

BUDGET CONVERSATION 2021-22

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OCTOBER 19, 2021

CONCORDIA



AGILITY IN THE ONGOING PANDEMIC

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Academic and research agility

- The **Green-SEAM research network** promoted antiviral metallic and ceramic coatings for surfaces to help slow virus transmission
- FAS arranged for students to receive **at-home chemistry kits** from Chemistry and Biochemistry
- FOFA managed to get out home **studio kits** for Fine Arts students
- The Centre for Research on Aging, **engAGE**, and the **ACT project** provided support to seniors isolated by the pandemic
- The **Centre for Teaching and Learning** expanded its offerings and increased tools for faculty to create better online visual content

A photograph of students in a classroom or computer lab, all wearing face masks. They are seated at desks with laptops, focused on their work. The image has a warm, orange-toned overlay. The text 'DISCOVERY AND LEARNING' is centered in the foreground. The word 'CONCORDIA' is written vertically on the right side. There are white diagonal lines in the top right and bottom left corners.

DISCOVERY AND LEARNING

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Discovery and learning


- Opening of the **Jonathan Wener Centre for Real Estate**
- Partnership with **Future Earth**, mentoring students at the intersection of environmental science and digital innovation
- Launch of the Experiential Learning Office's **Beat the Odds**, aiming to reduce barriers to employment and career advancement
- Collaboration between students and local residents for **NDG Tree Project** on the state of urban ecology
- Launch of the **Center for Research on Values, Attitudes and Societies**

A woman with long, wavy hair and bangs, wearing a floral patterned shirt, is shown from the chest up. She is holding a thin string or thread taut across her face. The background is a blurred window with a grid pattern. The entire image is overlaid with a semi-transparent blue filter. The text 'ACTION AND ENGAGEMENT' is centered in the lower half of the image. There are two white diagonal lines: one in the top right corner and one in the bottom left corner.

ACTION AND ENGAGEMENT

Action and engagement

- Advancement of CU's commitment to the **UN's Sustainable Development Goals**
- Named among the world's top 100 universities in the **2021 Times Higher Education Impact Rankings**
- Completion of year-one of the **Sustainability Action Plan**
- Launch of the **Equity Office, Black Perspectives Office** and the **Taskforce on Anti-Black Racism**
- Updating of the **Indigenous Directions Action Plan** and launch of the *Pîkiskwêâtân* learning series



INNOVATION AND SPACES

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Innovation and spaces

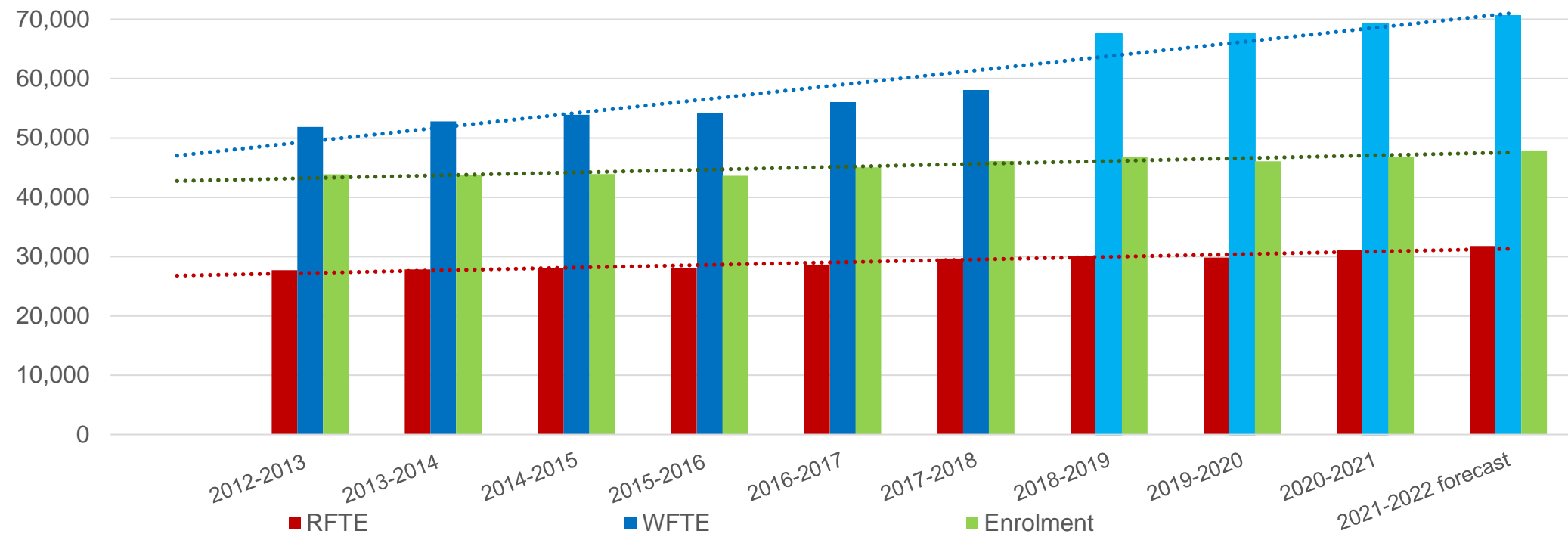
- Opening of the LEED-certified **Applied Science Hub**
- Completion of the **Future Buildings Lab**
- Redesign of spaces in the **ER Building** for research, teaching and learning, including creating a base for the **Next-Generation Cities Institute**
- Transformation of the 6th floor of the **Hall Building**, focusing on inclusivity and flexibility
- Transformation of the **FB basement** into classrooms and study and collaboration spaces

