

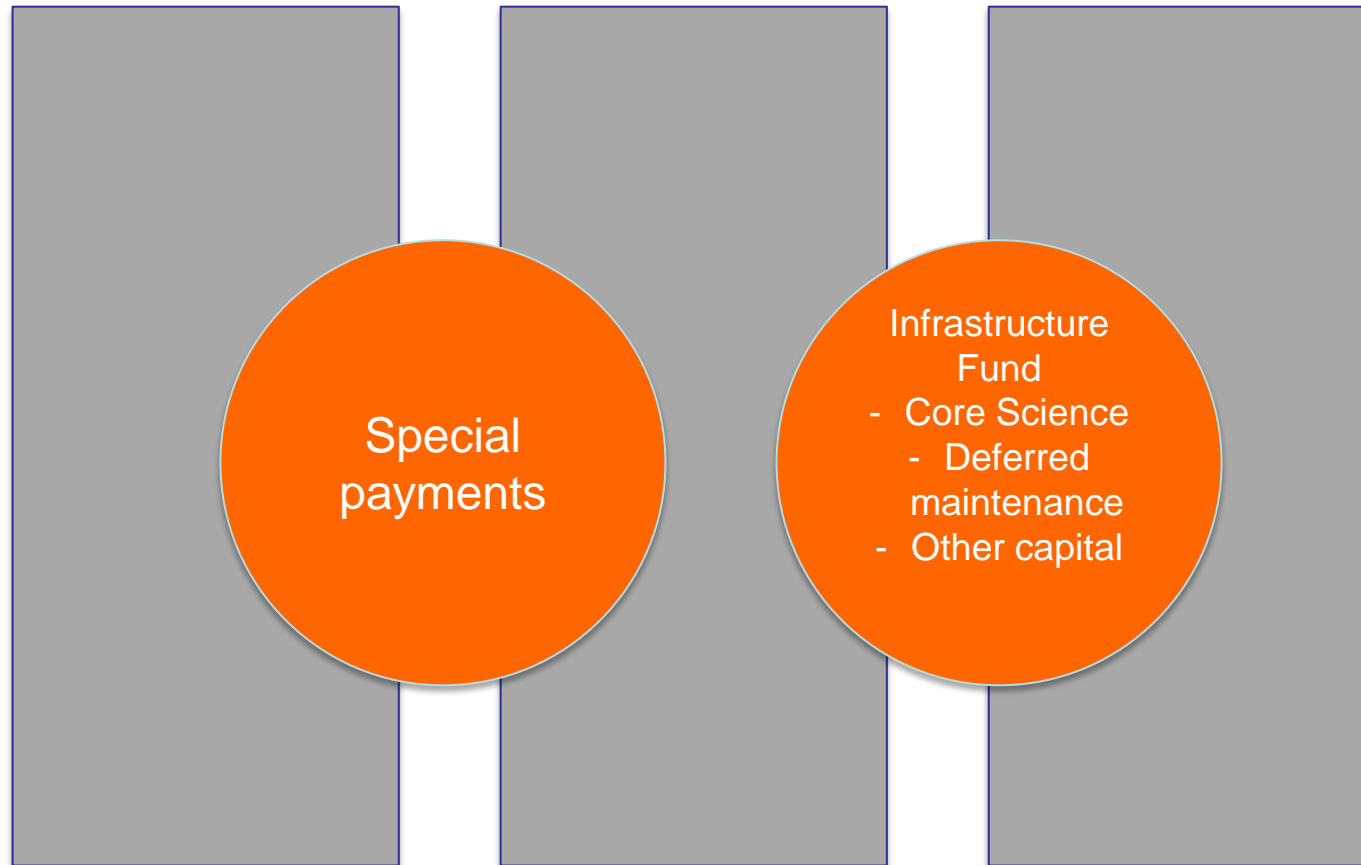
BUDGET PRESENTATION

April 2016

Pension

Operating

Capital/
Infrastructure



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 yearDeferred/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 3yrs**)
3. Faculty of Medicine: **\$TBD**
4. Reduce Provincial payment for Core Science
Federal Infrastructure\$ substitution= **\$100 M savings**



Core Science Facility – Federal\$ Substitution

Total Project Cost	\$ 325 M
Construction Tendered and awarded	- \$6 M
Soft Costs to date	<u>- \$18 M</u>
Net amount qualified	\$ 301 M
Federal contribution @33.3%	<u>\$ 100 M</u>

- **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****

	<u>Budget 2016/17</u>	<u>(next 2 yrs)</u>	<u>Total (4 yrs)</u>
But, Salary Attrition cuts	\$3.0 M/yr	(\$3.0 M/yr)	(\$6.0 M/yr)

