



# Operating Budget Adjustments Update

Presented to Senate  
April 2013



# Why we are here

- **Our goal:**

- Financial sustainability: 2016 and beyond

- **Our priorities:**

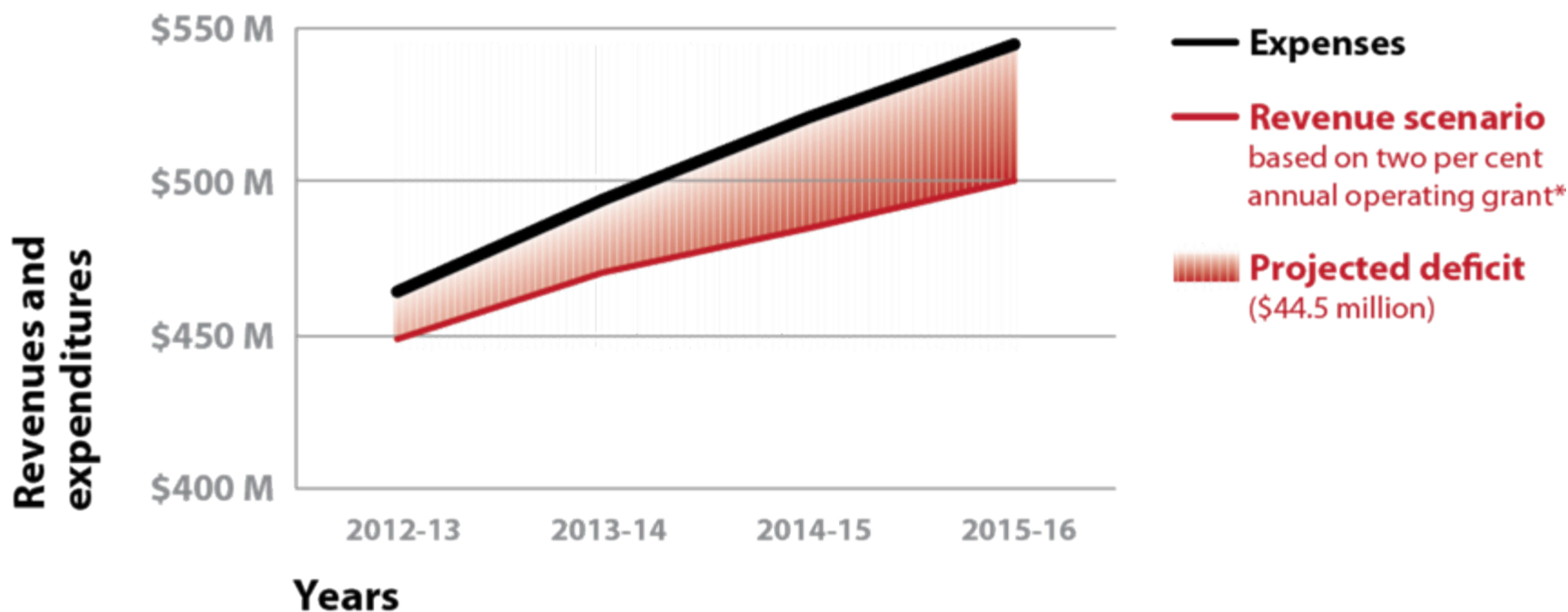
- Budget is balanced in a sustainable fashion
- Best people and programs in place
- Resources focused on priorities

- **Our challenge and why we need to take action:**

- Like other universities, we are facing budget challenges
- Unlike other universities, we have the time to do this right