OPERATING BUDGET

2021-22

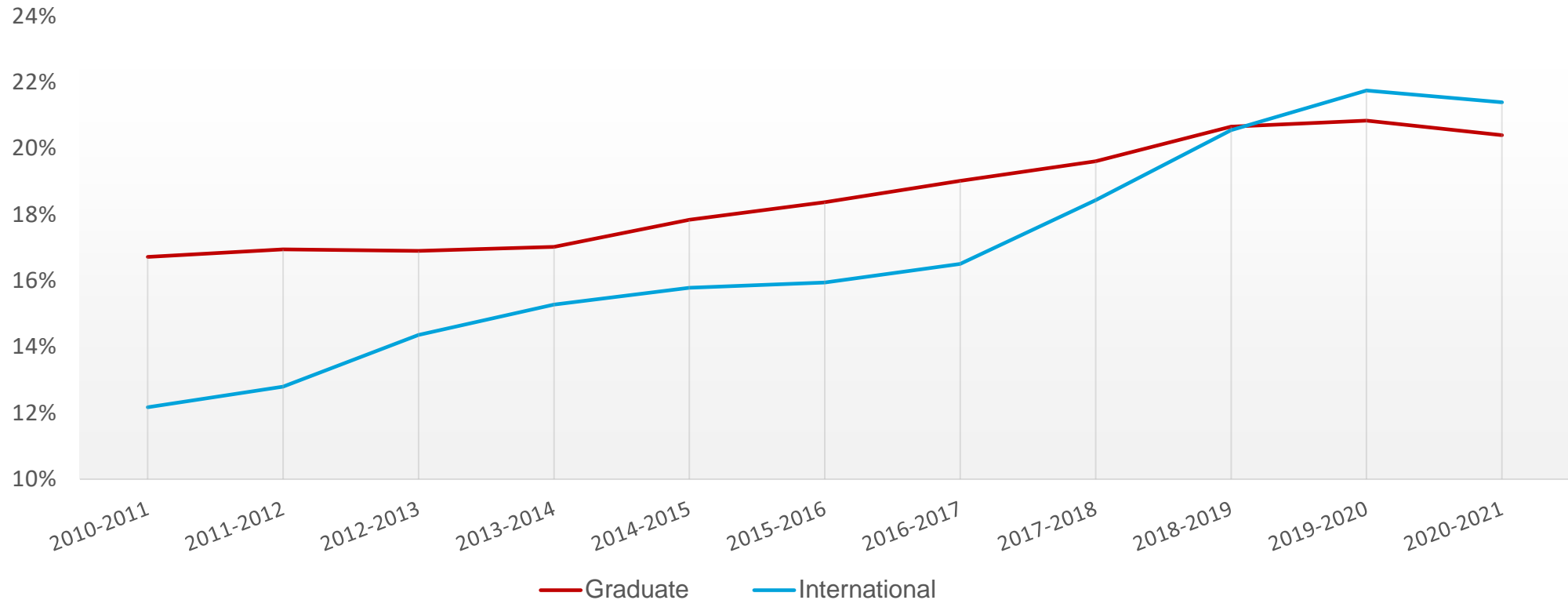
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10-year History of FTEs, WFTEs and Head-Count for Credited Programs




