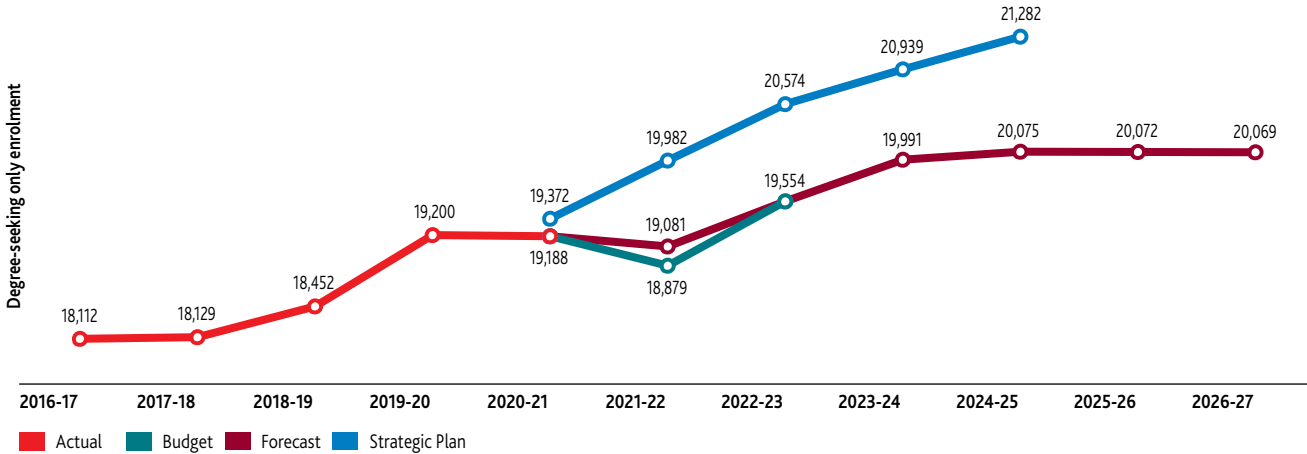


Figure 8: Faculty of Education enrolment forecast (Headcount)

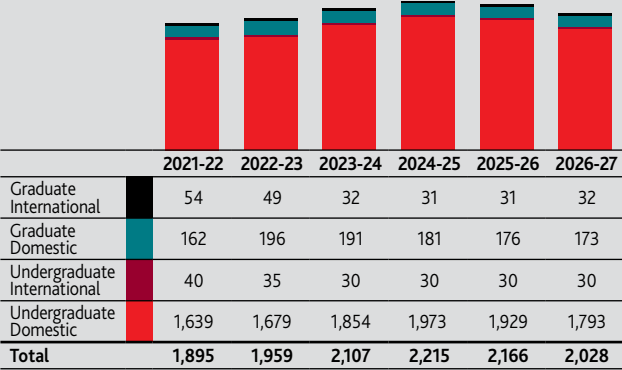


Figure 11: Faculty of Humanities enrolment forecast (Headcount)

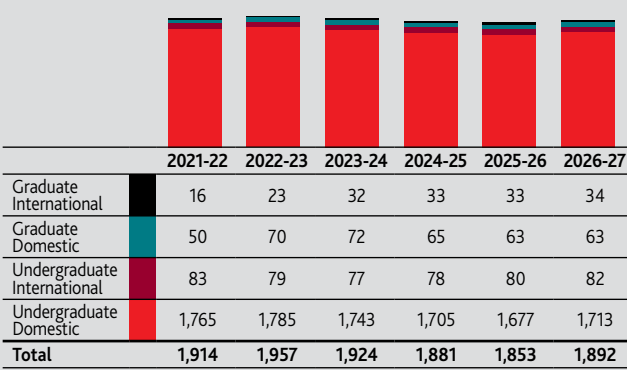


Figure 9: Goodman School of Business enrolment forecast (Headcount)

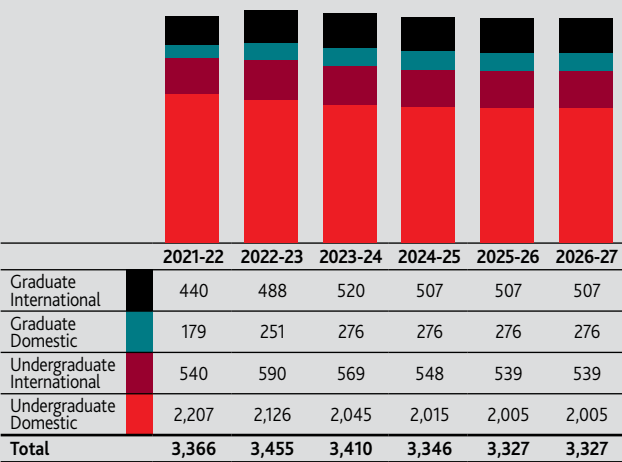


Figure 12: Faculty of Mathematics and Science enrolment forecast (Headcount)

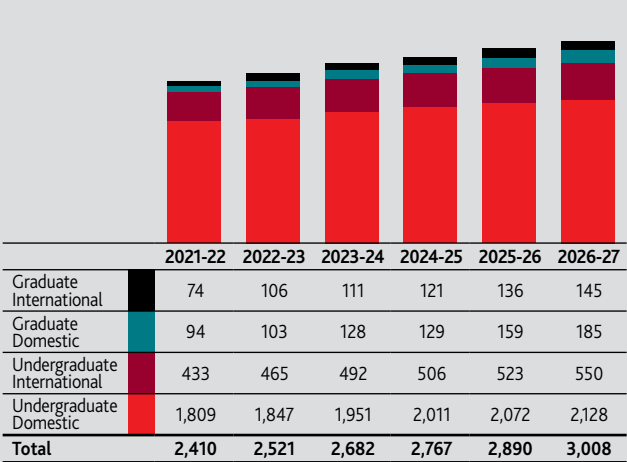


Figure 10: Faculty of Applied Health Sciences enrolment forecast (Headcount)

