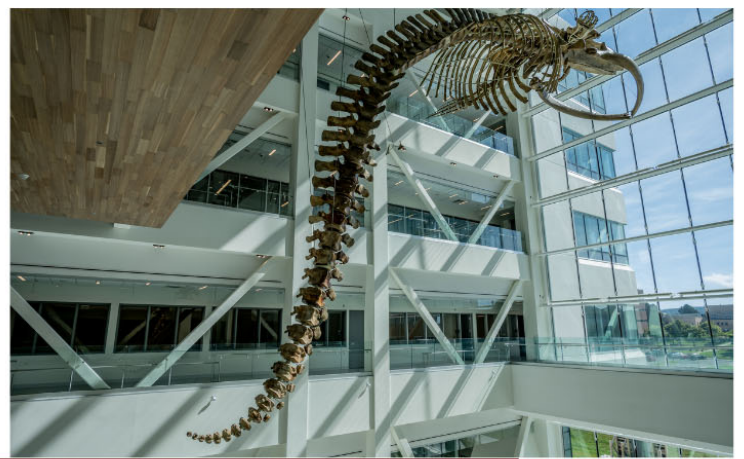
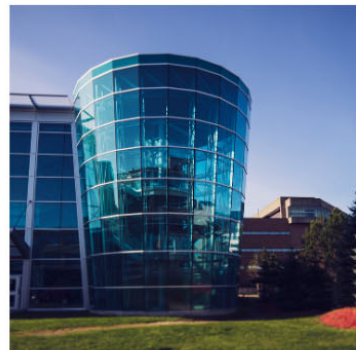
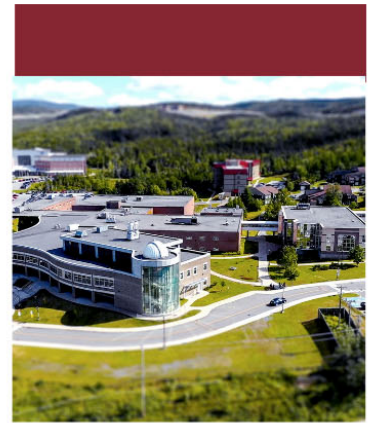




# 2026-27 BUDGET



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## **EXECUTIVE SUMMARY**

Memorial University's 2026-27 University Operating Budget reflects a balanced, risk-informed approach to financial stewardship, institutional sustainability, and protection of the university's core academic mission. The operating budget for the St. John's, Grenfell, Marine Institute, Labrador, and Harlow campuses totals \$431.94 million, excluding the Faculty of Medicine. The budget is guided by Memorial's continued commitment to its special obligation to Newfoundland and Labrador, transparent and evidence-informed planning, operational efficiency, accountability, and long-term financial resilience.

The provincial operating grant remains Memorial's largest revenue source, totaling approximately \$331.09 million in 2026-27. Provincial grant adjustments include funding for negotiated collective agreement increases, Nursing satellite sites, the Doctor of Psychology program, Education students, and a government-directed tuition freeze. Importantly, the anticipated \$27.36 million permanent reduction related to the tuition offset grant phase-out was not implemented in 2026-27 due to the tuition freeze. Tuition and tuition-related fee revenue is budgeted at \$87.76 million, reflecting a decline from 2025-26 primarily due to lower projected undergraduate and graduate enrolment.

On the expense side, total operating portfolio and unit expenses are budgeted at \$470.10 million, offset by \$38.13 million in unit revenue, resulting in a balanced net operating budget of \$431.94 million. Salaries and employee benefits remain the largest expenditure category at \$342.93 million, representing approximately 73% of operating fund expenses. Other major pressures include inflation on unavoidable expenditures such as energy, insurance, information technology systems, external maintenance contracts, snow clearing, library holdings, and municipal taxes. These costs are projected to increase by \$1.68 million in 2026-27, with additional risk from exchange-rate fluctuations and higher-than-normal inflation.

The budget includes targeted base investments totaling \$1.17 million, including support for the School of Music, Varsity Athletics, Board of Regents' education, and information technology. It also converts \$1.32 million in prior-year one-time allocations to base budget for ongoing needs such as the Marine Institute Holyrood mortgage, housing-related costs, legal costs, and Indigenous research leadership. At the same time, Memorial is establishing a \$6.36 million Sustainability Reserve through portfolio budget reductions of 4% for academic units and 6% for administrative units, supporting fiscal flexibility and risk mitigation in a period of continued financial uncertainty.

The Faculty of Medicine presents a separate balanced operating budget of \$98.2 million. Its budget includes increased provincial funding for undergraduate medical seat expansion, collective agreement costs, the Internal Medicine Canadian and International Residency Program, Health Research Ethics Authority support, and Laboratory Medicine residency seats. The faculty also expects base funding from the University of Prince Edward Island to support its regional campus and associated undergraduate seats.

Student Residences and Ancillary Operations is a revenue-generating area of the university that receives minimal operating budget support for core operations. For 2026-27, the unit is

forecasting a deficit of approximately \$1.24 million, largely driven by the high fixed and facilities-related costs associated with operating residence buildings, food services, the bookstore, campus card, guest accommodations, and other campus-wide services. Unlike many academic and administrative units, the majority of ancillary costs are tied to facilities and operations rather than salaries, making the area particularly sensitive to inflation, maintenance needs, aging infrastructure, and changes in student demand.

Despite these pressures, the ancillary budget identifies several opportunities to improve financial performance and support the student experience. Residence occupancy is projected to return to 85% in 2026-27, while guest accommodations are expected to generate a projected profit of \$242,000 during the summer operating season. Additional efforts include increasing residence occupancy, growing guest accommodation revenue, reviewing bookstore operations, investing in the campus card program, and exploring new commercial and retail space on campus. These initiatives are intended to reduce the projected deficit while maintaining services that contribute to campus life and student support.

Trust and endowment funds provide important restricted support for Memorial's academic, research, student aid, and public engagement activities. These funds are governed by donor, grantor, or program restrictions and are not available for general operating purposes. The university's objectives in managing its endowment funds are to maintain a reasonably stable spending rate while preserving an acceptable funding level such that original donations, adjusted for inflation, remain available to support the university in perpetuity.

For 2026-27, the estimated amount available for spending from university trust and endowment accounts is \$10.602 million, based on the board approved long-term spending rate of 4.0%. Memorial's approach to trust and endowment spending is designed to balance current needs with long-term stewardship, ensuring that donor-supported funds continue to benefit both present and future generations. The spending allocation is directed by donor purpose, with the largest share supporting scholarships and student awards, while other funds support research, endowed chairs, lectures, internally restricted purposes, and other designated activities.

Overall, the 2026-27 budget positions Memorial to manage immediate financial pressures while continuing to support academic and research excellence. Through targeted investments, expenditure restraint, revenue planning, deferred maintenance support, and the creation of a Sustainability Reserve, Memorial is working to strengthen institutional resilience, preserve its public role, and remain responsive and accountable to students, employees, government, and the people of Newfoundland and Labrador.

## **OPERATING BUDGET (EXCLUDING FACULTY OF MEDICINE)**

### **SUMMARY**

Memorial University's 2026-27 University Operating Budget totals \$431.94 million for the St. John's, Grenfell, Marine Institute, Labrador, and Harlow campuses. The budget excludes the Faculty of Medicine, which receives its operating grant through the Department of Health and Community Services.

Memorial plays a critical role in Newfoundland and Labrador's education and research landscape. As the university looks to the future, this budget reflects an effort to adapt its financial strategies to support long-term sustainability while continuing to advance academic and research excellence. The budget is guided by principles that prioritize Memorial's core academic mission, its special obligation to the province, transparent and evidence-informed planning, risk-based decision-making, operational efficiency, accountability, and revenue diversification.

The provincial operating grant remains the university's largest source of revenue. For 2026-27, provincial grant adjustments total \$17.13 million, including support for negotiated collective agreement increases, the Nursing satellite sites, the Doctor of Psychology program, a government-directed tuition freeze based on Fall 2025 tuition rates, and grants for Education students. Importantly, the anticipated \$27.36 million permanent reduction related to the phase-out of the tuition offset grant was not implemented in 2026-27 due to the tuition freeze and related government direction.

Tuition and tuition-related fee revenue is forecasted to decline by \$7.2 million, or 7.6%, compared to the 2025-26 budget. This decrease is primarily due to lower projected undergraduate and graduate registrations. Student fee revenues are also affected by enrolment trends, while the Campus Renewal Fee remains paused as government continues to provide \$7.80 million to reduce costs to students. Other income, primarily generated from interest on cash and short-term investments, is maintained at \$6.60 million.