	CLARDER						CAFF			Forecast
Enrolment	43,874	43,752	43,903	43,634	45,056	46,093	46,829	46,077	46,811	47,905
RFTE	27,716	27,841	28,122	28,036	28,625	29,666	30,034	29,822	31,167	31,769
WFTE	51,849	52,782	53,916	54,153	55,972	58,150	67,586	67,645	69,239	70,657

Growth of Graduate and International Student Populations



Graduate	16.7%	16.9%	16.9%	17.0%	17.8%	18.4%	19.0%	19.6%	20.7%	20.8%	20.4%
International	12.2%	12.8%	14.4%	15.3%	15.8%	15.9%	16.5%	18.4%	20.6%	21.8%	21.4%



The larger context

Uncertainty continues: 2021-2022 differs from the periods before and after.

The positives of the 2020-2021 period:

- Increased number of students: 31,000+ FTEs, a 4.2% increase compared to 2019-2020;
- Reduction of the deficit from \$38M to \$19M, equal to 3.5% of our expenses and lower than our 5 to 8% target; and
- Prudent financial management by all faculties and units.

Limited help from the Government of Québec to attenuate COVID-19 financial impacts.

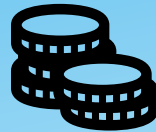
The Finance and Audit Committees provide strong governance and transparency for budget, cash flow and risk management.

In accordance with the Board of Governors' October 2020 decision, we are focusing on Operating Activities and adjusting Capital Investments.

Three pillars



1: Comprehensive Budget Model that integrates both operating and capital activities — with close cash-flow monitoring



2: Multiple scenarios to manage the Operating Budget



3: Debt-per-FTE ratio becomes the key indicator by which to assess and maintain our long-term sustainability



Key factors influencing the budget

- Number of students
- Provincial funding
- Tuition fees
- Balancing the need for strategic investments and long-term sustainability
- External factors, including the evolution of the COVID-19 pandemic and its impact on our activities

Concordia 2021-2022 Operating Budget Summary

In millions of \$	2020-2021	2021-2022				Variance	
Description	2020-2021 Final	2021-2022 Recurrent Activities – Category #1	2021-2022 Strategic Investments – Category #2	2021-2022 COVID-19 – Category #3	Total 2021-2022	Budget 2021-2022 vs. 2020-2021 Q3	%
Total Revenue	\$526.1	\$564.5		\$(9.0)	\$555.5	\$35.4	6.8%
Total Expenses	\$545.1	\$561.6	\$12.9	\$(1.8)	\$572.7	\$22.9	4.2%
Operating Surplus (Deficit)	(\$19.0) ⁽¹⁾	\$2.9	(\$12.9)	\$(7.2)	\$(17.2)	\$12.5	42.1%

(1) Including \$23M COVID-19 Revenues and Expenses in 2020-2021

Category 1:

Regular and Recurrent Activities

Additional investments included in the base budget (\$M)