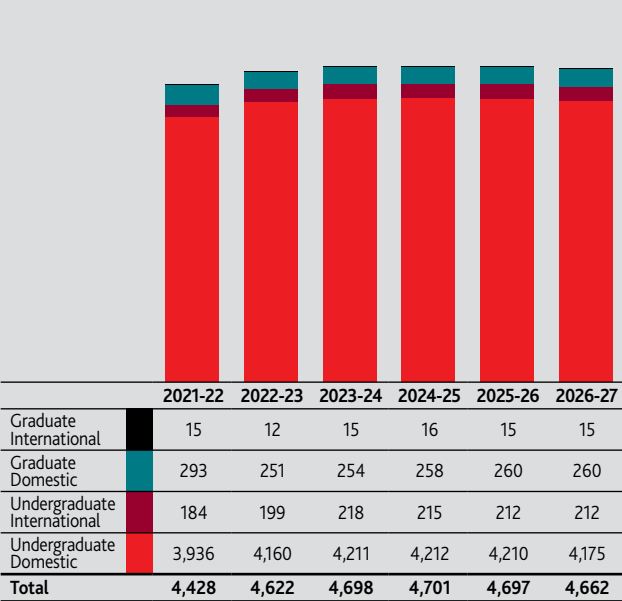
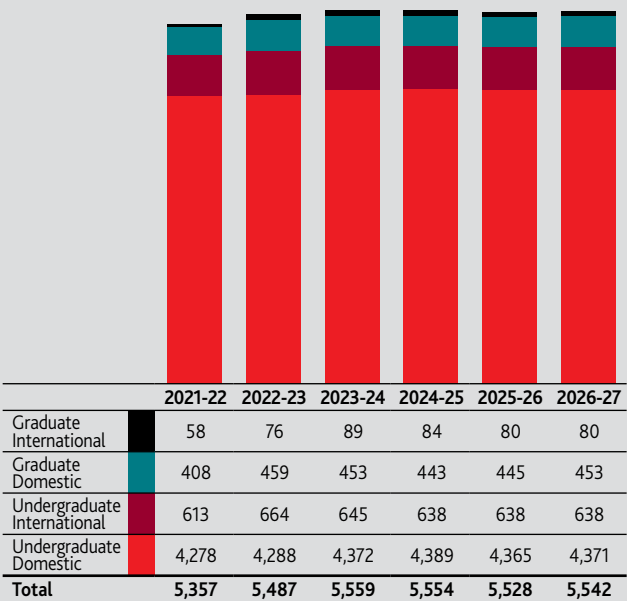


Figure 13: Faculty of Social Sciences enrolment forecast (Headcount)



Note: The enrolment numbers shown in the above figure are "all-in". All-in enrolment includes degree-seeking, non degree-seeking, additional qualifications and certificates. The 2021-22 numbers shown represent the T2 Forecast.

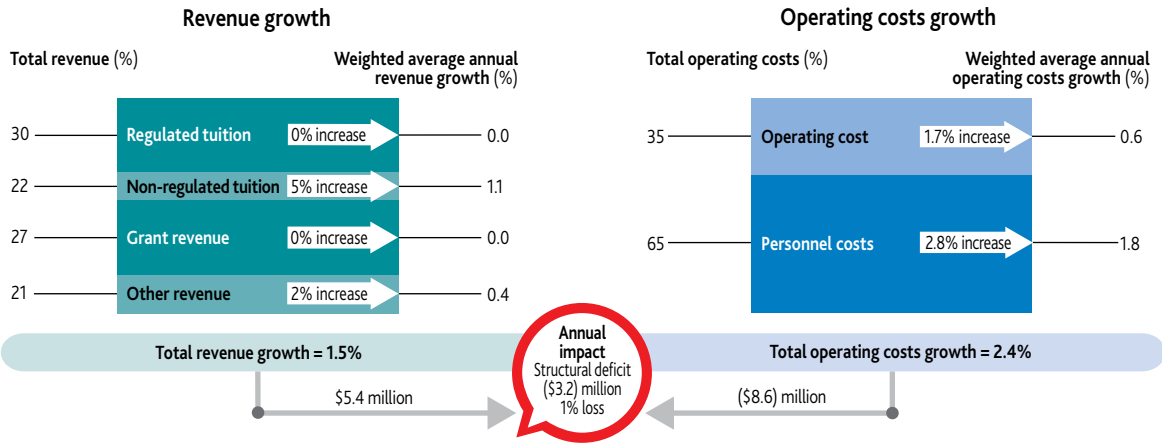


Overall financial budget structure

As detailed in Figure 14, Brock is looking at 1.5 per cent revenue inflation without enrolment growth, which compares to 2.4 per cent revenue growth prior to the 10 per cent domestic tuition reduction and subsequent rate freeze in 2019-20. Under the previous tuition model that allowed for three per cent annual increase, Brock would balance expense inflation with revenue inflation when personnel cost growth achieved 2.7 per cent. This forecast continues with the assumption from the 2020-21 Fiscal Framework update with a personnel cost inflation assumption of 2.8 per cent on average, which is very close to the sustainable rate under the previous tuition framework. However, with revenue now growing at a reduced 1.5 per cent due to the ongoing tuition rate freeze, a balanced fiscal framework without enrolment growth

would require personnel costs to increase at a maximum rate of 1.4 per cent. While this is mathematically possible, this level of wage restraint would be an unrealistic target, especially given the competitive landscape for talent and inflationary pressures on the economy. Looking forward for the duration of this forecast, we are assuming a return to modest tuition rate increases beginning in 2024-25 and no increases to operating grants. This results in a structural gap between revenue and expense inflation of one percent or a \$3.2-million structural deficit. To address this structural deficit, our strategy incorporates incremental enrolment, new net revenues from programs not currently included in our operating framework and mitigations to balance our budgets. This Fiscal Framework Update outlines a set of financial assumptions and targets aimed at fiscal balance. The Institutional Strategic Plan will guide our decision-making within the parameters of a sustainable future outlined by the Fiscal Framework.

