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www.uregina.ca/orp/budget/2017-18-budget.html

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TODAY'S OUTLINE

- **Operating Budget**
 - 2017-18 Budget process update
 - 2017-18 Budget challenge
 - 2016-17 Mid-Year funding reduction
 - 2017-18 Compensation restraint
- **Capital budget**
- **Research budget**
- **Ancillaries budget**
- **Next steps in 2017-2018 budget preparation**

PROCESS UPDATE

- Unit budget presentations completed; CCB represented at all presentations
- Units spoke to potential **3% and 5% reductions, critical needs, one-time requests**
- CCB sub-committees reviewed submissions, and sought additional information
- **CCB meets later this afternoon** to review input from its two subcommittees and provide advice

BUDGET CHALLENGE (1 of 2)

Key elements of **2017-18** operating budget **not yet known**:

- Provincial **operating grant**
- Board-approved **tuition and fees** for 2017-18
- **Enrolments** (domestic/international, undergraduate/graduate)

The following identifies reasonable estimates of revenue and expenditure changes and financial challenges.



BUDGET CHALLENGE (2 of 2)

Sector operating grant decrease (assumes -4%)	(\$4,355,240)
University funding formula shift (assumes +1%)	\$1,088,810
Undergraduate tuition increase (assumes +2.5%)	\$1,699,947
Graduate tuition increase (assumes +2.5%)	\$249,896
Enrolment / tuition Adjustment to Actual for 2016-17	\$1,000,000
Enrolment increase (assumes +1%)	\$726,447
Net Estimated Revenue Increase	\$409,860
Salary and Benefit increases (for increments only)	\$2,400,000
Utilities and space rental cost increases	\$105,000
Investment in critical new initiatives	\$1,000,000
Net Estimated Expense Increase	\$3,505,000
Net Estimated Operating Shortfall	(\$3,095,140)
One per cent of the “cuttable” budget is equal to approximately \$1,450,000.	
Shortfall equals an average cut to "cuttable" budget lines of 2.13%.	



MID-YEAR FUNDING REDUCTION

- Government mid-year funding reduction (“**clawback**”), November 2016
 - Second year this has occurred
 - \$1.09M in operating grant monies, \$275K in PMR capital, \$296K WCB rebate
 - PMR already committed; WCB “found money”
 - Net impact on operating budget: **-\$1.4M**
- Operating units requested to volunteer contributions from their expected 2016-17 surpluses
- Impact: reduced flexibility for operating units in 2017-18

COMPENSATION RESTRAINT

- Letter from Minister of Advanced Education (Jan 30/17) requests holding 2017-18 total salary and benefit expenditures to 2016-17 total
 - Also requests no increase to out-of-scope compensation
- University is committed to provide contractual increases to unionized employees
 - Applies even if collective agreements have expired
- Staffing is being reviewed on a case-by-case basis until operating funding is known and budget is approved by Board

CAPITAL I (1 of 2)

- Very busy capital program underway. Major projects include:
 - **College Avenue Campus Renewal** - \$60M project with \$27.6M from Government of Canada Strategic Investment Fund
 - **College West Residence Renewal** – total project \$38.3M: \$36.8M from Ancillaries, \$1.5M from PMR funding
 - **Lab Building Modernization** - \$4.8M SIF project with \$2.4M from Government of Canada
 - **Darke Hall Exterior Envelope** - \$3M from donations
 - **Kisik-Campion Pedestrian Corridor** - \$2M from one-time carryforward
 - **Energy Efficiency Lighting Upgrades** - \$1.7M, 36% funded by SaskPower

CAPITAL I (2 of 2)

Continued ...