Operating budget portfolio and unit expenses total \$470.10 million, offset by \$38.13 million in unit revenue, resulting in a balanced net operating budget of \$431.94 million. Salaries and employee benefits remain the largest expenditure category at \$342.93 million, representing approximately 73% of Operating Fund expenses. The 2026-27 increase reflects collective agreement costs, Doctor of Psychology program and Faculty of Nursing satellite-site funding, post-employment benefit increases, and offsetting reductions from structural changes and budget reductions.

The budget also recognizes growing pressure from unavoidable operating cost inflation. Costs such as energy, insurance, information technology system maintenance, external maintenance contracts, snow clearing, library holdings, and municipal taxes are projected to increase by \$1.68 million in 2026-27, with additional risk from exchange-rate fluctuations and higher-than-normal inflation. In addition, \$1.32 million in 2025-26 one-time allocations have been converted to base budget, and \$1.17 million in new base budget allocations have been included for targeted investments, including the School of Music, Varsity Athletics, Board of Regents education, and information technology.

In support of a balanced budget, a contingency fund was established at \$6.36 million in the form of a Sustainability Reserve. To achieve this, Memorial implemented net base budget reductions equivalent to the reserve fund across portfolios as a result of a budget planning exercise in Spring 2026. These reductions were applied at 4% for academic units and 6% for administrative units, with portfolio leaders identifying expenditure reductions and revenue opportunities while considering impacts on academic, research, public engagement, administrative functions, and the student experience.

Overall, the 2026-27 budget reflects a balanced and risk-informed approach to managing financial pressures while protecting Memorial's academic mission and public role. Through targeted investments, expenditure reductions, deferred maintenance planning, and the creation of a sustainability reserve, this budget positions Memorial to strengthen institutional resilience, improve accountability, and continue serving Newfoundland and Labrador in the years ahead.

# OPERATING BUDGET STATEMENT (EXCLUDING FACULTY OF MEDICINE)

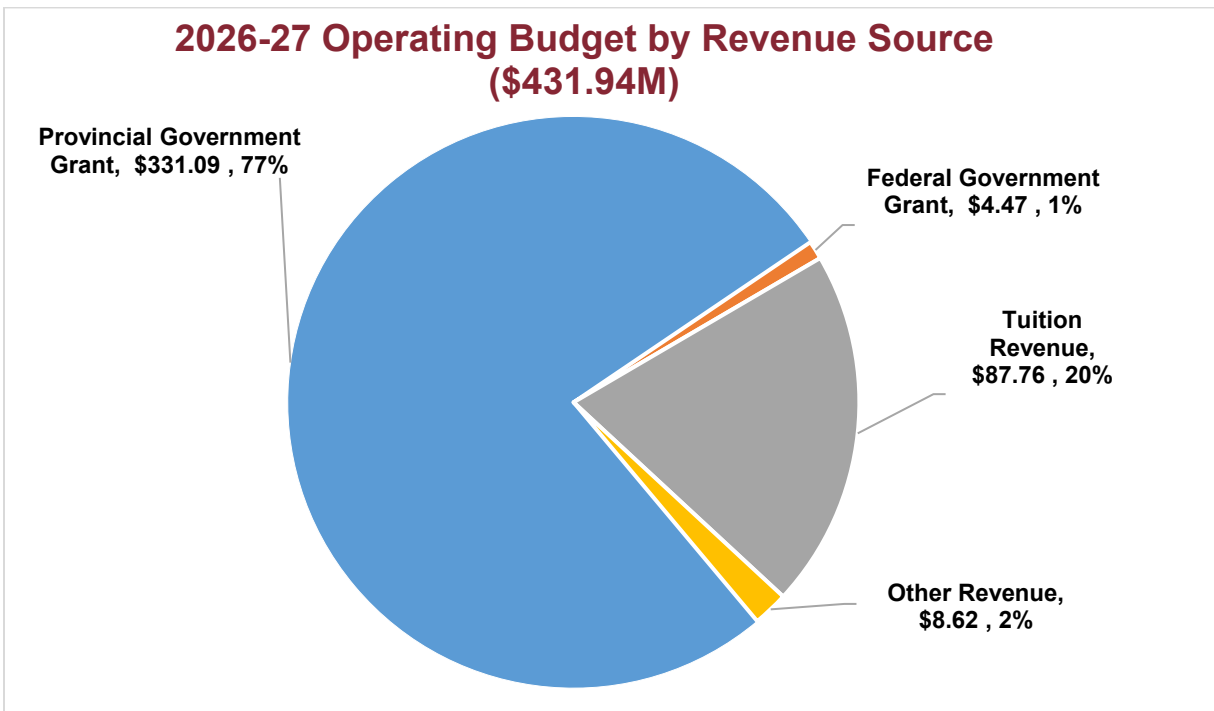
	2025-26 Budget	2026-27 Adjustments	2026-27 Budget
<b>UNIVERSITY BUDGET REVENUE &amp; EXPENSES</b>			
<b>University Budget Revenue</b>			
Provincial Government Operating Grant	311,556,200	17,131,500	328,687,700
Provincial Government Capital Grant	2,400,000	0	2,400,000
Federal Government Grant	4,340,605	133,620	4,474,225
Tuition - Undergraduate	72,914,350	(2,799,450)	70,114,900
Tuition - Graduate	16,874,645	(4,116,410)	12,758,235
Tuition - Work Terms	1,101,060	12,000	1,113,060
Tuition - Adjustments & Related Revenue	886,600	11,510	898,110
Tuition Related Fees - Application Fees	1,318,640	240,530	1,559,170
Tuition Related Fees - Distance Education Fee	1,780,200	(41,300)	1,738,900
Tuition Related Fees - Late Payment Fee	540,770	4,430	545,200
Student Fees - Campus Renewal Fee	0	0	0
Student Fees - Student Services Fee	2,088,740	(65,550)	2,023,190
Other Income	6,598,000	0	6,598,000
Student Fees - Student Recreation Fee (MURC)	2,065,400	(208,100)	1,857,300
<b>Total University Budget Revenue</b>	<b>\$424,465,210</b>	<b>\$10,302,780</b>	<b>\$434,767,990</b>
<b>University Budget Expenses</b>			
Tuition Related Expenses	423,735	545,450	969,185
Transfers to MURC	2,065,400	(208,100)	1,857,300
<b>Total University Budget Expenses</b>	<b>\$2,489,135</b>	<b>\$337,350</b>	<b>\$2,826,485</b>
<b>NET UNIVERSITY BUDGET REVENUE &amp; EXPENSES</b>	<b>\$421,976,075</b>	<b>\$9,965,430</b>	<b>\$431,941,505</b>
<b>PORTFOLIO/UNIT BUDGET REVENUE &amp; EXPENSES</b>			
<b>Portfolio/Unit Revenue</b>			
Federal Government	587,959	0	587,959
Tuition - Undergraduate	2,215,761	0	2,215,761
Tuition - Graduate	3,980,930	0	3,980,930
Tuition - Adjustments & Related Revenue	6,347,405	0	6,347,405
Tuition Related Fees - Application Fees	16,160	0	16,160
Other Income	7,716,910	0	7,716,910
External Recoveries	17,265,750	0	17,265,750
<b>Total Portfolio/Unit Revenue</b>	<b>\$38,130,875</b>	<b>\$0</b>	<b>\$38,130,875</b>
<b>Portfolio/Unit Expenses</b>			
<b>Salary &amp; Employee Benefits</b>			
Academic Salaries	139,602,594	2,506,578	142,109,172
Administrative Salaries	119,667,386	(1,774,725)	117,892,661
Employee and Pensioner Benefits	66,520,245	548,548	67,068,793
Student Assistants	1,723,042	0	1,723,042
Fellowships and Other Awards	13,387,682	750,000	14,137,682
<b>Total Salary &amp; Employee Benefits</b>	<b>\$340,900,949</b>	<b>\$2,030,401</b>	<b>\$342,931,350</b>
<b>Operating Expenditures</b>			
Material and Supplies	21,831,424	(759,094)	21,072,330
Equipment Repairs and Maintenance	808,458	0	808,458
Building Repairs and Maintenance	5,132,601	42,100	5,174,701
Institutional Memberships	937,857	(11,952)	925,905
Reference Materials/Book	8,644,472	0	8,644,472
Inventory Purchases	(1,226,465)	0	(1,226,465)
Telecommunications	938,198	54,550	992,748
Utilities	30,378,314	805,600	31,183,914
Rental of Space	932,385	38,000	970,385
Taxes	1,667,380	23,820	1,691,200
Insurance	2,783,884	0	2,783,884
Externally Contracted Services	8,497,846	129,350	8,627,196
Professional Fees	2,158,843	89,225	2,248,068
Debt Servicing	631,750	0	631,750
Operating Leases	506,001	584,800	1,090,801
Equipment Rentals	4,022,905	289,630	4,312,535
Travel and Hosting Expense	3,117,412	326,200	3,443,612
Awards	1,221,138	15,000	1,236,138
Indirect Operating Expenditures	41,800	0	41,800
Internal Recoveries	(2,985,641)	0	(2,985,641)
Capital Expenditures	507,710	100,000	607,710
Capital Leases	89,311	0	89,311
Renovation Expenditures	1,256,052	0	1,256,052
Campus Renewal Fee Projects	7,800,000	0	7,800,000
Deferred Maintenance	8,798,800	0	8,798,800
Strategic Investments	13,680,000	0	13,680,000
Sustainability Reserve	0	6,357,800	6,357,800
Transfers	(2,966,434)	(150,000)	(3,116,434)
<b>Total Operating Expenditures</b>	<b>\$119,206,001</b>	<b>\$7,935,029</b>	<b>\$127,141,030</b>
<b>Total Portfolio/Unit Expenses</b>	<b>\$460,106,950</b>	<b>\$9,965,430</b>	<b>\$470,072,380</b>
<b>NET PORTFOLIO/UNIT BUDGET REVENUE &amp; EXPENSES</b>	<b>\$421,976,075</b>	<b>\$9,965,430</b>	<b>\$431,941,505</b>
<b>NET (UNIVERSITY BUDGET LESS PORTFOLIO/UNIT BUDGET)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## UNIVERSITY OPERATING BUDGET REVENUE & EXPENSES

