Objectives

The Faculty's budget model should provide incentive and credit academic departments for six activities:

- Teaching and supervising graduate students
- Research
- Innovation in teaching
- New revenue sources
- Cost savings
- Teaching undergraduate students

New Model Mechanics

Money In

- Tuition and Grant
- Cross-Faculty Teaching Revenue
- Research Overhead Recovery
- Department Trusts / Endowments
- Ancillary Revenue

Shared Expenses

- University Shared Services
- Faculty-wide Expenses
- Cross-Faculty Teaching Expense
- Faculty Fund

Funds available for Departments

- Cross-Teaching
  - 60% tuition and grant to teaching faculty – 5% for FAS administration = department revenue for cross teaching.
- Research Overhead Recovery
  - Majority of research overhead recovery revenue will flow directly to departments; therefore departments will be responsible for research stipends, Research Initiation Grants and teaching relief when applicable.
- Department Trusts & Endowments
  - Departments will continue to have discretionary department-level trust and endowment funds available to support their operations.
- Ancillary Revenue
  - Departments have the ability to supplement operations through revenue sources such as non-credit courses and services to external parties.
- Tuition and Grant Allocation Drivers
  - (Shared expenses charged against tuition and grant revenue)
  - Based on faculty, continuing adjuncts, and staff positions. Helps to provide stability to the model from year to year.
  - Based on the share of tuition and grant revenue attributable to graduate enrolment. Allocated to each department based on its proportionate share of the total graduate students taking into account the revenue differences between Masters’ and PhD’s, domestic and international, and funding-eligible / ineligible students.
  - Continuing and Distance Studies (CDS) covers course costs and CDS admin costs; the remaining net revenue goes to the department that owns the course.
  - 60% of the Undergraduate Pool (after CDS) will be allocated to the department based on its % share of teaching to FAS students at the undergrad level. This factors in various government grants (1st year, Arts and Humanities, Sciences).
  - The balance of the Undergraduate Pool is allocated based on each departments' share of the plan counts (Major, Specializations, Medials and Minors).
    - Medials = 0.5 weight, Minors = 0.3 weight

Guiding Principles

- Support our academic vision and mission.
- Shared responsibility for success of all units and Faculty at large.
- Provide flexibility to respond to academic priorities.
- Encourage and reward inter-departmental and inter-Faculty activities.
- Minimize impact during transition. Revenues and costs are clearly identified and allocation processes are transparent. Administration of the model should not exceed the current effort. Some programs will require financial support above the amount determined by the model.

Facility Fund Objectives

1. Provide smooth transition to the new budget model.
2. Long-term financial support for strategically important programs that have low enrolment and / or relatively high costs.
3. Funding for start-up of new programs and initiatives.
4. Shield departments from certain risks.

Last update May 20, 2015