- **Campus Wayfinding** - \$1.6M from one-time carryforward
- **Heating Plant Upgrade** - \$1.35M from PMR funding
- **Artificial Field Turf replacement** - \$800K, funded by Faculty of KHS one-time carryforward
- **Parking Lot 2** - \$700K from Parking Fund and PMR funding
- **Faculty of Education Integrated Student Services** - \$500K from Faculty of Education one-time carryforward
- **Library Elevator Modernization** - \$500K from PMR
- **Dining Hall** – under consideration, not approved

CAPITAL II

- A number of projects are multi-year, supported from multiple sources including **Government of Canada, Province of Saskatchewan (PMR), SaskPower, City of Regina, Conexus**, one-time **carryforward** (central or units), **donors**, **borrowing** against future income streams
- Operating savings from **building efficiencies**, e.g., SaskPower energy optimization upgrades anticipated to save \$372K/year in power costs
- Other projects address accessibility, health & safety, Congress 2018 preparations, reduction of deferred maintenance backlog

RESEARCH I – ACTIVITIES

- New Strategic Research Plan
- Office of VP Research is preparing a multi-year Implementation plan
- Installation of new Grant Management System (Converis) proceeding
- Reviews of research centres beginning: CETRI & HRI
- U of R continues to rank high nationally on research impact (citations) and international collaboration
- New research magazine, *Discourse*
- 2015-16 external research revenue, \$17.6M, up 15% from previous year

RESEARCH II – REVENUES & EXPENDITURES (2015-16)

REVENUES (\$000)	
Restricted research funding – grants and contract income	15,991
Interfund transfers (support for various research funds, chairs, CFI capital)	2,074
Graduate tuition - thesis programs	3,810
Provincial operating grant - share attributable to research	23,609
Sask. Innovation and Excellence Scholarships	553
Federal Research Support Fund (indirect costs)	<u>2,343</u>
Total Revenues	48,381
EXPENDITURES (\$000)	
Research direct expenditures	12,917
Interfund transfers (e.g. CRC salaries, capital expenditures)	4,139
Faculty salaries & benefits (40%)	17,596
Sabbatical salaries & benefits (100%)	3,335
Graduate scholarships	2,499
Library support	2,506
Facilities operations	1,952
Special research initiatives (e.g., research institutes, President's Research Fund)	1,099
Other (e.g., VPR, Research Office, FGSR (48%), CRC additional)	<u>2,742</u>
Total Expenditures	48,784



ANCILLARIES (1 of 2)

- The Ancillary Fund budget comprises **Parking Services, Residence Services, Food Services, Printing Services, the Bookstore, and leased space.**
- Mandate of the Ancillary Fund is to **break even over time.**
- With the recent construction of Kisik Towers, the ancillaries are, per the Board-approved business case, in a negative cash-flow position that will be repaid from future residence revenues.
- Operating Funds, including tuition and operating grant revenues, are **not used** to pay for ancillary operations.

ANCILLARIES -- BUDGET (2 of 2)

	REVENUE		EXPENDITURE		NET POSITION	
	2016-17				2015-16	
	REVENUES		EXPENDITURES		NET POSITION	
PARKING	\$ 3,420	\$	3,396	\$	24	\$ 1
BOOKSTORE	5,034		4,953		81	79
PRINTING SERVICES	180		171		9	4
FOOD SERVICES	723		664		59	77
LEASED SPACE	50		3		47	48
TOTALS BEFORE RESIDENCES	9,407		9,187		220	209
TOTAL RESIDENCES	9,043		13,368		(4,325)	(2,005)
TOTAL ANCILLARIES	\$ 18,450	\$	22,555	\$	(4,105)	\$ (1,796)



NEXT STEPS (1 of 2)

- Later this afternoon: CCB meets to consider subcommittees' input and provide advice
- March 16-17: **Board of Governors** meets to consider ancillaries fees, budget progress
- March – April: detailed work on 2017-18 budget and on 2018-19 Operations Forecast
- March 22: **Provincial budget day** -- Funding Letter received from Minister
- March 31: **Third Budget Forum** (LI 215)

NEXT STEPS (2 of 2)

- May 1-2: **Board of Governors** meets to approve 2017-18 budgets, tuition and fees, and 2018-19 Operations Forecast
- May 9: **Fourth Budget Forum**: 2017-18 budgets with details of investments and cuts
- **Detailed budget letter** distributed to operating units and posted to Budget Update page



FURTHER INPUT OR QUESTIONS?

THANK YOU FOR COMING!

Feedback welcome at
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