

2023-2024 BUDGET FORUM 1

Main budget parameters

16 March 2023



University
of Regina

PLEASE NOTE

- This presentation and the discussion that follows are being recorded and will be available for viewing at

www.uregina.ca/oir/budget/2023-24-budget.html

- Your presence implicitly indicates your consent to have your speech and/or image recorded and made available publicly on the University's website.

OUTLINE

- Budget Principles
- 2022-23 Budget Assumptions and Early Signals and Communications
- 2022-23 Enrolments vs Budget Assumptions (Budget \$ Impact)
- Initial Budget Challenge for 2023-24
- The Shifting Student Demographic and Main Budget Levers
- Addressing the Budget Challenge
- Updated Budget Challenge
- One-Time Contributions
- Collaboration/Transparency
- Research budget
- Going Forward

Budget Principles

- ❑ The operating budget process is based upon a set of Board of Governors approved principles which include:
 - ❑ Transparency, openness and consultation.
 - ❑ Underpinned by University goals and objectives based upon strategic plan.
 - ❑ Shall normally be balanced. A Plan must be included to balance the budget if it is not balanced.
 - ❑ Tuition changes to follow University tuition policy.
 - ❑ Estimates will be conservative.
 - ❑ Will include all revenues and expenses.
 - ❑ Shall promote long-term institutional sustainability, curricular innovation and University reputation.

- Budget Process Policy can be found at: <https://www.uregina.ca/policy/browse-policy/policy-GOV-090-005.html>

2022-23 Budget Assumptions

- ❑ The 2022-23 budget approved by the Board in April, 2022 had a structural deficit of \$3.4 Million.
- ❑ There was a plan to balance by 2024-25.
- ❑ Assumptions included:
 - Domestic undergrad enrolment increases of 6%
 - International undergrad enrolment increases of 8%
 - Graduate enrolment increases of 1%
 - Tuition increase of 3.5%
- ❑ Included average base budget reductions of 2.7% across the board.
- ❑ Recovery of carry-forwards was done to fund the deficit for the year.

Early Signals/Communications

- ❑ Early Fall semester registration statistics indicated enrolments were significantly lower than projections.
- ❑ A Senior Leadership Team meeting was held in early May 2022 informing University Leadership of the enrolment shortfalls. If enrolments didn't improve, projections indicated a \$14 Million revenue shortfall for the current year.
- ❑ May 10, 2022 a Strategic Staffing Process was implemented. All requests for staffing were put on hold.
- ❑ Requests to staff any position (vacant or new) were forwarded to the respective VP.
- ❑ If supported by the VP, the request was then considered by the President for approval.

Early Signals/Communications (Continued)

- ❑ Enrolments continued to fall short of projections.
- ❑ Strategic Staffing Process was in place until August 17, 2022.
- ❑ Although the strategic staffing process was discontinued, all faculties and admin units were informed to staff strategically and leave flexibility in their budgets as base budget reductions will be required to balance the coming budget.
- ❑ Early November, 2022, impact of enrolment shortfall was calculated/projected along with anticipated expense increases for 2023-24 and shared with University Executive Team.

2022-23 Enrolments

- ❑ Spring and Summer Semester:
 - Domestic undergrad enrolment decreased by 8.4% vs 6% increase.
 - International undergrad enrolment decreased by 14.9% vs 8% increase.
 - Graduate enrolment remained flat vs 1% increase.
 - Revenue shortfall of \$3.2 Million
- ❑ Fall Semester:
 - Domestic undergrad enrolment decreased by 5.6% vs 6% increase.
 - International undergrad enrolment increased by 5.1% vs 8% increase.
 - Graduate enrolment increased by 8.7% vs 1% increase.
 - Revenue shortfall of \$3.8 Million.
- ❑ Winter Semester:
 - Estimated based upon 80% of Fall enrolments as early indicators showed slight improvement from the Fall.
 - Revenue shortfall of \$2.6 Million projected.
- ❑ **Total Projected Shortfall: \$9.6 Million**

2023-24 Budget Challenge (Initial)

- ❑ Structural deficit carried forward from 2022-23:
 - Opening Deficit \$3.4M
 - Tuition Shortfall \$9.6 M
 - Combined Shortfall (\$13 M)

