

# Board of Governors Submission

(and consideration by Finance and Infrastructure Committee)

## AGENDA ITEM:

2025-2026 Annual Budget – All Funds

## RECOMMENDATION:

**THAT the Board of Governors approves an annual budget, encompassing all funds, for the year ending March 31, 2026 that includes:**

- **Total revenues of \$1,157,600,000;**
- **Total expenses of \$1,161,500,000;**
- **Balanced general operating budget with revenue of \$834,700,000; and**
- **Capital spending plan of \$149,400,000.**

## PURPOSE and KEY CONSIDERATIONS:

Section 3 a) ii) of The Terms of Reference for the Finance and Infrastructure Committee (FIC) require FIC to review the annual operating and capital budgets and to recommend approval to the Board.

The 2025/26 Budget aligns with the University's 2024–2029 Strategic Plan (MomentUM: Leading Change Together) and allocates financial resources to advance key institutional priorities. It includes:

- A balanced operating budget, and
- A consolidated surplus of \$18.6 million (including endowed donations), as presented in the All-Funds Budget.

The accompanying multi-year projection is provided for information. It demonstrates that expenditure growth is expected to outpace revenue growth over the next five years. This projection is not a forecast, but a planning tool that helps the University proactively manage risks, prioritize resources, and support long-term financial sustainability.

Recent revisions to the budget model and carryover process, coupled with a strong balance sheet, better position the University to manage in this environment.

## EXECUTIVE SUMMARY and BACKGROUND:

### EXECUTIVE SUMMARY

The 2025/26 Budget supports the strategic themes outlined in the UM's 2024-2029 Strategic Plan: Creating Knowledge That Matters, Empowering Learners, and Reimagining Engagement.

### Key highlights:

- Balanced operating budget
- All-Funds surplus of \$18.6 million (including endowed donations)
- All-Funds Budget includes:
  - Core operating activities
  - Non-operating activities, which include sponsored research, funds for special purposes like the provision of healthcare in Northern communities
  - Capital asset funding and amortization expenses
  - Endowed donations and restricted trust accounts

Under Public Sector Accounting Standards (PSAS), the consolidated budget shows a \$4.2 million deficit before endowed donations and remeasurement gains. This is primarily a timing difference between revenue recognition and expense obligations. Once endowed donations are included, the budget shows a surplus of \$18.6 million.

### Financial Highlights – Operating activities:

- **Provincial Operating Grant:** 2% increase (\$8.3 million)
- **Targeted Provincial Funding:** \$2.8M funding increase for program expansions: Nursing, Clinical Psychology, Undergraduate Medical Education (UGME) and allied health.
- **Tuition revenue increase:** \$6.6M (2.6%), driven by:
  - Rate increases:*
    - 3.5% for domestic and international graduate tuition
    - 6.5% for international undergraduate tuition
  - Enrolment trends:*
    - decrease 7.5% in international undergraduate students
    - Increase 2% in domestic students
- **Salary increases** aligned with settled collective agreements
- **Deferred maintenance funding** increase from the Province: \$300K (to \$4.5M total)

### Key Strategic Investments:

- Health program expansions aligned with workforce demand
- Increased student financial supports
- Investments in equity, diversity, inclusion and accessibility (EDIA) and anti-racism
- Advancing Reconciliation
- Experiential learning and accessibility improvements
- Strategic Initiatives Priorities Support Fund
- Major interdisciplinary research initiatives
- Addressing deferred maintenance priorities

### Financial Highlights – Non-Operating activities:

- \$11.7M increase in federal and other government grants that will support increased research activities, capital research equipment and continued delivery of Ongomiizwin Health Services.
- \$6.5M increase in non-government grants, primarily from the Gates Foundation to expand the work of the Institute for Global Public Health.

### Revised Budget Model and Carryover Process

This is the first full budget cycle using the revised model informed by the March 2023 Budget Model Review which:

- Stabilizes central cost allocations and grant distributions
- Maintains linkage between enrolment and academic funding
- New carryover policy requires units to proactively budget for future-year commitments

Together, these changes improve transparency, encourage in-year spending, and will enhance budget accuracy over time. They are also expected to reduce the size of future operating surpluses by encouraging faculties and units to fully utilize their budgets.

### Capital Budget

The 2025/26 All-Funds Budget includes \$149 million in capital spending, funded by dedicated provincial and federal grants, donations, and internal resources.

### Multi-year Financial Projections

The multi-year projection provides a longer-term lens on the University's financial outlook and supports strategic planning.

- While recent budgets have resulted in surpluses, expenditures are projected to grow faster than revenues over the next five years.
- The University is managing this trajectory through:
  - Revised budget model which incents the full use of resources, and facilitates reallocation between units if necessary
  - Targeted investments to grow revenues and improve efficiency
  - Expense management and mitigation strategies
  - The projection provides time and insight for units to plan and adjust, mitigating potential future deficits.

### **RESOURCE REQUIREMENTS and IMPLICATIONS:**

This budget outlines the anticipated financial resource requirements for the 2025/26 budget year.

### **CONNECTION TO THE UNIVERSITY STRATEGIC PLAN:**

The new 2024-2029 strategic plan, MomentUM: Leading Change Together informed the development of the budget. The budget supports the implementation of this new strategy by allocating resources to advancing the three strategic themes laid out in the strategy: Creating knowledge that matters; Empowering learners; and Reimagining engagement.

## **RISKS and OPPORTUNITIES:**

### Primary Risk: International Enrolment Uncertainty

The most significant risk to the 2025/26 budget and multi-year financial outlook is continued uncertainty in international student enrolment. Early application numbers for Fall 2025 are lower than the previous year, and visa success rates remain uncertain. Declines in first-year international enrolment have a multi-year financial impact, as smaller cohorts progress through their programs over three to four years.

### Current Assumptions

- Fall 2024 overall student enrolment increased by 1.8%, with credit hours up 2.6% over Fall 2023.
  - This reflects a 4.5% decline in international enrolment and a 3.6% increase in domestic enrolment.
- The 2025/26 budget assumes:
  - A further 7.5% decline in international enrolment from the 2024/25 forecast
  - A 20% reduction in first-year international undergraduate enrolment relative to 2024/25 actuals
  - A 2% increase in domestic enrolment

### Sensitivity Analysis

- A 1% change in overall enrolment (up or down) results in an approximate \$2.1 million change in tuition revenue.
- A 1% change in international enrolment alone results in a change of approximately \$900,000.
- For example, if first-year international undergraduate enrolment declines by 50% instead of the assumed 20%, tuition revenue would be reduced by approximately \$5.4 million.

The University will monitor enrolment closely to determine whether mid-year mitigation strategies are needed. Recruitment and retention initiatives will be key strategic levers in responding to enrolment pressures.

### Offsetting Strengths

- Although the formal budget will not be presented for approval until May, preliminary details have already been shared with faculties and units, enabling early planning and action.
- The University is taking a multi-year planning approach, providing time for both central administration and academic units to develop and implement strategies to align expenditures with expected revenues.
- The University maintains a Fiscal Stabilization Fund of \$30.2 million, which can be drawn upon to address revenue shortfalls or unexpected costs.

