



There is every indication that the provincial government will be facing another difficult budget for 2018-19, with potential reductions in the operating support provided to third parties including universities and colleges. As the grant makes up just over half of our budgeted operating expenditures, we anticipate another difficult budget year in 2018-19.

In the 2018-19 Operations Forecast prepared in May 2017, we estimated that an operating grant increase of 3.3% and an average tuition increase of 2.5% would be needed to maintain current levels of operation into 2018-19. Given the province's fiscal situation, an increase in our grant is unlikely, although the University's representatives are stating strongly that "We have done our share."

Should a funding cut occur, each 1% cut represents just over \$1 million in lost revenue for the University. A 4% cut to the grant, for example, would represent \$4.18 million in lost revenue, almost 2% of total budgeted revenues for this year.

We are also faced with challenges that include:

- Covering annual multimillion dollar increases in the costs of salaries and benefits for faculty and staff
- Limiting tuition and fee increases;
- Providing increased support for graduate students;
- Providing increased base funding to academic units where enrolments are growing;
- Responding to emerging student service and research support needs; and
- Dealing with externally-imposed cost increases such as in the provincial sales tax and Canada Pension Plan contributions.

It is therefore clear that we must be ready for hard decisions in the making of the 2018-19 budget.

Across-the-board cuts are not an option. Budget submissions should therefore provide information to allow all members of the campus community to understand how units would respond on a selective basis to a budget reduction, and what the resultant impact would be, not just on the units concerned, but on the University as a whole.

Budget submissions

- Submissions are to be sent in electronic format to the Office of Resource Planning (orp@uregina.ca) by **Friday 12 January 2018**.
- Submissions should be a maximum of 2 pages in length and can be in point form or in a spreadsheet. All submissions will be made available to CCB and all ULT members. They should be treated as public documents.
- Submissions should describe:
 - Opportunities within your unit for further **economies** in expenditures, for 2018-19 and beyond.
 - Opportunities within your unit (or in cooperation with other units) for additional **revenue generation** - identifying any supports that would be required to realize these revenues (plus details of timing, risks, etc.).
 - If you can, identify the FOAPAL for the savings or the investment.

- As in previous years, if a budget reduction involves the elimination of a position, the unit will be credited for the full current salary and benefits of that position (with benefits at 17% of salary).
- Budget managers may include a very short list of **high-priority initiatives or needs**. The discussion of each initiative should describe concisely its strategic impact (with specific reference to the University's strategic plan), enrolment and revenue impacts, and a risk assessment. These can involve either permanent budget increases or one-time (seed or start-up) funding for an initiative.
- Growth in the tenure-track faculty complement has been identified as a budget priority. Noting the budget environment outlined above, should resources permit up to 5 new tenure-track faculty positions may be created in each of 2018-19 (target start date 1 July 2019) and 2019-2020 (target start date 1 July 2020). As part of their budget submissions, Deans and equivalents are invited to make very brief proposals for these new positions, speaking to the principles and criteria outlined below, particularly criteria 4-7.
- If budget managers choose, short proposals may be included for the funding of critical new and/or replacement **equipment** for teaching and support purposes. Funds for these purposes are expected to be very limited.

Budget presentations

Presentations will occur at the request of the budget manager or where the need is evident. Fellow budget managers and members of the Council Committee on Budget will be invited to attend the presentations.

Budget Principles

The following budget principles, approved by the Board of Governors, guide the development of the University of Regina's annual budget (policy [GOV-090-005](#)):

1. The annual budget process will be committed to transparency and openness. It will be a consultative process, including consultation with the Board of Governors and its Finance and Facilities Committee.
2. Deans, associate vice-presidents, and directors will have meaningful opportunities to make their budgetary needs known early in the budget process and shall be given opportunities for input during the budget development process.
3. The University's goals and objectives as outlined in the strategic plan and embodied in its academic mission of teaching, research and public service will underpin the budget process.
4. The operating budget shall be balanced.
5. Any change in the level of tuition fees shall conform to the tuition policy of the university.
6. Total operating expenditures should be comparable to those at other universities of a similar size and with a similar range of programs and services, all things being equal.
7. Annualized, base-budget operating funding shall be allocated in respect of all permanent faculty and staff positions.
8. Actual operating revenue and expenditure amounts will be used to prepare the budget insofar as they are known. Where it is necessary to estimate, the practice will be to underestimate revenues and overestimate

expenditures, with the degree of under- or over-estimation to depend on the amount of uncertainty inherent in a given estimate.

9. The operating budget shall comprise, insofar as possible, all of the operating revenues and expenses of the University. Any restructuring required to achieve and maintain this state will occur as quickly as incremental funding will allow.
10. The operating budget will recognize incremental revenues and expenditures as they arise and not defer such recognition to future budgets.
11. The budget process shall promote long-term institutional sustainability, curricular and program innovation, and the teaching and research reputation of the University.
12. Budget decisions shall rely on a careful balance of evidence and informed judgment.

Budget Decision Criteria

As in recent years, the following decision criteria will be employed in the development of the budget for 2018-19:

1. The budget decision-making process will be grounded in the goals and objectives of the University's strategic plan.
2. The process will promote long-term institutional sustainability in terms of an appropriate program array to meet current and projected student demand, strategic enrolment management, and reputational improvement based on fine teaching and research.
3. The process will be premised on the fact that all campus units support, and indeed make possible, the University's mission of teaching, research, and public service.
4. Budget allocations will therefore speak to the future of all units, including aspects such as recruitment and enrolment of students in current or planned new programs, retention and student success strategies, research productivity, appropriateness of unit administrative structures and employee complement, and efficient use of resources across all units in support of the University's core mission of teaching, research, and public service.
5. Budget allocations for academic units will be based *in part* on enrolments and credit hours taught, on relative program costs, and on other financial resources available to the unit currently and in recent years. Estimated revenues to be earned by faculties from partnering with CCE, for example, should be included in each faculty's budget submission, and such revenues shall be used in a manner that meets the budget principles outlined here.
6. In authorizing faculty recruitment, first priority will be given to areas in which productivity in research, scholarship and artistic work is high, and where this productivity is engaging and retaining students.
7. Targeted recruitment of qualified Aboriginal faculty and staff will be a high priority across all units.
8. The decision-making process will look carefully for efficiencies and economies of scale in all campus units.