The University Operating Budget totalling \$431,941,505 for 2026-27 is presented for the St. John's, Grenfell, Marine Institute, Labrador, and Harlow Campuses. It excludes the Faculty of Medicine, given that the Faculty of Medicine receives its operating grant from the Department of Health and Community Services.

The operating budget for 2026-27 has been prepared under the guidance of the current budget development framework, which outlines the guiding principles, assumptions, and budget planning processes.

### OPERATING BUDGET REVENUE



### PROVINCIAL GOVERNMENT OPERATING GRANT

The provincial government's Department of Education and Early Childhood Development 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 2026-27 adjustments totalled \$17,131,500 and include:

- \$1,056,100 - Negotiated collective agreement increases for MUNFA (2% September 1, 2025);
- \$240,000 - Grants for new Education students
- \$3,001,000 - Faculty of Nursing Satellite sites in Gander, Grand Falls, and Happy Valley-Goose Bay
- \$2,394,400 - Faculty of Science Doctor of Psychology (PsyD) program
- \$10,440,000 – Tuition freeze implementation effective Fall 2026 based on Fall 2025 tuition rates

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 government by the university to not reduce the operating grant due to the undergraduate enrollment decline and forecasted tuition deficit, government paused the \$13.68 million grant reduction for 2025-26. The university was anticipating a \$27.36 million permanent reduction in 2026-27 (\$13.68 million for 2025-26 and \$13.68 million for 2026-27). This reduction was not implemented in 2026-27 due to the government directed tuition freeze.

#### PROVINCIAL GOVERNMENT CAPITAL GRANT

The provincial government provides funding to the university for approved capital projects/programs. The capital grant has been maintained at \$2.40 million for 2026-27 and is being used to support the \$70 million in projects over 8 years for Deferred Maintenance projects (2025-26 to 2033-34). These Deferred Maintenance projects are being funded by redirecting the annual \$8,798,800 Core Science Facility mortgage payment to government into the Deferred Maintenance program. The \$2.40 million annual capital grant was permanently allocated to fund a portion of the annual \$8,798,800 Core Science Facility mortgage payment when the agreement with government was agreed upon.

#### RESEARCH SUPPORT FUND (RSF)

The Operating Fund includes a \$4.47 million Research Support Fund (RSF) program federal grant, and increase of \$133,620 over 2025-26. Adjustments to the revenue correlate to the vice-president (research and innovation) (75%) and provost and vice-president (academic) (25%) portfolios to support research activities in the Operating Fund.

The 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 AND TUITION RELATED FEES

The tuition and tuition related fees budget is forecasted at \$87.7 million - a decrease of \$7.23 million, or 7.6%, from the 2025-26 budget (or an approximate 3.1% decrease from the prior year actual tuition revenue).

The \$7.23 million forecasted total decrease in tuition and tuition related fees includes \$6.90 million for:

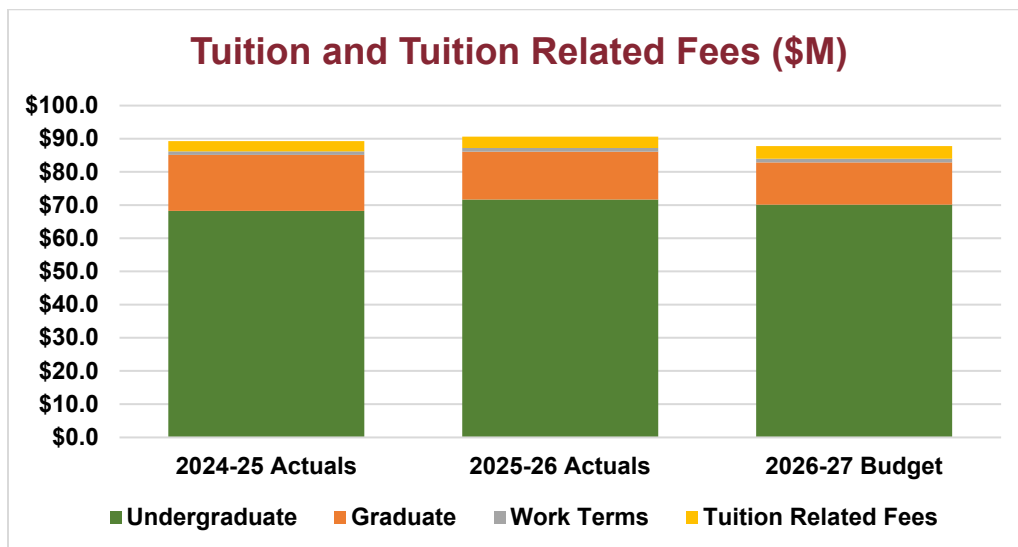
- Decrease of \$2,799,450 for undergraduate tuition due to decreased registrations experienced in 2025-26 and projected for 2026-27

- Decrease of \$4,116,410 for graduate tuition and graduate special program fees. This decrease is due to decreased registrations experienced in 2025-26 and projected for 2026-27
- Increase of \$12,000 for work term revenue

In addition to tuition charged for undergraduate courses, work terms, and graduate programs, tuition related fees are charged to students. These include application fees, distance education fees, late payment fees and revenue for Centre for Nursing Studies (CNS) and Western School of Nursing (WSN) students taking courses on the St. John’s and Grenfell campuses. The total of the revenue budgeted in 2026-27 for these fees are based on the actual revenue generated in 2025-26 and is lower than the budgeted amount for 2025-26. This reduction is due to lower enrolment in 2025-26 which is forecasted to be similar for 2026-27. The balance of the \$7.23 million forecasted decrease is attributed to:

- Graduate and Undergraduate Application Fees - \$240,530 increase
- Distance Education Fees - \$41,300 reduction due to fewer online course enrolments
- Late Payment Fee - \$4,430 increase
- Centre for Nursing Studies and Western School of Nursing - \$800 reduction

The following table details the 2024-25 and 2025-26 actuals and 2026-27 budget for Tuition and Tuition Related Fees for undergraduate tuition, graduate tuition, work terms, and tuition related fees.



### OTHER INCOME

This category of revenue includes specific fees charged to students for which the revenue generated is used for the specific purpose of the fee, and investment income. This budget is being reduced by \$65,550, or 0.8%, from the 2025-26 budget.

The 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 continuing to funding \$7.80 million to the university to reduce the costs to students. As a result this revenue is budgeted at \$0 for 2026-27 (and is replaced with government operating grant revenue support).
- The Student Services Fee is charged to students at the rate of \$50 per semester. The budgeted revenue for 2026-27 is reduced by \$65,550 due to the decline in the projected student enrolment.
- Students must pay a recreation fee which is adjusted according to the Consumer Price Index (CPI) on September 1 of each year. The fee for 2025-26 was \$73.02 per semester, and will be increased according to the Consumer Price Index for the 2026-27 academic year.

