2015-16 BUDGET ANALYSIS

Update – June 2015

Presentation to Senate, June 9, 2015
Modified to include explanatory notes (June 11, 2015)
• This presentation has been annotated with information that was presented verbally at the June 9 Senate presentation.

• The university’s budget proposal to Regents at their July meeting will be developed by the Vice-Presidents Council in consultation with the Senate’s Budget & Planning Committee and Executive Committee.

• The presentation also contained a clarification of one finding in the Auditor General’s 2014 report that contained a review of some aspects of university operations. The full report and all findings, as well as Memorial's responses, are available at http://www.mun.ca/vpadmin/AuditorGeneral.pdf

• Vice-Presidents Council also provided an update on budget planning to the university community on June 5; see http://www.mun.ca/vpc/budgetupdate2015-16.php
PROPOSED OPERATING BUDGET

1. Template salary and benefits
   $9.1 M

2. Grant in lieu of tuition increase
   $4.0 M

3. Non-salary operating
   Flat ($0.0 M)

4. Pension special payment
   Same as previous year

PROPOSED CAPITAL / INFRASTRUCTURE BUDGET

1. Deferred Maintenance/Classroom
   Flat (i.e. equal to last year $9.4 M)

2. Infrastructure Fund
   $4.0 M (2014/15)
   $4.0 M (2015/16)
   $8.0 M per year

PENSION FUND PROPOSAL

Annual special payment
SUMMARY

Approximately $40 M real shortfall, including:

1. $6.7 M per year budget (non-salary) cut, but understanding that MUN can increase tuition (graduate/international) and residence fees should it decide to do so.

2. $9.5 M per year budget cut (i.e. budget = $0 M) for deferred maintenance/classroom renovations, plus $4 M one-time cut in infrastructure fund.

3. $20.9 M per year budget cut (pension special payment), but understanding that MUN can request a one-year pause in payment pending pension negotiations (similar to other public sector pensions).
Senate Consultation Process

- Senate Planning and Budget Committee

and

- Senate Executive Committee

- Weekly meetings
Meeting One – May 25

Framing the Problem

a. Scope and magnitude of issue

b. Issues to be considered
   i. Revenue (tuition and other fees)
   ii. Critical infrastructure/deferred maintenance requirements and costs
   iii. Operating funding impact
   iv. The impact of pension requirements

c. Guiding principles
Meeting One (cont’d)

Tuition and Fees

a. Tuition
   i. Information about graduate and international undergraduate student enrolment
   ii. Discussion

b. Fees
   i. Residence fee comparisons
Meeting Two – June 1

Critical Infrastructure/Deferred Maintenance Funding

a. Presentation on deferred maintenance issue

b. Discussion of priorities
Meeting Three – June 8

Operating fund

a. Presentation on operating fund

b. What are some of the alternatives means of making adjustments? ($3M in 2012)

c. Discussion
Meeting Four – June 15

Bringing it all together

a. What combination of fee changes, maintenance spending, and operating funding cuts provides the best means of dealing with this situation for the coming year? In the longer term?

b. Presentation of alternatives

c. Discussion and recommendations
Auditor General Report – Finding

Detailed MUN response:

**Employee growth summary since 2004**

<table>
<thead>
<tr>
<th>Department</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine standardized patients (casual call-in)</td>
<td>456</td>
<td>10.8</td>
</tr>
<tr>
<td>Medicine non-stipendiary clinical faculty</td>
<td>201</td>
<td>4.7</td>
</tr>
<tr>
<td>Medicine growth</td>
<td>149</td>
<td>3.4</td>
</tr>
<tr>
<td>Grenfell Campus funded growth</td>
<td>104</td>
<td>2.5</td>
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<tr>
<td>Marine Institute growth</td>
<td>53</td>
<td>1.3</td>
</tr>
<tr>
<td>Externally funded research growth</td>
<td>45</td>
<td>1.1</td>
</tr>
<tr>
<td>Office of Research, Contracts and Grants</td>
<td>42</td>
<td>1.0</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>42</td>
<td>1.0</td>
</tr>
<tr>
<td>Deputy Provost portfolio</td>
<td>37</td>
<td>0.8</td>
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<tr>
<td>Engineering growth</td>
<td>33</td>
<td>0.8</td>
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### Auditor General Report – Finding (cont’d)

**Employee growth summary since 2004**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Insourcing of Edutech / IT position growth</td>
<td>30</td>
<td>0.7</td>
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<tr>
<td>Alumni Affairs and Development</td>
<td>23</td>
<td>0.5</td>
</tr>
<tr>
<td>Marketing and Communications</td>
<td>21</td>
<td>0.5</td>
</tr>
<tr>
<td>Risk / Health and Safety</td>
<td>21</td>
<td>0.5</td>
</tr>
<tr>
<td>All other (net)</td>
<td>-1</td>
<td>0.0</td>
</tr>
<tr>
<td>Memorial University Recreation Complex</td>
<td>-265</td>
<td>-6.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>991</td>
<td>23.4</td>
</tr>
</tbody>
</table>


Faculty of Medicine Grant --
Highlights

Salary increases per MUNFA collective agreement $ 400k

Salary and benefits for MUN staff, NLCHAR, operating expenses and library purchases $ 1,388k

Reductions:

Operating expenditures ($ 722k)

Tuition revenues (equivalent to potential increase in MD tuition from $6,250 to $8,250/yr.) ($ 600k)

Operating expenses increase – new Genetics Research Centre (estimate) $ 712k

Anticipated change $ 1,187k
Thank you