



**2025-26 OPERATING BUDGET  
(EXCLUDES FACULTY OF MEDICINE)**

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May 20, 2025

## EXECUTIVE SUMMARY

Memorial University is presenting a balanced 2025–26 operating budget of \$468.6 million for the St. John's, Grenfell, Marine Institute, Labrador, and Harlow campuses. The Faculty of Medicine is excluded from this budget as it receives separate funding from the Department of Health and Community Services.

The university's largest funding source remains the provincial operating grant, which includes targeted increases of \$7.2 million to address collective agreement obligations and new Faculty of Education initiatives.

The province has also maintained the \$13.68 million tuition offset grant for 2025–26 (originally scheduled for reduction), offering temporary relief as Memorial navigates declining enrollment and tuition shortfalls. A \$7.8 million Campus Renewal Fee grant—reallocated from capital to operating—continues to replace student fees, which have been paused for the 2025-26 academic year.

The Federal Research Support Fund is budgeted at \$4.75 million, a modest increase from 2024–25, helping offset indirect costs associated with research activities. Tuition and associated student fee revenues are projected to decline by over \$6.7 million due to reduced enrollment and related fee revenue. Other revenue categories, such as application and late payment fees, are similarly impacted.

Approximately 77% of the university's operating budget supports salaries and benefits. Collective agreement increases totaling \$6.97 million, along with pension benefit adjustments and funding for new students, account for the 2.1% year-over-year increase in this category. Operating expenditures continue to face inflationary pressures, particularly for utilities, IT systems and infrastructure maintenance contracts.

Strategic budget measures include reallocating the one-time \$13.68 million provincial grant pause to cover strategic investments and to assist with one-time costs as units implement \$20.85 million in base expenditure reductions across all portfolios. Portfolio leaders will determine unit-level cuts, and outcomes will be reported in subsequent budget updates.

The university's deferred maintenance backlog now stands at \$480 million, with \$81 million identified as critical for the St. John's campus alone. To help address this, the province committed \$70 million over eight years, funded through the redirection of Memorial's Core Science Facility mortgage payments.

A further \$1.7 million in project-based expenditures—ranging from Canada Games 2025 programming to financial support for student housing—will be funded from unrestricted reserves (carryover) to avoid further base budget reductions to unit allocations.

In summary, the 2025–26 budget demonstrates urgent financial pressures. Significant changes are necessary to ensure Memorial is able to meet the needs of students, and the people of Newfoundland and Labrador, in a financially sustainable manner now and into the future.

## OPERATING BUDGET CONTEXT

The operating budget is used to fund the university's core operations. The source of funds include the provincial operating grant (approximately 67%), student fees and tuition (approximately 24%) and other miscellaneous income such as short-term investment income, parking fees, etc. Salary and employee benefits account for 76.9% of expenditures.

Universities across Canada are facing significant challenges. Regulatory changes for international study permit applications made by the federal department of Immigration, Refugees and Citizenship Canada in 2024 had an immediate impact on application levels that continues to be felt. Canada's reputation as a destination of choice for international students was significantly diminished. This is compounded by increasing inflationary pressures and aging infrastructure. A 2019 report on deferred maintenance at Canadian universities indicated that deferred maintenance liabilities rose from \$12.7 billion to more than \$17 billion dollars in 2019. At the same time, the percentage of the Canadian population that was PSE-aged was 8.8% in 2023, down from 9.6% in 2010.

As the only university in the Newfoundland and Labrador there are costs associated with maintaining a presence throughout the province, yet the proportion of Memorial's operating budget allocated to administration and academic support is aligned with that of comparable universities. These supports are critical to the student experience and include the services offered through units like the School of Graduate Studies, the Office of the Registrar and the Centre for Innovation in Teaching and Learning.

The operating budget totalling \$468,568,900 for 2025-26 is presented for the St. John's, Grenfell, Marine Institute, Labrador, and Harlow Campuses. It excludes the Faculty of Medicine, which receives its operating grant from the Department of Health and Community Services.