Figure 14



Fiscal Framework forecast

Figure 15: Fiscal Framework forecast

(\$000s)	2021-22 Budget	2022-23 Preliminary Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast	Notes (Fig.16)
Revenue							
Tuition – base	186,039	193,012	193,012	193,012	193,012	193,012	
Tuition – rate			2,375	8,034	15,209	23,615	(1)
Tuition – enrolment			3,750	3,596	3,930	4,872	(2)
Other student fees	10,524	11,256	11,554	11,860	12,174	10,773	(3)
Grant revenue	97,708	99,589	99,589	99,589	99,589	99,589	(4)
Ancillary/Residence revenue	31,396	38,341	41,541	44,106	44,922	45,785	(5)
Inter-fund revenue – endowments	2,520	2,520	2,646	2,778	2,917	3,063	(6)
Other inter-fund revenue	4,942	8,923	5,345	5,385	5,425	5,466	(7)
Other operations	25,651	36,131	28,356	28,856	29,365	29,886	(8)
Total operating revenue	358,780	389,772	388,168	397,216	406,543	416,061	
Year-over-year change		8.7%	-0.4%	2.3%	2.3%	2.3%	
Expenses							
Personnel costs	(233,761)	(246,313)	(253,106)	(260,087)	(267,260)	(274,631)	(9)
Financing costs							
External financing costs (excluding bank charges)	(12,622)	(12,527)	(12,494)	(12,495)	(12,136)	(12,136)	(10)
Debt payment reserve	(1,500)						(11)
Financing costs total	(14,122)	(12,527)	(12,494)	(12,495)	(12,136)	(12,136)	
Repairs, maintenance and capital related costs							
Funding of Capital Plan	(14,795)	(14,815)	(14,834)	(14,854)	(14,874)	(14,895)	(12)
Repairs, maintenance and capital replacement costs	(8,502)	(9,111)	(9,293)	(9,479)	(9,669)	(9,862)	(13)
Repairs, maintenance and capital related costs total	(23,297)	(23,926)	(24,127)	(24,333)	(24,543)	(24,757)	
Scholarships							
Scholarships – operating	(21,325)	(25,324)	(21,558)	(21,814)	(22,307)	(22,836)	(14)
Scholarships – endowment	(2,520)	(2,520)	(2,646)	(2,778)	(2,917)	(3,063)	(15)
Scholarships total	(23,845)	(27,844)	(24,204)	(24,592)	(25,224)	(25,899)	
Library acquisitions total	(5,222)	(5,446)	(5,435)	(5,544)	(5,655)	(5,768)	(16)
Other operating costs							
Purchased services	(18,172)	(18,200)	(18,564)	(18,935)	(19,314)	(19,700)	(13)
Utilities	(6,734)	(7,182)	(8,307)	(8,761)	(9,218)	(9,677)	(17)
Cost of sales	(4,513)	(4,703)	(4,797)	(4,893)	(4,991)	(5,091)	(13)
Other operating	(30,801)	(41,831)	(34,908)	(35,607)	(36,319)	(37,046)	(18)
Additional transfers to sinking funds		(1,552)	(1,593)	(2,942)	(2,979)	(1,306)	(19)
Strategic funding	(1,792)	(3,897)	(3,882)	(3,972)	(4,065)	(4,161)	(20)
Other operating costs total	(62,012)	(77,365)	(72,051)	(75,110)	(76,886)	(76,981)	
Total non personnel costs	(128,498)	(147,108)	(138,311)	(142,074)	(144,444)	(145,541)	
Total operating expenses	(362,259)	(393,421)	(391,417)	(402,161)	(411,704)	(420,172)	
Year-over-year change		8.6%	-0.5%	2.7%	2.4%	2.1%	
Budget deficit	(3,479)	(3,649)	(3,249)	(4,945)	(5,161)	(4,111)	
New program contributions/mitigation		3,649	3,249	4,945	5,161	4,111	
Final budget deficit	(3,479)	-	-	-	-	-	

The Fiscal Framework forecast, as detailed in Figure 15, is built on our strategic enrolment plan, a number of directed mitigation strategies, as well as a number of other assumptions and estimates based on information available to Financial Services at the time of preparation. These estimates are detailed in Figure 16. While enrolment growth is included in the forecast, it does not cover all of Brock’s funding needs. It is anticipated that these remaining funding requirements will be established through new sources of revenue from new programs contributing positive net contributions to support the base budget, as well as ongoing mitigation strategies, as shown in the second-to-last line of Figure 15.

Figure 16: Assumptions

Note #	Assumption
(1)	Domestic and regulated program tuition rate is flat for 2022-23 and 2023-24 and increasing at 2% thereafter. Cohort pricing for undergraduate international and unregulated programs starting in 2022-23 at 8% increase, held-flat for five years. International graduate rate increases are 5%, except for research-based master’s and PhD programs where tuition rates are frozen.
(2)	Enrolment is based on enrolment forecast provided by Institutional Analysis. See Figures 8 to 13 in this document.
(3)	Annual increase of 2% plus the overall average enrolment change. In 2026-27 removal of Zone expansion fee.
(4)	Flat to the preliminary forecast for 2022-23.
(5)	4.0% annual contribution growth plus additional contributions from the student experience projects to cover the debt payments and the maintenance reserve. The base contribution was reset in 2023-24 to represent a contribution per student consistent with the planned contribution per student in 2020-21 prior to the global pandemic.
(6)	5% annual increase
(7)	2% annual increase, and in 2023-24 removal of the reserve funding for Professional and Continuing Studies and Engineering of \$3.7 million as the programs become self sustaining with net new operating revenues.
(8)	2% annual increase. Includes the proceeds of asset sales of \$8.3 million in 2022-23 only.
(9)	2.8% annual increase and no additional faculty/staff headcount. See Figure 17 for details.
(10)	Based on actual debt payment requirements.
(11)	Eliminated starting in 2022-23 as no longer required with debt consolidation with long-term debenture.
(12)	Overall capital funding held flat, with the exception of student experience project funding growing at 2.5% annually. See Figure 18 for details. \$6 million guaranteed for deferred maintenance and the remaining for flexible capital funding.
(13)	2% annual increase.
(14)	Growth required for overall scholarship budget to increase at 2.0% annually plus the enrolment growth rate. Note: Undergraduate scholarship budget was re-based in 2024-25 based on scholarships per student in 2020-21 recognizing changes being made to entrance awards.
(15)	Growth per endowment investment gains – 5.0% annually.
(16)	2% annual increase, with an additional \$0.12 million in 2023-24 to support Engineering.
(17)	2% annual increase plus additional carbon tax starting at \$1.4 million in 2023-24 and increasing to \$2.3 million in 2026-27.
(18)	2% annual increase, as well the following: additional base increase of \$0.4 million in 2023-24 to support the Research Enterprise, Canada Games facilities operating costs starting at \$1.5 million in 2022-23 increasing at 2% annually, and the transfer proceeds of asset sales to strategic fund of \$8 million in 2022-23 only.
(19)	Represents additional requirements for funding the sinking fund.
(20)	Represents 1% of total revenue.



The following figures provide additional information to support the Fiscal Framework forecast in Figure 15. Figure 17 provides support for the personnel rate increase assumptions used in the forecast.

Figure 17: Personnel rate increase

Ongoing Personnel Group ⁽¹⁾	2021-22 % of Budget	2021-22 existing negotiated or approved rate increases
Faculty and Professional Librarians	56.4%	3.5%
Admin/Professional	30.0%	1.9%
OSSTF	5.2%	2.9%
CUPE 1295	4.7%	1.0%
SAC	3.3%	0.0%
Other	0.4%	1.0%
Total	100.0%	2.8%

(1) Faculty and Professional Librarians – BUFA members, Associate Deans, Associate Vice-Presidents of Research and Associate Librarian; Admin/Professional – ongoing administrative/professional and exempt staff; OSSTF – support and technical staff; CUPE 1295 FT – full-time maintenance, trades and custodial staff; SAC – Senior Administrative Council; Other ongoing – CUPE 4207-2, CUPE 4207-3, & IATSE.