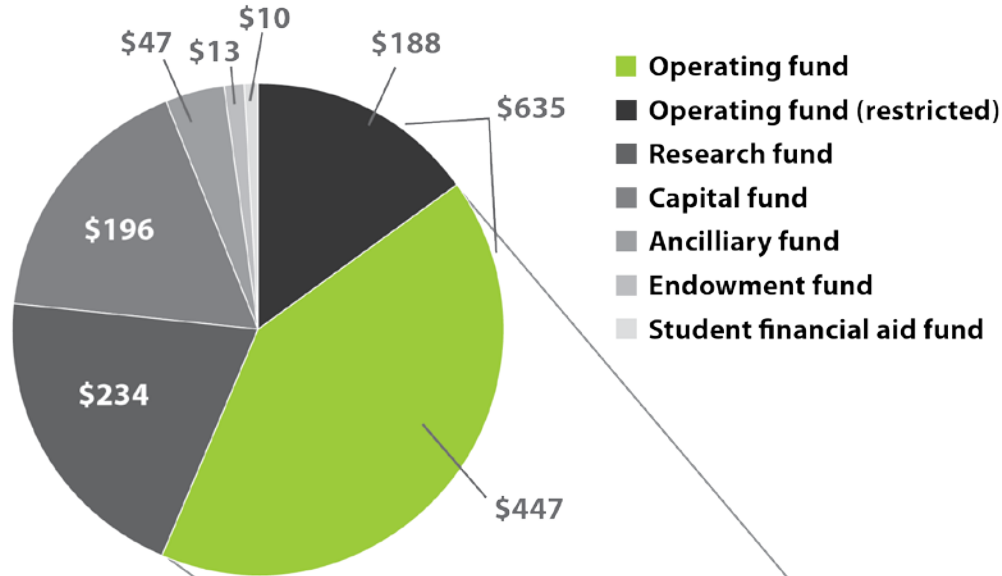
# Our financial projections at May 2012

Growing gap between revenue and expenses

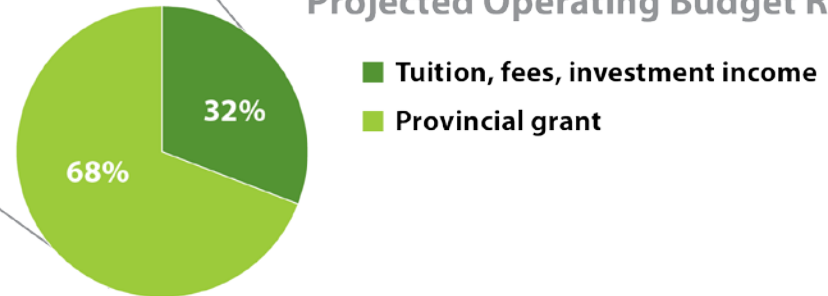


\* Assuming all other financial variables remain at currently projected levels (including investment income, other revenue, utilities expenses, salaries, etc.)

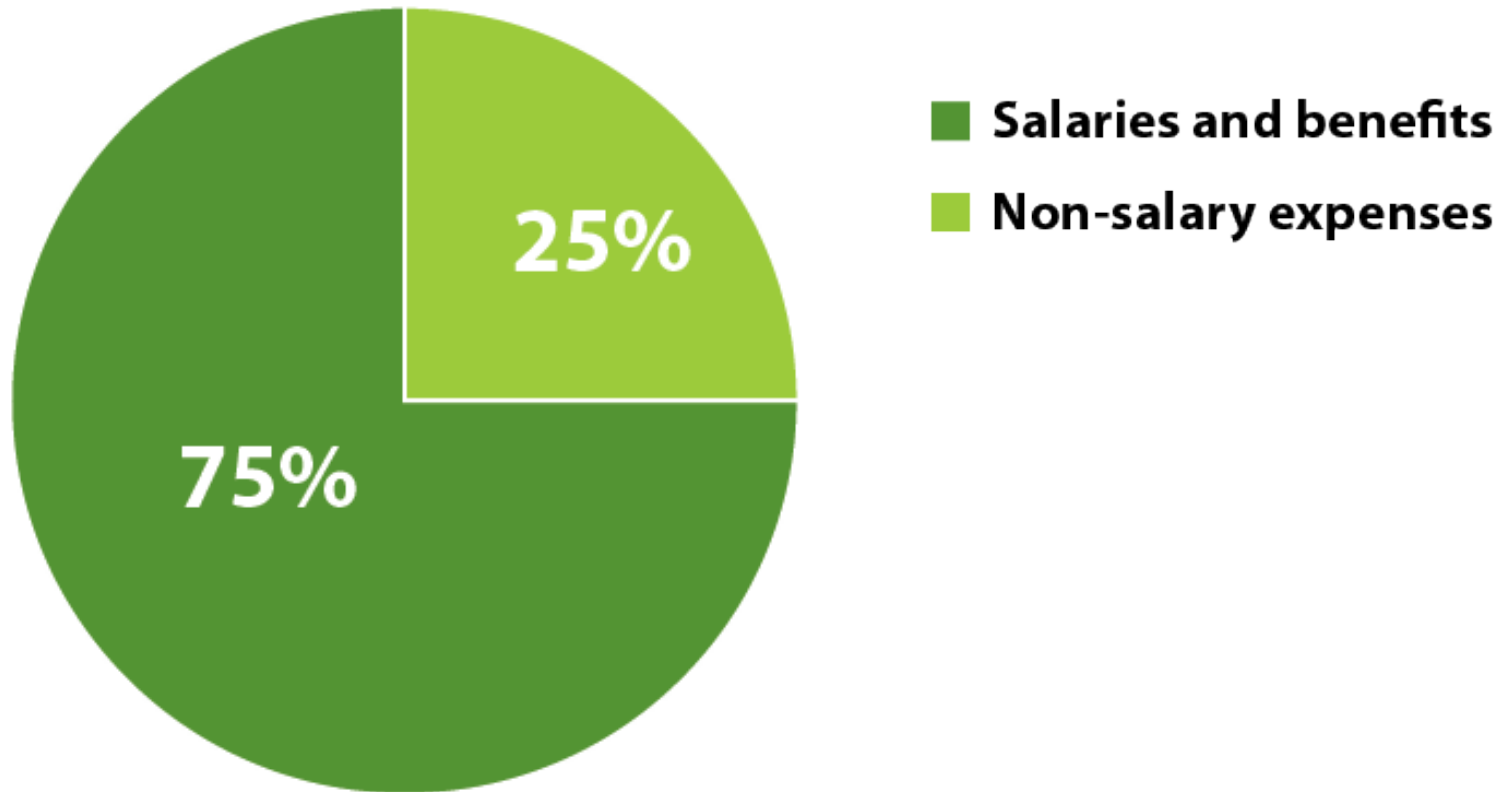
### Projected \$1.1 billion consolidated revenue 2012-13 (millions)



