

The University of Regina's
Operations Forecast
for 2017-2018

Approved by the Board of Governors,
July 6, 2016

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Operating Budget Projections

The tables below contain two operating budget scenarios for 2016-17 to 2019-20. The starting point in each table is a draft operating budget for 2016-17 which will be considered by the University's Board of Governors on 6 July 2016. The other columns show estimated revenues and expenditures for the subsequent three years based on the following assumptions:

- The draft 2016-17 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 federal government grants (for indirect costs of research)
- No changes in other income (interest and transfers)
- Non-credit tuition fees increase by 3%.
- 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, two 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 and increases in tuition rates (3.8%) equal to the general rate of tuition increase in recent years. The estimated required increases in the operating grant are 3.3% (2017-18), 3.0% (2018-19) and 2.7% (2019-20).

Table 2 presents a scenario with a grant increase of 0% and 3.8% tuition increases. In Table 2, 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.

The 0% grant increase scenario (Table 2) also includes an estimate of the required 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.)

The estimated reductions in expenditures range from 1.6% in 2017-18 to 1.3% in 2019-20 and total 9.7 million, resulting in the elimination of an estimated 108 full-time employee positions.

**Table 1: STATUS QUO OPERATIONS FORECAST
FOR THE 2017-18 to 2019-20 FISCAL YEARS**

	2016-17	2017-18	2018-19	2019-20
	Preliminary Budget	Status Quo	Status Quo	Status Quo
Average Undergraduate Tuition Rate Increase	3.8%	3.8%	3.8%	3.8%
Average Graduate Tuition Rate Increase	3.8%	3.8%	3.8%	3.8%
Grant Increase	0.0%	3.3%	3.0%	2.7%
Revenues (\$000)				
Provincial government grants:				
Base funding	108,881	112,437	115,787	118,883
Directed funding	5,246	5,246	5,246	5,246
Provincial government grants	114,127	117,683	121,033	124,129
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	63,880	66,307	68,827	71,443
Graduate tuition	8,847	9,082	9,324	9,572
Co-op/Non-credit/Other fees	7,911	8,136	8,368	8,607
Tuition, non-credit and other fees	80,638	83,525	86,519	89,622
Other Income:				
Other income	1,128	1,136	1,144	1,152
Infrastructure recoveries	1,329	1,372	1,413	1,451
Other income	2,457	2,508	2,557	2,603
Recoveries	15,272	15,425	15,579	15,735
Total Revenues	214,853	221,500	228,046	234,448
Expenditures (\$000)				
Salaries and benefits	161,453	167,032	172,489	177,779
Scholarships	9,108	9,290	9,476	9,666
Library acquisitions	2,931	2,990	3,050	3,111
Utilities	8,012	8,172	8,335	8,502
Other expenditures	33,349	34,016	34,696	35,390
Total Expenditures	214,853	221,500	228,046	234,448
Cost Increases in Excess of Revenue Increases	\$ -	\$ -	\$ -	\$ -

