

MEMO

DATE: November 22, 2022

TO: Algonquin College Leadership Team

FROM: Teri Kinnunen, Manager, Corporate Planning

SUBJECT: 2023-24 Annual Budget Process: Distribution of Area Targets

Please cascade this information to the appropriate team members in your Area.

Preparation of the 2023-24 Draft Annual Budget required the College to achieve two goals. Our primary focus was, and must remain, restoring long-term financial sustainability. In concert, we must present a draft budget for the 2023-24 fiscal year that provides the resources required to support our learners, employees, and community, while also recognizing the financial challenges that the institution faces.

Slowing revenue growth, coupled with increasing expenditures has resulted in financial projections that demonstrate that the Funded Activity / College Operations segment of the College is no longer self-sustaining. Simply put, our expenses are higher than our revenue. There have been several contributing factors over the last number of years which have financially impacted the College. Additional details in this regard can be found in our communication of March 7, 2022 titled: [Financial Sustainability and Investments](#).

Financial sustainability-focused initiatives are underway, including the work being conducted following the published [Financial Sustainability Roadmap](#). The first initiatives of focus are the undertaking of a portfolio analysis on revenue generating activities, followed by a benchmarking exercise of College services. While this work will take time, we as a College must work together and maintain our efforts regarding fiscal responsibility in the current fiscal year and continue into 2023-24.

The next stage in the 2023-24 Annual Budget process is the distribution of Area budget targets (Appendix A) to budget holders. Similar to last year, the Area targets focus on setting a total expenditure limit for the following items:

- Other-than-full-time salary and fringe expenditures
- Discretionary expenditures
- Non-discretionary expenditures

For non-Academic Areas, full-time salary expenditures have been loaded into Adaptive Planning, and reconciled to the approved Complement Report as provided by the Human

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Resources Team. Vacancy savings will be budgeted at the corporate level by Finance, therefore budget holders should not budget vacancy savings.

Each Area Vice President has been provided the flexibility to allocate their 2023-24 Area budget target within their departments as appropriate, and subject to constraints and limits directed by ACET.

Questions or concerns can be directed to the Corporate Planning Team by contacting Teri Kinnunen (kinnunt@algonquincollege.com).