2016-17 University Budget Town Hall

Realize. It starts with you.

Thursday 14 January 2016
3:00 to 4:30 pm
Education Auditorium
Please note

For faculty, staff, students, and alumni who cannot attend or who are located in Saskatoon, Prince Albert, and other locations, this presentation and the discussion that follows are being videorecorded for archiving and download from www.uregina.ca/orp/budget/2016-17-budget.html

Your presence here indicates your consent to have your speech and image recorded and made available from a public webpage for others to view as part of a series of consultations on developing the 2016-17 operating budget of the University.
Students at the University of Saskatchewan face tuition hike

Average tuition increase set at 2.5 per cent

CBC News  Posted: Jan 13, 2016 10:39 AM CT  |  Last Updated: Jan 13, 2016 12:47 PM CT

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After the board of governors did the math, it was decided that students at the University of Saskatchewan in Saskatoon can expect to pay more for tuition next fall.

"We know the cost of a post-secondary education is top of mind for students and their families, and we try to manage tuition rates with that in mind," said Greg Smith, chair of the U of S Board of Governors.

The average hike is two-and-a-half per cent for both undergraduate and graduate programs. Some areas of study will see no increase, while others will pay 5 per cent more. View the complete list of tuition changes per degree here.

The average bill for arts and sciences will be $6,773.
Savings in health care and education being considered

08 January 2016

FREDERICTON (GNB) – The document Choices to Move New Brunswick Forward lays out numerous possibilities to reduce expenditures or increase revenues to prevent New Brunswick from reaching a crisis situation where it can no longer afford to fund critical services like health care and education.

“The choices document includes a number of possible expenditure and revenue initiatives but choosing several of six key major initiatives will be necessary in order to get New Brunswick back on a secure fiscal foundation,” said Health Minister Victor Boucreeu who is also minister responsible for the Strategic Program Review.

The six key initiatives are:

- rightsizing senior management in the civil service;
- reducing spending in health care;
- reducing spending in education;
- increasing the rate of the Harmonized Sales Tax;
- increasing the rate of the Corporate Income Tax; and
- introducing highway tolls.
The Selinger government is upping its funding for colleges and universities by 4% this year.

Premier Greg Selinger announced the increase, which amounts to an additional $27.9 million, on Thursday. It brings the overall budget for post-secondary schools to $710.8 million.

“We’re showing our commitment to support students and post-secondary education in our province because we know that more people with access to a better education will translate into a well-trained workforce that’s ready for the jobs of tomorrow,” said Selinger, in a press release.
Provincial picture

- Outlook in the next year is for weak economic growth
- SK feeling the effects of low commodity prices
- Mid-year financial report indicated deficit of $262 million
- Fiscal outlook has deteriorated further
- Balanced budget is government goal
- Provincial election heightens spending pressure
- Anticipate small provincial grant increase, if any
University Revenue, 2015-16
Operating Budget ($m)

$207 million

- Operating Grant: $14.6 million
- Tuition/Fees: $111.8 million
- Cost Recoveries: $6.2 million
- Other: $74.5 million
University Expenses
2015-16 Operating Budget ($m)

$207 million

- Salaries and Benefits: $154.6
- Scholarships: $8.7
- Library Acquisitions: $7.7
- Utilities: $2.9
- Other: $33.2
University Expenses
Detail of Other Expenditures

$33.2 million

- Faculty Non-Salary: $9.7 million
- Admin Non-Salary: $5.4 million
- Contingency: $4.1 million
- Bad Debts/Bank Charges/Legal: $2.8 million
- Student Services Non-Salary: $1.8 million
- Statutory Payments: $1.4 million
- Computer Systems: $1.8 million
- Space Rental: $1.5 million
- Research Non-Salary: $0.7 million
- Other: $0.7 million

University of Regina
2016-17 Revenue Prospects
One Scenario

2015-16 tuition revenue “dividend” $1,350,000*
Operating grant increase of 0% 0
Enrolments flat; tuition up an average of 3% $2,250,000

Net revenue increase $3,600,000

* Assumes mid-year government funding reduction of $850,000 was one-time.
## Sensitivity Factors