**Table 2: OPERATIONS FORECAST - NO PROVINCIAL GRANT INCREASE
FOR THE 2017-18 to 2019-20 FISCAL YEARS**

	2016-17	2017-18	2018-19	2019-20
	Preliminary Budget	No Grant Increase	No Grant Increase	No Grant Increase
Average Undergraduate Tuition Rate Increase	3.80%	3.8%	3.8%	3.8%
Average Graduate Tuition Rate Increase	3.80%	3.8%	3.8%	3.8%
Grant Increase	0.00%	0.0%	0.0%	0.0%
Revenues (\$000)				
Provincial government grants:				
Base funding	108,881	108,881	108,881	108,881
Directed funding	5,246	5,246	5,246	5,246
Provincial government grants	114,127	114,127	114,127	114,127
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	63,880	66,307	68,827	71,443
Graduate tuition	8,847	9,082	9,324	9,572
Co-op/Non-credit/Other fees	7,911	8,136	8,368	8,607
Tuition, non-credit and other fees	80,638	83,525	86,519	89,622
Other Income:				
Other income	1,128	1,136	1,144	1,152
Infrastructure recoveries	1,329	1,329	1,329	1,329
Other income	2,457	2,465	2,473	2,481
Recoveries	15,272	15,425	15,579	15,735
Total Revenues	214,853	217,901	221,057	224,324
Expenditures (\$000)				
Salaries and benefits	161,453	167,032	168,695	170,515
Scholarships	9,108	9,290	9,476	9,666
Library acquisitions	2,931	2,990	3,050	3,111
Utilities	8,012	8,172	8,335	8,502
Other expenditures	33,349	34,016	34,696	35,390
Total Expenditures	214,853	221,500	224,252	227,184
Annual Deficit (\$000)	-	\$ 3,599	\$ 3,195	\$ 2,860
Required Position Elimination to Balance Budget Each Year				
CUPE		14	12	10
Administrative, Professional and Technical		10	7	6
Out of Scope		4	4	3
Academic		14	12	11
Total Positions		43	35	30

The Funding Disparity between the Two Universities, and a Plan for Addressing It

Data drawn from public reports on budget, staffing, and enrolments from the University of Saskatchewan suggest a disparity between the two Universities in funding of these Faculties/Colleges, with impacts on faculty complement, student support (including advising and counseling), course availability, lab availability, and class sizes, among other factors.

The comparison drawn from these figures are provisional (student and employee counts, for example, are constantly in motion; headcounts differ from FTEs) and suggestive rather than determinative (in that they can be contested in many ways including research intensiveness, specific degree program requirements, the way faculty and staff are classified and their actual work assignments during the period in question, etc.). Ministry staff has provided different comparisons that merit consideration as well. We look forward to a joint review of the data that will assist in refining our collective understanding of the extent of the disparity.

The key questions: does this disparity disadvantage University of Regina students? And if so, what is an appropriate solution that will ensure University of Regina students have the same public support via the operating grant enjoyed by their peers at the University of Saskatchewan in similar or identical disciplines?

Through discussion and modeling, we have come to realize that the revenues that the University of Saskatchewan derives from its land resources and endowments, when used to fund operating expenditures, exert considerable leverage through the funding model, generating additional operating grant and other income that can, in certain circumstances, exceed the initial external income injection. We will be sharing the results of this analysis in the near term.

On this basis, the University was invited to provide a plan for addressing the funding disparity as a component of the University of Regina's 2017-18 Operations Forecast. We propose that the province enhance the University of Regina's operating grant by 1% for each of the next five years, a total of 5.1% (with compounding) over the period. These funds would not come from the grant of the University of Saskatchewan, but would be a top-up to the sector's allocation. This would amount to just over \$1 million augmentation each year, a total of roughly \$5.1 million by the end of the five years. At the end of this period, a re-assessment of the funding balance would be proposed to determine how effective this adjustment has been in reducing the disparity.

New Academic Initiatives

The University has decided to put forward in this 2017-18 Operations Forecast three initiatives that were included in its 2016-17 Operations Forecast: Aboriginal Students' Transition Support and Centre for Indigenization, Online Therapy Unit for Service Education and Research, and the Master of Health Information Management Program. These are all meritorious projects which have high priority in terms of their potential for each advancing several elements of the University's strategic plan, *peyak aski kikawinaw*: Student Success, Research Impact, Community Service, Indigenization and Sustainability.

These three initiatives will help move the *Saskatchewan Plan for Growth* forward. They recognize the expectations the Ministry of Advanced Education has identified for best serving the needs of students into the future. They particularly address the expectations conveyed in the 2016-17 budget letter: accessible (the Aboriginal Students' Transition Support and Centre for Indigenization and the Master of Health Information Management), responsive to the needs of students and the community (all three), sustainable (all three), accountable (all three) and quality (all three). They will make a positive difference to students and the province. These projects will provide new opportunities for

undergraduate and graduate students at a time of record enrolments and will bring world-class practitioners and researchers to the province.