**Memorial University (Excluding Faculty of Medicine)**  
**Operating Budget 2025-26**

	2024-25 Budget	2025-26 Total Adjustments	2025-26 Budget
<b>REVENUE</b>			
Provincial Government Operating Grant	297,702,400	13,928,800	311,631,200
Provincial Government Capital Grant	8,900,000	(6,500,000)	2,400,000
Provincial Government Other	15,000	0	15,000
Federal Government Grant	4,698,127	59,165	4,757,292
Tuition - Undergraduate	78,720,970	(3,523,170)	75,197,800
Tuition - Graduate	24,610,910	(894,505)	23,716,405
Tuition - Work Terms	1,143,000	(41,940)	1,101,060
Tuition - Other Student Related Revenue	7,421,683	(249,705)	7,171,978
Tuition Related Fees - Application Fees	2,312,080	(982,240)	1,329,840
Tuition Related Fees - Distance Education Fee	1,984,890	(204,690)	1,780,200
Tuition Related Fees - Late Payment Fee	685,125	(144,355)	540,770
Tuition Related Fees - CNS and WSN	787,200	(800)	786,400
Student Fees - Campus Renewal Fee	0	0	0
Student Fees - Student Services Fee	2,269,820	(181,080)	2,088,740
Student Fees - MURC Recreation Fee	2,147,150	(81,750)	2,065,400
Other Income	15,661,809	49,000	15,710,809
Research Overhead	0	772,850	772,850
External Recoveries	17,503,156	0	17,503,156
<b>Total Revenue</b>	<b>\$466,563,320</b>	<b>\$2,005,580</b>	<b>\$468,568,900</b>
<b>EXPENSES</b>			
<b>Salary &amp; Employee Benefits</b>			
Academic Salaries	144,602,501	2,836,944	147,439,445
Administrative Salaries	125,129,343	1,536,493	126,665,836
Employee and Pensioner Benefits	66,593,815	2,933,694	69,527,509
Student Assistants	1,992,020	6,078	1,998,098
Fellowships and Other Awards	14,596,117	240,000	14,836,117
<b>Total Salary &amp; Employee Benefits</b>	<b>\$352,913,796</b>	<b>\$7,553,209</b>	<b>\$360,467,005</b>
<b>Operating Expenditures</b>			
Material and Supplies	24,076,901	(73,141)	24,003,760
Equipment Repairs and Maintenance	814,531	0	814,531
Building Repairs and Maintenance	4,946,865	0	4,946,865
Institutional Memberships	969,689	85,250	1,054,939
Reference Materials/Book	9,038,285	155,700	9,193,985
Inventory Purchases	(1,205,145)	0	(1,205,145)
Telecommunications	1,019,381	550	1,019,931
Utilities	30,485,012	363,600	30,848,612
Rental of Space	1,118,345	0	1,118,345
Taxes	1,629,365	38,015	1,667,380
Insurance	2,746,290	73,455	2,819,745
Externally Contracted Services	8,806,289	116,450	8,922,739
Professional Fees	2,597,145	(10,000)	2,587,145
Debt Servicing	1,239,897	(27,375)	1,212,522
Operating Leases	536,788	(200)	536,588
Equipment Rentals	3,850,941	210,100	4,061,041
Travel and Hosting Expense	3,955,881	(3,102)	3,952,779
Awards	1,292,775	0	1,292,775
Indirect Operating Expenditures	35,976	0	35,976
Internal Recoveries	(2,919,772)	0	(2,919,772)
Capital Expenditures	6,918,113	57,675	6,975,788
Capital Leases	91,500	0	91,500
Renovation Expenditures	1,526,763	9,008,800	10,535,563
Transfers	10,077,709	5,311,599	15,389,308
<b>Total Operating Expenditures</b>	<b>\$113,649,524</b>	<b>\$15,307,376</b>	<b>\$128,956,900</b>
<b>Total Salaries, Benefits &amp; Operating Expenditures</b>	<b>\$466,563,320</b>	<b>\$22,860,585</b>	<b>\$489,423,905</b>
<b>Budget Reduction 2025-26</b>	<b>\$0</b>	<b>(\$20,855,005)</b>	<b>(\$20,855,005)</b>
<b>Total Expenses after Budget Reduction</b>	<b>\$466,563,320</b>	<b>\$2,005,580</b>	<b>\$468,568,900</b>
<b>NET BUDGET</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