Figure 18 details the capital and related project plan by funding source. The majority of the capital plan is funded as part of the general operating budget as well as the Facilities Renewal Program funds (FRP) from the Province. Ancillary/Residence contributions and the additional Residence contributions to a facilities reserve, which will be funded from incremental Residence revenues, are noted to complete the capital funding forecast to 2026-27. **It's important to note that each year as part of the overall capital and related project budget, it is guaranteed that a minimum of \$6 million is committed for funding deferred maintenance, consistent with the Oct. 3, 2013 Board of Trustees endorsed motion.**

Figure 18: Capital and related project budget

(\$000s)	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
Operating contribution (including Facilities Renewal Program funds)	10,791	10,791	10,791	10,791	10,791
Base Ancillary contribution	3,246	3,246	3,246	3,246	3,246
Additional Ancillary contribution (student experience)	778	797	817	837	858
Total	14,815	14,834	14,854	14,874	14,895



Figure 19 details the outstanding debt to 2025, including debt and net debt, which support the external financing charges included in the forecast.

Figure 19: Outstanding debt

(\$000s) (Unless otherwise noted)	April 30, 2017	April 30, 2018	Actual April 30, 2019	April 30, 2020	April 30, 2021	Forecast April 30, 2022	April 30, 2023	April 30, 2024	April 30, 2025
2005 Bond	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000
Roy and Lois Cairns Health and Bioscience Research Complex	24,863	24,109	23,319	22,491	21,623	20,714			
Loan renewal							14,333	12,968	11,561
Residence	15,215	14,333	13,385	12,366	11,271	10,095	8,831	7,473	6,014
Marilyn I. Walker School of Fine and Performing Arts (MIWSFPA)	15,960	15,240	14,520						
2020 Bond and Scotia loan				14,400	139,400	139,400	139,400	139,400	125,000
Total debt	149,038	146,682	144,224	142,257	265,294	263,209	255,564	252,841	235,575
Total student FFTE⁽¹⁾	20,086	20,303	20,548	21,597	21,896	21,689	22,475	22,980	23,090
Total debt/FFTE (in dollars)⁽¹⁾	\$7,420	\$7,225	\$7,019	\$6,587	\$12,116	\$12,136	\$11,371	\$11,003	\$10,202
Debt reduction strategy									
Sinking fund – 2005 Bond	6,413	6,696	7,370	7,607	8,843	9,285	9,749	10,237	11,154
Sinking fund – 2020 Bond						1,855	3,447	5,154	7,856
Debt repayment reserve	2,895	4,457	6,753	384	1,884	3,153			
M. Walker donation – MIWSFPA	5,326	5,470	5,617						
Other donations – MIWSFPA	717	851	932						
Total assets for debt reduction	15,351	17,474	20,672	7,991	10,727	14,293	13,196	15,391	19,010
Net debt	133,687	129,208	123,552	134,266	254,567	248,916	242,368	237,450	216,565
Net debt/FFTE (in dollars)⁽¹⁾	\$6,656	\$6,364	\$6,013	\$6,217	\$11,626	\$11,477	\$10,784	\$10,333	\$9,379

(1) Fiscal full-time enrolment (FFTE). For a definition, refer to page 88 of the 2021-22 Budget Report.

Tuition

Targeted guidance

Target to maintain tuition rates at the median of Ontario universities while adhering to government tuition frameworks.

For programs not regulated by government, the implementation of cohort pricing enhances recruitment efforts and makes a Brock education more accessible for students around the world. Tuition rates for unregulated undergraduate programs will increase each year, for year one students only, guided by the principle to maintain tuition rates at the median of Ontario universities. Tuition rates will then be frozen for four additional years to allow students sufficient time, including one additional year to complete their degree. If students continue past the tuition freeze period, rates will revert to current year one rate.



Update



Tuition rates for domestic students are regulated by the Province. International student tuition is unregulated and, for that reason, our Fiscal Framework has established guidance to ensure our international tuition rates remain competitive, support recruitment efforts and balance the financial need of our international students with budgetary requirements of the University.

The Fiscal Framework guidance for international students has been one of restraint, limiting rate increases to five per cent annually with a target to maintain a tuition rate at the median of Ontario universities. Consistent with the Institutional Strategic Plan, the update to international tuition guidance is aimed at making it easier for students from around the world to choose Brock University. To provide greater budget certainty for a Brock education for students around the world, the University is introducing a new tuition structure that will see international students pay the same amount as their first-year tuition throughout their undergraduate studies. It means rather than having to plan for annual tuition increases, whatever students pay in their first year is the same amount they'll pay in years two, three and four of their programs. Tuition fees will also remain steady for a fifth year, allowing students one additional year to complete a four-year program.

Figures 20 to 23 on the following pages outline the total cost of tuition for a four-year undergraduate program in 2021-22 across Ontario universities for both domestic and international business and arts and science programs. Brock's international undergraduate tuition rates remain below or close to the provincial average.



Figure 20: 2021-22 Total tuition cost (\$) Domestic Undergraduate Business Program

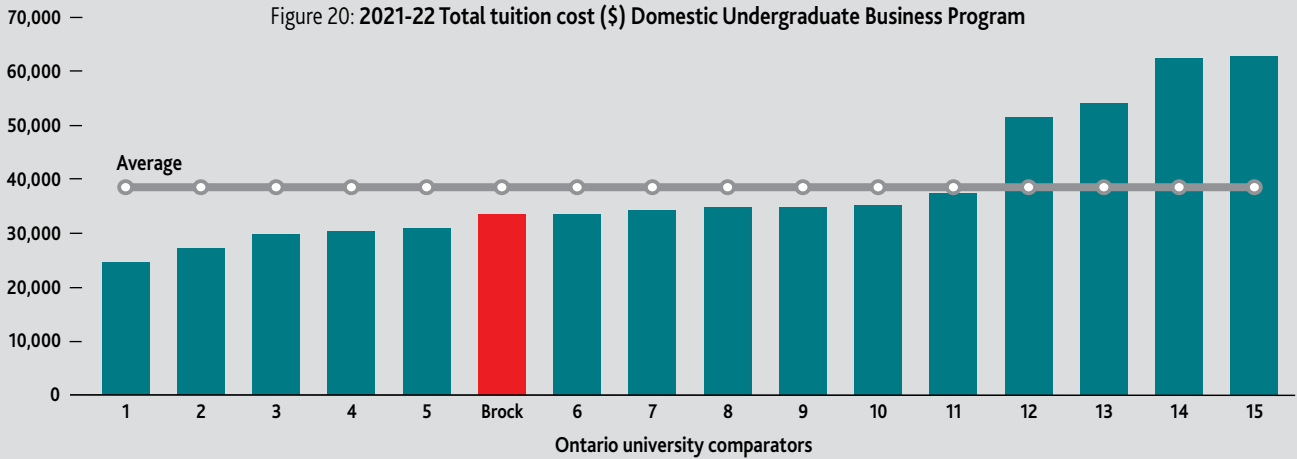


Figure 21: 2021-22 Total tuition cost (\$) International Undergraduate Business Program