- Units are also better equipped to manage financial planning through the revised budget model and carryover rules, which promote accurate budgeting and proactive resource management.

#### Inflation and External Cost Pressures


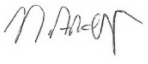
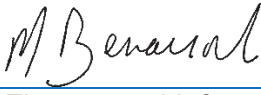
Inflation in Manitoba is trending downward but remains elevated compared to historical norms. Recent U.S. tariff announcements and corresponding Canadian measures could add cost pressures to certain goods and services.

The University is working proactively with vendors to identify tariff-free options and manage expenses wherever possible.

#### **CONSULTATION:**

The 2025/26 planning and budget development process involved consultation with Academic, Ancillary and Central Unit leaders and support staff. The process was guided by the Provost and Vice-President (Academic) and the Vice-President (Administration), and included meetings with the Vice-Presidents, the Central Unit Allocations Committee (CUAC), the President's Budget Advisory Committee (BAC), and the Deans' and Directors' Council, which, along with analysis, review and information on the institutional financial position from the Financial Planning Office and Financial Services, form the basis of this submission.

**ROUTING TO THE BOARD OF GOVERNORS:**

<u>Reviewed</u>	<u>Recommended</u>	<u>By</u>	<u>Title</u>	<u>Date</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Mike Emslie 	CFO & Comptroller	Click or tap to enter a date.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Naomi Andrew 	Vice-President (Administration)	2025-04-25
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Michael Benarroch 	President and Vice-Chancellor	2025-05-01
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Finance and Infrastructure Committee		2025-05-13

**SUBMISSION PREPARED BY: Shelley Hopkins, Executive Director, Financial Planning and Budgeting****ATTACHMENTS:**

Attachment 1 – 2025/26 Annual Budget – All Funds Supplemental information  
Attachment 2– 2025/26 Provincial Funding Letter

## **2025/26 Budget - All Funds**

### **Supplemental Information**

#### **2025/26 Budget Process**

UM employs a multi-year integrated planning approach to develop its operating budget, ensuring alignment between unit plans and the UM's strategic priorities. For the 2025/26 fiscal year, units received a one-year budget allocation alongside two years of estimated allocations to facilitate longer-term planning.

The budget process commenced in the summer of 2024, informed by preliminary planning parameters set by the Province and guided by assumptions from the Provost and Vice-President (Academic) and the Vice-President (Administration). Under these assumptions, projected salary and other cost increases outpaced revenue growth, requiring most units to identify cost-saving strategies to achieve balanced budgets. Budget templates allowed units to highlight operating cost pressures beyond their budget capacity and the potential impact of their cost management strategies.

In the fall, Central Units presented their budget submissions to the Central Unit Allocations Committee (CUAC). Academic and Ancillary Units followed suit by presenting to the Executive Budget Committee in December and early January. Preliminary funding was insufficient to cover budgeted wage increases, necessitating strategies to balance. Additionally, Central Units identified several existing and new budget pressures that exceeded their capacity to address.

After receiving the Province's funding letter and the settlement of the University of Manitoba Faculty Association (UMFA) Collective Agreement, preliminary assumptions were updated to reflect somewhat more favorable grant revenue (2% versus planning of 1.5%) and increased salary costs.

For Academic Units, wage cost increases surpassed revenue growth, leading to reliance on budget reallocation, budgeting for vacancies or use of carryover funds to balance. The allocation to central units was decreased to off-set a portion of the additional cost of academic wages. As a result, central units have a limited budget available for targeted investments. Many faculties and units incurred a surplus in 2024-25. In many cases, cost savings identified through the budget process are simply more accurate budgeting.

The budget development process is collaborative. Budget priorities were discussed during meetings with a variety of groups, including sessions with the President's Budget Advisory Committee (BAC), the Deans/Directors Council, and Provost's Council. Engagement efforts also included an October 2024 Budget Townhall, open to the entire UM community, and consultations between the Provost, Chief Financial Officer, and each Faculty/School Council in the fall of 2024. UMSU also submitted a letter highlighting their priorities for the University's budget.

## **ANNUAL BUDGET – ALL FUNDS**

### **Schedule 1: 2025/26 Annual Budget – All Funds: Statement of Operations Budget**

**Schedule 1a:** The annual budget for 2025/26, alongside the comparative 2024/25 budget and projection. It aligns with Public Sector Accounting Standards (PSAS) and the audited annual report.

**Schedule 1b:** The annual budget for 2025/26 compared to the 2024/25 budget, formatted to align with the quarterly financial report.

**Schedule 1c:** Summary of changes to Accumulated Surplus, providing details on the planned transfers to and from operating and non-operating activities.

Under PSAS, the Annual Budget – All Funds reflects revenue of \$1,157.6 million, and expenses of \$1,161.8 million, resulting in a consolidated budgeted deficit of \$4.2 million before endowed donations and remeasurement gains. This deficit is related to non-operating activities which result from a timing mismatch between when revenues are recognized and when expenses are incurred. The operating budget, while balanced, includes \$21.8 million in net transfers from operating to other funds.

The Annual Budget – All Funds is comprised of the:

1. **Operating budget** which includes academic, administrative, operational, and ancillary costs funded by tuition and related fees, government grants, investment income, sales of goods and services and ancillary income. Provincial legislation mandates that the operating budget must balance.
2. **Non-operating budget** which includes sponsored research, funds for special purposes like the provision of healthcare in Northern communities, and funds donated to us in trust to award scholarships and bursaries, or to support certain operating activities. It also includes capital asset funding and amortization expenses.

## **Annual Budget Revenue – All Funds**

2025/26 revenues - all funds are budgeted to increase by \$41.8 million compared to the 2024/25 Board approved budget.

**Provincial Grant Revenue:** Key highlights from the province's 2025/26 funding letter (March 20, 2025):

- Operating and capital grant: \$431.8 million, a 2% increase to the base operating grant plus increased funding for healthcare-related program expansions.
- Deferred maintenance: \$4.5 million (up from \$4.2 million in 2024/25).
- Capital funding: \$13.9 million, including \$3.9 million for the Prairie Crops and Soil Research Facility and \$10 million for the second payment towards the UGME building expansion.

Overall, the Provincial revenue is budgeted to increase to \$15.2 million, driven by:

- \$8.3 million increase to the base operating grant.



- \$2.8 million to support healthcare program expansions.
- \$1.1 million of additional operating funding from Manitoba Health via Service Purchase Agreements for Rady Faculty of Health Sciences.
- \$1.8 million of Increased Corporate Finance Institute (CFI) matching funding from Research Manitoba in non-operating revenue.
- \$1.0 million of increased Manitoba Scholarship and Bursary Initiative (MSBI) grants
- \$0.8 million decrease in funding supporting Northern Health Services
- \$0.6 million increase in funding supporting Indigenous achievement programs.