Aboriginal Students' Transition Support & Centre for Indigenization

“The disparity in education and employment outcomes between Aboriginal and non-Aboriginal people in Saskatchewan remains one of the province’s largest challenges.” (Plan for Growth, p. 17)

The purposes of this initiative are numerous, focusing on cultural supports and life-skills development, access to emergency funding and subsistence supplies, and a targeted, intensive orientation program. Additionally, the program leverages existing University strengths in summer science camps (EYES), as well as the physical space, staff expertise, and access to Elders and mentors located in the Aboriginal Students' Centre. As part of academic program development, the Executive Lead – Indigenization will establish a Centre for Indigenization, drawing in research and grant writing expertise from across campus to continue to develop and enhance Indigenization of the University. These initiatives will create *greater accessibility for First Nations and Métis students.*

Estimated annual budget: \$1 million - \$650,000 (Centre for Indigenization), \$350,000 (student support)

Online Therapy Unit for Service Education and Research (Online Therapy USER)

This initiative will provide effective online clinical treatment programs to residents of Saskatchewan who are experiencing mental health difficulties, with a primary focus on the assessment and treatment of depression and anxiety as these are prevalent, disabling, and under-treated conditions. Values include the following:

- Accessible mental health care
- Best-practice delivery of Online-CBT
- Integrated and coordinated care
- Provider and student education
- Continuous improvement through evaluation and research
- University-community partnership
- Fit with University of Regina’s nationally-recognized strengths in clinical psychology

The Online Therapy USER program is consistent with the University’s strengths and strategy. Placing the Unit at the U of R creates additional opportunities for training of therapists to use Online-CBT effectively. Additionally, the University’s existing research infrastructure can be utilized to ensure that programs are functioning as intended and for development of novel and improved therapies in the future.

The Online Therapy USER program is also consistent with the Ministry of Health’s goal of improving health through health promotion and collaboration. Additionally, the Mental Health and Addictions Action Plan places emphasis on increased access to mental health services and reduced waiting times for services. The Online Therapy USER program contributes to these objectives. The program supports achievement of the Ministry’s system goal to “enhance access and capacity and support recovery in the community.” It also addresses the Ministry of Advanced Education’s expectation of being *responsive to the needs of students, communities and taxpayers.*

Estimated cost: \$1.1 million over 3 years

Master of Health Information Management Program

“Saskatchewan was the first province in Canada to provide medical care to all citizens regardless of their ability to pay. But where the health care debate 50 years ago centred on the single question of the ability of individuals to pay for health care services, today the questions are multiple, involving access, quality, timeliness and the sustainability of health care spending. Saskatchewan can and should be a national leader in making progress on these fronts.” (Saskatchewan Plan for Growth, p. 59)

Progress on these multiple health care fronts increasingly depends on employing and exploiting the best practices in Health Information Management. Having completed a feasibility study and demand assessment, and received reports from three external reviewers, the University of Regina is poised to introduce the first and only graduate program in Canada in Health Information Management. Health Information Management calls on a combination of health practice skills, information technology systems, and leadership and management skills. The Master of Health Information Management program (MHIM) will advance the career of HIM professionals through the acquisition of the competencies required to manage information in an increasingly complex electronic health environment. The MHIM will be a challenging, accredited program that will enhance students’ knowledge of systems planning, electronic health records governance, security management, and systems implementation. The MHIM can also provide a path into the profession for students with bachelor’s degrees in other fields. Like the University’s highly successful Master of Health Administration program, which has reached more than double its initial enrolment projections, this innovative program will be delivered in a distance learning format, allowing professionals to maintain their fulltime employment while developing their skills and knowledge in the Health Information Management field.

This initiative is sustainable, high-quality (subject to national accreditation), and responsive to labour market needs.

Estimated design, development and start-up costs: \$861,000 over three years. The business plan calls for the program to be self-funding in its third year of delivery.