

The University of Regina's
Operations Forecast
for 2018-2019

Approved by the Board of Governors,
May 2, 2017

Operating Budget Projections

The tables below contain three operating budget scenarios for 2018-19 to 2020-21. The starting point in each table is the operating budget for 2017-18. The other columns show estimated revenues and expenditures for the subsequent three years based on the following assumptions:

- The 2017-18 operating budget accurately reflects current operations.
- Directed funding, which includes SAS and SIOS scholarship funding and the French Language grant for La Cité, is unchanged over the period.
- No changes in revenue from the federal government grant from the Research Support Fund (for the indirect costs of research).
- No changes in other income (interest and transfers).
- Credit and non-credit tuition fees increase by 2.5%.
- Co-op fees and late fines increased by tuition percentage increase.
- A 2 % increase in utility costs.
- A 1% increase in cost recovery revenue, much of which is for utilities supplied to other organizations.
- Constant enrolment.
- Salary and benefits costs based on known and predicted settlements.
- 2% increases in expenditures for scholarships, library acquisitions, and other expenditures.

As required by the ministry's guidelines, three scenarios are presented. Table 1 presents an estimate of the provincial operating grant increase required to maintain status quo operations with a balanced operating budget. **The estimated required increases in the operating grant to maintain status quo operations are 3.3% (2018-19), 3.0% (2019-20) and 2.7% (2020-21).**

Table 2 presents a scenario with a grant increase of 0% throughout the forecast period while Table 3 presents a scenario with 2% annual decreases in the operating grant. In Tables 2 and 3, the assumption is made that in each forecast year the University will balance the operating budget, eliminating the projected deficit shown at the bottom of each column by reducing salary and benefit expenditures. This reduced salary and benefit number becomes the base for the subsequent year's calculation of salary and benefit expenditures.

Tables 2 and 3 also includes an estimate of the reduction in full-time employee positions that would be required to balance the operating budget, assuming all budget reductions come from salary and benefits expenditures, the reductions are distributed by employee group based on the percentage of full-time salaries for each group, and the eliminated positions have average salaries equal to the average salary for their employee group. (Note: numbers may not add to the total due to rounding.)

For the constant grant scenario the estimated reductions in expenditures range from 1.6% in 2018-19 to 1.3% in 2020-21 and total \$9.4 million, resulting in the elimination of an estimated 109 full-time employee positions.

For the 2% decrease scenario the estimated reductions in expenditures range from 2.5% in 2018-19 to 2.1% in 2020-21 and total \$15.4 million, resulting in the elimination of an estimated 179 full-time employee positions.

Neither of the Table 2 and Table 3 scenarios provides funds for emerging needs.

Note that in Tables 2 and 3 there are no entries for eliminated positions for 2017-18. This should not be understood as indicating that no position eliminations have been required to balance the 2017-18 operating budget; the number, which will be significant, has as yet not been determined.

**TABLE 1: STATUS QUO OPERATIONS FORECAST
FOR THE 2018-19 to 2020-21 FISCAL YEARS**

	2017-18	2018-19	2019-20	2020-21
	Preliminary Budget	Status Quo	Status Quo	Status Quo
Average Undergraduate Tuition Rate Increase	2.5%	2.5%	2.5%	2.5%
Average Graduate Tuition Rate Increase	2.5%	2.5%	2.5%	2.5%
Grant Increase		3.3%	3.0%	2.7%
Revenues				
Provincial government grants:				
Base funding	104,407	107,808	111,042	114,050
La Cite' Canadian Heritage Grant	1,341	1,341	1,341	1,341
Directed funding	3,753	3,753	3,753	3,753
Provincial government grants	109,501	112,902	116,136	119,144
Federal government grants:				
Research Support Fund	2,359	2,359	2,359	2,359
Federal government grants	2,359	2,359	2,359	2,359
Tuition and fees				
Undergrad tuition	66,851	68,522	70,235	71,991
Graduate tuition	10,375	10,557	10,741	10,929
Co-op/Non-credit/Other fees	7,183	7,342	7,505	7,673
Tuition, non-credit and other fees	84,409	86,421	88,481	90,593
Other Income:				
Other income	1,019	1,027	1,035	1,043
Infrastructure recoveries	1,322	1,365	1,406	1,444
Other income	2,341	2,392	2,441	2,487
Recoveries	17,840	18,018	18,198	18,380
Total Revenues	216,450	222,091	227,615	232,963
Expenditures				
Salaries and benefits	160,719	165,245	169,632	173,821
Scholarships	8,984	9,164	9,347	9,534
Library acquisitions	2,960	3,019	3,079	3,141
Utilities	7,732	7,887	8,045	8,206
Other expenditures	36,055	36,776	37,512	38,262
Total Expenditures	216,450	222,091	227,615	232,964
Cost Increases in Excess of Revenue Increases	\$ -	\$ -	\$ -	\$ -

