

2015-16 BUDGET ANALYSIS

Update – June 2015

Presentation to Senate, June 9, 2015

Modified to include explanatory notes (June 11, 2015)

NOTES



- **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>**

Original MUN Budget Proposal to Government

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:

<i>Employee growth summary since 2004</i>	<u>Number</u>	<u>%</u>
• Medicine standardized patients (casual call-in)	456	10.8
• Medicine non-stipendiary clinical faculty	201	4.7
• Medicine growth	149	3.4
• Grenfell Campus funded growth	104	2.5
• Marine Institute growth	53	1.3
• Externally funded research growth	45	1.1
• Office of Research, Contracts and Grants	42	1.0
• Facilities Management	42	1.0
• Deputy Provost portfolio	37	0.8
• Engineering growth	33	0.8

Auditor General Report – Finding (cont'd)



Employee growth summary since 2004

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

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