The Investment Income budget is being maintained at \$6,598,000 for fiscal 2026-27. This revenue is generated due to interest on unrestricted cash and short term investment bank balances, which are projected to be maintained at comparable levels to prior year.

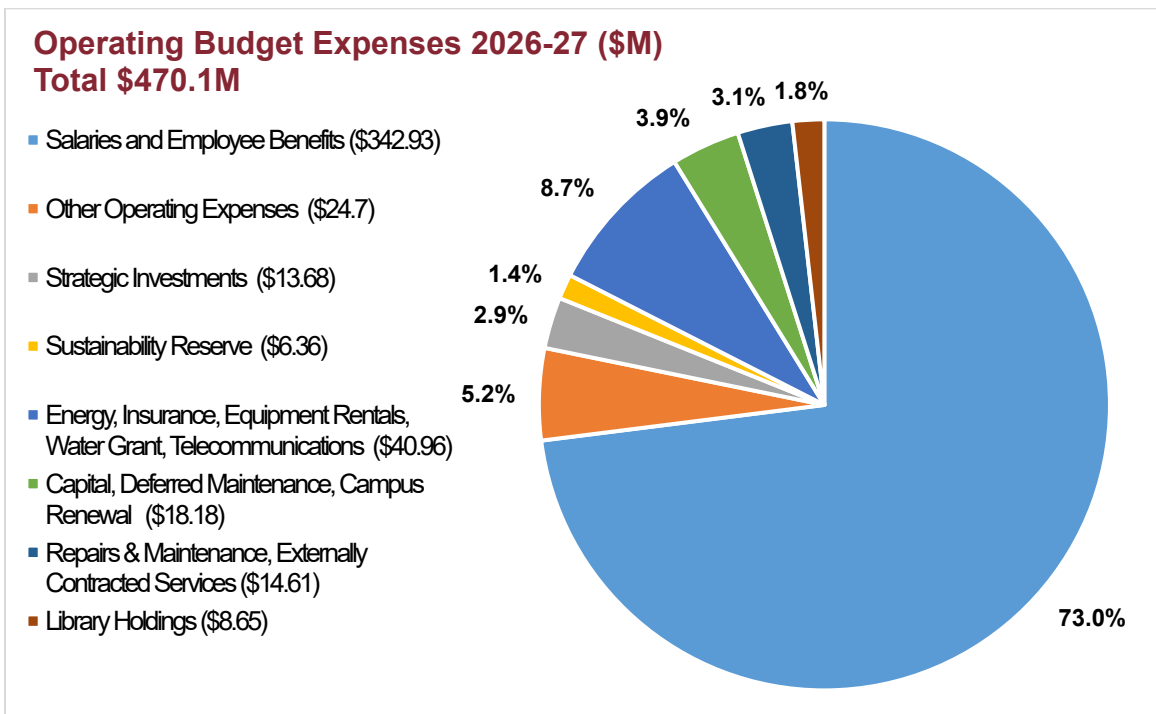
**BUDGET EXPENSES**

The total University Budget Revenue of \$431.94 million is net of \$0.97 million expenses for bad debt and banking fees, and the transfer of \$1.86 million Student Recreation Fee to MURC.

**OPERATING BUDGET PORTFOLIO/UNIT EXPENSES**

Operating budget portfolio/unit expenses total \$470.1 million. Portfolio/unit revenue is budgeted at \$38.13 million. The net portfolio/unit budget revenue and expenses is \$431.94 million which balances to the net university budget revenue and expenses of \$431.94 million.

The portfolio/unit budget expenses distribution is as follows:

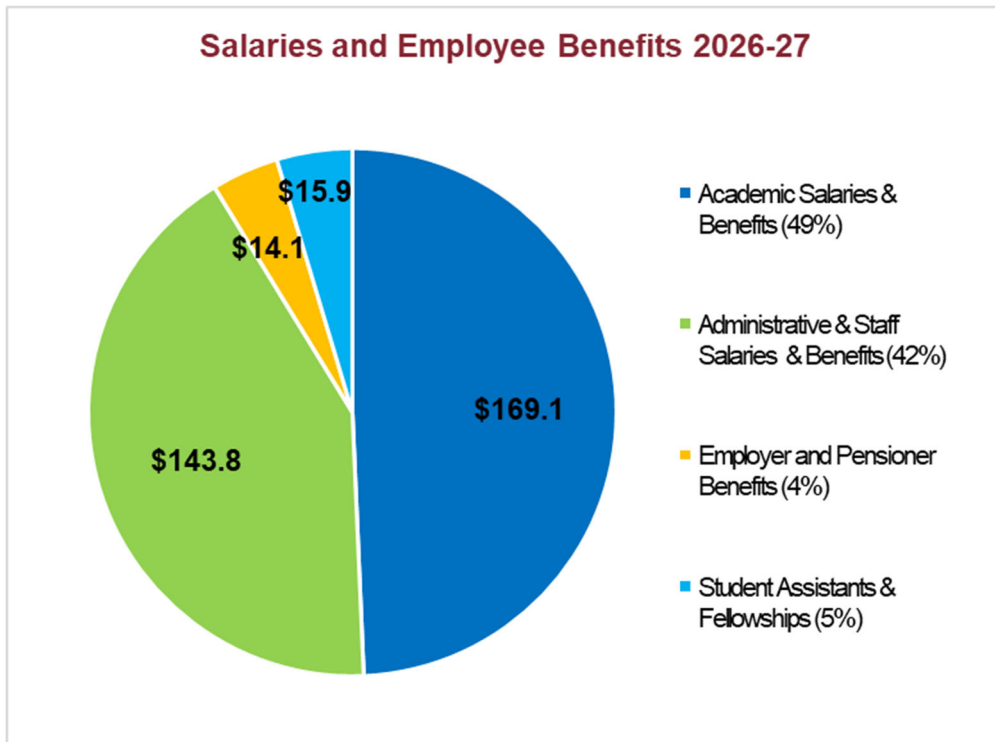


### SALARIES AND EMPLOYEE BENEFITS

Salary and employee benefits totalling \$342.93 million account for ~73% of the expenses in the Operating Fund. The budgeted increase of 0.6% for 2026-27 over 2025-26 is due to:

- \$1,056,100 - Negotiated collective agreement increases for MUNFA (2% September 1, 2025);
- \$240,000 - Grants for new Education students
- \$384,900 - Increase in employee post employment benefits
- \$2,905,500 - Faculty of Nursing Satellite Sites in Gander, Grand Falls, and Happy Valley-Goose Bay
- \$2,394,400 - Faculty of Science Doctor of Psychology (PsyD) program
- \$4,950,499 - Estimated reduction for structural changes and budget reductions

The budgeted salaries and employee benefits breakdown of \$342.93 million for 2026-27 is as per the below chart:



### 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.

### INFLATION ON UNAVOIDABLE EXPENDITURES

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 \$1.68 million in 2026-27. Fluctuations in exchange rates and higher than normal inflation will increase these costs over the course of the fiscal year.

#### 2025-26 ONE-TIME BUDGET ALLOCATIONS CONVERTED TO BASE BUDGET

The 2025-26 Budget contained \$1.7 million in budget expense requirements which were one-time project expenditures and were to be reviewed for Budget 2026-27 to determine if the budget allocations would be converted to base budget for the unit. Of these one-time budget allocations, \$1.32 million have been converted to base budget. These expenditures include:

- \$210,000 - Marine Institute Holyrood Mortgage
- \$784,000 - Housing - Snow Clearing and Water Grant
- \$115,000 - General Counsel Legal Costs
- \$214,720 - VP Research & Innovation - AVP Indigenous Research position

#### 2026-27 BASE BUDGET ALLOCATIONS

The 2026-27 Budget contains \$1.17 million in base budget adjustments to support information technology investments and specific units. These adjustments include:

- \$500,000 - School of Music structural deficit
- \$450,000 - Varsity Athletics for student athlete travel
- \$50,000 - Board of Regents for board member education
- \$171,620 - Information Technology investments

#### DEFERRED MAINTENANCE PROGRAM

As of April 2024, Memorial's deferred maintenance on physical infrastructure assets was approximately \$480 million across all campuses currently required or in five years. Of this amount, \$81 million is on the priority list for the St. John's Campus. The only funding to address deferred maintenance is the Campus Renewal Fee (CRF), which was levied on students commencing in Fall 2017 to fund critical infrastructure improvements on campus by addressing outstanding items on the deferred maintenance list. This fee was paused in September 2023 due to the government decision to fund the fee in an effort to provide tuition relief to students. Budget 2026-27 announced a continuation of this approach with a \$7.80 million Campus Renewal Fee grant. Prior to the implementation of the student fee, between fiscal 2011-12 and 2016-17, Memorial received \$9.6 million per annum in funding from the provincial government to address deferred maintenance projects. This funding was eliminated by the government in Budget 2015-16.