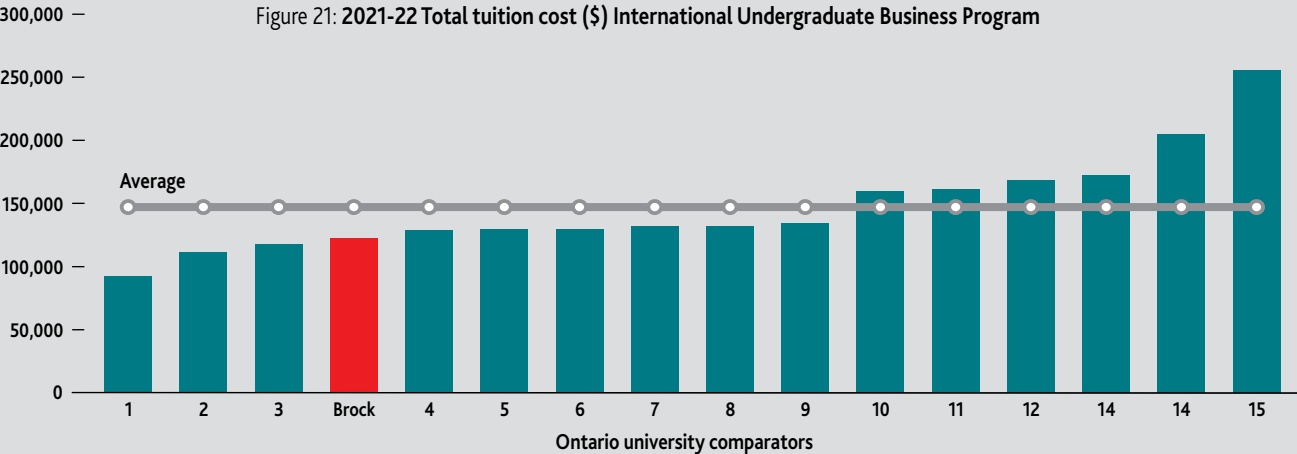


Figure 22: 2021-22 Total tuition cost (\$) Domestic Undergraduate Arts & Science Program

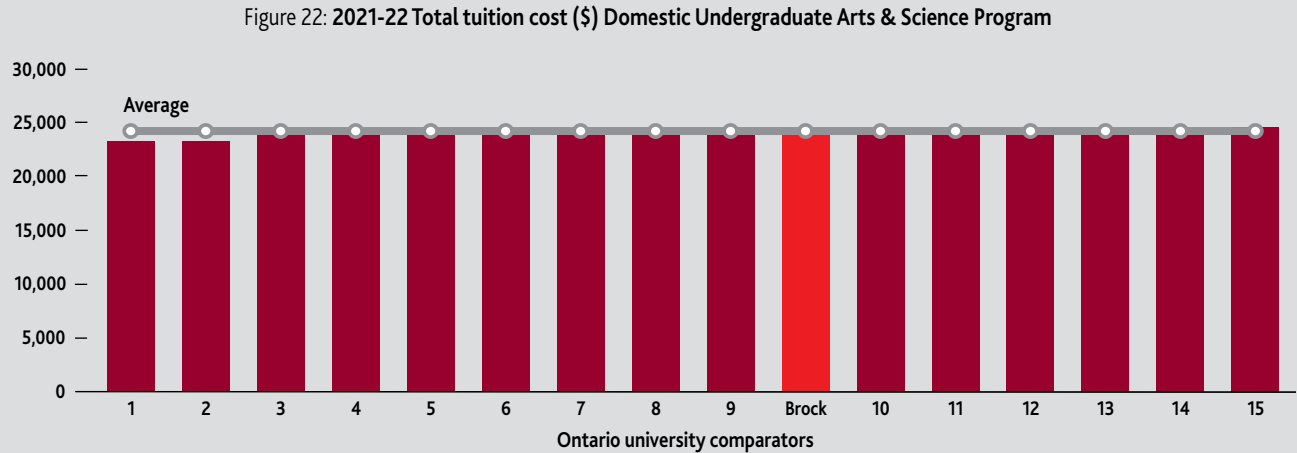
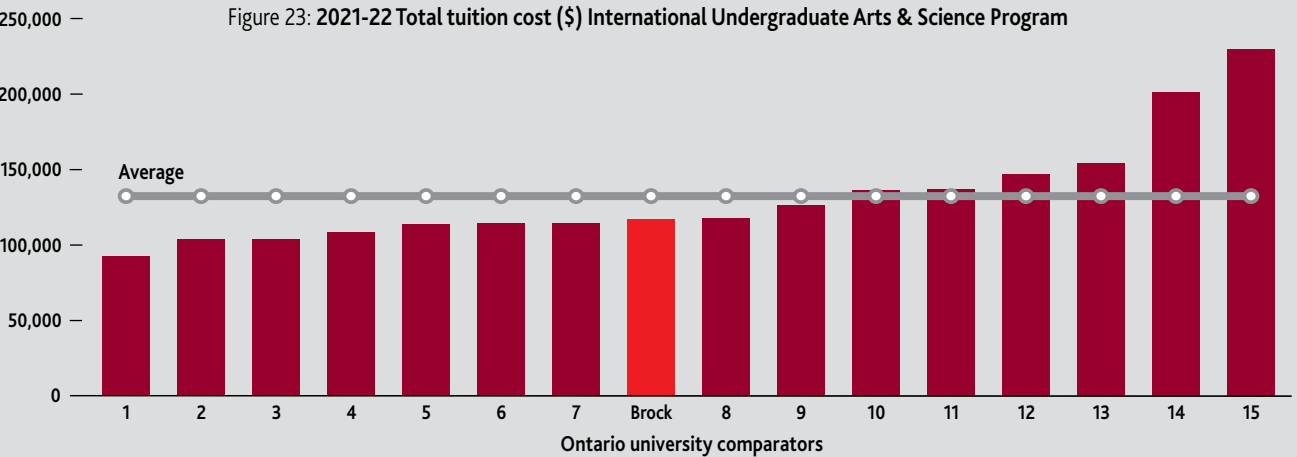


Figure 23: 2021-22 Total tuition cost (\$) International Undergraduate Arts & Science Program



Ancillary and Residence

Targeted guidance

Grow the contribution by four per cent annually, fund a capital reserve for residence renewal equal to one per cent of construction value and fund any existing and additional debt costs associated with Ancillary and Residence operations.