**TABLE 2: OPERATIONS FORECAST - NO PROVINCIAL GRANT INCREASE
FOR THE 2017-18 to 2020-21 FISCAL YEARS**

	2017-18	2018-19	2019-20	2020-21
	Preliminary Budget	No Grant Increase	No Grant Increase	No Grant Increase
Average Undergraduate Tuition Rate Increase	2.50%	2.5%	2.5%	2.5%
Average Graduate Tuition Rate Increase	2.50%	2.5%	2.5%	2.5%
Grant Increase		0.0%	0.0%	0.0%
Revenues				
Provincial government grants:				
Base funding	104,407	104,407	104,407	104,407
La Cite' Canadian Heritage Grant	1,341	1,341	1,341	1,341
Directed funding	3,753	3,753	3,753	3,753
Provincial government grants	109,501	109,501	109,501	109,501
Federal government grants:				
Research Support Fund	2,359	2,359	2,359	2,359
Federal government grants	2,359	2,359	2,359	2,359
Tuition and fees				
Undergrad tuition	66,851	68,522	70,235	71,991
Graduate tuition	10,375	10,557	10,741	10,929
Co-op/Non-credit/Other fees	7,183	7,342	7,505	7,673
Tuition, non-credit and other fees	84,409	86,421	88,481	90,593
Other Income:				
Other income	1,019	1,027	1,035	1,043
Infrastructure recoveries	1,322	1,322	1,322	1,322
Other income	2,341	2,349	2,357	2,365
Recoveries	17,840	18,018	18,198	18,380
Total Revenues	216,450	218,647	220,896	223,198
Expenditures				
Salaries and benefits	160,719	165,245	166,034	166,895
Scholarships	8,984	9,164	9,347	9,534
Library acquisitions	2,960	3,019	3,079	3,141
Utilities	7,732	7,887	8,045	8,206
Other expenditures	36,055	36,776	37,512	38,262
Total Expenditures	216,450	222,091	224,017	226,038
Annual Deficit	\$ -	\$ 3,443	\$ 3,121	\$ 2,840
Required Position Elimination to Balance Budget Each Year				
CUPE	-	13	12	10
Administrative, Professional and Technical	-	10	9	8
Out of Scope	-	4	4	3
Academic	-	14	12	11
Total Positions	-	41	36	32

**TABLE 3: OPERATIONS FORECAST - 2% PROVINCIAL GRANT DECREASE
FOR THE 2017-18 to 2020-21 FISCAL YEARS**

	2017-18	2018-19	2019-20	2020-21
	Preliminary Budget	2% Grant Decrease	2% Grant Decrease	2% Grant Decrease
Average Undergraduate Tuition Rate Increase	2.50%	2.5%	2.5%	2.5%
Average Graduate Tuition Rate Increase	2.50%	2.5%	2.5%	2.5%
Grant Increase		-2.0%	-2.0%	-2.0%
Revenues				
Provincial government grants:				
Base funding	104,407	102,319	100,272	98,267
La Cite' Canadian Heritage Grant	1,341	1,341	1,341	1,341
Directed funding	3,753	3,753	3,753	3,753
Provincial government grants	109,501	107,413	105,366	103,361
Federal government grants:				
Research Support Fund	2,359	2,359	2,359	2,359
Federal government grants	2,359	2,359	2,359	2,359
Tuition and fees				
Undergrad tuition	66,851	68,522	70,235	71,991
Graduate tuition	10,375	10,557	10,741	10,929
Co-op/Non-credit/Other fees	7,183	7,342	7,505	7,673
Tuition, non-credit and other fees	84,409	86,421	88,481	90,593
Other Income:				
Other income	1,019	1,027	1,035	1,043
Infrastructure recoveries	1,322	1,296	1,270	1,245
Other income	2,341	2,323	2,305	2,288
Recoveries	17,840	18,018	18,198	18,380
Total Revenues	216,450	216,533	216,710	216,981
Expenditures				
Salaries and benefits	160,719	165,245	163,849	162,579
Scholarships	8,984	9,164	9,347	9,534
Library acquisitions	2,960	3,019	3,079	3,141
Utilities	7,732	7,887	8,045	8,206
Other expenditures	36,055	36,776	37,512	38,262
Total Expenditures	216,450	222,091	221,832	221,722
Annual Deficit	\$ -	\$ 5,557	\$ 5,123	\$ 4,741
Required Position Elimination to Balance Budget Each Year				
CUPE	-	21	19	17
Administrative, Professional and Technical	-	16	14	13
Out of Scope	-	7	6	5
Academic	-	22	20	18
Total Positions	-	66	59	54

Financial Statement Fund Balances

The requested information will, as in the past, be provided separately.

Future Plans

Following two successive “one-time” mid-year clawbacks by government, and given the 5% reduction in provincial operating funding for 2017-18 and further cuts including the loss of nearly half a million dollars in scholarship funding already committed to students, the University of Regina has no ability to launch new programs or services for students in 2017-18.

More likely, despite our record level of enrolments, is the downsizing or elimination of programs and activities. Here are some of the issues which we face:

- The provincial funding reduction for 2017-18 has meant cuts to almost all Faculty and administrative unit budgets. Reductions to academic and administrative units range up to 5.1%.
- The Executive Office budget is reduced by a further 5%, building on years of successive cuts including the removal of one vice-president’s position, the amalgamation of two associate vice-presidents’ positions, and other staffing cuts. With 15,000 students, the University of Regina has a lean central administration. We invite comparisons of staffing levels and salaries in the executive office.
- Across the University, our faculty members are paid less than their counterparts at the University of Saskatchewan, and often have higher teaching loads. In a number of disciplines, their research impact exceeds that of their provincial counterparts.
- The University has suspended its attempt to launch an accredited Master of Health Information Management Program. Though the program would, like the MHA in the Johnson-Shoyama Graduate School, more than pay for itself within a few years and would put the province in a leadership role in this emerging profession, we do not have the funds to launch and sustain it through its start-up phase.
- The University is suspending the operations of the Prairie Adaptation Research Collaborative (PARC) because we can no longer afford it.
- The delivery of the Nursing program in Swift Current has been reconceived in order to dramatically reduce costs.
- Two Research Chairs supported from the President’s Fund have been discontinued for lack of funds.