On the provincial government 2025 budget day, government announced support to the university of \$70 million over 8 years for Deferred Maintenance projects. The annual funding available is \$8,798,800. This announcement did not result in an increase in the annual provincial grant to the university. Rather, these projects are being 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 quarterly payments of \$2,199,688 million were paused as of July 1, 2026.

The funding has been allocated to the following projects:

- \$3.0 million Coughlan College Demolition

- \$4.8 million Tunnel Re-Waterproofing & Interior Repairs
- \$15.4 million New Primary Data Centre
- \$8.0 million Elevator Program
- \$23.7 million Building Envelope Program
- \$15.5 million Deferred Maintenance Emergency Work

The estimated cash flow for the above projects over the next 8 years and project scope descriptions are detailed below:

Project Description	Project Budget	Estimated Cash Flow Eight Year Funding (\$M)								
		2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
Coughlan College Demolition	\$3.0	\$1.5	\$1.5							
Tunnel Re-Waterproofing & Interior Repairs	\$4.8	\$0.2	\$2.6	\$2.0						
New Primary Data Centre	\$15.4	\$0.2	\$7.2	\$7.5	\$0.5					
Elevator Program	\$8.0		\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Building Envelope Program	\$23.7				\$0.5	\$5.8	\$5.8	\$5.8	\$5.8	
Deferred Maintenance Emergency Work	\$15.5	\$1.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$0.5
<b>Total Budgeted</b>	<b>\$70.4</b>	<b>\$2.9</b>	<b>\$14.3</b>	<b>\$12.5</b>	<b>\$4.0</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$1.5</b>
<b>Total Funding Available</b>	<b>\$70.4</b>	<b>\$6.6</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$8.8</b>	<b>\$2.2</b>
<b>Total Funding Balance</b>		<b>\$3.7</b>	<b>(\$1.8)</b>	<b>(\$5.5)</b>	<b>(\$0.7)</b>	<b>(\$0.7)</b>	<b>(\$0.7)</b>	<b>(\$0.7)</b>	<b>(\$0.7)</b>	<b>(\$0.0)</b>

**Scope of Projects:**

Coughlan College	Relocation of current occupants, hazardous Abatement of existing structure, demolition of the structure and reinstatement of the site.
Tunnel Re-Waterproofing & Repairs	Re-waterproof the remaining approximately 950m of academic tunnels based on the linear foot cost to complete this work in 2024. Complete interior repairs to concrete, corroded utilities and paint selected sections.
New Primary Data Centre	Construction of a new primary data centre in the Core Science Facility (level 1, Pavilion A).
Elevator Program	To refurbish elevators (total of 62 on the St. John's Campus) prioritized based on a condition assessment and operations and maintenance records.
Building Envelope Program	To upgrade components of building envelope systems at various buildings on campus based on priorities identified in external Consulting condition assessment studies and operations and maintenance records.
Emergency Work	An annual allocation for unbudgeted and unforeseen failures that must be addressed and repaired.

**CAMPUS RENEWAL FEE PROJECTS**

The Campus Renewal Fee Committee presented a Campus Renewal project list for 2026-27 to the Board of Regents at the February 25, 2026 meeting. The project list was approved subject to the total amount of Campus Renewal Fee or Government of Newfoundland and Labrador funding received. The provincial government grant included \$7.80 million for the 2026-27 fiscal year. Based on this, the Campus Renewal Fee committee will commence work on the approved projects.

**STRATEGIC INVESTMENTS**

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 paused that reduction for fiscal year 2025-26 and once again for 2026-27. As a result of this continued pause in reduction for fiscal year 2026-27, it is proposed that \$13.68 million be used to invest in critical strategic areas, inclusive of

Teaching and Learning, Student Success, Recruitment and Visibility, Organizational Efficiency and Effectiveness as well as People and Culture.

**PORTFOLIO BUDGET REDUCTIONS**

To support a balanced budget and establish a Sustainability Reserve, net base budget reductions to portfolios for 2026-27 totaled \$6.36 million. Reductions of 4% for academic units and 6% for administrative units were applied to 2025-26 base budgets. Portfolio leaders have consulted with units to identify areas to reduce expenditures and/or increase revenue while considering the impact on the academic, research and public engagement mission of the university, the administrative functions, and the overall student experience.

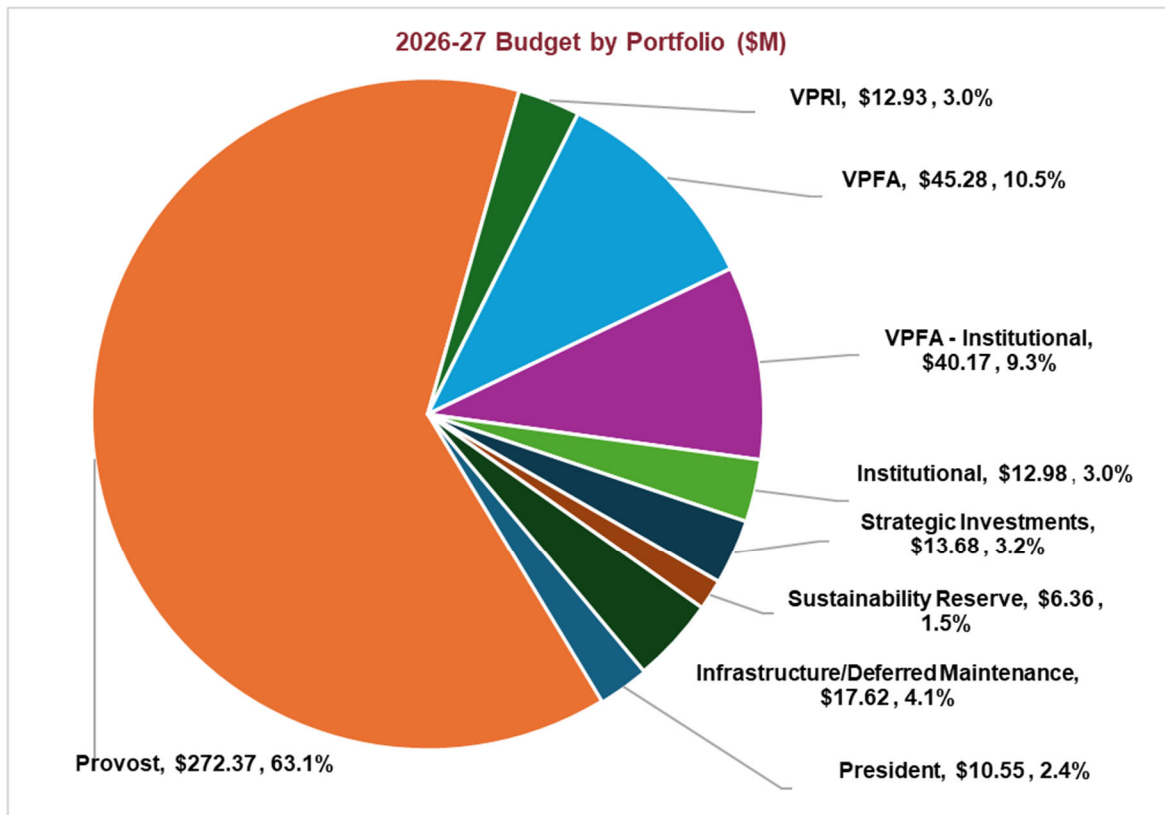
Details on the unit budget decisions to implement the budget reductions will be reported to the Board of Regents as part of the quarterly budget updates for 2026-27.

**SUSTAINABILITY RESERVE**

As a direct result of budget reduction planning, a Sustainability Reserve of \$6.36 million has been budgeted for 2026-27. This contingency is being established as the initial safeguarding and financial resiliency plan for the university, with subsequent multi-year planning to follow.

**PORTFOLIO ALLOCATIONS**

The resulting percentage allocation of the University Budget Revenue to the portfolios for 2026-27 is as per the below. The \$13.68 million Strategic Investments and \$6.36 million Sustainability Reserve funding is being held separate from the portfolio allocations.



## **OPERATING BUDGET - FACULTY OF MEDICINE**

### **SUMMARY**

The Faculty of Medicine is presenting a balanced 2026-27 operating budget of \$98.2 million. The Faculty of Medicine receives its provincial operating grant from the Department of Health and Community Services (HCS).