Update


 Ancillary Services, unlike academic Faculties, are intended to generate a surplus each year and maximize service and value to our students and community. The use of this surplus is directly invested in the University's annual operating budget to provide additional funding for academic, research and community programs enhancing the overall student experience. Previous Fiscal Frameworks provided the guidance contribution from Ancillary and Residence supported by a steady enrolment growth trajectory. Recognizing enrolment has been significantly affected by the global pandemic, and revenue for certain Ancillary operations such as dining and parking may have been impacted due to remote working and hybrid/online course offerings, the contribution for Ancillary and Residence has been reset using the pre-pandemic contribution per student, based on current enrolment levels and subsequently growing at four per cent annually. In addition, the Ancillary and Residence budget strategy remains committed to funding capital reserves for residence renewal and funding their debt costs. See Figure 24 for details of the Ancillary and Residence contribution included in the financial forecast.

Figure 24: Ancillary and Residence Contribution

(\$000s)	2022-23 Budget	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
Revenue – base	34,344	37,524	38,309	39,117	39,948
Student experience additional contribution	3,997	4,017	5,797	5,805	5,837
Total revenue	38,341	41,541	44,106	44,922	45,785
Debt payments (ex. Student experience)	(4,431)	(4,431)	(4,431)	(4,431)	(4,431)
Capital funding (ex. Student experience)	(3,246)	(3,246)	(3,246)	(3,246)	(3,246)
Student experience debt funding	(3,220)	(3,220)	(4,980)	(4,967)	(4,978)
Student experience funding of capital plan	(778)	(797)	(817)	(837)	(858)
Other operating and personnel costs	(22,740)	(23,251)	(23,773)	(24,308)	(24,854)
Total costs	(34,415)	(34,945)	(37,247)	(37,789)	(38,367)
Net ancillary and residence contribution	3,926	6,595	6,859	7,133	7,418



Scholarships, fellowships, bursaries and awards

Targeted guidance

Grow the scholarships, fellowships, bursaries and awards budget by the rate of inflation plus the rate of enrolment growth.

Maintain sufficient flexibility within the budget to fund financial aid as well as merit-based awards.

Provide funding for scholarships, fellowships, bursaries and awards consistent with the top 50 per cent of comprehensive universities as identified in the annual *Maclean's* ranking.

The 2020-21 Fiscal Framework Update included guidance to grow the scholarships, fellowships, bursaries and awards budget by the rate of inflation plus the rate of enrolment growth. This target guidance remains in effect in this update. By increasing the scholarships, fellowships, bursaries and awards funding by the rate of inflation plus the rate of enrolment growth, the University ensures the purchasing power of the budget provided to students remains consistent into the future and that the funding grows in harmony with the number of students attending Brock.

Additional guidance included in this update is to maintain sufficient flexibility within the budget to fund financial aid as well as merit-based awards. To achieve this goal, the Undergraduate Brock Scholars program should represent approximately 50 per cent of the undergraduate scholarships, bursaries and awards budget.

Update

Since the establishment of the Fiscal Framework guidance for scholarships, fellowships, bursaries and awards, Brock has improved in the National Comprehensive University rankings. Brock was ranked 11 out of 15 in 2014 *Maclean's* ranking in the Scholarships and Bursaries category and has since moved up in the placements. This improving trajectory continues with a step up from eighth place in 2020 to seventh place in 2021. This Fiscal Framework establishes a target to provide funding for scholarships, fellowships, bursaries and awards consistent with the top 50 per cent of comprehensive universities as identified in the annual *Maclean's* ranking, to ensure a competitive funding package for our students.

The Framework is updated to ensure balanced funding for students, which will ensure appropriate levels of financial aid as well as merit-based awards are provided. The undergraduate Brock Scholars program has increased from 53 per cent of the scholarships, fellowships, bursaries and awards budget in 2017-18 to 74 per cent of the 2021-22 budget. This trend is a result of significant grade inflation from secondary schools resulting in a greater proportion of students becoming eligible for the program (See Figure 25). As well, the proportion of students achieving higher averages is increasing, resulting in more students achieving the higher dollar value awards (See Figure 26). Currently, the Brock Scholars program design is not flexible to adjust the award structure and results in significant budget uncertainty. This updated guidance will facilitate changes to the program to ensure the budget has sufficient flexibility to fund all student award priorities.

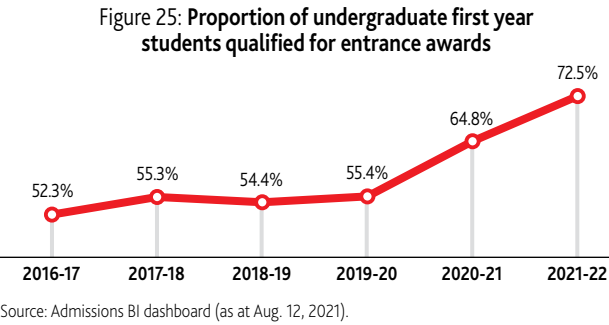
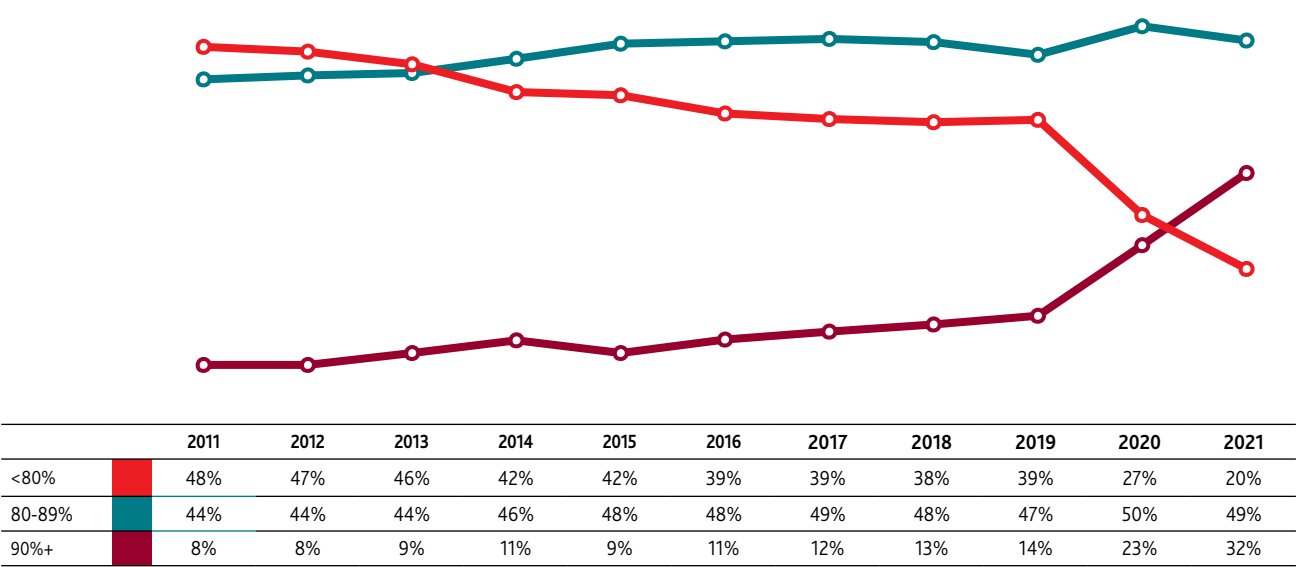
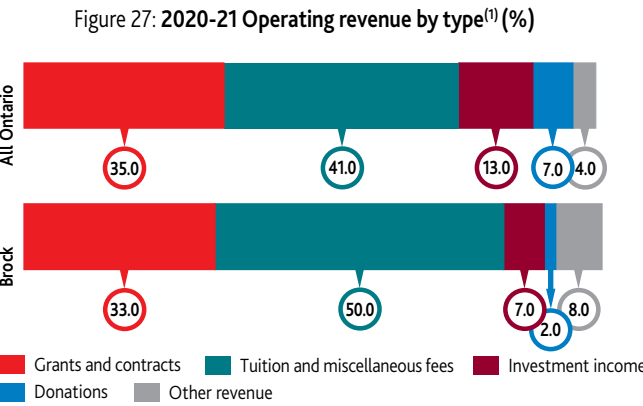


