



UNIVERSITY OF ALBERTA
STUDENTS'
UNION

The University of Alberta Budget Primer 2.0

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Students' Council (September 24th, 2013)

Outline (i.e. “New Information”)



- A. Information from Board Chair
- B. University Budget Primer
- C. Revenue generation
- D. Expenditure Savings
- E. International Students
- F. Additional Information from President Indira Samarasekera
- G. Concerns from the SU

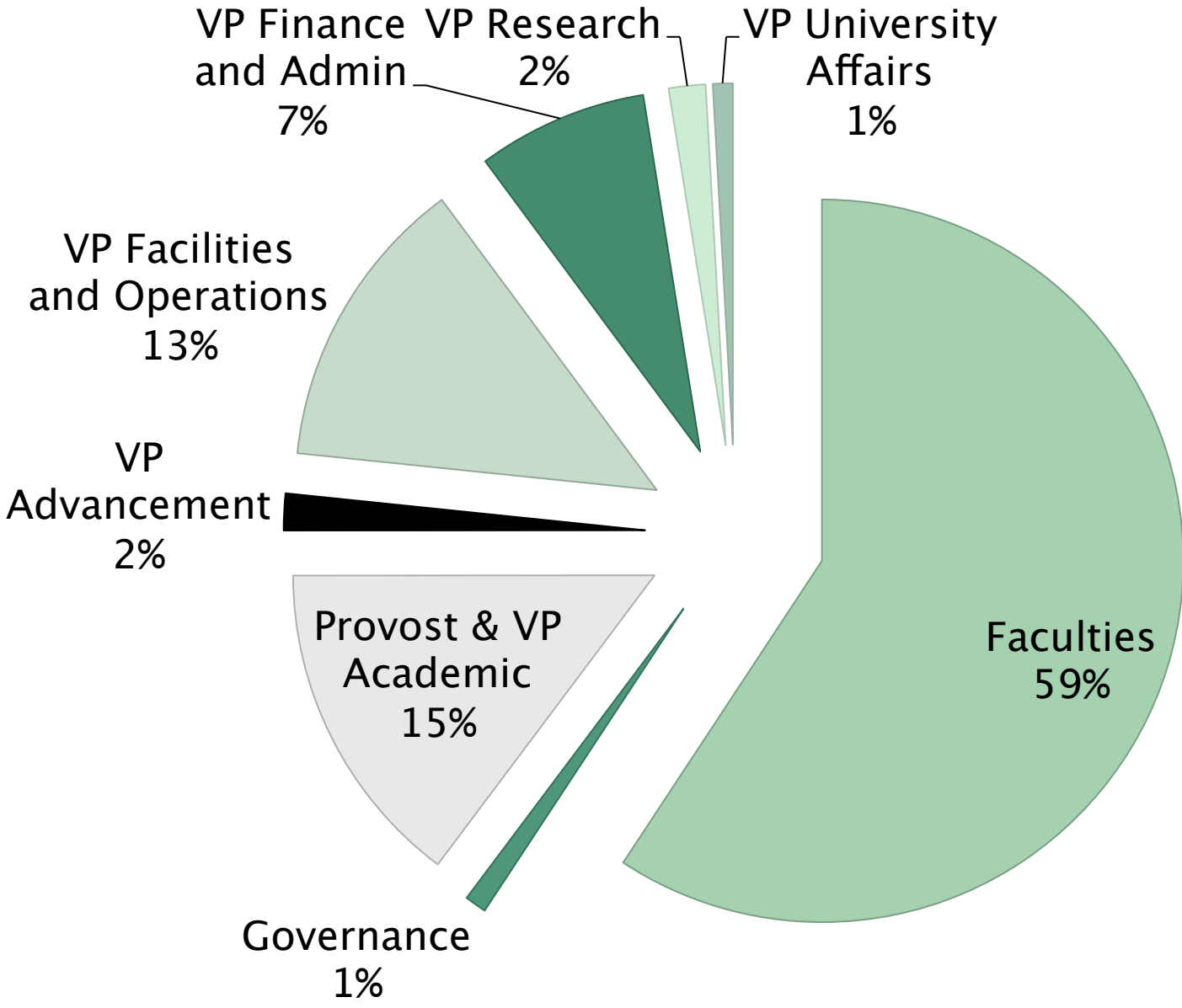
In August...