Salary adjustments –
as per collective agreements

15.5



Contractual obligations –
indexation of current contracts

2.9



Cybersecurity and
Campus Security operations

1.2



UNITY implementation in 2021-2022

2.1



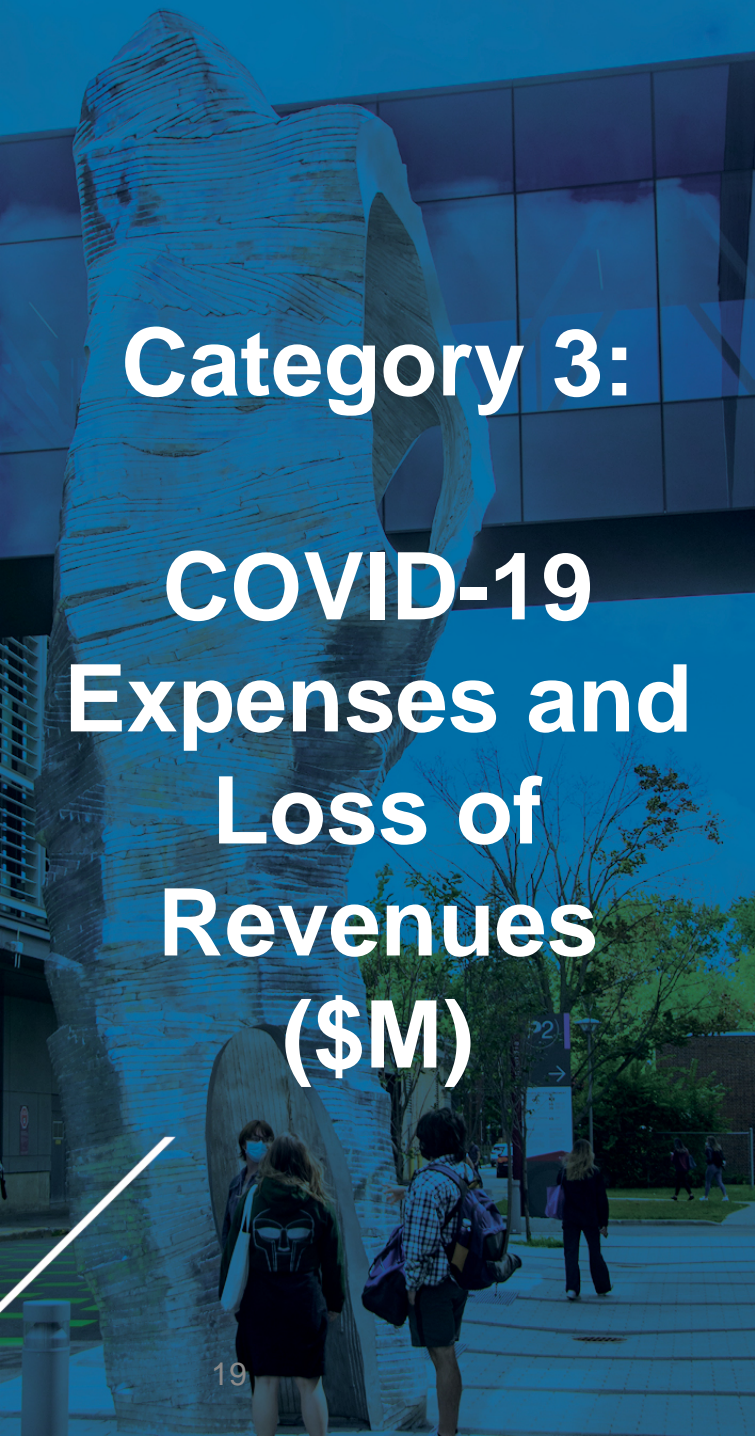
**Total additional investments
included in the base budget**

21.7



Category 2: Strategic Investments – Summary (\$M)

Expansion of supports for research activities	2.0
Strategic faculty investments	2.6
Supports for remote teaching, learning and research activities	5.6
Development of the School of Health, the Next Gen Cities Institute and the A.I. Institute	1.7
Sustainability Action Plan – Year 2	<u>1.0</u>
Total Strategic Investments	<u>12.9</u>



Category 3: COVID-19 Expenses and Loss of Revenues (\$M)

