BUDGET PRESENTATION

April 2016
Special payments

Infrastructure Fund
- Core Science
- Deferred maintenance
- Other capital
2 Year Budget Plan (2015/16 & 2016/17)

Approved by Board of Regents July 2015
2016/17 Budget Framework: Approved July/15 by Board

OPERATING BUDGET

1. Template salary and benefits
   Based on collective agreements

2. Grant in lieu of tuition increase
   $4.0 M (2016/17)

3. Non-salary operating; Net = 0
   - Residence Fees: $1.9 M
   - Grad Student Tuition: $2.0 M
   - Admin Cost Cuts: $3.6 M
   $7.5 M

   2015/16 Budget cut = ($6.7 M)
   2015/16 Deficit = ($0.8 M)
   ($7.5 M)

4. Engineering expansion $1.14 M
5. Nursing consolidation $TBD
6. Pension special payment
   Pension Agreement

INFRASTRUCTURE BUDGET

1. Deferred Maintenance
   (2015/16 Budget allocation= $0)
   • Restored allocation ($8M)

2. Animal Care Bld ($30M)
   from infrastructure fund

3. Revenue - Infrastructure Fund
   $4.0 M (2014/15)
   $4.0 M (2015/16)
   $4.0 M (2016/17)
   $12.0 M per year

Deferred/re-allocated infrastructure
High bay student lab, archive, etc

Pension Fund
Pension Agreement
Budget Submission: Government Renewal Initiatives

A. PROPOSED BUDGET/COST REDUCTIONS

1. Deferred maintenance cut: $8 M per year x 3 yrs
   -$8 M from infrastructure fund for 3 yrs
   -$8 M in 4th year and beyond for core science debt payment

2. Attrition (salary cuts): replace 7 to 8 for every 10
   ($250 M/yr salary @5% turnover @7.5/10 replacement)
   $3.0 M/yr cumulative for 2 of 3 year ($6 M/yr after 3 yrs)

3. Faculty of Medicine: $TBD

4. Reduce Provincial payment for Core Science
   Federal Infrastructure $ substitution = $100 M savings
**Core Science Facility – Federal$ Substitution**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total Project Cost</td>
<td>$ 325 M</td>
</tr>
<tr>
<td>Construction Tendered and awarded</td>
<td>- $6 M</td>
</tr>
<tr>
<td>Soft Costs to date</td>
<td>- $18 M</td>
</tr>
<tr>
<td><strong>Net amount qualified</strong></td>
<td>$ 301 M</td>
</tr>
<tr>
<td><strong>Federal contribution @33.3%</strong></td>
<td>$ 100 M</td>
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</tbody>
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- NO province matching (66.6%) funds needed
- Reduce provincial payment by $100 M
## 2016/17 Operating Budget Allocations

1. **Template salary and benefits (Based on collective agreements)**
   - **Yes**
   - **Budget 2016/17:** $3.0 M/yr
   - **(Next 2 yrs):** ($3.0 M/yr)
   - **Total (4 yrs):** ($6.0 M/yr)
   - But, Salary Attrition cuts

2. **Grant in lieu of tuition increase**
   - **Yes**
   - **$4.0 M/yr**

3. **Non-salary operating; Net = 0**
   - **No**
   - **Budget Cuts 2015/16**
     - **Residence:** $1.9 M
     - **Grad Tuition:** $2.0 M
     - **Admin. Cuts:** $3.6 M
     - **$ 7.5 M* **
   - **Budget 2016/17**
     - **Residence:** $8.3 M/yr
     - **Grad Tuition:** $10.6 M/yr
     - **Admin. Cuts:** $2.70 M one time (specific carry-forwards)
     - + inflation/tax increases in budget
   - **(Next 3 yrs):**
   - **Total (4 yrs):** ($18.9 M/yr)

4. **Engineering expansion $1.14 M/yr**
   - **Yes @ $1.0 M/yr; but less $1.0 M one-time**

5. **Nursing consolidation $TBD**
   - **No specific guidance**
   - (Yes to Pharmacy re-allocation for Pharm D)

6. **Pension special payment**
   - **Notice of final year for discussion/agreement**
2016/17 Infrastructure Budget Allocations

1. Infrastructure Expenditures
   a) Restore Deferred Maintenance * ($8.0 M)  
      Deferred Maintenance Allocation = 0
   
   b) Animal Care bldg ($25 M to $30 M)*  
      * from infrastructure fund  *Uncertain how to fund

2. Revenue - Infrastructure Fund
   $4.0 M (2014/15)  
   $4.0 M (2015/16)  
   $4.0 M (2016/17)  
   $12.0 M per year  
   *Given $8.3M/yr budget cut

3. Deferred/re-allocated  
   Further Deferral  
   High bay student lab, archives, etc
Operating Grants – Provincial Government

Grant trajectory
Actual Budget
Grant less directed funding
Grant less directed funding & Diversion to Infrastructure

Directed & Infrastructure
Engineering $4 M/yr
Marine Inst. $6 M/yr
Infrastructure $10 M/yr
Thank You