

OCAD University 2020/21 Budget Primer

OCAD University's 2020/21 Operating Budget accelerates a multi-year regime of austerity that's had a devastating impact on our community. We've seen reductions in course sections and options, increased class sizes and reduced resources for faculty. Our faculty are among the lowest paid in the country and 60% are precarious, contract workers who lack health benefits. TAs are often overworked, underpaid, and untrained. There's been a hiring freeze in administrative positions and vacancies go unfilled, leaving support staff demoralized and overworked in offices where turnover is high. International students are courted to balance the books but inadequate resources are allocated to support them. These pre-existing conditions have been exacerbated by the pandemic.

Operating budgets are not an accounting of what has happened but what the administration *thinks* will happen. *In essence, they are aspirational exercises driven by political agendas.* OCAD University's Administration has chosen to prioritize capital expansion over the student learning experience. With this budget university Administration chooses to:

- slash academic compensation by 13%
- loan \$500,000 to the money-losing venture in private education, OCAD U Co (which already owes nearly \$1 million)
- pad the contingency fund to a historic high of over \$2 million
- assume an unusually high student attrition rate at a loss of \$1.5 million in revenue
- not resource emergency pandemic support for students

Operating budgets do not present the whole financial picture. They do not include things like capital expenditures or investments, nor do they include profits realized from such investments.

A look at the OCAD U's financial statements for the year-end May 31, 2020 reveals:

- an incredible increase in cash from the previous year: from \$136,705 to \$5,305,714.
- total assets have also increased by over \$21 million.
- revenues outpaced expenses by \$15 million
- an overall surplus of \$14.5 million compared to a loss of \$0.7 million the year prior

The bulk of this surplus can be attributed to the sale of 230/240 Richmond Street, which allowed the University to gain \$13,279,907 on that investment. That money has been set aside for future capital investments in what is called 'internally restricted funds.' Internal restrictions on funds, are self-imposed and can be reversed by the Board of Governors.

In addition to the money set aside from the sale of 230/240 Richmond Street, the University increased internal restrictions for "Capital assets funded by operations" by nearly \$2 million dollars in 2019/20. This means the daily operations of the University is subsidizing money-losing capital projects such as OCAD U Co. This is a decision that can be reversed by the Board of Governors.