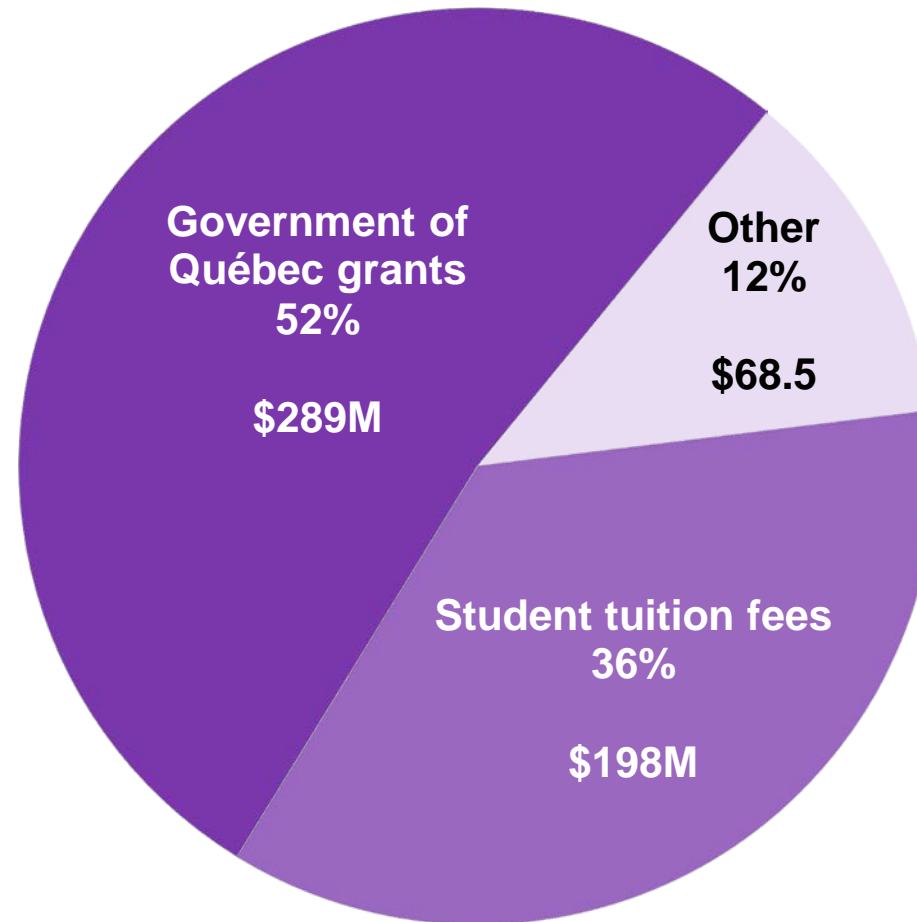
▪ Academic and Research activities – Expenses	1.0
▪ Health and Safety – Expenses	<u>1.0</u>
▪ Total Expenses	2.0
▪ Ancillary Services –	
▪ Loss of Revenues	9.0
▪ Reduction of Expenses	<u>(3.8)</u>
▪ Net Loss of Revenues	<u>5.2</u>
▪ Total COVID-19 Expenses and Loss of Revenues	<u>7.2</u>