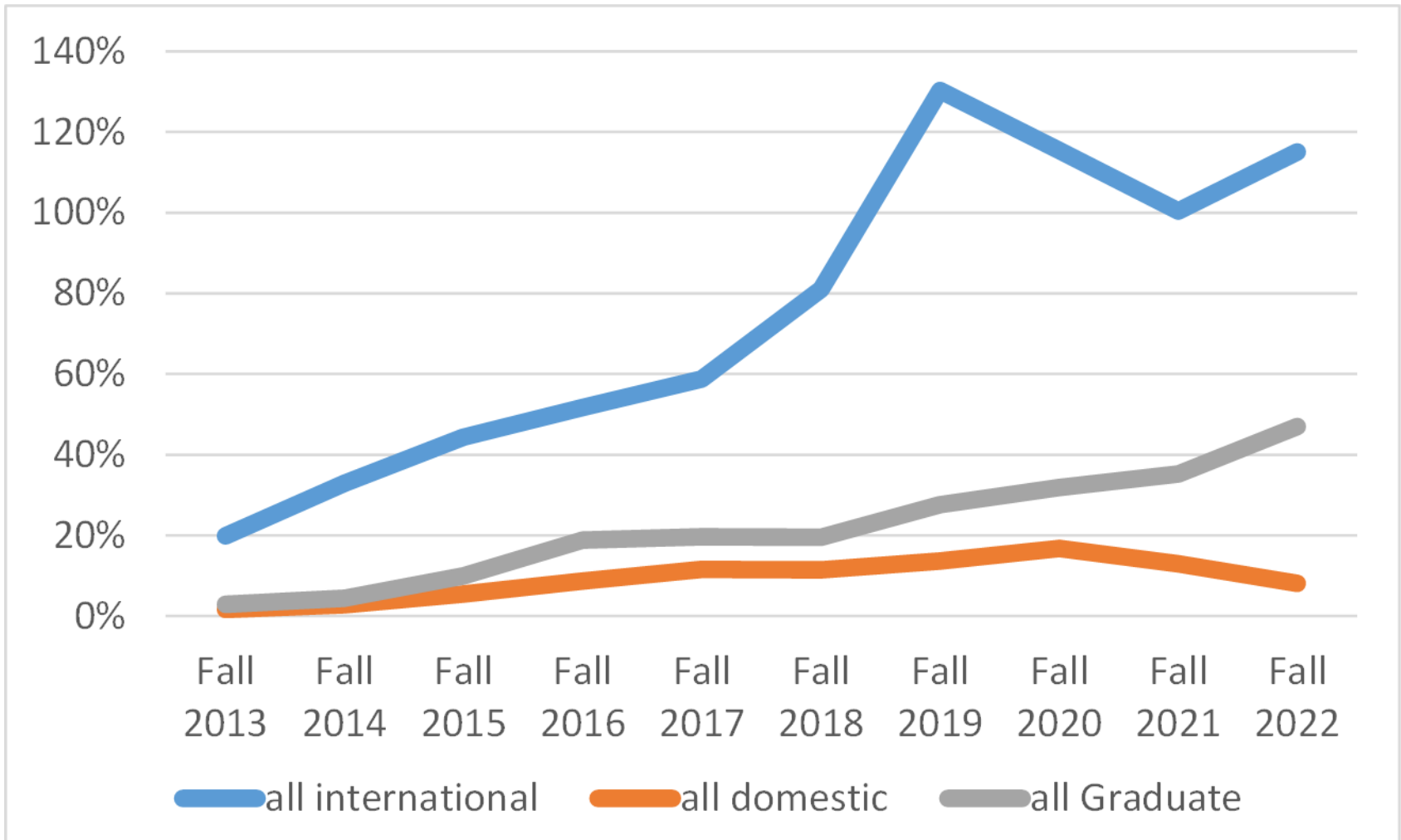
- ❑ Preliminary estimated cost increases for 2023-24 (\$10 M)

- ❑ Estimated tuition increase at 4% \$3.8 M

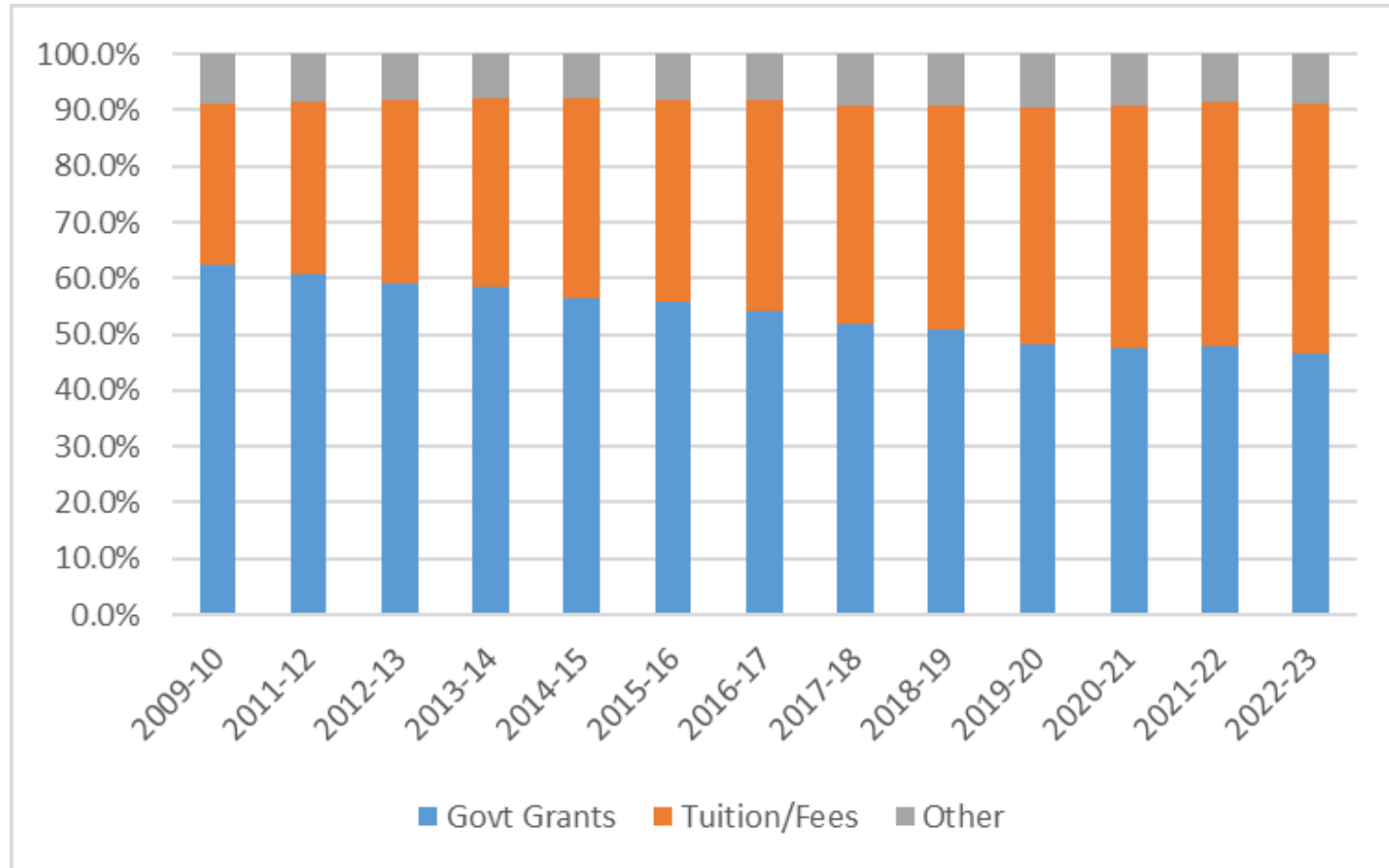
- ❑ Preliminary estimated shortfall \$19.2 M

