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

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Average Undergraduate Tuition Rate Increase</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Average Graduate Tuition Rate Increase</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Grant Increase</td>
<td>3.3%</td>
<td>3.0%</td>
<td>2.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provincial government grants:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base funding</td>
<td>104,407</td>
<td>107,808</td>
<td>111,042</td>
<td>114,050</td>
</tr>
<tr>
<td>La Cite’ Canadian Heritage Grant</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
<td>1,341</td>
</tr>
<tr>
<td>Directed funding</td>
<td>3,753</td>
<td>3,753</td>
<td>3,753</td>
<td>3,753</td>
</tr>
<tr>
<td>Provincial government grants</td>
<td>109,501</td>
<td>112,902</td>
<td>116,136</td>
<td>119,144</td>
</tr>
<tr>
<td>Federal government grants:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research Support Fund</td>
<td>2,359</td>
<td>2,359</td>
<td>2,359</td>
<td>2,359</td>
</tr>
<tr>
<td>Federal government grants</td>
<td>2,359</td>
<td>2,359</td>
<td>2,359</td>
<td>2,359</td>
</tr>
<tr>
<td>Tuition and fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undergrad tuition</td>
<td>66,851</td>
<td>68,522</td>
<td>70,235</td>
<td>71,991</td>
</tr>
<tr>
<td>Graduate tuition</td>
<td>10,375</td>
<td>10,557</td>
<td>10,741</td>
<td>10,929</td>
</tr>
<tr>
<td>Co-op/Non-credit/Other fees</td>
<td>7,183</td>
<td>7,342</td>
<td>7,505</td>
<td>7,673</td>
</tr>
<tr>
<td>Tuition, non-credit and other fees</td>
<td>84,409</td>
<td>86,421</td>
<td>88,481</td>
<td>90,593</td>
</tr>
<tr>
<td>Other Income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>1,019</td>
<td>1,027</td>
<td>1,035</td>
<td>1,043</td>
</tr>
<tr>
<td>Infrastructure recoveries</td>
<td>1,322</td>
<td>1,365</td>
<td>1,406</td>
<td>1,444</td>
</tr>
<tr>
<td>Other income</td>
<td>2,341</td>
<td>2,392</td>
<td>2,441</td>
<td>2,487</td>
</tr>
<tr>
<td>Recoveries</td>
<td>17,840</td>
<td>18,018</td>
<td>18,198</td>
<td>18,380</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>216,450</td>
<td>222,091</td>
<td>227,615</td>
<td>232,963</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>160,719</td>
<td>165,245</td>
<td>169,632</td>
<td>173,821</td>
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<tr>
<td>Scholarships</td>
<td>8,984</td>
<td>9,164</td>
<td>9,347</td>
<td>9,534</td>
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<tr>
<td>Library acquisitions</td>
<td>2,960</td>
<td>3,019</td>
<td>3,079</td>
<td>3,141</td>
</tr>
<tr>
<td>Utilities</td>
<td>7,372</td>
<td>7,887</td>
<td>8,045</td>
<td>8,206</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>36,055</td>
<td>36,776</td>
<td>37,512</td>
<td>38,262</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>216,450</td>
<td>222,091</td>
<td>227,615</td>
<td>232,964</td>
</tr>
<tr>
<td><strong>Cost Increases in Excess of Revenue Increases</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

University of Regina 2018-19 Operations Forecast
TABLE 2: OPERATIONS FORECAST - NO PROVINCIAL GRANT INCREASE
FOR THE 2017-18 to 2020-21 FISCAL YEARS

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Undergraduate Tuition Rate Increase</strong></td>
<td>2.50%</td>
<td>2.5%</td>
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<td>2.5%</td>
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<tr>
<td><strong>Average Graduate Tuition Rate Increase</strong></td>
<td>2.50%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Grant Increase</strong></td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**Revenues**

- Provincial government grants:
  - La Cite' Canadian Heritage Grant: 1,341, 1,341, 1,341, 1,341
  - Directed funding: 3,753, 3,753, 3,753, 3,753

- Federal government grants:
  - Research Support Fund: 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

- Other income:
  - Other income: 1,019, 1,027, 1,035, 1,043
  - Infrastructure recoveries: 1,322, 1,322, 1,322, 1,322

- 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

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
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<th>2019-20</th>
<th>2020-21</th>
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</thead>
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<td>Average Undergraduate Tuition Rate Increase</td>
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<td>2.5%</td>
<td>2.5%</td>
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<tr>
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<td>2.50%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Grant Increase</td>
<td>-2.0%</td>
<td>-2.0%</td>
<td>-2.0%</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

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

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.