**Tuition Revenue:** Budgeted tuition revenue of \$255.5 million reflects a \$6.6 million (2.6%) increase over the 2024/25 budget. Key assumptions include:

- Domestic tuition rates increased by 3.5%, the maximum allowed by the Province.
- Undergraduate international tuition rates increase by 6.5% which are unregulated by the Province but are, and will remain, significantly lower than other comparable institutions.
- Enrolment changes capture the 2024/25 actual enrolment as the base and for 2025/26 assume:
  - Domestic enrolment will increase by 2%.
  - International enrolment will decrease overall by 7.5%, which assumes a 20% reduction in first year undergraduate students in addition to the impacts of reduced enrolment in 2024/25 on continuing students.

Restrictions placed on international student visa approvals in 2024 have severely reduced applications from international students. There remains uncertainty on the enrolment levels for first year undergraduate international students who enter directly into the UM and the number of students who will come to UM from the International College of Manitoba (ICM) in 2025/26.

The tuition fee proposal is described in greater detail in the accompanying Tuition and Course Fees Board of Governors Submission, which also provides the detailed tuition and course fee rates developed for the 2025/26 academic year.

**Other Revenue:**

- Investment income is budgeted at \$67.7 million, a decrease of \$1.6 million due to declining interest rates.
- Federal and other government grants are increasing by \$9.6 million, driven by increased research funding (\$6.5 million), CFI funding for capital equipment (\$1.0 million), and Health Canada support of Ongomiizwin Health Services (OHS) (\$1.9 million).
- Non-government grants are increasing by \$6.3 million, primarily from additional

funding from the Gates Foundation.

- Ancillary Services revenue is budgeted to decrease by \$1.6 million with lower Bookstore revenue partially offset by increases in revenues from parking and SmartPark.
- Sales of Goods and Services revenue increase of \$4.1 million with rising cost recovery of utilities expenses, increased sales from Student Affairs, Libraries and faculties.
- Non-endowed donations are expected to increase by \$5.4 million.
- Miscellaneous revenue is expected to decrease by \$2.3 million resulting from the decline in international students enrolled at ICM.

### **Annual Budgeted Expenses**

2025/26 annual budgeted expenses are budgeted to increase by \$47.3 million compared to the 2024/25 Board approved budget. The following describes the year-over-year changes in expenditures as shown in Schedule 1b:

**Compensation expenses:** Total compensation expenses have increased by \$29.2 million, driven by:

- \$28.2 million for salary increases related to collective agreements and step increases
- Offset by \$9 million budget for vacancy management strategies to manage within unit budgets
- Additional faculty/support staff for program expansions (\$3 million)
- Increased compensation expenditures of \$7.7 million for research and delivery of services for non-operating activities

**Non-Compensation expenses:** Overall non-compensation expenses have increased by \$18.1 million, including:

- \$4.0 million decrease for materials, supplies and services, primarily driven by the elimination of a contingency budget
- \$13.5 million increase for professional consulting, including \$1.5 million for Information Services and Technology (IST) projects funded by transfers from provisions, \$2.0 million funded by research grants, and \$8.5 million in services related to OHS and activities funded by the Mastercard Foundation
- \$4.6 million for amortization, accretion and interest related to capital assets
- \$1.7 million for increased travel activity
- \$1.4 million for student scholarships, bursaries and awards, rising from \$88.3 million to \$89.7 million in total

- \$1.0 million net increase in other expenses including utilities, taxes, insurance, repairs and maintenance.

**Expenses by Function:** The expense presentation in Schedule 1a aligns with the categories on the University's financial statements which includes operating and non-operating expenses. As such, some of the variances from year-to-year relate to change in budgeted non-operating expenditures:

- Instruction costs increase \$7.4 million (1.5%) as inflation and increased costs for staff in existing and expanded programs were offset by more accurate budgeting strategies in units. Under the new budget model and carryover procedure, transfers to provisions for future use must be budgeted; previously units would budget without any vacancy turnover allowance on their salary lines and transfer any surplus cause by turnover or vacancies to provisions at year-end. The change to the model should result in units more accurately projecting salaries in their budgets. In addition, a portion of budgeted contingency was previously budgeted under instruction, and this has now been eliminated.
- Facilities costs increase due to inflation and salary increases as well as increased amortization and accretion costs.
- Special Purpose and Trust expenses increase largely due to the reallocation of National Centre for Truth and Reconciliation (NCTR) expenses from Libraries to Special Purpose and Trust, and costs related to additional funding for Northern Medical Services.
- Academic and Research Support expenses increase primarily due to the inclusion of Strategic Funding which will be allocated post-budget approval and increased research development activities.
- Libraries costs decline due to the reallocation of NCTR expenses to Special Purpose and Trust
- Student Services are lower for 2025/26 due to one-time strategic funding provided in 2024/25.
- Information Technology (IT) costs increase primarily due to IT projects funded through strategic allocations and existing provisions.
- Ancillary Services costs decrease to reflect lower sales and associated cost of goods sold in the Bookstore.

**Fund Transfers:** Schedule 1c is a new budget schedule providing a table showing the accumulated surplus as planned in the 2025/26 annual budget. This schedule provides insight into the transfers that are planned for operating and non-operating activities. Before transfers, budgeted net revenue for operating activities is \$21.8 million for 2025/26. \$26.9 million of institutional budget transfers include:

- \$14.5 million for scholarships, bursaries and awards
- \$5.6 million net transfers out to research and special funds for NCTR, research start up and development and research overhead funding

- \$14.7 million transfers out for future capital projects including deferred maintenance (\$5.8 million), HVAC (heating, ventilation and air conditioning), accessibility and learnings space upgrades funded by strategic allocations from the University Fund (\$7.2 million) and capital equipment related to CFI projects (\$2.0 million)
- \$21.3 million transfer out for debt repayment
- \$14 million in various other transfers to non-operating activities for research and endowments
- Offset by:
- \$29.7 million in trust, endowment and research funds transferred in to support operating activities
- \$14.3 million in previously transferred to provision funds, being transferred back to operating for its original intended purpose. This includes \$5 million of prior year research overhead, \$7 million for IST projects, and \$2 million for projects in various other units

After planned institutional transfers, and before unit budgeted transfers, the budget for Operating activities is a deficit of \$4.8 million. The units have planned \$12.6 million in transfers to approved provisions, primarily for approved capital and renovation projects as well as a drawdown from carryover of \$17.4 million.

### **General Operating Budget**

#### **Schedule 2: 2025/26 General Operating Budget**

**Schedule 2a:** Illustrates the 2025/26 general operating budget through the lens of the revised budget model including the strategic allocations described in the pages that follow below.

**Schedule 2b:** A summary of the total net budget by unit under the revised budget model, with comparisons to 2024/25 budget inclusive of strategic allocations.