The following sections highlight various aspects of the 2025-26 operating budget:

## 2025-26 OPERATING BUDGET REVENUE

### PROVINCIAL GOVERNMENT OPERATING GRANT

The provincial government provides an annual grant to cover a portion of the operating expenditures that support the university's day-to-day operations, including teaching, research, student supports, administration and service to the community. Annual adjustments to the provincial grant for the university are incremental. The 2025-26 adjustments are:

- (\$1,077,100) - Last year of an incremental general grant reductions communicated to the university in 2021.
- \$2,932,000 - Negotiated collective agreement increases for MUNFA (2% Sept. 1, 2025);
- \$4,033,900 - Negotiated collective agreement increases for CUPE, NAPE (including MI Instructors), Non-Bargaining, and Management & Professional Staff, including administrative employees in the academic units (2% April 1, 2025);
- \$240,000 - Grants for new Faculty of Education students
- \$7,800,000 - Continuation of the Campus Renewal Fee pause for students (savings of approximately \$500 per student). \$6.5 million Campus Renewal Fee grant from 2024-25 moved from the capital grant to the operating grant and increased by \$1.3 million.

The 2025-26 grant also included continued support of \$4.7 million for the Faculty of Nursing Satellite Sites in Gander, Grand Falls, and Happy Valley-Goose Bay; \$1.7 million for the Master in Nurse Practitioner program; and \$2.0 million for the Doctor of Psychology program in the Faculty of Science.

In 2021-22, the Government announced that the \$68.4 million annual tuition offset grant would be phased out over five years, commencing in 2022-23 with an annual incremental reduction of \$13.68 million per year. For 2025-26, the university was anticipating a \$13.68 million permanent reduction. In response to requests to the government by the university to not reduce the operating grant due to the forecasted enrollment decline and subsequent tuition deficit, the government paused the \$13.68 million grant reduction for 2025-26. The university is anticipating that each of the next two fiscal years (2026-27 and 2027-28) will include a \$13.68 million grant reduction. The \$68.4 million annual grant will be reduced to \$0 over 6 years rather than 5 years.

### PROVINCIAL GOVERNMENT CAPITAL GRANT

The provincial government provides funding to the university for approved capital projects/programs.

- The 2024-25 capital grant of \$6.5 million for the Campus Renewal Fee pause was increased to \$7.8 million and reallocated to the operating grant for 2025-26.
- The government announced support to the university of \$70 million over eight years for deferred maintenance projects. These projects will be funded by redirecting the annual \$8,798,800 Core Science Facility mortgage payment, which is paid to the government, to the deferred maintenance program.

## RESEARCH SUPPORT FUND (RSF)

The Operating Fund includes a \$4.75 million Research Support Fund (RSF) program federal grant, an increase of \$59,165 over 2024-25. Adjustments to the revenue correlate to the VP Research (75%) and Provost & VP Academic (25%) portfolios to support research activities in the Operating Fund. The Research Support Fund (RSF) assists Canadian post-secondary institutions by offsetting a portion of the indirect costs associated with managing research funded by the Canadian Institutes of Health Research (CIHR), the Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). The amount awarded is based on the value of Tri-Agency funding (CIHR, NSERC, SSHRC) received by researchers over the past three fiscal years. Institutions may use RSF funding to maintain existing levels of research support or to enhance their research environment and improve administrative capacity. The university must apply annually for the RSF and comply with all associated reporting requirements and deadlines. Eligible expenditures may include activities and services related to: regulatory compliance and accreditation; research management and administration; access to research resources; intellectual property and knowledge mobilization; and maintenance and operation of research facilities.