### Projected Operating Budget Revenue



## Projected Operating Budget Expenses 2012-13





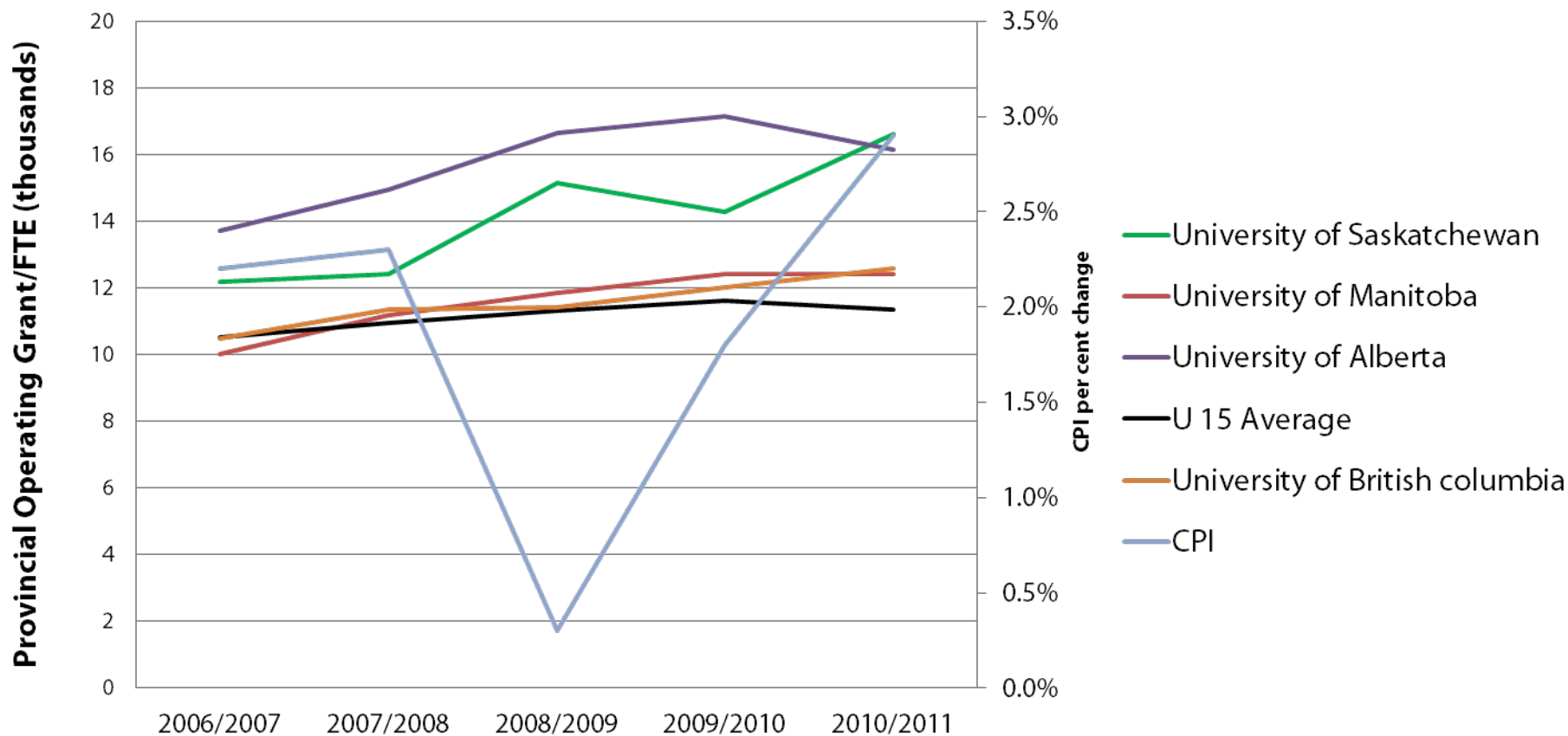
Ideas submitted for consideration will fall into one of these eight areas for review by the Operating Budget Adjustments Steering Committee. Ideas deemed to be reasonable and viable will then be forwarded to the governance committees for further consideration and approval/rejection.