The budget model underwent revisions in 2025/26 following recommendations from the Budget Model Review conducted in winter/spring of 2022/23. Key updates include:

- Tuition revenue remains allocated based on enrolment.
- The provincial grant now forms a base allocation within Academic Units' budget, adjusted annually to align with government-controlled funding changes.
- Central support budgets are funded via a single overhead rate of 40.1% (40.3% in 2024/25) applied to revenue allocated to Academic Units.

In Schedule 2a, revenues reflect tuition and Provincial grant allocations within the budget model, as well as unit-specific direct revenues. Expenses and net fund transfers include salaries, benefits, operating expenses, and net transfers necessary to support both operating and non-operating expenses, such as debt repayment, capital projects, scholarships and bursaries, staff benefits, and research projects.

**Academic units:** As shown in Schedule 2a, operating revenues budget for Academic Units are \$764 million. Within this, allocated revenue is \$634.8 million and includes the unit

allocation of tuition revenue, the unit rebased allocation of the provincial grant and targeted provincial funding for program expansions. \$129.5 million in direct revenue has been budgeted by the units.

Schedule 2b provides a summary of the net allocated budget by Academic unit, which is \$383.3 million, an increase of \$14.6 million (4.0%) over 2024/25. Under the revised budget model, there is some variation in the budget increase by unit which reflects:

- Tuition revenue impacts from enrolment (driver data is 2023/24 credit hours)
- Expansion funding targeted to the Academic unit where the expansion is planned
- Interim subvention adjustments for 2025/26, with plans required for managing without subvention in the subsequent years.

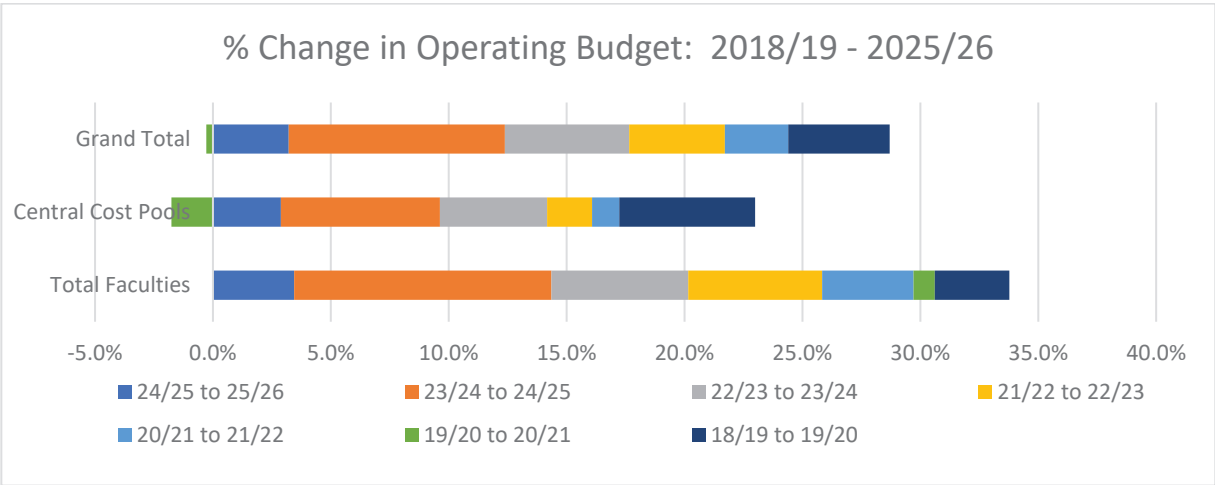
**Central support units:** The composition of Central support unit budgets is shown in Schedule 2a. Under the revised budget model, an overhead rate of 40.1% was charged against the tuition and grant revenue allocated to Academic units, resulting in a \$254.6 million budget assigned to Central support units (excluding strategic allocations). Schedule 2b shows the budget for Central support units (excluding General University) increased by \$10.6 million (4.2%), inclusive of strategic allocations.

Budget changes in the 2025/26 Central support unit budgets over 2024/25 include:

- Funding for general salary increases across all collective agreements and other employee groups, and targeted wage support for units facing service level challenges.
- Permanent budget allocation for operations and maintenance of the John Buhler Research Centre, replacing funding that had previously been redirected from Research Manitoba (cut in 2022, funded through strategic allocations since then).
- One-time budget for research start-up matching funds to support new faculty hires under program expansions.
- Redirected budget to cover a portion of institutional software licensing cost increases for IST and the Centre for the Advancement of Teaching and Learning (CATL).
- Increased investment in Vice-President (Indigenous) to support advancing land-based learning, Indigenous curriculum, cultural integration and Indigenous activities on campus.
- Strategic allocations of \$1 million to graduate student stipends, \$2 million for a pool to support strategic plan implementation are included in the Academic cost pool, and \$1 million Provost contingency are driving a portion of the 11.3% budget increase for the Academic cost pool.
- Research year-over-year budget reflects reduced strategic allocation funding for interdisciplinary team grants reflecting planned allocations in 2025/26.

General University budget of \$23.6 million encompasses university-wide expenditures not budgeted by units including reserves for pension expenses, wages, deferred maintenance and strategic allocations from the University Fund. The allocation to General University decreased by \$14.0 million as a result of the elimination of the general contingency fund, change in strategic allocation funds held in General University and the reduced wage reserve previously held in General University and now allocated to units.

Including the investments made above, the seven-year trend for Central support unit budgets is an increase of 23% compared with Academic Unit budget increases of 39%.



**2025/26 University Fund**

**Schedule 3: 2025/26 University Fund**

The University Fund, detailed in Schedule 3, is a key component of the University’s budget model. It is sourced from central revenues outside of tuition and the provincial grant, and it supports areas of critical need, including interim subvention and investments in institutional strategic priorities.

Total revenue to the University Fund is budgeted at \$23.3 million in 2025/26, significantly lower than the \$155.9 million in 2024/25, mainly due to the elimination of the tax previously charged to Academic Units under the previous budget model. In the old model, the University Fund funded significant permanent subvention to Academic Units to facilitate reallocation of resources between units.

The University Fund now focuses on supporting strategic priorities and temporary subvention for Academic Units. The revised model allows for reallocating the provincial grant between Academic Units when necessary; a decision-making process to facilitate reallocations is under development.

The 2025/26 University Fund allocates \$2.1 million to Academic Units to hold them harmless in the transition to the new budget model and \$784,000 interim subvention to address 2025/26 budget pressures in units without the ability to take in-year steps to balance their budgets. These units will submit a plan to the Provost outlining the steps they will be taking to wean off subvention in the near term.

\$20.4 million has been allocated to strategic investments, representing a \$3.8 million decrease from 2024/25.

In past years, any unspent amounts in the annual general contingency were topped up and rolled into the next year's budget as a \$7 million general contingency fund. When unspent, this contingency fund contributed to the annual surplus. The 2025/26 budget does not include a general contingency. Should an unfavorable variance arise, unit carryover or the Fiscal Sustainability "rainy day" fund (balance currently \$30 million) will be used to fund shortfalls while expenditures are adjusted in future years. A \$1 million Provost Contingency has been included to address unforeseen needs, subject to approval by the Provost or President.

