

UNIVERSITY COUNCIL  
**PLANNING AND PRIORITIES COMMITTEE**  
**FOR INFORMATION ONLY**

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**PRESENTED BY:** Bob Tyler, Chair, Planning and Priorities Committee

**DATE OF MEETING:** November 15, 2012

**SUBJECT:** **2013-14 Operations Forecast**

**COUNCIL ACTION:** For information only

**CONTEXT AND BACKGROUND:**

The Planning and Priorities Committee and its Capital and Finance Subcommittee had several opportunities to discuss and comment on draft versions of the Operations Forecast. The Committee is responsible for providing advice to the President on the budgetary implications of the Operations Forecast and for reporting to Council on the nature of its advice.

**ATTACHMENTS:**

1. Memorandum on the 2013-14 Operations Forecast.

The full text of the 2013-14 Operations Forecast document can be found at [www.usask.ca/ip/inst\\_planning/major\\_planning/budget/op\\_forecast.php](http://www.usask.ca/ip/inst_planning/major_planning/budget/op_forecast.php)



## ***MEMORANDUM***

TO: Ilene Busch-Vishniac, President  
Brett Fairbairn, Provost and Vice-President Academic

FROM: Bob Tyler, Chair, Planning and Priorities Committee of Council

DATE: October 3, 2012

RE: **Operations Forecast 2013-2014**

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As chair of the Planning and Priorities Committee of Council, I have the responsibility of providing the Committee's perspective on the 2013/14 Operations Forecast. The Committee discussed the draft Operations Forecast at its meetings on September 12<sup>th</sup> and 26<sup>th</sup>. Earlier this fall, the Capital and Finance Subcommittee reviewed the University's projected 2013/14 operating budget.

The Committee supports the much greater emphasis this year in the Operations Forecast on the value of investing in the University, i.e. on private and public rates of return and on employment outcomes, with the Saskatchewan-specific figures being particularly compelling.

The emphasis in the Operations Forecast on fiscal restraint and on the efficient and effective use of public resources in alignment with our areas of priority is appropriate, particularly in light of the Province's focus on lean management principles in its own operations and the anticipated increase in the operating budget of only two per cent.

The Committee supports the emphasis in the Operations Forecast on capital expenditures on critical infrastructure projects and on renewal of the core campus and the RenewUS Strategy, including the contribution from the operating budget to academic renewal. In light of the financial reality facing the University, any opportunities for new capital projects must be carefully scrutinized, particularly with respect to ongoing operating costs. We expect that the \$63.4 million capital request, although well justified, will be viewed as ambitious, and that the government's response will be interesting in light of its current borrowing room strategy for financing the capital needs of the University. The Committee expects that capital projects and capital renewal will continue to be areas where funding falls far short of requirements. The Operations Forecast outlines clearly the unsustainability of the University receiving its capital funding in the form of borrowing room, rather than as a grant. The Committee echoes the concern regarding the liability placed upon the University by the Province through its adoption of this funding strategy, and supports continued discussion on this point.

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The University's budgetary situation means that new academic opportunities will require close scrutiny. The University must continue to pursue innovative academic programs and research opportunities, such as the School of Architecture and the School of Rehabilitation Sciences. However, as any investment may very well result in a reduced allocation elsewhere, ensuring that the opportunities presented closely fit both the University's and the Province's needs and priorities is essential.

With respect to the projected increases in tuition rates, the Committee believes the University has been well served by its current tuition policy. However, while the comparative tuition data presented using the U15 group of universities depicts the University as being below the median tuition for nearly all of its undergraduate programs, the by-province data for average undergraduate tuition fees for full-time students puts Saskatchewan near the top. Concern was expressed regarding the message here, and whether the U15 group is the most appropriate comparator group for undergraduate tuition rates.

The Committee was strongly supportive of the request for graduate student scholarship funding in the signature areas of research. However, the consensus of the Committee was that the value of the awards should be reduced to the levels of NSERC PGS M and PGS D scholarships and SSHRC Doctoral awards, thereby increasing the number of awards available. There was also strong support for a suggestion that a matching contribution be required from the supervisor or academic unit. As a general approach, a requirement for leveraging is supported as a way to increase the impact of scholarship funding, with the appreciation that matching funds are in very short supply in many academic units.

In closing, it bears repeating that the Planning and Priorities Committee believes that the University's financial requirements as outlined in the Operations Forecast are realistic, clearly stated and based on sound budgetary assumptions. The Operations Forecast balances the need for fiscal restraint and the need to look ahead to potential new academic and capital opportunities.

The Committee appreciates the considerable effort expended on preparing the 2013/14 Operations Forecast.

On behalf of the Planning and Priorities Committee,



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Bob Tyler, Chair