# What about other U15 institutions?

- Reduction in provincial government funding
- More targeted federal funding
- Changes to student funding structures
- Decreased endowment revenue for universities
- Increasing operating expenses
- Declining revenues



# Provincial operating grant per FTE student: 2006-2011



Source: CAUBO data



# PSE provincial budget highlights

- Saskatchewan – 2% increase in 2013-14
- BC – 2.5% decrease over next 3 years
- Alberta – 6.8% decrease in 2013-14
- Manitoba – 2.5% increase in 2013-14, tuition cap
- Ontario – fee structure changes resulting in a loss of over \$1 billion in 4 years
- PEI – 0% change
- Nova Scotia – 3% decrease in 2013-14



# What are others doing?

- Most Canadian universities have employed **some of the following** strategies to balance their budget including:
  - increasing tuition fees
  - budget-cuts for academic and administrative activities
  - wage freezes
  - reductions in the workforce
  - changes in budgeting systems
  - introducing new budget models



# Cost control: 2012-13

	Across the board cuts	Reduce inflationary lift	Salary and benefit based strategies	Lean type initiatives	Reallocate resources	Reduce central services	Budget freeze	Program prioritization type initiatives	Days off without pay	Staff cuts
<b>Dalhousie</b>	X	X								
<b>Quebec</b>	X		X	X						X
<b>Ottawa</b>										
<b>Queen's</b>	X				X					
<b>Toronto</b>						X				
<b>McMaster</b>			X		X		X			
<b>Waterloo</b>										
<b>Western</b>			X							
<b>Manitoba</b>				X				X		
<b>Alberta</b>	X								X	
<b>Calgary</b>										
<b>British Columbia</b>	X									X



# Revenue generation : 2012-13

	Increase tuition	Increase student fees	Grow program offerings	Fundraising	Increase sales of goods/services	Increase enrolment
<b>Dalhousie</b>	X	X				
<b>Quebec (McGill, U of M, Laval)</b>	X		X	X		X
<b>Ottawa</b>	X				X	X
<b>Queen's</b>	X					
<b>Toronto</b>	X					X
<b>McMaster</b>	X		X			X
<b>Waterloo</b>	X			X		X
<b>Western</b>	X			X	X	
<b>Manitoba</b>	X			X		
<b>Alberta</b>		X				
<b>Calgary</b>	X				X	
<b>British Columbia</b>	X					



# Examples to note : 2012-13

## Queen's:

- Eliminate small first year seminars taught by senior faculty members
- Create a “Progress through the Ranks” tax on departments that will “compensate for the effects of the retirement of high-salary faculty members and the hiring of new faculty members at lower salaries”

## Toronto:

- Faculties will strive to generate revenues to cover their costs and share of central costs

## McMaster:

- Develop and maintain strong government relations advocacy programs to maximize funding at the federal, provincial and municipal levels



# Examples to note : 2012-13 (Cont'd)

## Alberta:

- Introduce a new \$275/term non-instructional fee for all students
- Mandatory furlough days (days off without pay) for all staff – and, at the discretion of each individual, the option of taking five additional voluntary personal leave days without pay

## Calgary:

- Search for and implement efficiencies (ex. building of the Cogeneration Plant)

## UBC:

- \$19 million internal savings due to the loss of a number of management positions
- Reduce faculty budgets by 2.5% across the board (\$10 million cost reduction)
- Reduce or eliminate internal charges

# Where are we today?

- Projecting a balanced budget for 2012-13
- Modeling impact of actions on 2016 budget
- Annualized savings achieved to date- \$5 million

## **Financial town hall #5**

June 13, 2013

12:30-1:30 pm

Convocation Hall or watch online at  
[www.usask.ca/finances](http://www.usask.ca/finances)



# Questions?

For more information visit  
[www.usask.ca/finances](http://www.usask.ca/finances)