The Faculty of Medicine's largest funding source is the provincial operating grant, which includes an increase of \$4.2 million relating to the undergraduate class seat expansion. This expansion began in Fall 2024, with an additional five seats and a further five seats in Fall 2025 (for a total undergraduate class size of 90 students). The operating grant was also increased by \$388,000 for the MUNFA Collective Agreement. In addition, there was an increase of \$200,000 for the Internal Medicine Canadian and International Residency Program.

There is a decrease of \$300,000 for other initiatives in the operating grant compared to 2025-26. These initiatives include learner travel, the incremental cost of having a student, and the new preceptor remuneration model. Since that budget was received, it was determined that a portion of the grant adjustment is attributable to Newfoundland and Labrador Health Services (NLHS), with the remainder to be funded from the \$4.2 million allocated for undergraduate class size expansion. Therefore, HCS made adjustments to funding related to other initiatives.

The Faculty of Medicine is finalizing an agreement with the University of Prince Edward Island (UPEI) to provide \$2.0 million in base funding to support the regional campus and associated undergraduate seats. UPEI will also cover all direct costs (estimated at \$1.5 million) separately (i.e. in addition to the base funding).

The Faculty of Medicine has an accumulated surplus of \$12.3 million. As per the direction of the HCS, some of the accumulated surplus from prior years was used to fund the Physician Practice Ready Assessment (PRA) programs in 2025-26. In 2026-27, the HCS has authorized \$900,000 of the accumulated surplus to be used for the Newfoundland and Labrador Health Research Fund. The Faculty of Medicine is awaiting further advice about how the PRA programs will be funded in 2026-27.

Additionally, the faculty has restricted funds, which include research grants, discipline funds, special purpose accounts, and endowment and term funds.

# OPERATING BUDGET STATEMENT (FACULTY OF MEDICINE)

	2025-26 Budget	2026-27 Adjustments	2026-27 Budget
<b>BUDGET REVENUE</b>			
<b>Budget Revenue</b>			
Provincial Government Operating Grant	78,007,900	4,738,000	82,745,900
Provincial Government Capital Grant	0	0	0
Federal Government Grant	405,000	298,000	703,000
Tuition - Undergraduate	6,966,450	(278,070)	6,688,380
Tuition - Graduate	65,000	0	65,000
Student Fees - Student Services Fee	85,000	0	85,000
Other Income	55,000	(30,000)	25,000
External Recoveries	6,662,020	1,240,000	7,902,020
<b>TOTAL BUDGET REVENUE</b>	<b>\$92,246,370</b>	<b>\$5,967,930</b>	<b>\$98,214,300</b>
<b>DEPARTMENT BUDGET REVENUE &amp; EXPENSES</b>			
<b>Department Revenue</b>			
Tuition - Adjustments & Related Revenue	13,000	(3,000)	10,000
Tuition Related Fees - Application Fees	110,000	105,000	215,000
Other Income	90,500	125,000	215,500
External Recoveries	364,480	0	364,480
<b>Total Department Revenue</b>	<b>\$577,980</b>	<b>\$227,000</b>	<b>\$804,980</b>
<b>Department Expenses</b>			
<b>Salary &amp; Employee Benefits</b>			
Academic Salaries	44,705,756	1,085,705	45,791,461
Administrative Salaries	16,276,033	555,347	16,831,380
Employee and Pensioner Benefits	11,299,643	328,709	11,628,352
Student Assistants	219,550	0	219,550
Fellowships and Other Awards	458,106	0	458,106
<b>Total Salary &amp; Employee Benefits</b>	<b>\$72,959,088</b>	<b>\$1,969,761</b>	<b>\$74,928,849</b>
<b>Operating Expenditures</b>			
Material and Supplies	2,123,220	178,950	2,302,170
Equipment Repairs and Maintenance	16,200	26,800	43,000
Building Repairs and Maintenance	752,160	344,592	1,096,752
Institutional Memberships	205,475	32,620	238,095
Reference Materials/Book	1,955,680	166,700	2,122,380
Telecommunications	110,880	(1,399)	109,481
Utilities	3,100,000	0	3,100,000
Rental of Space	277,670	150,000	427,670
Taxes	800	0	800
Insurance	103,519	0	103,519
Externally Contracted Services	3,231,267	118,493	3,349,760
Professional Fees	2,515,360	270,417	2,785,777
Operating Leases	2,203,139	147,811	2,350,950
Travel and Hosting Expense	2,242,946	77,085	2,320,031
Awards	42,500	3,100	45,600
Indirect Operating Expenditures	105,000	0	105,000
Internal Recoveries	(279,554)	0	(279,554)
Transfers	1,159,000	2,710,000	3,869,000
<b>Total Operating Expenditures</b>	<b>\$19,865,262</b>	<b>\$4,225,169</b>	<b>\$24,090,431</b>
<b>Total Department Expenses</b>	<b>\$92,824,350</b>	<b>\$6,194,930</b>	<b>\$99,019,280</b>
<b>NET DEPARTMENT BUDGET REVENUE &amp; EXPENSES</b>	<b>\$92,246,370</b>	<b>\$5,967,930</b>	<b>\$98,214,300</b>
<b>NET (BUDGET REVENUE LESS NET DEPARTMENT BUDGET)</b>	<b>\$0</b>		<b>\$0</b>

## OPERATING BUDGET REVENUE

### PROVINCIAL GOVERNMENT OPERATING GRANT

The provincial government's Department of Health and Community Services (HCS) provides an annual grant to cover a portion of the operating expenditures that support the faculty's day-to-day operations, including teaching and administrative support, research, student supports, and service to the healthcare community. Annual adjustments to the grant for the faculty are incremental and can include additional requests for funding. The 2026-27 adjustments include the following

- An increase of \$388,000 for negotiated collective agreement increases for MUNFA (2% September 1, 2025)
- An increase of \$4,200,000 for the expansion of the undergraduate class size
- An increase of \$200,000 for the Internal Medicine Canadian and International Residency Program
- A decrease of \$300,000 relating to initiatives from the 2025-26 operating grant
  - In 2025-26, \$1.0 million in funding was received for new initiatives. These included the preceptor symposium, the new preceptor remuneration model, the incremental cost of having a learner, learner travel, and learner housing. Some of these areas are to be paid by the Newfoundland and Labrador Health Services (NLHS) and therefore, funds were reallocated (specifically for learner travel). Additionally, some of the funding for the new preceptor remuneration model will be funded out of the \$4.2 million for the expansion of the undergraduate class size.
- An increase of \$100,000 for the Health Ethics Research Authority (HREA)
- An increase of \$150,000 to be used towards the Laboratory Medicine residency seats

### FEDERAL GOVERNMENT GRANT

The Faculty of Medicine receives a portion of the Federal Research Support Fund that Memorial University receives from the federal government. The amount that is received for overhead is based on a nominal amount that is pro-rated based on the amount of research funds per unit. Additionally, funds are received from the Department of National Defense for the Medical Officer Training Program. There will be five students in this program for 2026-27.

### TUITION AND TUITION RELATED FEES

The tuition revenue budget is forecasted to decrease by \$278,070 compared to the 2025-26 budget due to an expired agreement with New Brunswick for dedicated undergraduate seats in the Memorial program. Other related tuition areas include application fees, tuition deposit forfeitures, and non-credit courses.

### OTHER INCOME

The faculty receives revenue for parking permits, interlibrary loans, and the operation of the standardized patient (SP) program. Other units (include Nursing and Pharmacy) will use Medicine's SP program to help in the education of their students. This is budgeted to generate \$215,500 in revenue for 2026-27.

### EXTERNAL RECOVERIES

The Faculty of Medicine receives revenue from multiple sources. Subject to finalizing the multi-year agreement, there will be \$2.0 million in base funding and reimbursement of direct costs (estimated \$1.5 million from UPEI). The \$2.0 million in base funding will be used for educational and research projects. Newfoundland and Labrador Health Services is also billed for our Geographic Full Time Equivalent (GFT) Physicians on an annual basis. There is a decrease of \$260,000 for 2026-27 as we are no longer receiving funds from Nunavut for the Family Medicine Residency Stream in Nunavut.

