



February 5, 2016

To: Universities and Federated Colleges Presidents and CEOs

The Ministry of Advanced Education will begin its budget planning for the 2017-18 fiscal year this spring and I am providing you with guidelines for preparing your institution's 2017-18 Operations Forecast.

As I indicated in my letter last year, we have begun to implement some changes to the Operations Forecast process to better align with the Government of Saskatchewan's budget planning. This includes requiring institutions to submit multi-year budget planning information for the next three fiscal years. While funding commitments will continue to be made by government on an annual basis, information on your institution's anticipated long-term activity assists the Ministry in planning internally and aligning with the needs of institutions and government. I want to thank those institutions that were able to meet this requirement for the 2016-17 fiscal year and I ask that all institutions strive to meet this requirement for the 2017-18 Operations Forecast.

The second change we implemented was in the timing of the Operations Forecast process. In my letter to you last year, I indicated that the deadline for submission of your 2017-18 budget planning documents would be April 30, 2016. As you are aware, this is an exceptional year in which an election will be held on April 4, 2016. The Legislature will not sit until after the election and the budget, normally presented in March, will not be announced until later in the spring. I understand this presents a particular challenge in meeting the April 30 deadline and so, for this year, I would ask that you submit your budget planning documents no later than three weeks following the announcement of the budget.

Please submit your Operations Forecast to:

Tammy Bloor Cavers
Assistant Deputy Minister
Ministry of Advanced Education
1120-2010 12th Avenue
REGINA SK S4P 0M3

I anticipate that the Ministry will be working on its overall budget submission beginning in mid-to-late July. As such, the Ministry has set a target to hold the in-person operations forecast meetings by the end of June 2016. The Ministry will be in contact with you to arrange these meetings.

As Saskatchewan is currently facing a challenging economic environment, I expect difficult budgetary decisions will need to be made in the immediate and near future. I thank each institution that has undertaken cost-saving measures and encourage all of you to continue to search for operational efficiencies to reduce your costs and ensure financial sustainability.

Information requirements for the Operations Forecast include:

1. Status quo information

Please provide a forecast using your Statement of Operations categories and show projected 2017-18 revenues and expenditures, with a comparison to 2016-17 budget estimates.

Please show 2018-19 and 2019-20 forecasts as best you can. We realize this information may not be precise at this time, but we are attempting to plan for these years to the best extent possible.

For revenues, please show your request for the provincial operating grant funding needed to maintain status quo activity at your institution. This means spending for programs and services which would operate at the same activity level as 2016-17, but not necessarily at the same funding level if more funding would be required for the same level of operations in the New Year.

2. Information relative to a zero per cent change in the operating grant

Please provide information on the implications if a zero per cent change were to occur in the operating grant amount (compared to 2016-17), including tangible examples of how this would impact staffing, academic programming and student services.

3. Financial Statement Fund Balances

It is recognized that good financial management requires institutions to retain a level of contingency funds and that some funds may be held in anticipation of major projects or program implementation. At the same time, however, the level and proposed uses of fund balances could have implications on government funding decisions. As such, the Ministry is requesting that detailed information on each institution's net fund balances, as of the most recently completed fiscal year, be included in your submission. This includes information on any unrestricted or internally restricted funds; it does not include funds that are externally restricted by funding agencies, donors or other external parties. Sufficient detail is required to be able to explain the purpose of accumulated funds that are materially relevant (valued at \$1 million or more [for universities]/valued at \$100,000 or more [for federated colleges]) to your institution.

4. Capital Funding and Preventative Maintenance and Renewal

The Ministry has already requested information relating to strategic preventative maintenance and renewal, and major capital activities at your institution. There is no requirement to include this information within the Operations Forecast document.

A three-year Preventative Maintenance and Renewal and Equipment Renewal Plan, however, is required.

5. New Initiatives

While incremental funding for 2017-18 is expected to be modest, there may be limited opportunity for government to invest in select, high-quality new initiatives. Your institution is invited, at its own discretion, to include a brief description of new initiatives and the related costs. To be considered for funding, proposed new initiatives should align with priorities, goals or outcomes identified in these government planning documents.

In drafting your Operations Forecast (funding requests), please keep in mind government priorities identified in the *Saskatchewan Plan for Growth* at saskatchewan.ca and the *Ministry of Advanced Education Plan for 2015-16* (www.finance.gov.sk.ca/Plansfor2015-16). In addition, the Ministry has recently identified five expectations for Saskatchewan's post-secondary sector as a guide for our institutions in best serving the needs of students into the future. The expectations are:

- accessible – offering qualified people the opportunity to attend;
- responsive – meeting the needs of students, communities and the economy;
- sustainable – delivering value to students and taxpayers;
- accountable – achieving expected outcomes and is transparent; and,
- high-quality – meeting standards and building public confidence in the service provided.

I encourage you to think about how your institution is meeting these expectations as you draft your budget request. For instance, is proposed spending:

- creating greater accessibility for First Nations and Métis students?
- responding to student demands and Saskatchewan's labour market needs?
- more sustainable due to new revenue sources or cost-saving measures?
- meeting measurable outcomes?
- enhancing Saskatchewan's reputation for quality post-secondary programs?

February 5, 2016

In addition to providing the Operations Forecast, please be advised that some institutions may be asked to appear before Treasury Board. The Ministry will provide you with advance notice if this is to occur.

If you have any questions or require further clarification of any of the above, please contact Tammy Bloor Cavers, Assistant Deputy Minister, at (306) 787-2044 or Ann Lorenzen, Executive Director, at (306) 787-2267.

Sincerely,



Louise Greenberg, Ph.D.
Deputy Minister of Advanced Education

Enclosure

cc: Tammy Bloor Cavers, Assistant Deputy Minister, Ministry of Advanced Education
Ann Lorenzen, Executive Director, Universities and Private Vocational Schools,
Ministry of Advanced Education

Distribution List

Dr. John Meehan, President, Campion College
Dr. Mark Dockstator, President, First Nations University of Canada
Geordy McCaffrey, Executive Director, Gabriel Dumont Institute
Dr. Bryan Hillis, President, Luther College
Dr. Herman Michell, President and CEO, NORTEP/NORPAC
Robert Harasymchuk, President, St. Peter's College
Dr. Terrence Downey, President, St. Thomas More College
Dr. Vianne Timmons, President, University of Regina
Dr. Peter Stoicheff, President, University of Saskatchewan