#### **Schedule 4: Multi-Year Budget Plan**

The budget package includes a five-year projection of the University's financial outlook. This projection builds on the 2025/26 budget, incorporating updated data to evaluate the longer-term impacts of budgetary decisions.

Key assumptions:

The projection is based on the following assumptions, which are intended for planning purposes and remain subject to change:

- Provincial grant increases: annual increases of 1.5% beginning in 2026/27 in line with the assumptions communicated by the Provincial government as part of the Estimates process.
- Tuition rates: 3.5% annual increase in tuition rates to 2029/30 for domestic students and 6.5% for undergraduate international students.
- Enrolment adjustments:
  - Domestic enrolment – increase by 2% annually 2026/27 to 2029/30.
  - International enrolment - first year international student enrolment is expected to continue to decline in 2026/27 but slowly increase starting in 2027/28. The impact of smaller first year student cohorts will mean declining international student enrolment in future years as follows:
    - 2026/27 decline of 15.4% relative to 2025/26. This anticipates a further reduction in first year enrolment of 35% versus the 2025/26 budget which assumes a first-year reduction of 20%.
    - 2027/28 a further 11.5% reduction.
    - 2028/29 a further 6.6% reduction.
    - 2029/30 a modest increase.
  - From 2023/24, the change in enrolment is projected at:
    - International enrolment declining by 38%.
    - Domestic enrolment increasing by 15%.
    - Total students increasing by 3.6%.
    - International students would decline to 15.5% of our student population from 23%.



- Interest from Investment income is projected to continue to decline over this period.
- Salary projections: includes reasonable estimates for salary increases (including step increments) for all active and expired collective agreements.
- Non-compensation expenses are budgeted to increase by an inflationary rate of 2.1%.

Expenditure growth will outpace revenue growth as shown by the operating shortfall before balancing strategies. To balance the shortfall, units will need to implement strategies to manage financial pressures within their allocated budgets.

Preliminary estimates, in Quarter 3, suggest faculties and units will incur an operating surplus of approximately \$30 million for 2024/25 due to unfilled positions and other savings. Based on this projection, this surplus will offset a portion of the Operating Budget shortfall shown in the multi-year projection. As unit budgets become tighter, and by 2027/28 many units will likely need to implement cost reduction strategies or identify new revenues sources to achieve balanced budgets. As mentioned earlier, a process is being developed to inform reallocations between units when necessary. This flexibility will be critical to ensure the consequences of tight budgets are mitigated to the extent possible.

#### **Schedule 5: 2025/26 Capital Expenditure Budget**

Schedule 5 provides a summary of the 2025/26 planned capital spend compared to the 2024/25 plan. Specific projects and contracts in excess of \$5.0 million are subject to Board of Governors approval. The total planned spending of \$149.4 million includes:

- Construction of the new Bannatyne building and daycare centre (\$29.0 million)
- Commencing the construction of the Prairie Biologics Accelerator facility (\$15.0 million)
- Machray Hall Redevelopment (\$12.0 million)
- Construction of the new Prairie Crops and Soils Research Facility (\$9.8 million)
- Central energy plant boiler replacement (\$5.0 million)
- Construction of an addition to the Fort Garry Campus Daycare (\$4.2 million)
- Continued work towards completion of Churchill Marine Observatory (\$4.0 million)
- Infrastructure renewal of \$24.2 million including \$7.2 million for HVAC upgrades and \$7.0 million for power re-servicing at the Fort Garry campus
- \$19.3 million for renovations of classrooms, clinics, labs and other learning spaces, including renovations for the expansion of the respiratory therapy programs, upgrades to the squash courts, and renovations to office and common spaces
- Operating-related equipment and minor renovations totaling \$6.0 million
- \$15.5 million of equipment for research and other special projects

The majority of capital spending will be funded by transfers from capital provisions (\$53.3 million). Capital grants and funding through promissory notes from the Province of Manitoba (\$54.6 million), Federal government and other research-related grants (\$24.7 million) and donations will support the remaining planned capital spend.



## UNIVERSITY OF MANITOBA

## Statement of Operations

Original Budget - All Funds for the year ending March 31, 2026

(in thousands of dollars)

	Budget 2025-26	Budget 2024-25	Projection 2024-25 *
<b>Revenue</b>			
Provincial Grants	\$ 524,672	\$ 509,496	\$ 514,147
Tuition and Related Fees	255,521	248,947	248,092
Federal and Other Government Grants	131,114	121,483	146,586
Non-Government Grants	74,410	68,157	75,705
Investment Income	67,703	69,259	67,950
Ancillary Services	36,454	38,033	36,256
Sales of Goods and Services	39,711	35,560	41,364
Non-Endowed Donations	19,914	14,470	17,340
Other Income	8,081	10,376	12,083
Investment Loss on Government Business			(1,272)
Enterprise			
	<b>1,157,580</b>	<b>1,115,781</b>	<b>1,158,251</b>
<b>Expense</b>			
Instruction	504,203	496,803	473,078
Sponsored Research	162,846	150,647	161,530
Facilities	139,617	129,060	125,900
Special Purpose and Trust	112,443	94,565	99,907
Administration	43,052	42,294	40,732
Academic and Research Support	44,811	38,623	34,069
Libraries	35,337	44,420	43,734
Student Services	42,183	44,377	40,199
Information Technology	38,505	34,874	33,559
Ancillary Services	22,850	24,136	22,912
External Relations	15,945	14,655	15,647
	<b>1,161,792</b>	<b>1,114,454</b>	<b>1,091,267</b>
<b>Net Revenue (Expense)</b>	<b>(4,212)</b>	<b>1,327</b>	<b>66,984</b>
Endowed Donations	22,808	9,528	9,528
Annual Surplus	18,596	10,855	76,512
Remeasurement Gains	32,417	31,786	72,350
<b>Total Increase to Accumulated Surplus and Remeasurement Gains</b>	<b>\$ 51,013</b>	<b>\$ 42,640</b>	<b>\$ 148,862</b>

\*Projection of actual results as prepared at November 30, 2024

UNIVERSITY OF MANITOBA  
Statement of Operations  
Original Budget for the year ending March 31, 2026  
(in thousands of dollars)