## **OPERATING BUDGET EXPENSES**

### **SALARIES AND EMPLOYEE BENEFITS**

Salaries and employee benefits account for approximately 77% of total operating expenses. The budgeted increase of 2.7% for 2026-27 over 2025-26 are due to:

- \$388,000 for MUNFA collective agreement
- Step increases for both GFTs and administrative staff
- Increases for employee and pensioner benefits

### **OPERATING EXPENDITURES**

Operating expenditures include, but are not limited to, materials and supplies, travel, leases, insurance, utilities, taxes, memberships, externally contracted services, building repairs and maintenance, and library costs. Many of the operating expenditures incur unavoidable inflation annually (energy, insurance, information technology system maintenance, external maintenance contracts, snow clearing, library holdings, and leases). Increases relate to higher contract costs, additional accommodation leases for students while on placements, and increases in preceptor rate of pay. Increases to transfers include the following:

- \$100,000 received for Health Research Ethics Authority
- \$150,000 to be used towards a laboratory medicine graduate program
- A one-time increase of \$460,000 for Animal Care (total transfer to be made to Animal Care of \$900,000). There was no additional revenue received for this expense and HCS has authorized a one-off increase to be absorbed by the Faculty of Medicine in the 2026-27 operating budget.

### **PROVINCIAL GOVERNMENT CAPITAL GRANT**

HCS also provides a capital grant to the Faculty of Medicine. This is anticipated to be approximately \$1.0 million for infrastructure items and \$600,000 for equipment requests. The Faculty of Medicine has submitted a request to HCS and are waiting for confirmation of the funding for:

- \$1.0 million relating to the upgrades to the routers and switches.
  - The Health Science Information and Media Services (HSIMS) is currently working with MUN Information Technology Services to replace all end-of-life switches and routers in the Faculty of Medicine building and related spaces in the Health Sciences Centre. Current estimates indicate that this will cover the program. Any overages will be covered from operating surplus.
- \$600,000 for an upgrade to the backup server

Provincial Government Capital Grant is not included in the standard budget information as this is tied to separate requests for funding.

**ACCUMULATED SURPLUS**

As of March 31, 2025, the Faculty of Medicine had an accumulated surplus of \$9.09 million. Per the direction of HCS, the Faculty was directed to use these funds towards the undergraduate class expansion and therefore, these costs were built into the 2025-26 base budget (while awaiting the funds to be added to the operating grant). Additionally, the accumulated surplus funded two proposals for the Physician Practice Ready Assessments (PRA) of \$2.6 million.

<b>Accumulated Surplus, March 31, 2025</b>	<b>\$9,086,385</b>
Physician PRA	\$2,575,121
<b>Revised Balance:</b>	<b>\$6,511,264</b>
Surplus, March 31, 2026	\$5,824,224
<b>Accumulated Surplus, March 31, 2026</b>	<b>\$12,335,488</b>

Per the direction of HCS, \$900,000 of the surplus will be used for the Newfoundland and Labrador Health Research Funds for 2026-27.

**RESTRICTED FUNDS**

The Faculty of Medicine has other sources of funding that are restricted in nature. These include research grants, discipline funds, special purpose accounts, and endowment and term funds. The balance as of April 1, 2026 is \$36 million with details in the table below:

Source	Balance
2025-26 Research Grants – Awarded	\$15.7 million
Discipline Funds	\$7.3 million
Infrastructure Funds	\$2.7 million
Special Purpose Funds	\$5.8 million
Endowment & Term Funds – Allowable Payout	\$0.9 million
Campus Renewal Fee Reserve	\$1.2 million
Faculty Research & Educational Trust (FRET)	\$2.2 million
Special / Restricted Operating Reserve (40MM/40MD)	\$0.2 million
<b>Total Restricted Funds – April 1, 2026</b>	<b>\$36.0 million</b>

***Research Grants***

- Funding is restricted by granting organizations.

***Discipline Funds***

- Each year, the faculty collects a portion of the clinical fees paid by Geographic full-time physicians to the Medical Practice Associates (MPA) or their Professional Medical Corporations (PMCs).
- A portion of these fees are distributed, based on a funding model to discipline funds for academic activities which are not currently covered by the operating grant but are essential to the academic mission. The remainder is to be used to fund clinical sabbaticals for MPA/PMC physicians.

### ***Infrastructure Funds***

- ***Capital Equipment Repair & Replacement Fund:***
  - The faculty has deferred capital funding set aside for essential outstanding and ongoing infrastructure projects. This funding is used to replace and/or extend the life of old capital equipment.
- ***Capital Infrastructure Fund:***
  - In 2026-27, the faculty is expecting to receive approximately \$1.0 million for capital infrastructure and \$600,000 for replacement/repairs to equipment.

### ***Special Purpose Funds***

- Special purpose funds are created to accept private donations with the restriction to offset a specific cost that is not typically covered by the faculty's operating, capital or research budgets.
- Some examples of special purposes include hosting a conference, tracking public engagement funding, and contracting continuing professional development services.
- After a special purpose is fulfilled, any remaining money is either returned to the donor or granting agency, deposited into operating funds, deposited in the FRET, or repurposed for a similar project, depending on the source of the funding.

### ***Endowment Funds***

- Each fund has separate Terms and Conditions outlining the restrictions on the fund as negotiated with the donor, and all expenditures must adhere to these conditions.
- The Statement of Investment Policy and Objectives (SIPO) governs these funds.
- Only a portion of the endowed amount can be spent annually. The original value must be maintained in perpetuity. Memorial University's Development Office reassesses the award value every three years.

### ***Term Funds***

- A term fund is similar to an endowment fund, but it can only be used for purposes other than sponsored research or capital.
- The Statement of Investment Policy and Objectives (SIPO) governs these funds.
- The entire amount of the fund can be spent or it can be reinvested once every three years by Memorial University's Development Office.

### ***Campus Renewal Fee Reserve***

- The Faculty of Medicine has accumulated \$1.2 million in campus renewal fees.

### ***Dean's Faculty Research & Educational Trust (FRET)***

- The Dean's FRET is an endowed trust fund in that the principal plus any interest is to be used for restricted purposes as defined by the terms and conditions of the trust.
- The FRET is funded from donations and funds left over from old research accounts from outside entities that do not require any residual funds to be returned at the end of a grant.

## ANCILLARY BUDGET: ST. JOHN'S CAMPUS

Student Residences & Ancillary Operations (SRAO) is a revenue generating operation of the university, receiving minimal budgetary allocation from the operating budget for its core operations. Operating budget of \$871,421 was received in 2025-26 for snow clearing (one-time budget), water taxes (one-time budget), and campus card staffing (base budget).

SRAO oversees 16 residence buildings, 1,780 on-campus residents, the private food vending contracts, Aramark campus food contract, the bookstore, campus card, summer guest accommodations, and other campus wide services and programs. Within these, SRAO is the largest employer of students on campus with 152 part-time and leadership positions throughout the service areas.

As a revenue generator, SRAO operates on annual business plans and is subject to changes in market environments, inflationary pressures, and service demands. It is also subject to an environment of controlled and uncontrolled expenses that change annually. The latter is the most challenging. While SRAO can annually review, adjust and realize efficiencies in its controlled expenses (salaries, supplies), the unit remains challenged annually with uncontrolled cost structures and expenditures that emanate mainly from increased maintenance and repair of the aging residence buildings and dining hall. SRAO costs are the opposite of the university, with 24% in salaries and 76% in facilities and operations; those expenses are therefore challenging for a facility intensive operation. As a result, SRAO is forecasting a deficit of \$1,239,949 for 2026-27.

This deficit is being strategically addressed through a focus on increasing occupancy in residence, increasing revenue from guest accommodations, business reviews of the bookstore, investment in the campus card program, and proposed creation of new commercial and retail space on campus.

<b>Student Residence &amp; Ancillary Operations Budget – 2026-27</b>	<b>Net Results (\$000's)</b>
Student Residences	(\$710)
Administration	(\$681)
Bookstore	(\$525)
Food Services Contract - Aramark	\$374
Guest Accommodations	\$242
University Centre Vendors	\$55
Other Ancillary	\$7
<b>Total Budget - Surplus / (Deficit)</b>	<b>(\$1,238)</b>

### RESIDENCES

For the 2026-27 academic year, residences on the St. John's Campus are projected to have an overall occupancy rate of 85%. This 85% occupancy rate aligns with the actual figures from 2024-25. The decreased occupancy rate of 76% for 2025-26 was due to the Canada Summer Games. The overall occupancy for traditional residences in Paton College is budgeted at 78% whereas the more desirable suite-style residences in Macpherson College are budgeted at 95% occupancy. The apartment style accommodations for individuals and

families are budgeted at 90% and 87% occupancy respectively. While they are a desired option for living on campus, the budgeted occupancy is lower due to the aging infrastructure and the vacancy of apartments required to repair any issues.