THE SHIFTING STUDENT DEMOGRAPHIC

% change from 2012 Fall census date: headcount



Revenue Percentage Breakdown



Addressing Budget Challenge

- ❑ Proposed a three-year plan to return to a balanced budget.
 - ❑ Document shared for discussion with Senior Leadership Team in December provided options on budget development, outlining budget reductions, enrolment projections and tuition increases required.

- ❑ Achieved through enrolment growth.
 - ❑ International undergraduate enrolment growth. Estimating 15% growth in 23-24 and 10% in both 24-25 and 25-26.
 - ❑ 2% growth in domestic undergraduate enrolment in 23-24, 24-25 and 25-26.
 - ❑ 2% growth in graduate enrolment for next three years.

- ❑ 4% annual tuition rate increase.

- ❑ Significant base budget reductions across the institution. (5% in 2023-24, 3% in 2024-25 and 2% in 2025-26.)

Base Budget Reductions

- ❑ Templates sent out on January 27, 2023 to each faculty and admin unit.
- ❑ Requesting base budget reduction scenarios of 5%, 6% and 7%.
 - ❑ Impact on unit and the University will be provided.
 - ❑ Differential cuts may be required.
 - ❑ Due to the reliance of increases in international enrolments in balancing the budget, UR International will not be subject to budget reductions.
 - ❑ Indigenous Office budget will not be reduced given the commitment made to reconciliation and Indigenous engagement in the strategic plan.
 - ❑ New funding for Nursing was not subject to budget reductions.
- ❑ Templates were submitted by March 6, 2023.
- ❑ Each budget manager provided with an opportunity to present to 3 VP's and other senior leaders. Presentations on March 13, 2023.

Base Budget Reductions (Continued)

- Look to attrition where possible when eliminating positions.
- Looking to provide retirement incentives
 - Expand early retirement for employees close to retirement but may not fully qualify.
 - For employees who have chosen not to take early retirement and are now no longer eligible.
 - Must be mutually agreed upon.
 - Will only offer the amounts that are included in the collective agreements.
 - CUPE will also be offered this provision.

Addressing Updated Budget Challenge

- ❑ Due to increased international enrolments in the Winter semester, the budget challenge was reduced by \$3 Million.
- ❑ Proposing a two-year plan to return to a balanced budget.
 - ❑ Information shared for discussion with President and three Vice Presidents and presented to the Board in early March.
- ❑ Achieved through enrolment growth. (Recruitment, Retention, Transfers)
 - ❑ International undergraduate enrolment growth. Estimating 15% growth in 23-24 and 10% in both 24-25 and 25-26.
 - ❑ 0% growth in domestic undergraduate enrolment in 23-24, and 2% growth in 24-25 and 25-26.
 - ❑ 2% growth in graduate enrolment for next three years.
- ❑ MOU with government provided \$11 Million which funded 20 projects to enhance revenue generation for the University.

Addressing Updated Budget Challenge (Continued)

- Significant base budget reductions required in 2023-24 of 5%, across the institution.
- Anticipate balancing with less than 2% base budget reductions in 2024-25 given anticipated enrolment growth.
- If enrolments exceed budgets in 2023-24, this will reduce the base reductions required in 2024-25.