Figure 26: Mean admit averages of new 101 students registered by year



This Fiscal Framework Update also continues to support efforts within fundraising as a mechanism to supplement the scholarships, fellowships, bursaries and awards budget. Moving Brock closer to the Ontario average of seven per cent of operating revenue sourced from donations, which largely funds students, will provide needed flexibility to either relieve the operating budget and enhance student award offerings.



Strategic funding

Targeted guidance

To provide an operating budget allocation for a strategic funding reserve equal to at least one per cent of revenue to support strategic initiatives in need of start-up funding.

Strategic funding will be allocated into internally restricted net asset reserves if unspent and available at year-end as a result of achieving balanced funding results. The funding will be utilized to support a range of strategic priorities guided by the Institutional Strategic Plan, including the development of new academic programming and the creation of initiatives related to accessibility, inclusion, reconciliation and decolonization.



Update



The University has recovered financially from its accumulated deficit of \$22.6 million at April 30, 2012 to its recent position where the deficit has been eliminated and savings have accumulated into internally restricted reserves totalling \$76.8 million as of April 30, 2021. Within the existing reserve balance was \$21.7 million set aside into flexible strategic funds supporting institutional initiatives. Since May 1, 2016, these strategic reserves have supported more than \$17 million worth of funding requirements for strategic initiatives in need of one-time funding. These reserves do not have a reliable funding source and for the University to remain financially nimble to capitalize on opportunities and invest strategically in-year, a reserve line was established within the funding budget.

The strategic funding allocation was a new addition to the Fiscal Framework for the 2020-21 update. Since that time, this budget has been used predominately for budget mitigation measures to support our community through the global pandemic. Looking beyond the global pandemic, our capacity to invest in strategic priorities will grow and in order to support these efforts we will increase our fiscal flexibility and financial health through internally restricting this funding source in strategic reserves when unspent. The University recognized through the recovery from its accumulated deficit in 2012 that cash reserves are necessary for unforeseen circumstances. This was never more evident then when the University was faced with the pandemic. The scale of its financial impacts on the University had never before been experienced. The Executive Leadership team will manage these funds in year, and as is done every year-end, the unspent balance and recommended restrictions will be brought forward to the Board of Trustees for approval with the audited financial statements.

This reserve will continue to support the advancement of the Institutional Strategic Plan and also provide financial flexibility to invest in revenue generating endeavours to assist in achieving the target additional contributions/mitigations shown in the forecast to eliminate the structural deficit.

Key priorities envisioned in this funding strategy include, but are not limited to, providing funding for new and existing strategic initiatives in the area of equity, diversity and inclusion, including reconciliation and decolonization; establishing a renewable funding source for the University's ongoing capital needs to specifically support research equipment and expansion needs; ongoing enhancements in information security and student information systems; as well as ongoing use for contingency funding and new initiative start-up funds.



Research funding

Targeted guidance

To build the research capacity across the University, an operating budget allocation for the central research enterprise and Faculty-based research services will grow each year by at least the rate of inflation with structural adjustments necessary to support any significant advancements in research capacity that is approved by the Board of Trustees.

Update


 Research is an integral component of a comprehensive university's mission, and is one of the main drivers of its reputation, recruitment, and partnership development. The Central Research Enterprise provides support for researchers at Brock and for the implementation of all elements of the Institutional Strategic Plan that relate to research. Support services include the Office of Research Services, Office of Research Ethics, Brock LINC, Animal Care Services, and Research Institutes, as well as over \$1 million in internally funded research grants to support inquiry at Brock. In order to ensure that Brock has the capacity to grow its research capacity, support researchers, attract resources and be recognized for excellence within the comprehensive university category, the funding commitment for the Central Research Enterprises, as well as key Faculty-based research services, including Science Stores and Technical Services, must grow to reflect and enable our aspirations.

Figure 28 details the personnel and operating costs of the Central Research Enterprise, as well as key Faculty-based research services, which are built into the financial forecast established in this update.

Figure 28: Central Research Enterprise and Faculty-based research services expenses in Financial Forecast

(\$000s)	2022-23 Preliminary forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast	2026-27 Forecast
Office of Research Services – Personnel	3,702	3,804	3,909	4,017	4,128
Office of Research Services – Operating	1,170	1,193	1,217	1,241	1,266
Funding of internally-funded research grants	1,567	1,598	1,630	1,663	1,696
Additional contribution to Research Enterprise		400	408	416	424
Subtotal – Central Research Enterprise⁽¹⁾	6,439	6,995	7,164	7,337	7,514
Technical Services – Personnel	847	870	894	919	944
Technical Services – Operating	72	73	74	75	77
Science Stores – Personnel	204	210	216	222	228
Science Stores – Operating	12	12	12	13	13
Subtotal – Faculty-based research services⁽²⁾	1,135	1,165	1,196	1,229	1,262
Total	7,574	8,160	8,360	8,566	8,776

(1) Operated by the Central Research Enterprise.
(2) Operated and budgeted by the Faculty of Mathematics and Science for services to all Faculties' research needs.



Revenue and expense allocation model

The Revenue and Expense Allocation Model (the model) was introduced into the 2018-19 Fiscal Framework Update. The model allocates revenue to the Faculties that generate it, and allocates direct and indirect costs to the Faculties that incur them, creating accountability for both academic and financial performance.