Residence	Maximum Capacity	FY2024-25 Actual		FY2025-26 Actual		FY2026-27 Budget	
		Filled	% Occupancy	Filled	% Occupancy	Filled	% Occupancy
Paton College	755	591	78%	477	63%	590	78%
Macpherson College	498	475	95%	456	92%	475	95%
Burton's Pond - Individuals	134	119	89%	106	79%	120	90%
Burton's Pond - Families	75	62	83%	71	95%	65	87%
<b>Total</b>	<b>1,462</b>	<b>1,247</b>	<b>85%</b>	<b>1,110</b>	<b>76%</b>	<b>1,250</b>	<b>85%</b>

### RESIDENCE MEAL PLANS

The Meal Plan rate for 2025-26 is set at \$6,095 or \$29.14 a day for the academic year. The 2026-27 meal plan rate is expected to rise by 5.31%, leading to a daily rate of \$30.69. This percentage increase and three additional meal days in 2026-27 (209 days to 212 days) will result in a higher base meal plan of \$6,510 for the academic year. With this meal plan, the students also receive between \$400-\$600 per academic year in flex dollars to use at any of the Aramark owned retail outlets across campus.

### UNIVERSITY CENTRE VENDORS

The University Centre is currently home to eleven vendors representing a diverse mix of services, including food, banking, and dental care. Revenue is generated through rent and commission agreements, with the final vacancy expected to be operational by June 2026. It is anticipated that \$380k in revenue will be generated in 2026-27 which will generate a profit of \$55k after expenses. The goal is to generate additional revenue by proposing the creation of new commercial and retail spaces on campus.

### BOOKSTORE

Over the past five years, the bookstore on the St. John's Campus has seen its deficit steadily increase, largely due to declining textbook sales and reduced margins associated with the shift to digital resources. The sale of clothing, stationery, and giftware has remained consistently strong over the last five years. The bookstore is expected to run a deficit of \$525k in 2026-27. However, with the implementation of an Online Course Adoption Software we are anticipating increased faculty adoption of curriculum materials and therefore increased sales revenue.

### GUEST ACCOMMODATIONS

Each summer, from May 15 to August 15, the university operates part of its student residence buildings as a hotel for groups and individual guests. Student staff support operations at the front desk, in housekeeping, and for breakfast services. Revenue is forecasted at \$900k, with a projected profit of \$242k.

## **TRUST AND ENDOWMENT SPENDING**

The university's objectives in managing its endowment funds are to maintain a reasonably stable spending rate, while preserving an acceptable funding level such that original donations, adjusted for inflation, remain available to support the university in perpetuity.

In support of these objectives, the university's investment strategy is designed to provide a dependable and growing source of income by maximizing total return - comprised of interest income, dividends, and both realized and unrealized capital appreciation - over the long term, within a prudent and acceptable level of risk.

The Investment Committee seeks to achieve these objectives while maintaining appropriate risk controls consistent with the university's long-term obligations and fiduciary responsibilities.

### **STEWARDSHIP**

In administering its awards and endowment programs, the university is committed to equitable stewardship of resources for both current and future generations. This requires balancing present spending needs with the preservation and growth of underlying assets to ensure sustained support, in inflation-adjusted terms, over time.

Given the inherent volatility of investment markets, this policy should be regarded as a long-term strategic objective rather than a short-term operating rule. Accordingly, it is not intended to be used as a mechanism in determining annual spending in isolation.

### **SCOPE OF APPLICATION**

This policy applies to all university endowment and award programs, including scholarships, awards (prizes), bursaries, and other endowed funds such as endowed academic chairs.

### **DETERMINATION OF THE SPENDING RATE**

The annual endowment spending rate is approved by the president via the Investment Committee, taking into consideration the following factors:

- The five-year average rate of return on the investment portfolio; and
- The prevailing rate of inflation.

The university's long-term target spending rate has been set at 4.0% since the 2016-17 fiscal year.

For the 2026-27 fiscal year, the total amount estimated to be available for spending from Trust and Endowment accounts is \$10.602 million, based on the approved spending rate of 4.0%. A change of 0.5% in the policy spending rate results in an approximate change of \$1.3 million in the total amount available for spending.

This estimate is calculated by applying the 4.0% spending rate to the net asset balance of each trust fund as of March 31, 2026.

**ENDOWED AND NON-ENDOWED ACCOUNTS**

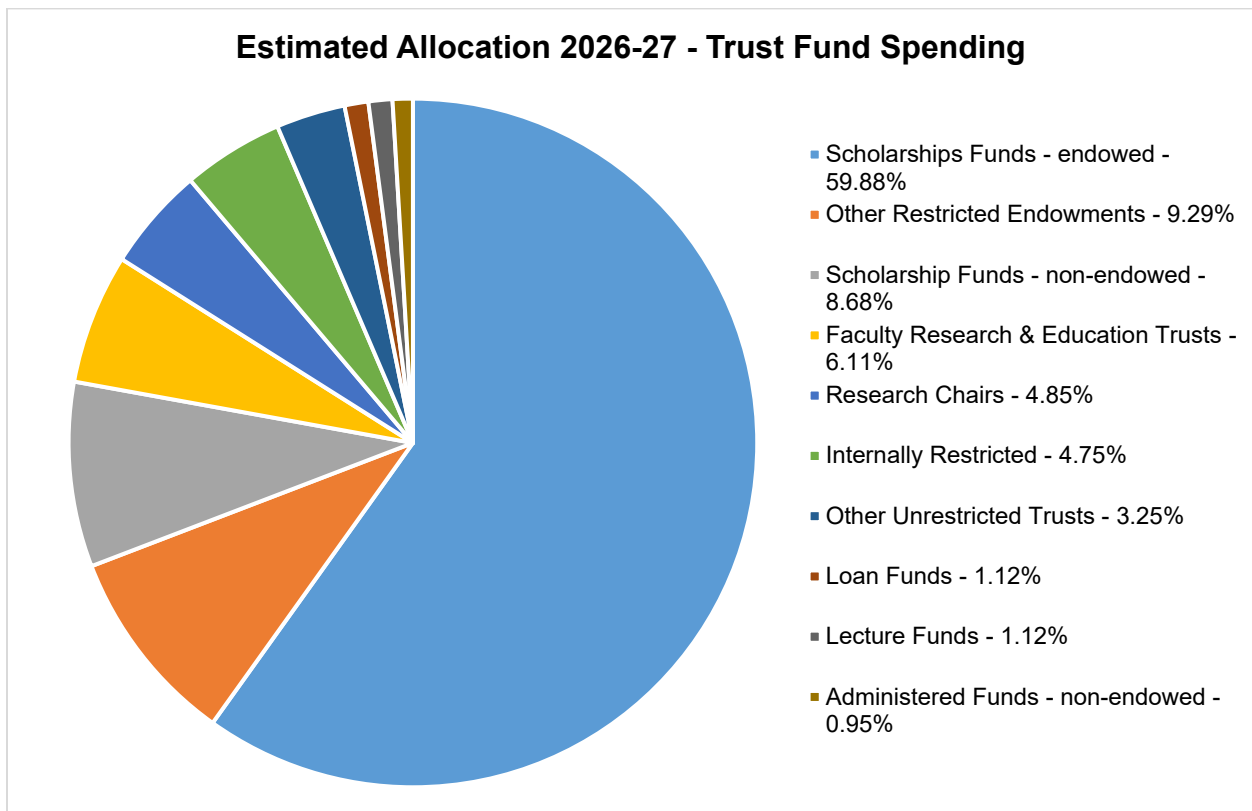
Non-endowed trust account balances may be spent in full at any time. However, for comparative and planning purposes, the estimates presented assume a 4.0% spending rate applied uniformly across both endowed and non-endowed accounts.

Any unspent balances carried forward from prior fiscal years and available for use in 2026-27 are not included in these estimates.

**ALLOCATION BY DONOR PURPOSE**

The estimated allocation available for spending from endowment accounts reflects the purposes and restrictions established by donors. These allocations are presented in the accompanying chart and are intended to demonstrate the distribution of funds by designated use.

The estimated allocation available to spend on the endowment accounts, based on the purposes identified by donors, is reflected in the chart below.



## **CONCLUSION**

The 2026-27 University Budget reflects Memorial's commitment to responsible financial stewardship while protecting the university's core academic mission and its special obligation to Newfoundland and Labrador. Guided by transparent, evidence-informed planning, the budget takes a balanced and risk-based approach to addressing current financial pressures while supporting long-term sustainability.

By focusing on operational efficiency, accountability, and the optimization of administrative functions, Memorial is working to ensure that resources are directed where they have the greatest impact. At the same time, efforts to expand and diversify revenue generation will strengthen financial resilience and reduce vulnerability to future uncertainty.

Together, these guiding principles provide a clear framework for decision-making: one that supports academic excellence, safeguards institutional integrity, and positions Memorial to remain sustainable, responsive, and accountable in the years ahead.