	All Funds		Operating Activities		Non-Operating Activities	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
<b>REVENUE</b>						
Provincial Grants	524,672	509,496	461,147	448,390	63,526	61,106
Tuition and Related Fees	255,521	248,947	255,521	248,947	-	-
Federal and Other Government Grants	131,114	121,483	12,560	14,597	118,554	106,886
Non-Government Grants	74,410	68,157	7,410	7,657	67,000	60,500
Investment Income	67,703	69,259	21,024	22,403	46,678	46,856
Ancillary	36,454	38,033	36,454	38,033	-	-
Sales of Goods and Services	39,711	35,560	36,602	33,196	3,109	2,364
Non-Endowed Donations	19,914	14,470	1,090	1,406	18,823	13,064
Other Income	8,081	10,376	2,881	4,876	5,200	5,500
<b>Total Revenue</b>	<b>1,157,580</b>	<b>1,115,781</b>	<b>834,690</b>	<b>819,505</b>	<b>322,890</b>	<b>296,276</b>
<b>EXPENSES</b>						
Compensation Expenses	687,253	658,041	623,887	602,345	63,366	55,696
Non-Compensation Expenses	405,268	391,187	189,046	197,898	216,222	193,289
Amortization of Expenses	54,700	51,195	-	-	54,700	51,195
Interest	14,571	14,031	-	-	14,571	14,031
<b>Total Expenses</b>	<b>1,161,792</b>	<b>1,114,454</b>	<b>812,933</b>	<b>800,243</b>	<b>348,859</b>	<b>314,211</b>
<b>Net Revenue</b>	<b>(4,212)</b>	<b>1,327</b>	<b>21,757</b>	<b>19,262</b>	<b>(25,969)</b>	<b>(17,935)</b>
Net Transfers	-	-	21,757	19,262	(21,757)	(19,262)
Endowed Donations	22,808	9,528	-	-	22,808	9,528
<b>Annual Surplus</b>	<b>18,596</b>	<b>10,855</b>	-	-	<b>18,596</b>	<b>10,855</b>
Remeasurement Gains (Losses)	32,417	31,786	-	-	32,417	31,786
<b>Total Increase to Accumulated Surplus and Remeasurement Gains</b>	<b>\$51,013</b>	<b>\$42,640</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,013</b>	<b>\$42,640</b>

## UNIVERSITY OF MANITOBA

## Summary of Changes to Accumulated Surplus

Original Budget for the year ending March 31, 2026

(in thousands of dollars)

	Multi-Year Initiatives and				
	Operating Activities	Non-Operating Activities	Capital Projects	Endowment	Total
Revenue	\$ 834,690	\$ 322,890	\$ -	\$ -	\$ 1,157,580
Expenses	(812,933)	(348,859)	-	-	(1,161,792)
<b>Net Revenue</b>	<b>21,757</b>	<b>(25,969)</b>	<b>-</b>	<b>-</b>	<b>(4,212)</b>
Net Allocations:					-
Debt Repayment	(21,332)	21,332	-	-	-
Student Assistance	(14,448)	14,448	-	-	-
Capital Asset Acquisition	(8,914)	62,218	(53,304)	-	-
Research	(8,932)	8,932	-	-	-
Budgeted Strategic Initiatives	(14,689)	-	14,689	-	-
Pension and Employee Future Benefits	-	-	-	-	-
Future Indirect Costs of Research	(4,650)	-	4,650	-	-
Staff Benefits	(3,632)	3,632	-	-	-
Student Contributions to Endowments	(1,909)	1,004	-	905	-
Other	-	-	-	-	-
Indirect Costs of Research	7,936	(7,936)	-	-	-
Multi-year Initiatives and Operating Projects	14,276	-	(14,276)	-	-
General Operating Support	29,713	(29,713)	-	-	-
	(26,582)	73,917	(48,240)	905	-
<b>Annual Surplus (Deficit) from Operating and Non-Operating Activities</b>	<b>(4,825)</b>	<b>47,948</b>	<b>(48,240)</b>	<b>905</b>	<b>(4,212)</b>
Transfer of Operating Surplus:					
Faculty and Unit Transfers	(12,576)	-	12,576	-	-
Faculty and Unit Carryover	17,400	-	(17,400)	-	-
Central Transfers	-	-	-	-	-
	4,825	-	(4,825)	-	-
<b>Endowed Donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,808</b>	<b>22,808</b>
<b>Annual Surplus</b>	<b>\$ 0</b>	<b>\$ 47,948</b>	<b>\$ (53,065)</b>	<b>\$ 23,713</b>	<b>\$ 18,596</b>

UNIVERSITY OF MANITOBA  
Operating Activities Budget  
For the year ending March 31, 2026  
(in thousands of dollars)

	Allocated Revenue	Direct Revenue	Total Revenue	* Expenses and Fund Transfers	Central Support Cost Allocations	Contributions to the University Fund	University Fund Allocations	Net Surplus (Deficit)
<b>Academic Units and Ancillary Services</b>								
Faculty of Agricultural & Food Sciences	38,757	3,161	41,918	26,524	15,542	-	147	-
Faculty of Architecture	16,321	548	16,869	10,458	6,545	-	134	-
Faculty of Arts	92,421	405	92,826	56,155	37,061	-	390	-
School of Art	8,082	228	8,310	5,243	3,241	-	174	-
I.H. Asper School of Business	40,371	2,494	42,865	26,676	16,189	-	0	-
Faculty of Education	18,226	208	18,434	11,205	7,309	-	79	-
Price Faculty of Engineering	42,360	1,025	43,385	26,640	16,986	-	241	-
Clayton H. Riddell Faculty of Environment, Earth, & Resources	18,331	488	18,819	11,559	7,351	-	91	-
Extended Education Division	3,184	5,649	8,833	7,579	1,277	-	23	-
Faculty of Kinesiology & Recreation Management	15,546	15,338	30,884	24,703	6,234	-	52	-
Faculty of Law	8,281	2,831	11,112	7,865	3,321	-	74	-
Marcel A. Desautels Faculty of Music	10,107	580	10,686	7,463	4,053	-	830	-
Faculty of Science	86,649	2,185	88,834	54,487	34,746	-	400	-
Faculty of Social Work	16,073	55	16,128	9,728	6,445	-	46	-
Rady Faculty of Health Sciences	220,132	57,890	278,022	190,094	88,273	-	345	-
Ancillaries	-	36,454	36,454	36,454	-	-	-	-
<b>Total / Academic Units and Ancillary Services</b>	<b>634,842</b>	<b>129,538</b>	<b>764,379</b>	<b>512,834</b>	<b>254,571</b>	<b>-</b>	<b>3,027</b>	<b>-</b>
<b>Central Support Cost Pools</b>								
Academic	-	1,769	1,769	42,154	(33,385)	-	7,000	-
President, External, Indigenous	-	1,184	1,184	22,056	(20,673)	-	200	-
Information Technology	-	270	270	30,550	(28,180)	-	2,100	-
Administration	-	2,029	2,029	36,138	(34,109)	-	-	-
Facilities	-	3,268	3,268	62,110	(57,887)	-	955	-
Research	-	13,018	13,018	27,116	(13,147)	-	950	-
Student Affairs	7,502	3,925	11,427	34,230	(20,612)	-	2,192	-
Libraries	1,965	1,502	3,467	33,292	(29,825)	-	-	-
General University	(665,621)	678,187	12,566	36,210	(16,754)	-	6,889	-
<b>Total Central Support Cost Pools</b>	<b>(656,154)</b>	<b>705,152</b>	<b>48,998</b>	<b>323,856</b>	<b>(254,571)</b>	<b>-</b>	<b>20,286</b>	<b>-</b>
University Fund	21,313	-	21,313	(2,000)	-	(23,313)	-	-
<b>Grand Total</b>	<b>\$0</b>	<b>\$834,689</b>	<b>\$834,690</b>	<b>\$834,688</b>	<b>\$0</b>	<b>\$(23,313)</b>	<b>\$23,313</b>	<b>\$0</b>

