

Unit Budget Submissions for 2023-24

January 27, 2023

The University is entering budget development for 2023-24 facing significant challenges. This will be the third year of a four year MOU with the provincial government in which the operating grant for the University will be frozen. The University has also experienced two successive years in which undergrad enrolments declined significantly, when the budget plans anticipated significant growth. This has left the University with a large budget shortfall in the current year that will need to be addressed, as well as an ongoing structural deficit in the budget that will need to be balanced.

We are also faced with challenges that include:

- Covering annual multi-million dollar increases in the costs of salaries and benefits for faculty and staff and other inflationary cost increases;
- Limiting tuition and fee increases;
- Providing resources to areas of growth and strategic investment;
- Responding to emerging student service and research support needs;
- Dealing with externally-imposed cost increases such as in the carbon tax and Canada Pension Plan contributions.

It is therefore clear that we must be ready for hard decisions in the development of the 2023-24 budget.

We fully anticipate that as part of the final budget plan we will need a multi-year solution and in addition to the challenges chosen to address this year, there will be further challenges as we deal with a structural deficit going forward.

There are still some questions that need to be answered before we can fully develop a plan to balance this year's Operating budget.

- There is still some uncertainty regarding the financial impact of the Winter enrolment declines.
- Enrolment assumptions for 2023-24 have not yet been finalized.
- Tuition rate increases have not been decided although the MOU with the provincial government limits this to 4% and the anticipated increase will be 4%.
- A final decision has not been made on whether reductions will be made equally across all Units or whether differential reductions will be applied.
- Do we have sufficient one-time bridging funds available to cover the current budget shortfall as well as budgeted shortfalls derived from the structural deficit in the coming years.

In order to provide for the uncertainties listed, the scenarios of -5%, -6% and -7% in unit base budgets will allow all of us to understand how units would respond to a budget reduction, and what the resultant impact would be, not just on the units concerned, but on the University as a whole. The calculation of 5%, 6%, and 7% for each unit will be provided by Financial Services.

Budget submissions

- Submissions are to be sent in electronic format to Marina Ahrendt (marina.ahrendt@uregina.ca) by **Wednesday 1 March 2023**.
- Submissions should be a maximum of 2 pages in length. In all cases, identify the FOAPAL for the reduction.

- All budget submissions will be treated as confidential.
- Submissions should describe the following three permanent base budget reduction scenarios in terms of how they could be accomplished and their impact:
 - 5 per cent
 - 6 per cent
 - 7 per cent
- A permanent reduction means a permanent reduction to the “POOL” discretionary amount or the sessional budget of a Faculty, or the elimination of a permanent budgeted position. Creation of or increase to an external base recovery is also equivalent to a base expenditure reduction and may be included in the submission. Any adjustments to term positions or voluntary short term salary reductions/unpaid holidays do not change base budgets and are therefore not considered valid budget reduction options.
- As in previous years, if a reduction involves the elimination of a position that is not vacant, the unit will be credited for the full current salary and benefits of that position (with benefits at 17% of salary). In order to identify the impact on faculty and staff and development of a possible lay-off plan, please indicate if a proposed position elimination will impact a permanent employee.
- Budget managers may include the request of one high-priority initiative. The rationale should describe concisely its strategic impact (with specific reference to the “supporting actions” listed in the University’s strategic plan) or immediate enrolment and revenue impacts.
- Budget reductions cannot result in reduced revenue to the University as revenue growth is essential to returning the University to financial sustainability.
- If budget managers choose, a short proposal may be included for the funding of critical new and/or replacement equipment. Funds are expected to be very limited.

Budget presentations

- Presentations will be scheduled to ensure the impacts of the reductions are fully understood.
- Budget presentations will be made to the Provost, VP (Administration), VP (Research) and the AVP (Finance).
- Presentations will be 10 minutes with an additional 5 minutes allocated for questions (15 minutes total).
- Budget presentations have been tentatively booked for the following dates:
 - March 9, 2023 8:30am to 12:00pm
 - March 13, 2023 8:30am to 4:30pm
 - March 15, 2023 8:30am to 12:00pm

Excel Template

- Each Unit will be provided with a template that will identify the Unit’s net budget as well as the budget reduction targets of 5%, 6% and 7%.
- The template will provide the framework of how to present the budget reductions/recovery increases.
- There will be a separate tab for each scenario.