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

3. Non-salary operating; Net = 0 ****NO****

<u>Budget Cuts</u>	<u>2015/16</u>	<u>2016/17</u>	<u>(Next 3 yrs)</u>	<u>Total(4 yrs)</u>
Residence	\$1.9 M	\$8.3 M/yr	(\$10.6 M/yr)	(\$18.9 M/yr)
Grad Tuition	\$2.0 M			
Admin. Cuts	<u>\$3.6 M</u>	\$2.70 M one time (specific carry-forwards)		
	\$ 7.5 M*	+ inflation/tax increases in budget		

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)

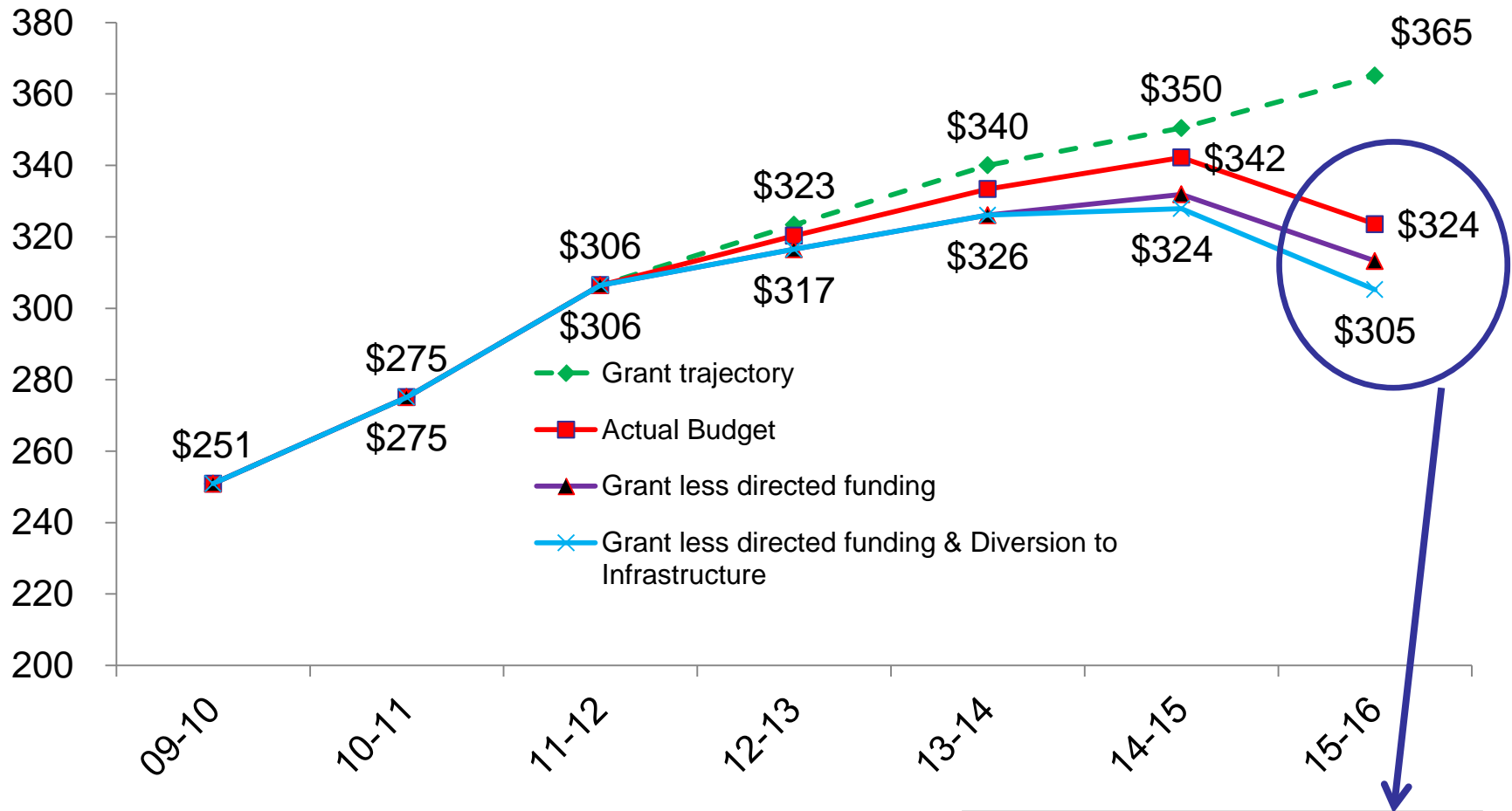
? ~~\$4.0 M (2016/17)~~ ? **Given \$8.3M/yr budget cut**

\$12.0 M per year

3. Deferred/re-allocated **Further Deferral**

High bay student lab, archives, etc

Operating Grants – Provincial Government



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

Thank You