## UNIVERSITY OF MANITOBA

## Net Direct Revenues, Expenses and Fund Transfers

## Operating Activities Budget for the year ending March 31, 2026

(in thousands of dollars)

	2025-26	2024-25	Inc / (Dec) \$	Inc / (Dec) %
<b>Academic Units</b>				
Faculty of Agricultural & Food Sciences	23,363	23,264	99	0.4%
Faculty of Architecture	9,911	9,769	142	1.5%
Faculty of Arts	55,750	54,440	1,310	2.4%
School of Art	5,015	4,785	230	4.8%
I.H. Asper School of Business	24,182	23,525	657	2.8%
Faculty of Education	10,996	10,799	197	1.8%
Price Faculty of Engineering	25,615	24,770	845	3.4%
Clayton H. Riddell Faculty of Environment, Earth, & Resources	11,071	11,004	67	0.6%
Extended Education Division	1,930	1,947	(17)	-0.9%
Faculty of Kinesiology & Recreation Management	9,364	8,944	420	4.7%
Faculty of Law	5,035	4,902	133	2.7%
Marcel A. Desautels Faculty of Music	6,884	6,087	797	13.1%
Faculty of Science	52,302	50,800	1,502	3.0%
Faculty of Social Work	9,673	9,568	105	1.1%
Rady Faculty of Health Sciences	132,204	124,051	8,153	6.6%
<b>Total Academic Units</b>	<b>383,295</b>	<b>368,655</b>	<b>14,640</b>	<b>4.0%</b>
<b>Central Support Units</b>				
Academic	40,385	36,298	4,087	11.3%
President, External, Indigenous	20,873	20,085	788	3.9%
Information Technology	30,280	28,875	1,405	4.9%
Administration	34,109	33,468	641	1.9%
Facilities	58,842	55,786	3,056	5.5%
Research	14,097	14,525	(428)	-2.9%
Student Affairs	30,306	29,847	459	1.5%
Libraries	31,790	31,174	616	2.0%
<b>Central Support Units Excluding General University</b>	<b>260,682</b>	<b>250,058</b>	<b>10,624</b>	<b>4.2%</b>
General University	23,644	37,639	(13,995)	-37.2%
<b>Total Central Support Units</b>	<b>284,326</b>	<b>287,697</b>	<b>(3,371)</b>	<b>-1.2%</b>
<b>Grand Total</b>	<b>\$ 667,621</b>	<b>\$ 656,352</b>	<b>\$ 11,269</b>	<b>1.7%</b>

**UNIVERSITY OF MANITOBA**  
**University Fund Contributions and Allocations**  
**Budget for the year ending March 31, 2026**  
**(in thousands)**  
*prepared April 16, 2025*

<b>University Fund</b>	<b><u>Budget</u></b> <b><u>2025-26</u></b>
<b><u>Funding Sources</u></b>	
Contribution from Academic Units	-
Investment Income	21,024
International College of Manitoba	-
Ancillary Services Overhead and Other	2,289
Prior Year Contingency / Strategic Priorities Reserve	-
<b>Total Funding Available</b>	<b>23,313</b>
<b><u>Academic Unit Operational funding allocation</u></b>	<b><u>2,927</u></b>
University Fund contribution to hold units harmless from 2024/25	2,143
Budget allocation from UF to Academic Units (subvention)	784
<b><u>Funding Allocations to Strategic Initiatives (as listed below)</u></b>	<b><u>20,386</u></b>
<b><u>Empowering Learners</u></b>	
Scholarships, Bursaries, Student Financial Aid	4,652
UM Graduate Student stipends	1,000
International Student Bursary Financial Support	540
<b><u>Creating Knowledge that Matters</u></b>	
Comprehensive Interdisciplinary Team Research Grants	700
UM Research Grant Program	250
<b><u>Reimagining Engagement</u></b>	
<b><u>Capital and Infrastructure</u></b>	
Accessibility and Learning spaces - capital upgrades	2,700
Classroom HVAC upgrades	2,189
Accommodated student exam centre	2,000
Increasing resources to mitigate/manage UM electrical needs	400
<b><u>Operational Excellence</u></b>	
Climate Action Plan - Project Manager	120
Retirement and Migration of Operating Data Source (ODS) platform	2,100
Concert Hall operating costs (3 year commitment)	235
Indigenous Identity project	200
Expansion of menstrual product pilot project	300
Investment in implementation of Strategic Plan	2,000
Provost Contingency	1,000

UNIVERSITY OF MANITOBA  
Preliminary Statement of Operations Budget  
Five Year Projection for the Year Ending March 31, 2030  
(in thousands of dollars)

APPROVED OPERATING BUDGET	CUMULATIVE BUDGET PROJECTION						
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Revenue	819,505	834,690	845,506	862,745	885,481	915,153	
Expenses	800,243	812,933	843,307	878,520	914,193	950,481	
Net Transfers	(19,262)	(21,757)	(22,671)	(23,190)	(23,706)	(24,240)	
Operating Budget Surplus / (Deficit)	-	-	(20,472)	(38,965)	(52,418)	(59,569)	
Deficit as a % of budget		0.0%	-2.4%	-4.5%	-5.9%	-6.5%	

**UNIVERSITY OF MANITOBA**  
**Preliminary Statement of Operations Budget**  
**Five Year Projection for the Year Ending March 31, 2030**  
(in thousands of dollars)

APPROVED OPERATING BUDGET	CUMULATIVE BUDGET PROJECTION						INCREMENTAL BUDGET PROJECTION					
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2025-26	2026-27	2027-28	2028-29	2029-30	
Revenue												
Provincial Grants (Note 1)	448,390	461,147	468,064	475,084	482,210	489,442	12,757	6,917	7,020	7,126	7,233	
Tuition and Related Fees (Note 2)	248,947	255,521	256,488	261,402	270,969	287,161	6,574	967	4,915	9,567	16,191	
Other	122,169	118,022	120,955	126,259	132,302	138,550	(4,146)	2,933	5,304	6,043	6,247	
Total Revenue	819,505	834,690	845,506	862,745	885,481	915,153	15,185	10,816	17,239	22,736	29,671	
Expenses												
Compensation Expenses (Note 3)	602,345	623,887	650,720	681,888	713,432	745,504	21,542	26,833	31,169	31,543	32,072	
Non-Compensation Expenses (Note 4)	197,898	189,046	192,588	196,632	200,761	204,977	(8,852)	3,542	4,044	4,129	4,216	
Total Expenses	800,243	812,933	843,307	878,520	914,193	950,481	12,689	30,375	35,213	35,673	36,288	
Before Transfers	19,262	21,757	2,199	(15,775)	(28,711)	(35,329)	2,495	(19,558)	(17,974)	(12,936)	(6,617)	
Net Transfers	(19,262)	(21,757)	(22,671)	(23,190)	(23,706)	(24,240)	(2,495)	(913)	(520)	(516)	(534)	
Operating Budget Surplus/(Shortfall) - (Note 5)	0	-	(20,472)	(38,965)	(52,418)	(59,569)	(0)	(20,472)	(18,494)	(13,452)	(7,152)	
Shortfall as a % of Operating Revenue		0.0%	-2.4%	-4.5%	-5.9%	-6.5%						