Updated Budget Challenge

	2023-24	2024-25	2025-26
2022-23 Opening Budget Deficit	-\$3,459		
2022-23 Tuition Revenue Shortfalls	-\$6,662		
Opening Deficit	-\$10,121	-\$2,159	\$0
Cost Increases			
Salary and benefits	-\$7,168	-\$6,875	-\$7,724
Utilities	-\$370	-\$233	-\$196
Non-Discretionary	-\$1,340	-\$1,650	-\$1,560
Reinvestment	-\$500	-\$500	-\$500
Total Cost Increases	-\$9,378	-\$9,258	-\$9,980
Cost Reductions/Revenue Increases			
Grant Increase	\$0	\$0	\$1,500
Base Budget Reduction	\$8,450	\$2,937	\$0
Tuition Increase	\$3,400	\$3,800	\$3,800
Enrolment-Domestic UG	\$0	\$940	\$940
Enrolment-International UG	\$5,250	\$3,500	\$3,500
Enrolment-Graduate	\$240	\$240	\$240
Total Cost Reductions/Revenue Increases	\$17,340	\$11,417	\$9,980
Deficit	-\$2,159	\$0	\$0
Base Budget Reduction %	5.0%	1.8%	0.0%

Carry Forward Funds

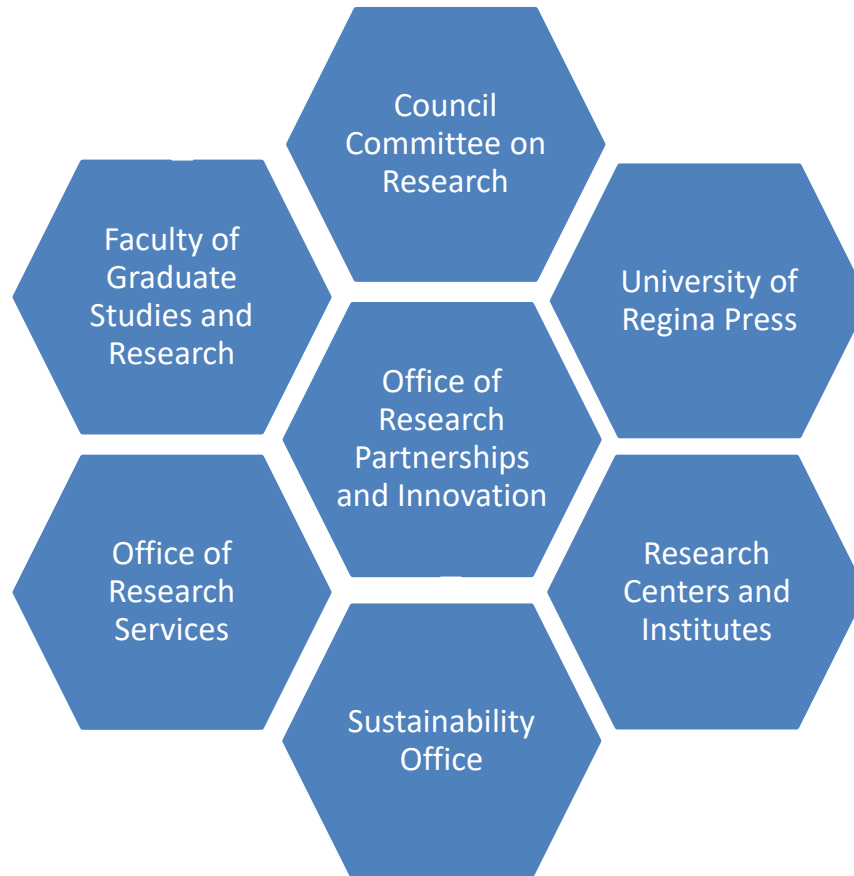
- Carry forward funds will need to be recovered from faculties and administrative units to cover the shortfall from the tuition declines in 2022-23 and to cover the budgeted 2023-24 deficit.
- Carry forward balances (80% of 2022 balances) are sufficient to cover anticipated shortfalls.
- Further claw-backs will not be required if enrolment targets are achieved.

Collaboration/Transparency

- ❑ Senior Leadership Team has met routinely to discuss budget.
- ❑ Deans have been meeting weekly as a group with Provost and at times with VP(Administration), AVP(HR) and AVP(FS).
 - ❑ Discussing collaborative approach to budget reductions.
 - ❑ Internal faculty budget committees have been meeting.
- ❑ AVP's have been meeting as a group with VP (Administration) and discussing budget reductions for admin units.
- ❑ Council Committee on Budget (CCB) has met monthly and have been updated on the budget situation as well as the budget process and path forward. Input from the CCB has been sought. CCB Chair drafted an update that was shared with Executive of Council.
- ❑ President held a budget town hall and updated the campus on the budget situation. Future town halls/budget forums anticipated.