## TUITION

Enrolment at Memorial is impacted by both external and internal forces. Within Newfoundland and Labrador, the youth population has been decreasing since the 1980s, with just modest increases in 2023 and 2024. A similar downward trend is seen across Canada: in 2023, 8.8% of the Canadian population was PSE-aged, down from 9.6% in 2010. This represents a declining pool of prospective Canadian students. Internationally, reductions to the number of federal study permits issued has impacted Canada's reputation as a destination of choice for international students. Internally, the university is focused on building strategic enrolment and retention activities across all campuses.

In fall 2022, the university introduced a [revised schedule of tuition fees](#) for new domestic and international undergraduate students that is competitive within the Canadian context. This change included removing a differential for Canadian students and giving students enrolled prior to fall 2022 a four-year grace period, with annual inflationary increases only.

The tuition revenue budget is forecasted to decrease by \$4,459,615 from the 2024-25 budget. This adjustment is comprised of:

- Decrease of \$3,523,170 for undergraduate tuition due to decreased registrations experienced in 2024-25 and projected for 2025-26, as well a forecasted increase in revenue due to the undergraduate tuition fee increase effective Fall 2022.
- Decrease of \$894,505 for graduate tuition and graduate special program fees. This decrease is due to less fees generated due to fewer students, primarily in Graduate Special Fees in the Faculty of Engineering.
- Decrease of \$41,940 for work term revenue.

## TUITION RELATED FEES

In addition to tuition charged for undergraduate courses, work terms, and graduate programs, fees are charges to students related to tuition. These include application fees, distance education fees, late payment fees, and tuition for Centre for Nursing Studies (CNS) and Western School of Nursing (WSN) students taking courses on the St. Johns and Grenfell campuses. All of the revenue budgeted in 2025-26 for these fees is less than the budgeted amount for 2024-25. This reduction is due to lower enrollment in 2024-25 which is forecasted to be low in 2025-26 as well.

- Graduate and Undergraduate Application Fees - \$982,240 reduction
- Distance Education Fees - \$204,690 reduction
- Late Payment Fee - \$144,355 reduction
- Centre for Nursing Studies and Western School of Nursing - \$800 reduction

#### STUDENT FEES

Certain fees are charged to students and the revenue generated is used for the specific purpose of the fee. The Campus Renewal Fee, Student Services Fee, and MURC Recreation Fee are in this category of fees.

- The Campus Renewal Fee of \$50 per undergraduate course and \$500 per year for graduate students is paused due to government providing the funding to the university to reduce the costs to students. As a result this revenue is budgeted at \$0 for 2025-26. The government funding in support of this is allocated with the “provincial government operating grant” line item.
- The Student Services Fee is charged to students at the rate of \$50 per semester. The budgeted revenue for 2025-26 is reduced by \$181,080 due to the decline in the number of projected student enrollment.
- Students must pay a recreation fee which is adjusted according to the Consumer Price Index (CPI) on Sept. 1 of each year. The fee for 2025-26 was \$71.77 per semester, and will be increased according to the Consumer Price Index for the 2025-26 academic year. This gives students access to recreation facilities and programs through The Works.

#### OTHER INCOME

The Other Income budget is being maintained at of \$6.5 million for fiscal 2025-26. This revenue is generated due to interest on cash and short-term investment bank balances. An increase in parking revenue of \$49,000 is budgeted due to increases in the parking rates.

#### RESEARCH OVERHEAD

Units receive overhead revenue from certain types of research grants. This includes industry-based research and other grants not awarded by the Tri-Council (CIHR, NSERC, SSHRC). A budget of \$772,850 for this revenue is included as revenue and as expenses for the units.

#### EXTERNAL RECOVERIES

Some units generate revenue from various activities. For example, the Marine Institute generates revenue from industry. Unit external recoveries are budgeted based on the 2024-25 budget. Units will update revenue projections when balancing to the unit budget allocation. These adjustments will be reflected in the 2025-26 Budget updates to the Board of Regents.