**Notes:**

- 1) 2026/27 and on - 1.5% increase in the Provincial Operating Grant
- 2) Tuition Rates - 3.5% domestic increase and 6.5% International undergraduate  
Enrolment - 2024/25 to 2029/30 - 2% annual increase in domestic students; 15% cumulative increase from 2024/25  
- 2024/25 to 2029/30 - 38% decline in international students from 2024/25
- 3) Compensation reflects projected wage increases as per settled agreements and estimates for those expired
- 4) Non-compensation assume inflationary increases of 2.1% each year
- 5) Reflects the surplus/(shortfall) to balance before strategies are identified/implemented to balance



**UNIVERSITY OF MANITOBA****Capital Expenditure Budget by Project****2025-26****(in thousands)**

	<b>Budget 2025-26</b>	<b>Budget 2024-25</b>
Infrastructure Renewal Projects:		
HVAC	\$ 7,238	\$ 7,557
Building Envelope	1,706	4,710
Power Re-servicing at Fort Garry Campus	7,000	3,400
Fire/Life Safety	2,038	1,377
Asbestos	500	622
Other Projects	5,686	6,157
Misc Capital Projects	3,020	3,020
Major Capital Projects:		
New Bannatyne Building & Daycare Centre	29,000	23,900
Prairie Biologics Accelerator	15,000	
BMSB L600 Containment Lab	1,300	
ICIP - Central Energy Plant	5,000	5,913
Machray Hall Redevelopment	12,000	8,080
Prairie Crops & Soils Research Facility	9,800	7,800
CMO Building Construction/CFI	4,000	3,724
Fort Garry Campus Daycare Addition	4,200	1,100
NCTR - New Building Design	1,060	1,050
ICIP - Max Bell centre HVAC & Ice Plant		905
Concert Hall		400
Renovations:		
Other Projects (Faculty or Unit Funded)	11,400	10,000
Frank Kennedy Squash Courts	2,500	2,500
Respiratory Therapy Expansion	1,500	1,989
Frank Kennedy Dean's Office Renovation	1,200	1,650
Classroom & Learning Space Upgrades	2,700	1,500
Dentistry Clinic and Lab D329 Upgrades		385
Operating Equipment	6,000	6,000
Special Equipment	100	90
Research Equipment, Construction and CFI Projects	15,501	11,472
<b>Total Capital Expenditure Budget</b>	<b>\$ 149,449</b>	<b>\$ 115,301</b>



**MINISTER  
OF ADVANCED EDUCATION AND TRAINING**

Room 317  
Legislative Building  
Winnipeg, Manitoba R3C 0V8  
CANADA

Lynette Magnus  
Chair, Board of Governors  
University of Manitoba  
melissa.watson@umanitoba.ca

March 20, 2025

Dr. Michael Benarroch  
President and Vice-Chancellor  
University of Manitoba  
president@umanitoba.ca

Dear Lynette Magnus and Dr. Benarroch:

I would like to thank you and your organization for delivering quality higher education in Manitoba. Post-secondary education is critical to bolster our province in this unusual time, to ensure our economy moves forward positively and Manitobans have the skills and education needed to connect to good jobs right here at home.

As we continue to experience the effects of federal changes to international student systems, I appreciate our ongoing collaboration to maximize opportunities. I will continue to engage federal elected representatives to advocate for improved international student processes, and work to ensure a sustainable post-secondary education system.

We also need to work together to increase domestic participation rates in post-secondary education, helping more Manitobans gain the skills needed for local jobs. We must focus on the needs of the student above all, and I am pleased that there are excellent examples of strong partnerships between our public institutions. I encourage more system-thinking in our work as we collectively aim for positive outcomes for Manitoba.

Our government remains focused on Manitobans' priorities, including rebuilding health care, lowering costs for families, and providing important services they need while taking a responsible approach to the province's finances. We are dedicated to supporting the success and sustainability of Manitoba's post-secondary institutions and their programs. Public universities and colleges must be responsible managers as we navigate an evolving post-secondary landscape and global pressures.

Thank you for working with the department on an enhanced multi-year planning process. This initial work will help as we move forward to build greater clarity and transparency in planning for stable, predictable funding and tuition revenue.

We are committed to a path to balance and delivering on our commitments responsibly. I am pleased to advise you of funding levels for post-secondary education included in Budget 2025.

The overall post-secondary envelope for 2025/26 is \$871.3 million, a 4.8% increase over 2024/25. The capital grants envelope for 2025/26 will be maintained at \$11.6 million for major capital, renovations and equipment across the system.

All public colleges and universities will receive an operating grant increase of 2.0% in 2025/26.

The operating and capital grant allocation available to University of Manitoba is \$431,822,200.

This grant of \$431,822,200 includes: the 2.0% operating increase of \$8,273,000; an additional \$448,000 to continue supporting the third year of the Undergraduate Medical Expansion program; and an additional \$2,334,000 to continue supporting the Physician Assistant, Nurse Practitioner, Physical Therapy, Occupational Therapy, Nursing and Clinical Psychology programs. Department staff will contact you with further details.

In addition, the Part D capital support for University of Manitoba for the fiscal year 2025/26 will include: \$10,000,000 for Undergraduate Medical Expansion; \$3,900,000 for Prairie Crops and Soils Research Facility; and \$4,500,000 to support deferred maintenance projects.

We are committed to accessible and affordable high-quality post-secondary education. We request that your institution adopt 3.5% as the maximum allowable tuition increase for university programs for the 2025/26 academic year.

We have a collective responsibility for efficient and effective financial management at our institutions, ensuring the long-term sustainability of Manitoba's post-secondary system. Provincial funding to institutions is significant, and it is critical that public colleges and universities are good stewards of these public dollars while taking a student-focused approach. As an Other Reporting Entity, please be mindful that your financial decisions have an impact on the summary budget of government.

If you have any questions, please contact Carlos Matias, Assistant Deputy Minister and Executive Financial Officer at [carlos.matias@gov.mb.ca](mailto:carlos.matias@gov.mb.ca) or 431-323-2632, and he will be pleased to respond. I look forward to working collaboratively to advance our shared priorities and build on the good work you do every day to support high-quality post-secondary education in Manitoba.

Sincerely,



Honourable Renée Cable  
Minister of Advanced Education and  
Training

- c. Jan Forster, Deputy Minister of Advanced Education and Training  
Carlos Matias, Assistant Deputy Minister and Executive Financial Officer  
Colleen Kachulak, Assistant Deputy Minister, Advanced Education