



**2023-24 OPERATING BUDGET
(EXCLUDES FACULTY OF MEDICINE)**



April 25, 2023

2023-24 OPERATING BUDGET
(Excluding the Faculty of Medicine)

	2022-23 Budget	Adjustments	2023-24 Budget
University Budget Revenue			
Provincial Government Operating Grant	\$307,524,700	(\$10,652,700)	\$296,872,000
Federal Research Support Fund	\$4,358,210	(\$76,770)	\$4,281,440
Tuition (Net of Expenses)	\$74,158,880	\$10,689,645	\$84,848,525
Tuition Related Fees	\$3,208,000	\$192,835	\$3,400,835
Student Fees - Campus Renewal Fee	\$7,225,850	(\$34,500)	\$7,191,350
Student Fees - Student Services Fee	\$2,354,800	(\$58,950)	\$2,295,850
Other Income	\$1,500,000	\$2,000,000	\$3,500,000
Total University Budget Revenue	\$400,330,440	\$2,059,560	\$402,390,000

University Budget Expenses

Salaries & Employee Benefits

Academic Teaching Salaries	\$131,586,962	\$10,143,792	\$141,730,754
Administrative Support Salaries	\$117,076,141	\$6,633,700	\$123,709,841
Employee Benefits	\$56,987,810	\$1,819,327	\$58,807,137
Student Assistants	\$2,919,785	\$0	\$2,919,785
Fellowships and Other Awards	\$14,291,801	\$0	\$14,291,801
Total University Budget Revenue	\$322,862,499	\$18,596,819	\$341,459,318

Operating Expenses

Material and Supplies	\$31,206,694	(\$3,873,559)	\$27,333,135
Equipment Repairs and Maintenance	\$439,878	\$0	\$439,878
Building Repairs and Maintenance	\$5,328,643	\$164,400	\$5,493,043
Institutional Memberships	\$1,085,770	\$0	\$1,085,770
Depreciation Expense	\$0	\$0	\$0
Reference Materials/Book	\$8,555,287	\$303,600	\$8,858,887
Inventory Purchases	(\$626,004)	\$0	(\$626,004)
Telecommunications	\$652,560	\$3,500	\$656,060
Utilities	\$23,778,872	\$5,573,300	\$29,352,172
Rental of Space	\$1,125,989	\$0	\$1,125,989
Taxes	\$1,405,025	\$59,450	\$1,464,475
Insurance	\$1,957,075	\$123,000	\$2,080,075
Externally Contracted Services	\$6,200,011	\$158,200	\$6,358,211
Professional Fees	\$2,334,762	\$0	\$2,334,762
Debt Servicing	\$788,956	\$0	\$788,956
Operating Leases	\$400,210	\$0	\$400,210
Equipment Rentals	\$4,236,713	\$172,600	\$4,409,313
Travel and Hosting Expense	\$4,360,415	\$115,000	\$4,475,415
Awards	\$1,158,834	\$0	\$1,158,834
Indirect Operating Expenditures	\$7,020	\$0	\$7,020
Internal Recoveries & Transfers	(\$2,020,974)	\$20,220	(\$2,000,754)
Unit Revenue & External Recoveries	(\$34,728,749)	\$0	(\$34,728,749)
Total Operating Expenses	\$57,646,987	\$2,819,711	\$60,466,698

Capital Expenditures

Capital Expenditures	\$19,820,954	\$232,000	\$20,052,954
Total Capital Expenditures	\$19,820,954	\$232,000	\$20,052,954
Base Budget Reduction to Balance	\$0	(\$3,591,670)	(\$3,591,670)
Total University Budget Expenses	\$400,330,440	\$18,056,860	\$418,387,300
Budget Surplus (Deficit)	\$0	(\$15,997,300)	(\$15,997,300)

Adjustments to Balance

One-Time Prior Year Reserves / Carryover Policy	\$6,125,500		
Government - MUNFA Collective Agreement	\$9,871,800		
Total Adjustments to Balance	\$15,997,300		
Net Budget After Adjustments to Balance			\$0

The operating budget totalling \$418,387,300 for 2023-24 is presented with a net deficit of \$15,997,300 million before use of one-reserves of \$6.1 million and \$9.9 million outstanding from government for MUNFA collective agreement increases. This operating budget includes the St. John's, Grenfell, Marine Institute, Labrador, and Harlow Campuses, however it excludes the Faculty of Medicine. The following are highlights of the 2023-24 operating budget:

REVENUES

- Department of Education Operating Grant has been reduced by \$10,652,700 (-3.5%) over 2022-23. Due to the timing of the signing of the MUNFA Collective Agreement, the operating grant announced on budget day did not include budget for the MUNFA Collective Agreement increases (\$9.9 million) effective September 1, 2022. The University has advised government of the budget adjustment required and the provincial operating grant revenue will be adjusted when the budget is provided. The adjustments to the provincial government grant is comprised of the following increases and reductions:
 - \$7.7 million increase for the collective agreement increases for CUPE, NAPE, Non-Bargaining, and Management & Professional Staff (2% April 1, 2022, 2% April 1, 2023). ;
 - \$2.2 million increase for the expansion of the Faculty of Nursing Nurse Practitioner Program;
 - (\$0.8) million general grant reduction;
 - (\$13.68) million reduction in the tuition offset grant;
 - (\$6.0) million reversal of the 2022-23 one-time funding for transition to new tuition model.
- Tuition revenue for 2023-24 is forecasted to increase \$10.7 million (14.4%) over the 2022-23 budget. This adjustment is based forecasted undergraduate registrations at the new tuition rates effective Fall 2022 for new undergraduate students, and the previous undergraduate rates with 4% inflation.
- Campus Renewal Fee and Student Services Fee revenues are budgeted to decrease by \$34,500 and \$58,950 respectively. These sources of revenue are budgeted based on the 2022-23 actual revenue generated.
- The Federal Research Support Grant revenue award has been decreased by \$76,770 for 2023-24.
- The budget revenue for specific tuition related fees such as application fees, late fees, distance education fees, and the student development fund have been increased by \$192,835. These sources of revenue are budgeted based on the 2022-23 actual revenue generated.
- Other Income has been increased by \$2.0 million for 2023-24. This increase is the result of higher interest rates applied to cash and short term investments.

EXPENSES

SALARIES & BENEFITS

- 18.6 million increase due to:
 - \$2.0 million NAPE negotiated collective agreement increases;
 - \$5.7 million outstanding CUPE, Non-Bargaining, and Management & Professional Staff increases;
 - \$9.9 million MUNFA negotiated collective agreement increases;
 - \$1.0 million Faculty of Nursing expansion of the Nurse Practitioner Program as detailed in the budget approved by government.

EXPENDITURES

- \$1.2 million investment in Transforming Our Horizons Entrance Scholarships funded from one-time prior year reserves.
- \$4.9 million inflationary expenditures for energy due to extraordinary increases in fuel rates funded from one-time prior year reserves.
- \$1.1 million Faculty of Nursing expansion of the Nurse Practitioner Program as detailed in the budget approved by government.
- \$1.5 million inflation, based on the CPI (Consumer Price Index) rates, on unavoidable expenditures such as: energy, insurance, information technology system maintenance, external maintenance contracts, snow clearing, library holdings, and water/municipal taxes.
- \$58.9k decrease for student services due to decrease in budgeted Student Services Fee revenue.

CAPITAL

- Decrease of \$34.5k for capital renewal due to decrease in the Campus Renewal Fee revenue budget.

BASE BUDGET REDUCTIONS

Base budget reductions to units for 2023-24 total \$3.6 million (~0.9%). Units will be advised of their base budget reductions when the Portfolio Leaders allocate their portfolio budget. Details on the unit budget decisions to implement the budget reductions will be reported to the Board of Regents along with the Budget Updates. The table below provides the base budget reductions to each portfolio and the reduction as a percentage of the 2022-23 base budget.

<u>Portfolio</u>	<u>\$\$</u>
Board of Regents & Senate	(\$8,900)
President and Vice-Chancellor	(\$31,600)
VP Advancement and External Relations	(\$95,600)
VP Indigenous Affairs	\$0
Provost & VP Academic	(\$2,112,300)
VP Grenfell Campus	(\$335,200)
VP Marine Institute	(\$383,300)
Harlow Campus	\$0
VP Research	(\$128,400)
VP Administration & Finance	(\$496,370)
Total	(\$3,591,670)

ONE-TIME PRIOR RESERVES/CARRYOVER POLICY

The [University Operating Budget Policy](#) contains a section on surpluses and deficits. The University permits the carryover of current year and cumulative surplus/deficits. The maximum cumulative surplus is 10% of the Unit's current year base budget allocation. If a Unit is engaged in multi-year planning for a one-time expenditure, they may request in writing to the respective Envelope Head and the Vice-President (Administration & Finance) to exceed the 10% maximum. Implementation of the University Budget Carryover Policy has resulted in one-time reserves which will be used to balance the 2023-24 operating budget. The one-time reserves will be used to fund the Transforming Our Horizons Scholarships (\$1.2 million) and extraordinary budget requirements due to extraordinary increases in fuel rates (\$4.9 million).