## 2025-26 OPERATING BUDGET EXPENSES

### SALARIES AND EMPLOYEE BENEFITS

Salary and employee benefits account for ~75% of the expenses in the Operating Fund. The budgeted increase of 2.1% for 2025-26 over 2024-25 are due to:

- \$2,932,000 - Negotiated collective agreement increases for MUNFA (2% Sept. 1, 2025);
- \$4,033,900 - Negotiated collective agreement increases for CUPE, NAPE (including MI instructors), Non-Bargaining, and Management & Professional Staff (including administrative employees in the academic units)(2% April 1, 2025);;
- \$439,230 increase for pensioners health and dental premiums; and
- \$240,000 held for new Faculty of Education students (government-directed funding).

### OPERATING EXPENDITURES

Operating Expenditures include but are not limited to material and supplies, travel, rentals, leases, insurance, utilities, taxes, memberships, externally contracted services, building repairs and maintenance, and library holdings. Many of the operating expenditures incur unavoidable inflation annually (energy, insurance, information technology system maintenance, external maintenance contracts, snow clearing, library holdings, and water/municipal taxes). Inflation on these items is projected to increase costs by \$826,370 in 2025-26. Fluctuations in exchange rates and higher than normal inflation will increase these costs over the course of the fiscal year.

### TUITION OFFSET GRANT

In 2021-22, the Government of Newfoundland and Labrador announced that the \$68.4 million annual tuition offset grant would be phased out over five years, beginning in 2022-23. For 2025-26, the university was anticipating a \$13.68 million permanent reduction. The provincial government has paused that reduction for this fiscal year; the university expects that each of the next two years will include a \$13.68 million grant reduction. The Board of Regents has decided the \$13.68 million one-time pause is to be used to invest in critical strategic investments, such as recruitment and retention, student engagement, and technology.

### ONE-TIME EXPENDITURES FROM UNRESTRICTED RESERVES (CARRYOVER)

Upon preparing the budget for 2025-26, there are \$1.7 million in budget expense requirements which are either one-time project expenditures or longer-term commitments. In an effort to mitigate an additional \$1.7 million in portfolio reductions, it was decided to fund these expenses from one-time unallocated reserves. These expenditures include:

- Canada Games 2025 Project Office and Programming \$248,015
- 100<sup>TH</sup> Anniversary Programming \$222,900
- Campus Card – one-time implementation costs \$50,750
- MI Holyrood Mortgage \$210,000
- Housing – Snow Clearing and Water Grant \$784,000
- Internal Audit \$82,775

- Legal Costs \$115,000

#### DEFERRED MAINTENANCE PROGRAM

Capital renewal and the growing deferred maintenance backlog has been a longstanding concern for Canadian universities. A report on deferred maintenance at Canadian universities indicated that deferred maintenance liabilities rose from \$12.7 billion in 2014 to more than \$17 billion dollars in 2019. At Memorial, deferred maintenance on physical infrastructure assets was approximately \$480 million across all campuses as of April 2024.

The university has a program in place to monitor, audit, prioritize and complete infrastructure work, and completes priority projects annually based on the available funding. The primary funding for deferred maintenance is the Campus Renewal Fee, which is charged to students on all campuses based on credit hours and used to support projects at the campus where the student is completing their studies. This fee was initially paused in September 2023 due to the government decision to fund the fee in an effort to provide financial relief to students. Budget 2025-26 announced a continuation of this approach with a \$7.8 million Campus Renewal Fee grant.

In the 2025 provincial budget, government announced support to the university of \$70 million over eight years for deferred maintenance projects. The annual funding available is \$8,798,800. These projects will be funded by redirecting the annual Core Science Facility mortgage payment to the government to the deferred maintenance program. The outstanding loan for the Core Science Facility at March 31, 2025, was approximately \$162 million. The university is awaiting official notification on the details of the eight-year pause on the quarterly mortgage payments.