<table>
<thead>
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<th>1% OF</th>
<th>Equals</th>
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<tbody>
<tr>
<td>The operating grant</td>
<td>$1.08 million</td>
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<tr>
<td>Tuition and fee revenue, or enrolments</td>
<td>$800,000</td>
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<tr>
<td>Salaries and benefits</td>
<td>$1.55 million</td>
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<tr>
<td>Non-salary expenses</td>
<td>$520,000</td>
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2016-17 Expenditure Estimates

Estimated increase to salary and benefit costs\(^1\) $6,670,000

Increases in space rental and utilities $330,000

Potential reinvestment $1,000,000

**Increase in costs** $8,000,000

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\(^1\)This estimate includes known and projected costs of economic increases to salaries, career growth increments, merit increments, and improvements to benefits such as the extended health plan, parental and other leaves, the health and wellness spending accounts, etc.
Our Challenges

1. Insufficient revenue increase in 2016-17 revenue to cover:
   - $6.67m estimated increase in salaries & benefits for all employees of the University
   - Increased costs of space rental, utilities, etc.
   - Other essentials such as Library acquisitions (now sharply impacted by declining Canadian dollar)

2. Structural issue – our costs are increasing more quickly than our tuition and grant revenues

3. Inadequate sustaining capital funding for building renovations and teaching equipment, placing additional pressure on the operating budget
The 2016-17 Budget Challenge

Net revenue increase $ 3,600,000
Expense increase ($8,000,000)
Shortfall ($4,400,000)

Shortfall equates to 3.1% of all academic, academic support, and administrative unit budgets.
Tuition and Fee Revenue

- Enrolment: projected smaller number of high school graduates in Saskatchewan for the next 6-7 years
- Maintaining tuition and student fee revenue depends on:
  - Increasing recruitment outside traditional “catchment” area
  - Increased student retention
  - Appropriate enrolment mix: by program, domestic/international, undergraduate/graduate
  - Tuition fee levels as approved by the Board of Governors
- U of R Arts tuition and fees remain in the lowest quartile of Canadian universities. Our Business & Engineering tuition and fees are well below the average of peer institutions.
- Our student financial assistance is 2nd highest among comprehensive universities.
Research

• Research revenue
  • Annual TriCouncil funding has been trending down in recent years, but Q4 2015 results are positive in terms of contract revenue, TriCouncil revenue, and overall revenue.
  • Cost recovery monies from contracts are redistributed back to Faculties, researchers, and VPR Office.
  • Funds are spent on students, research infrastructure, etc.

• TriCouncil Research Support Fund (Indirect Costs)
  • Research facilities: $825K
  • Research resources: $610K
  • Research management and administration: $613K
  • Regulatory requirements, accreditation, intellectual property: $211K
Non-academic pension plan (1)

- Non-Academic Benefits Committee (NABC) has initiated a project to assess the needs of members of the plan
  - Informing members about the Plan and how it works
  - Informing members about various sources of retirement income
  - Give members the opportunity to share their needs and the role the pension plan plays in meeting those needs

- Series of newsletters, information sessions, focus groups, and a survey
  - 3 newsletters distributed between October – November 2015
  - 5 member information sessions held in November 2015
  - 4 focus group sessions held in December 2015
  - Member survey to be initiated in February 2016
Non-academic pension plan (2)

Next steps

• Non-Academic Benefits Committee to review results and consider the efforts that will be required to improve the long-term sustainability of the non-academic pension plan

• Funding concerns arising from the December 2015 valuation will need to be addressed by September 30, 2016, and a valuation filed with the Superintendent of Pensions
Consultation continues

• Together with this PowerPoint file, other budget documents and videos are available for review at [www.uregina.ca/orp/budget/2016-17-budget.html](http://www.uregina.ca/orp/budget/2016-17-budget.html)

• Next Budget Town Hall will be at 3 pm February 8th in the Shu-Box Theatre

• Unit budget presentations and CCB meetings on budget are scheduled in February, March, and April

• Board of Governors reviews and approves budget in May
Your input sought

Your comments, advice, and questions on all aspects of the budget are welcome. Please send them to

budget@uregina.ca
peyak aski kikawinaw
Together We Are Stronger