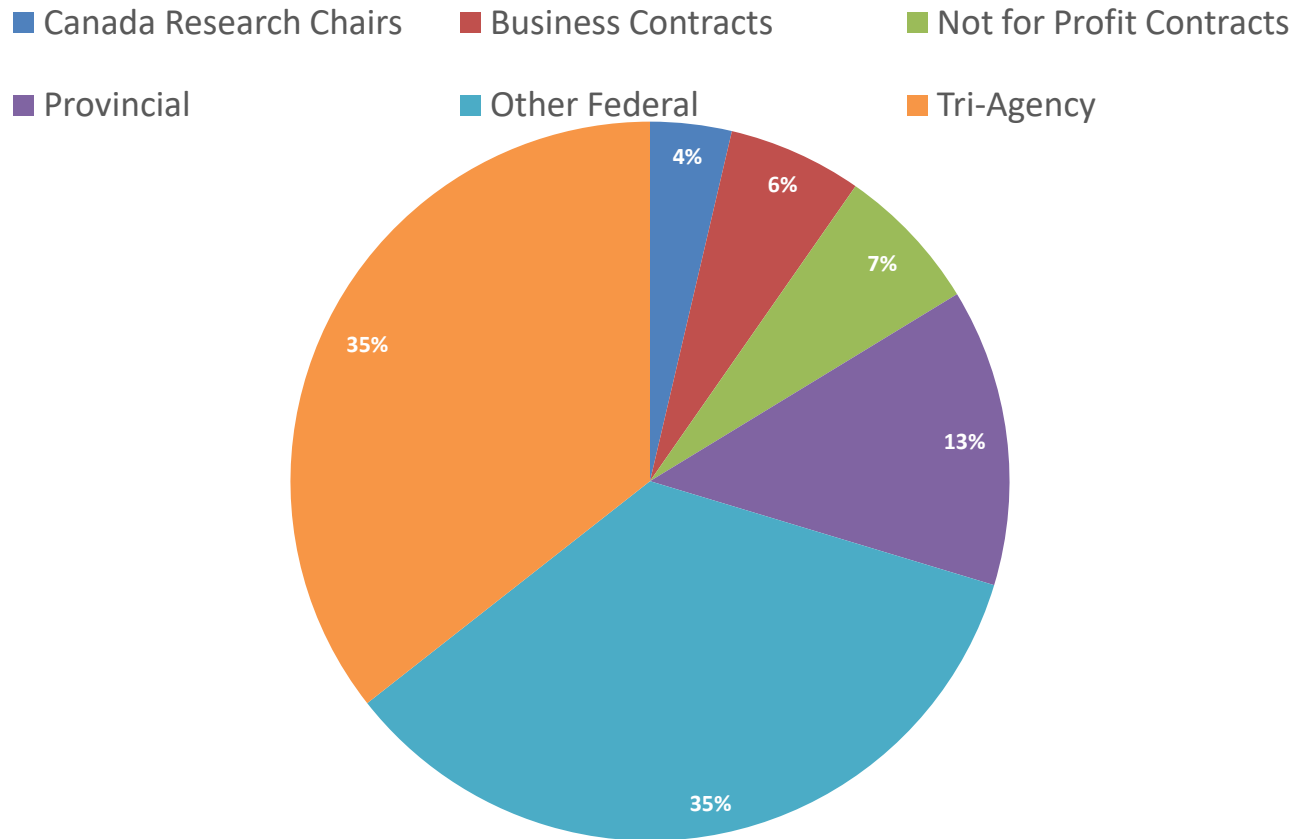


Research Organizational Supports

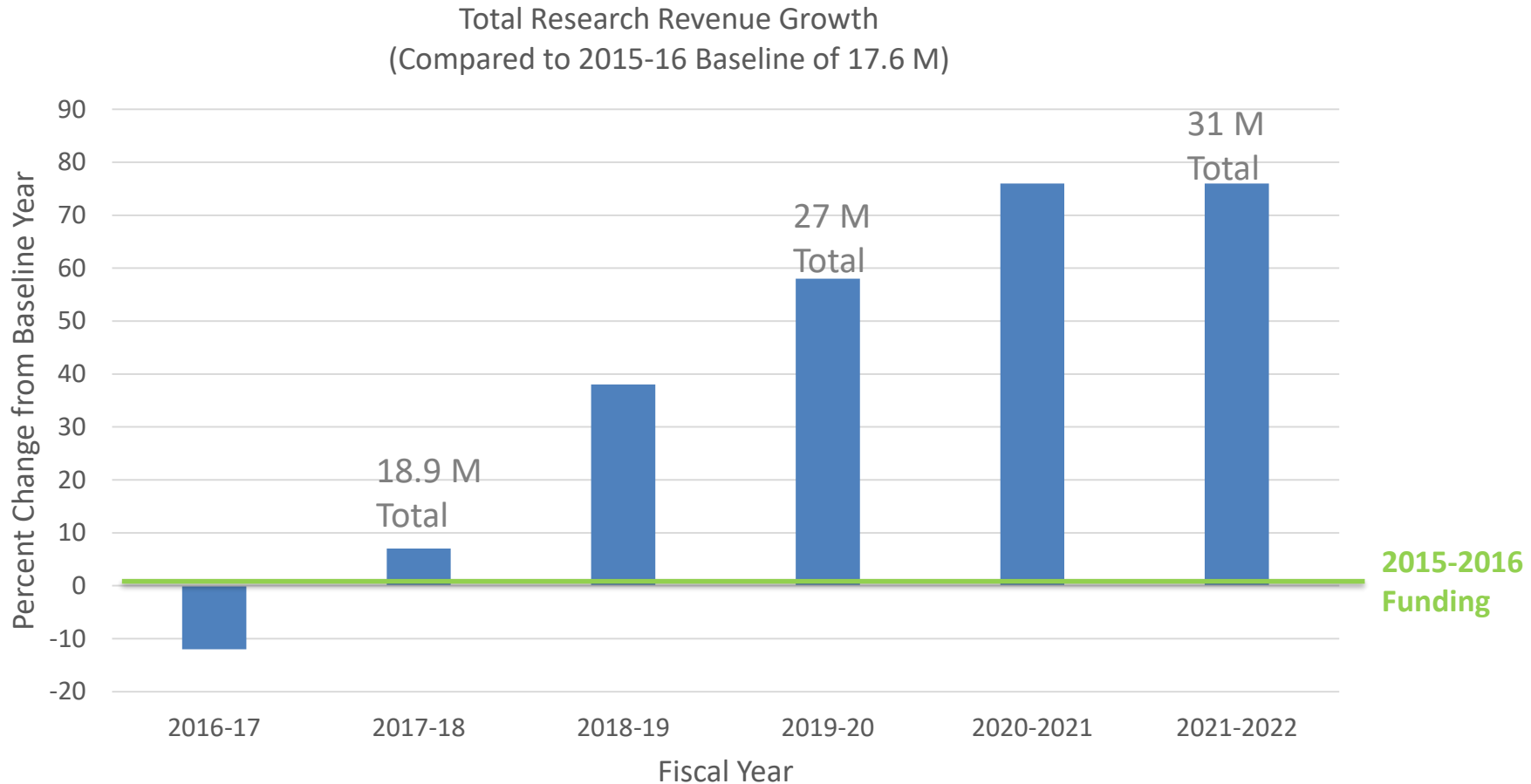


Funding Revenue Composition

Main Sources of funding



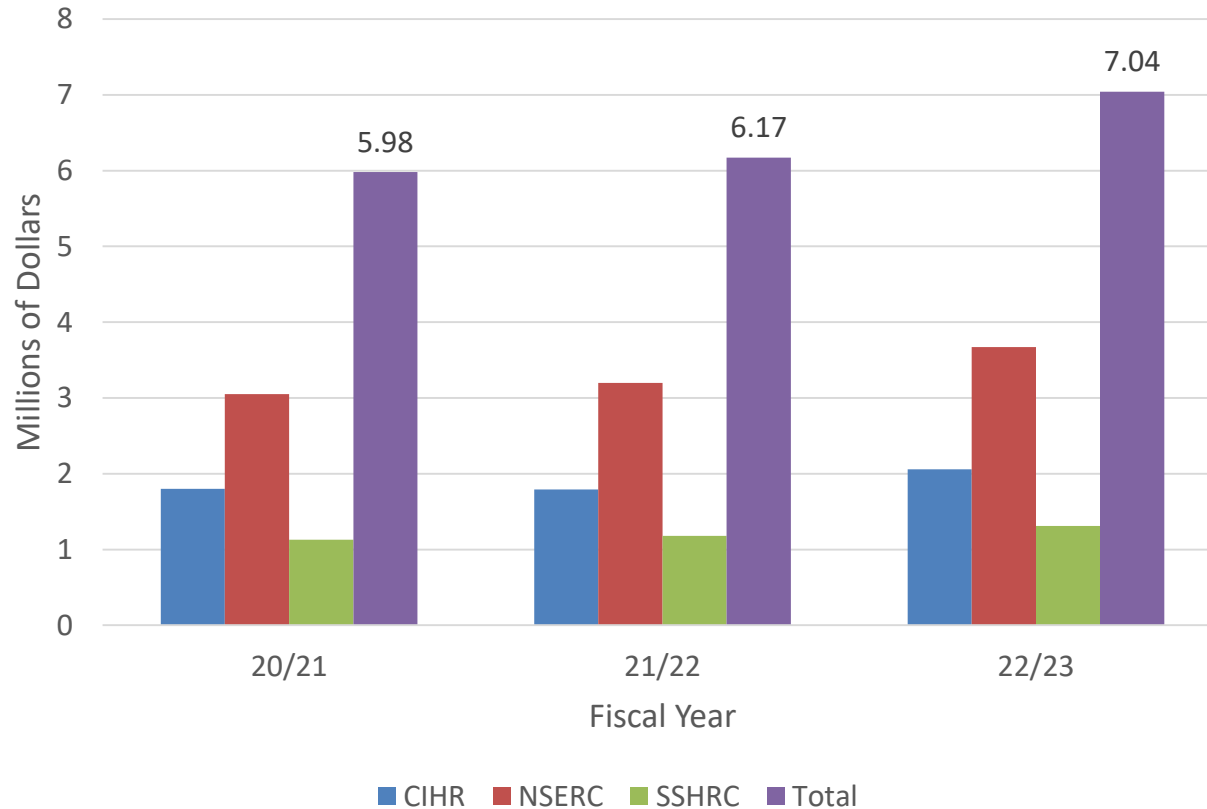
Growth in Research Funding



Fund Allocations

- Funds associated with Research Grants, Research Contracts, and Research Service Agreements are kept in restricted accounts and can only be used for the purpose of fulfilling the research obligations within each agreement.
- There is funding dedicated to support our research activities. These funds include: Federal Tri-Agency Research Support Fund and indirect costs charged to eligible contracts and service agreements