#### CAMPUS RENEWAL FEE PROJECTS

At the March 6, 2025, meeting of the Board of Regents, the newly created Campus Renewal Committee received approval to proceed with the recommended 2025-26 Physical and Digital Infrastructure project allocation totalling \$7.7 million. The list of approved projects is [published on the university website](#). This work is funded through the provincial Campus Renewal Fee grant, which totals \$7.8 million for the 2025-26 fiscal year.

#### BUDGET EXPENDITURE REDUCTIONS

Base budget reductions to units for 2025-26 total \$20,855,005. This reduction is necessary to bring spending at Memorial in line with revenue. Academic and administrative leaders have been consulting within their units on expenditure reduction/revenue generation options. This consultation will continue.

Portfolio leaders will be provided with their budget allocations during the week of May 20, which will then be provided to unit leaders to determine detailed action plans. Before these changes are implemented, a high-level costed summary will be presented to the Board of Regents for approval. This summary will include impacts on university operations, particularly the student experience and academic quality.

Past practice for allocating budget reductions has been to apply the reductions using two

methodologies. Firstly, any change in the budgeted tuition would be applied to the Provost & VP Academic, Grenfell Campus, and Marine Institute Campus based on their portion of the budgeted tuition change. Secondly, the budget gap resulting from the change in budgeted revenues (excluding tuition) and budgeted expenses would be allocated to all portfolios based on their portion (%) of the budget.

Taking an institutional approach to the budget reduction was proposed whereby all portfolios would implement reductions as a percentage of the total budget deficit. This effectively reallocated \$2,951,200 of the reduction that in the past would have been applied to the Provost & VP Academic portfolio to the rest of the portfolios.

The President’s Executive Council made the decision to implement the budget reductions for 2025-26 using this institutional budget deficit approach in order to protect the academic mission.

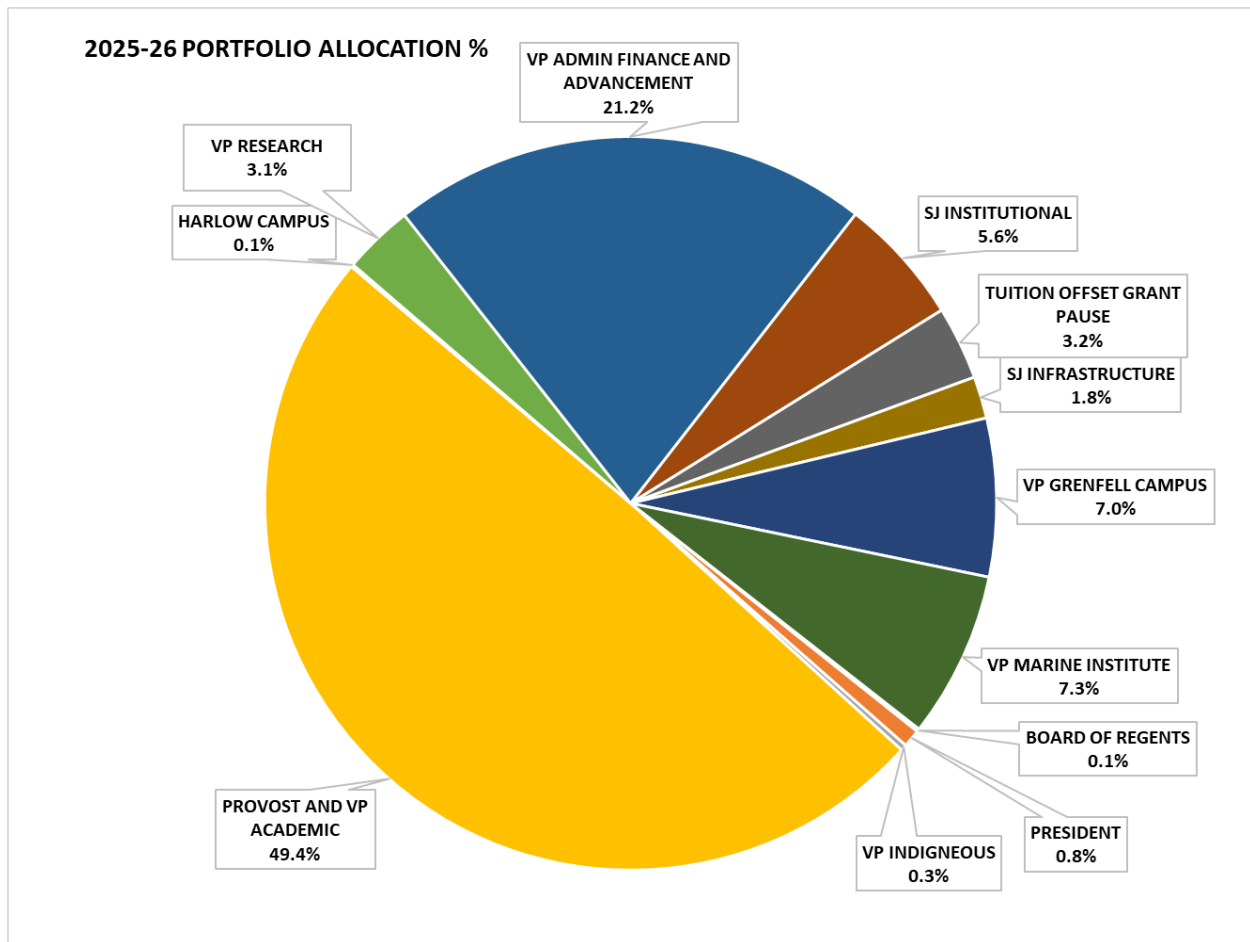
The table below details the budget reductions under both scenarios and the variance between them.