The model was developed through a consultative process with allocation methodologies approved by the Deans and Provost. The model has three key functions to support academic and financial planning of the University.

- 1. Enhances the understanding of how revenues are generated and how costs are incurred and allocated at the Faculty level in a transparent manner.
- 2. Supports longer-term resource allocation decision-making for academic units.
- 3. Establishes an incentive mechanism to ensure year-end surplus funds are allocated to the Faculties and to support institutional strategic priorities.

The model has certainly improved stakeholder understanding of University activities from a financial perspective and reinforces the interdependence of all Faculties and support units, building a culture of unity. Since the model's establishment, financial performance has also improved for all Faculties with unspent funding allocated back to Faculties in accordance with the terms of reference approved by the Provost and Deans to support

strategic priorities of the Faculties consistent with the institutional strategic plan. The terms of reference are provided on page 28.

The model is also flexible to change with strategic priorities as required. Figure 29 outlines the revenue and expense allocation methodologies. Recognizing the benefits associated with creating incentives aligned with strategic priorities, the model is currently being amended to incorporate the establishment of Professional and Continuing Studies. As well as establishing new sources of revenue, Professional and Continuing Studies will play a key role as Brock seeks to enhance the student experience and support the communities we serve. Incorporating this new program into the model will support its establishment and ongoing success. At the time of writing, this program is currently under development with a planned budget of \$1.5 million funded from the reserves established through prior year surplus and the use of this model. In addition, recognizing the importance of central services and support functions, there is a need to invest in their operations and facilities to continue to meet the ongoing and growing needs of their stakeholders. A commitment is being made to develop the model's ability to support these important central support and service functions of the University.

The model continues to be an integral component of financial reporting, budget development and strategic funding allocations.



Figure 29: Revenue and expense allocation – allocation methods

Units/Revenue/Costs allocated	Method	Source
Revenue for service teaching	100% of Tuition by Teaching Faculty (where courses are taught)	Tuition by Faculty of major general ledger reconciled to revenue by teaching Faculty from Power BI.
Core Operating Grant	Weighted grant units (WGUs) of Faculty of major	Institutional Analysis
Graduate Studies	Graduate student headcount (Faculty of major)	Budget Report/Annual Report/ Institutional Analysis
Library	Faculty FTE and student headcount (Faculty of major)	Budget Report/Annual Report/ Institutional Analysis
Research Services, including Research Support Fund	Three-year rolling average of External Research Grants	Budget Report/Annual Report/ Research Services
CPI, Senior Academic and Administrative Team ⁽¹⁾ , Marketing and Communications ⁽¹⁾ , Shared Service Support (Secretariat Office, Government Relations, Internal Audit, Institutional Analysis and Human Rights and Equity Services) ⁽¹⁾ , Professional and Continuing Studies, Capital, Information Technology Services ⁽¹⁾	Faculty/Librarian and staff FTE and student headcount (Faculty of major)	Budget t Report/Annual Report/ Institutional Analysis
Student-specific units (The Office of the Registrar, Student Life and Success, Student Wellness and Accessibility Centre, Brock International, Co-op, Career and Experiential Education, and Brock Sports and Recreation) Ancillary Operations, Department of Residences and University Global	Student headcount (Faculty of major)	Budget Report/Annual Report
Financial Services (including procurement, SAFA and mail services) ⁽¹⁾	Three-year rolling average of operating costs	Budget Report/Annual Report
Human Resources ⁽¹⁾	Faculty/Librarian and staff FTE	Budget Report/Annual Report
Development and Alumni Relations ⁽¹⁾	10-year rolling average of funds raised	Development and Alumni's Raiser's Edge tracking system
Facilities Management, Campus Security, Campus Development and Community Agreements, Utilities, taxes and insurance, Financing	Net Assignable Square Metres (NASM)	Facilities Management
Scholarships, bursaries and student awards	Scholarships, bursaries and student awards by student recipient (Faculty of major)	Student Awards and Financial Aid office and the Faculty of Graduate Studies

(1) Shared Services units.



Deans' Discretionary Funds (DDF) Terms of Reference November 22, 2018

Purpose: The Deans' Discretionary Fund is designed for Faculties to retain their share of the consolidated funding surplus at year-end. These funds can be used within the Faculty to support institutional and Faculty-level priorities.

Source for the Deans' Discretionary Fund

- 1) Funds to build and enhance the DDF result only when a Consolidated Funding Surplus (i.e. funds available at year-end for Board of Trustees Discretionary Appropriations approval) exists.
- 2) In such a case, 50 per cent of funding surplus goes to the centre and 50 per cent to the DDF.
- 3) The DDF is further reallocated as follows:
 - a. 50 per cent of the Dean's share is allocated based on the Faculty's proportional positive contribution margin after space costs, as outlined in the Revenue and Expense Allocation Model.
 - b. 50 per cent of the Dean's share is allocated based on the Faculty's proportional year-over-year contribution margin change after space costs improvements, as outlined in the Revenue and Expense Allocation Model.

Implications if there is no surplus but a deficit:

- a. Deficit recovered from remaining balance at year-end proportionally based on funds available at year-end in Dean's Fund, up to and including all funds available
- b. If deficit > Dean's Fund balances, a central deficit will result.
- c. Subsequent surpluses allocated in order of priority to:
 - i. Repay all central deficits.
 - ii. Repay monies taken from Dean's Fund dollar for dollar in the same proportions they were withdrawn to cover past deficits.
 - iii. Allocated based on standard methodology in (2, 3, 4 above)

(For various scenario details please see Appendix 1 – DDF TOR, taken for the Sept. 25, 2018 CAD Finance PowerPoint presentation.)

Enrolment targets and retention goals of the Faculty must be met in order to access the Faculty's share of the funds to the DDF.

Distribution of DDF

Shared or direct funding to support implementation of actions which serve to address the strategic priorities within the Institutional Strategic Plan.

Shared or direct funding to support initiatives that serve to address priorities identified within the Faculty's Strategic Plan.

Support for strategic initiatives within the Faculty, new programs and new program development.

Bridge support for projects/activities that currently are not budgeted for but are expected to be included in the Faculty's future base budget.

Not to be used to support ongoing permanent positions.

Any use of the DDF outside the above criteria will require consultation with the Provost.

MAY 18, 2021 – Rebekah Feld, a Brock University Medical Sciences student-athlete excels on the ice and in class. The women's hockey player had the opportunity to job shadow Dr. Anna Kobylecky at Niagara Health's St. Catharines Site through Brock's Med Plus program, a competitive four-year, non-credit program that runs concurrently with students' academic studies.



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STRATEGIC PRIORITIES



Student
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Research



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Engagement



Inclusivity