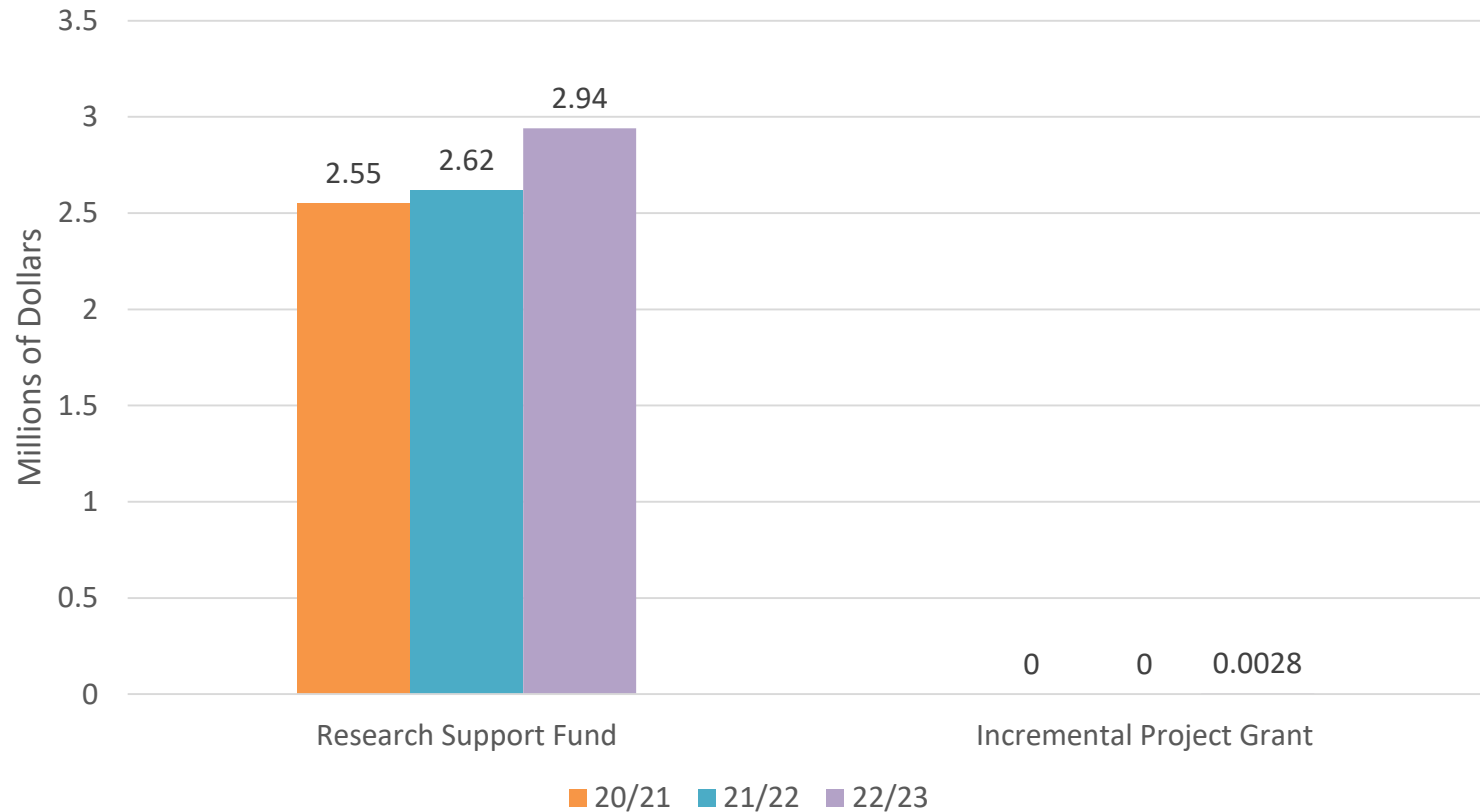
Tri-Agency Research Funding



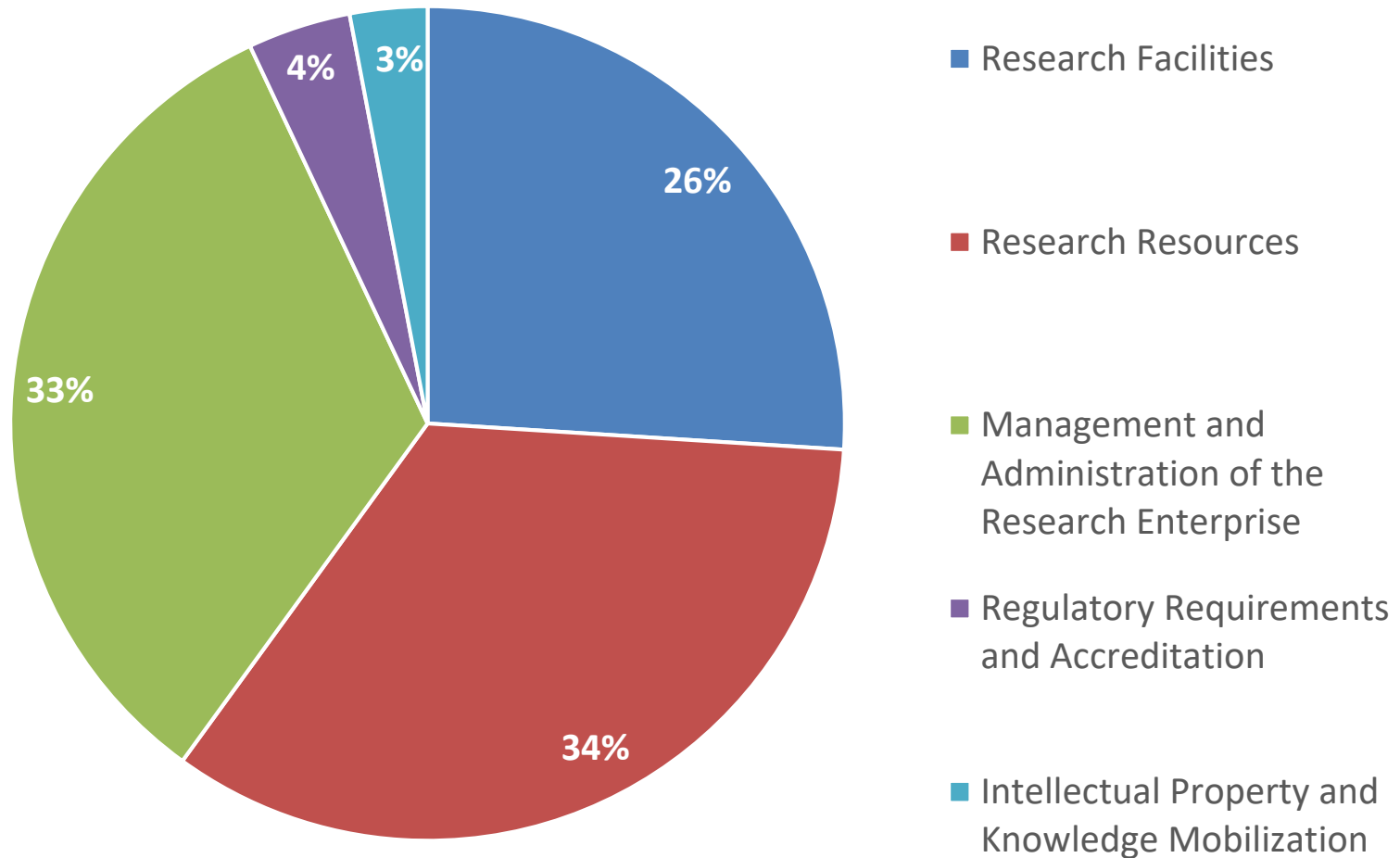
Research Support Fund

“The Research Support Fund assists Canadian postsecondary institutions and their affiliated research hospitals and institutes with the expenses associated with managing the research funded by the three federal research granting agencies.”

- Tri-Agency (https://www.rsf-fsr.gc.ca/about-au_sujet/index-eng.aspx)



Disbursement of Research Support Funds



Going Forward

- We have committed to start meetings in May to create a new budgeting process for 2023-24.
- Look at institutional approach rather than within specific faculties or units.
- Identify areas that the University wants to focus resources.
- Adjust services and supports accordingly.
- Will use a collaborative approach.

BUDGET DEVELOPMENT DATES

Date	Stage	Notes
06 March	Budget submissions due	Submitted electronically to Financial Services with a copy to VP(A)
7 March	Board Budget Presentation	Update the Board on budget development
13 March	Budget presentations	Review of budget submissions and presentations to 3 VPs + Budget Managers
March 13-17	Budget Deliberations	Deliberation of 3VP's and AVP(FS)
16 March	Budget Forum	Update University Community on budget development
22 March	Provincial Budget Announcement	Province releases budget with University implications
27 March	Council Committee on Budget	Provide update to CCB
31 March	Early Retirement Incentives	Consider and incorporate early retirement requests
April	Budget Development	Consultation and collaboration meetings as required
24 April	Council Committee on Budget	Final update for CCB
27-28 April	Board of Governors	Board review and discussion of 2023-24 budget
8 May	Executive Offices, Financial Services	2023-24 budget letter released
Mid May	Budget Forum	2023-24 budget letter reviewed in detail
June	Financial Services	2023-24 detailed budget book released

FUTURE BUDGET FORUM

- **Mid May:** Detailed review of 2023-24 Budget Letter, following approval of budget by Board of Governors

FURTHER INPUT OR QUESTIONS?

THANK YOU FOR COMING!

Feel free to send feedback to:

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