Sources of Revenue

Total revenue
\$555.5M

Grants

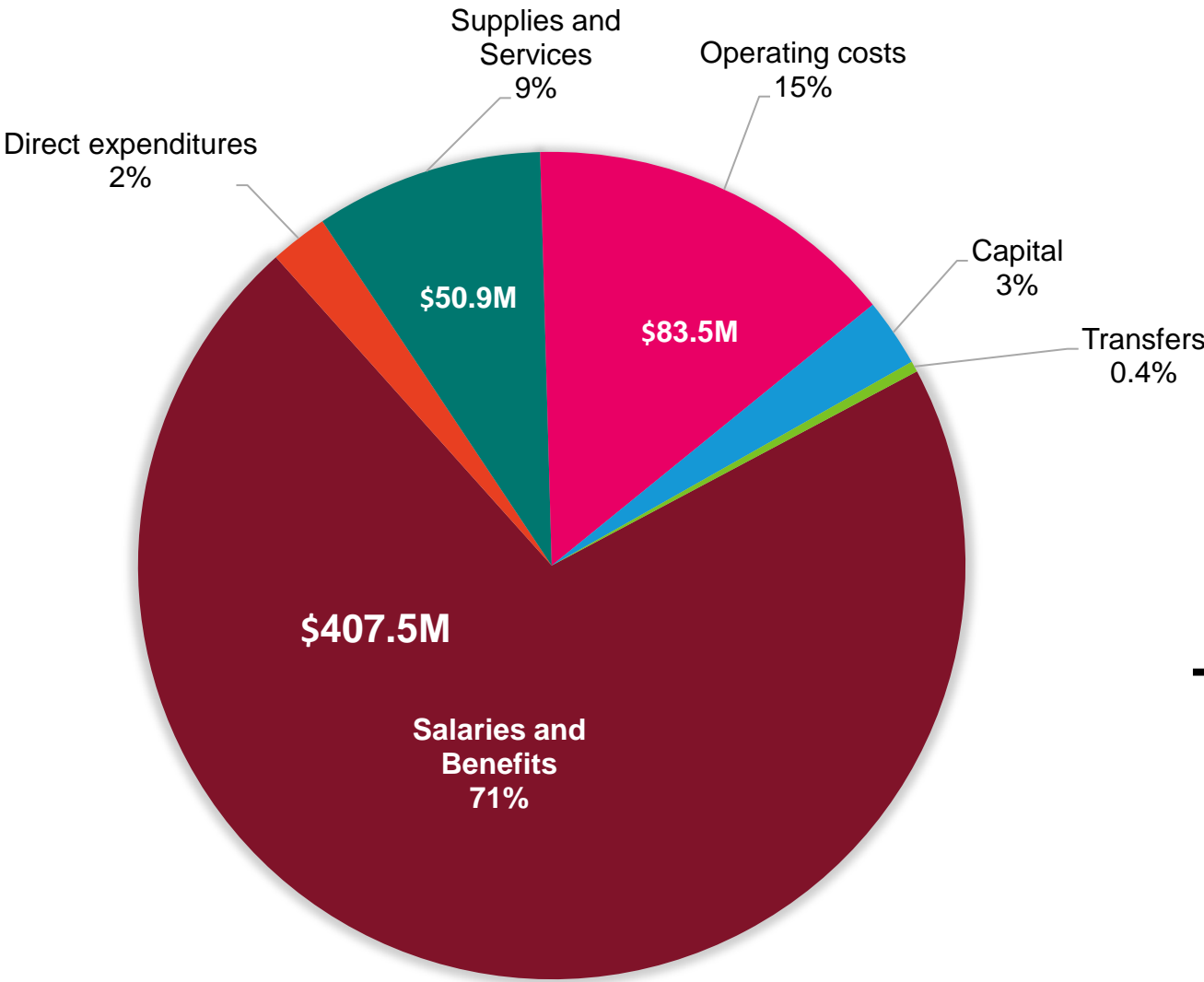
Government of Québec grants represent 52% of revenue



Other:

- FIOs
- Student services support
- Continuing Education
- Indirect research support
- Revenue-generating operations and commercial rentals
- Privatized programs and other faculty revenue

Projected Expenses 2021-2022



**Total expenses
\$572.7M**



Risks and Impact

Notable external risks:

- Number of students
- COVID-19 cost fluctuation, including closing of ancillary services

Risks by design:

- As a future-oriented budget, we are not being conservative. We are proposing to invest today for the future.
- Pressure and reduction of capital investment capacity to focus on Operating Fund and investments in the Academic and Research mission.
- Cashflow management: necessity for close monitoring, as per our Capital, Asset Management, Funding and Financing Policy (CFO-4).

Effect of COVID-19 on 2019-20, 2020-21 and 2021-22

<i>In Thousands of \$</i>	2019-2020	2020-2021	2021-2022 Forecast
COVID-19 grant allocations	\$2,478	\$7,787	
COVID-19 expenses (net of operation savings) (1)	(\$4,430)	(\$12,846)	(\$2,000)
Net loss of revenue related to COVID-19 (2)	(\$3,057)	(\$18,759)	(\$5,200)
Excess of expenses and revenue losses over grants received	(\$5,009)	(\$23,818)	(\$7,200)

- 1) Additional TAs, cleaning, communications and enrolment strategy, software, security, health and safety, student emergency fund, technology.
- 2) Ancillary services(i.e. residences, events, parking, rental properties and others), continuing education, Recreation & Athletics fees and revenues.



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CONCLUSIONS

WELCOME TO CONCORDIA

CONCORDIA

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Conclusions

- Concordia has taken the appropriate decisions to adapt its activities during the pandemic with success.
- The integrated financial framework gives us the capacity to maintain a long-term sustainable financial position.
- This capacity supports our vision to invest now for the development of our future.

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