

# Budget Update Academic Council

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February 26, 2019



# Agenda

- 1. Priorities & Values**
- 2. Updated Budget Assumptions**
- 3. Current Status**
- 4. Next Steps**
- 5. Questions/Comments**

# Priorities & Values

- **Strategic Priorities** - Maintain our focus on high-value learning opportunities and high-impact research.
- **Core Values & Principles in Developing the Budget**
  - **Students:** We are committed to providing an excellent learning environment and student experience.
  - **Faculty:** Build an innovation ecosystem that fosters high-impact research.
  - **Employees:** We are committed to minimizing the impact of budget challenges on people by finding efficiencies and doing things differently.
  - **Access:** We are committed to maintaining and enhancing a diverse and inclusive campus community.
  - **Communication:** We are committed to communicating regularly with our campus community about the budget process as it progresses.

# Updated 2019-20 Assumptions





# Significant Budget Assumptions

- Enrolment levels as forecasted – we are updating our enrolment forecast based on Feb. 1 count, and strategy to increase International
- Grant funding from the Province set at 2016/17 levels
- Tuition increase of 3% (weighted average) – revised to 10% reduction in 2019/20, and a freeze in 2020/21
- Compensation increases and other fixed cost estimates as forecast – adjusted based on budget reduction plan
- Maintain current university ratios (ie) student/faculty & support/faculty – adjusted based on budget reduction plan
- Contingency included in the budget:
  - \$2.5M for new building/capital renewal – maintain as a strategic priority
  - \$1.0M general contingency for operations – maintain contingency to balance budget
  - \$1.0M UPF for strategic initiatives - removed
- Focus on OTO vs Base budget ASKS – each unit was asked to submit proposals for potential 5% reduction for 2019/20, and an incremental 3% in 2020/21. We are now reviewing these proposals and other revenue/efficiency suggestions, in light of our mission/values/priorities, to develop a balanced budget that puts the university in a position to take advantage of future opportunities.

# Current Status of 2019-20 Budget



# 2019-20 Draft Budget

- The Province announced a 10% reduction to tuition in 2019/20, and a freeze on tuition for 2020/21. The impact on the university budget is \$9.5M and \$12.1M respectively, or approximately 5% of variable costs in 19/20 and 8% in 20/21.
- This message was communicated to the university community, and stakeholders were asked to submit revised budgets along with a summary of any proposed service changes, risks and mitigation strategies, and innovative ideas for efficiencies or revenue generation by Feb. 1, 2019
- The Budget Working Group (BWG) has been working with the President and Senior Leadership Team (SLT) to review the revised budget submissions and take into consideration the integrated operational plan, university priorities, and our core mission and values.
- Budget changes will be strategic, rather than across-the-board, so not all units will be impacted in the same fashion.

# Next Steps





# Revised Budget Schedule

<b>2019-20 Budget Calendar</b>	
15-Feb-2019	DC confirms final shared service OPEX/ capital requirements
20-Feb-2019	High level presentation to A&F
21-Feb-2019	President message to university community - written and video
25-Feb-2019	BWG draft budget for discussion to SLT
26-Feb-2019	Update on decisions & presentation at AC
Mar 4 - Mar 29/2019	Preparation of budget presentation files for A&F/Board
1-Apr-2019	Budget package sent to SLT for review
8-Apr-2019	Final budget package for distribution to A&F
15-Apr-2019	Presentation of proposed budget to A&F
24-Apr-2019	Presentation of proposed budget to Board for approval
28-May-2019	Presentation of Board approved budget to Academic Council

**Question or Comments**