Portfolio	Budget Reduction		
	Past Practice	Institutional	Variance
Board of Regents	(\$19,700)	(\$38,060)	(\$18,360)
President and Vice-Chancellor	(\$100,200)	(\$193,310)	(\$93,110)
VP - Indigenous	(\$40,800)	(\$78,670)	(\$37,870)
Provost & VP Academic	(\$15,055,820)	(\$12,104,620)	\$2,951,200
VP Grenfell Campus	(\$1,913,570)	(\$1,944,080)	(\$30,510)
VP Marine Institute	(\$1,346,240)	(\$2,154,630)	(\$808,390)
Harlow Campus	(\$17,700)	(\$34,230)	(\$16,530)
VP Research	(\$373,100)	(\$720,150)	(\$347,050)
VP Administration, Finance & Advancement	(\$1,987,875)	(\$3,587,255)	(\$1,599,380)
Total	(\$20,855,005)	(\$20,855,005)	\$0

  
**Recommended**

## PORTFOLIO ALLOCATIONS

The resulting percentage allocation of the university revenue to the portfolios for 2025-26 is as per the below. The \$13.68 million Tuition Offset Grant pause funding is being held separate from the portfolio allocations. One-time budget allocations will be actioned during the fiscal year based on President's Executive Council and Board of Regents decisions regarding investments in critical strategic investments and the provision of one-time funding while the base expenditure reductions are implemented.



## CONCLUSION

The 2025-26 budget demonstrates urgent financial pressures that require highly disciplined and effective fiscal management.

Like universities throughout Canada, Memorial faces challenges created by the federal government's reduction in study permits that has significantly impacted the country's reputation as a destination of choice for international students. This is compounded by aging infrastructure, increased inflationary pressure, a decrease in the province's school-age population (more than 30 per cent since 2000) and an increasingly competitive Canadian university environment.

At the same time, the university has also been addressing auditor general reports and internal audit reports that indicate the university must work differently.

It will entail restructuring and reducing expenses as well as revenue generation and investment to ensure the academic mission of the institution is maintained and supported as efficiently as possible.

Investments in recruitment and retention, technology and changes to processes that will allow the university to be more responsive in an uncertain environment are essential.

Above all, Memorial must ensure the university meets the needs of students, and the people of Newfoundland and Labrador, in a financially sustainable manner now and into the future.