- Province is sending financial consultants to institution
- Institution informed that we must balance budget in two years (letter not released)

B. University Budget Primer

- <http://change.ualberta.ca/financials/budget-documents>
- Information about Consolidated and Operating Budget
- How Decisions are Made
- Budget Pressures

B. University Operating Expenditures 2012-13



B. The University's Target for 2014-15

University must be in a **structurally** balanced budget by March 31, 2015 (BoG approve 2014)

<u>Gap to Fill:</u>	\$74,663,909
2013/14 Cuts:	- \$28,771,998
Residual:	\$45,891,911
Est Struct Costs:	\$10,108,089
<u>Total rounded:</u>	\$56,000,000

Cuts Required

Faculties:	~\$39,200,000
Central:	~\$16,800,000

B. Governance Timeline for the Comprehensive Institutional Plan (CIP)



B. Governance Timeline for 2014-15

Oct. 1st Budget Action Plan to BHRCC - Discussion

Oct 9th Budget Action Plan to APC – Discussion

Oct 19th Budget Action Plan to Board – Discussion

Oct 28th Budget Action Plan to GFC – Discussion

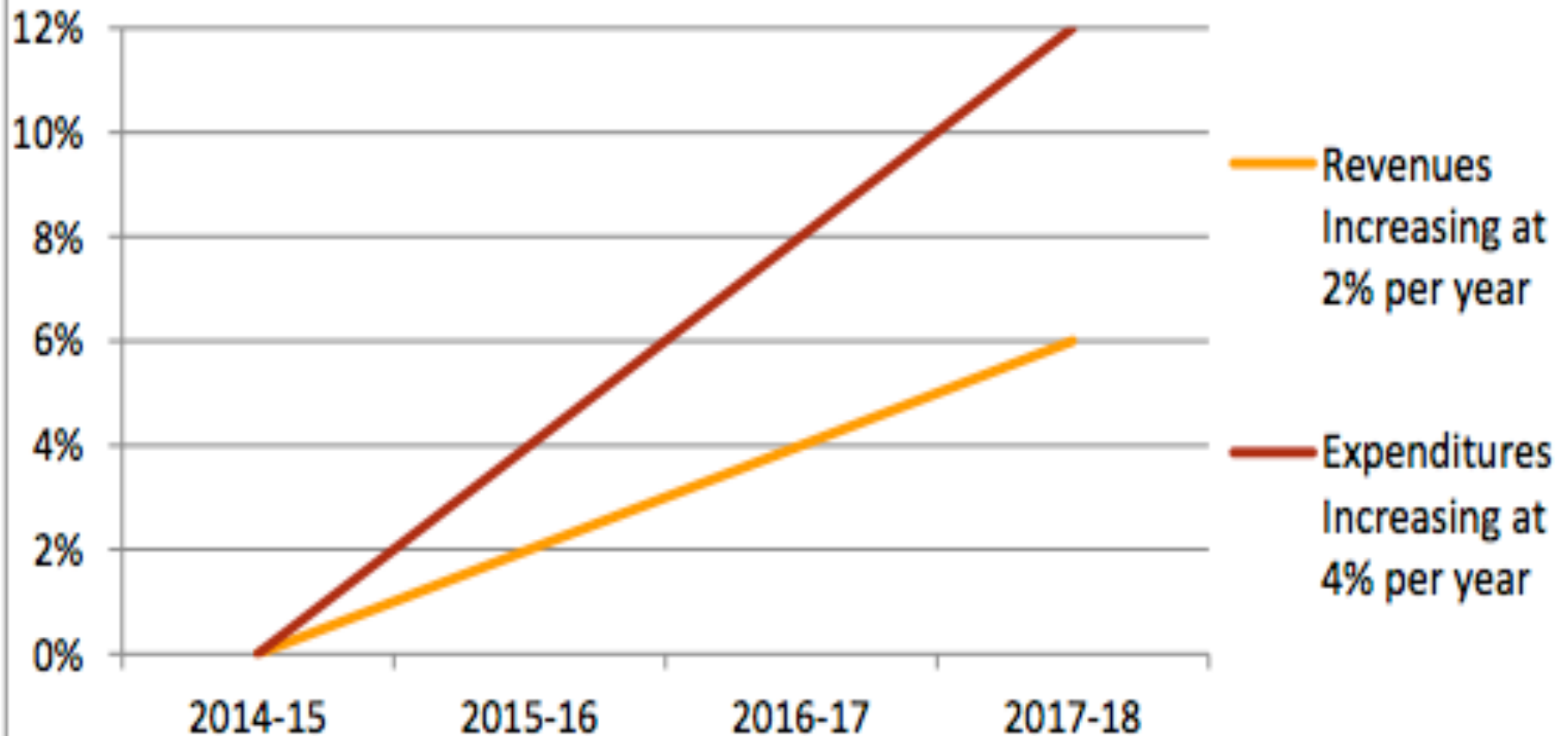
Nov 15th Budget Action Plan finalized with Deans at
President's Lunch

Dec 13th Budget Action Plan Finalized with Board

Feb 7th Budget Briefing to Board

C. The University's Structural Deficit

Revenue vs Expenditure Gap (illustration only)



C. Ways to Increase Revenue

- **Indirect Cost of Research (ICR)**

The Admin is recommending a new 85/15 faculty to central split in funding for ICR from non-Tri Council funders

- **Tuition**

85/15 model for new cost-recovery programs and market modifiers

- **International Differential Fees (IDF)**

The IDF split is currently 37.5% Centre/ 37.5% Faculty / 25% Provost. However, this is under review.

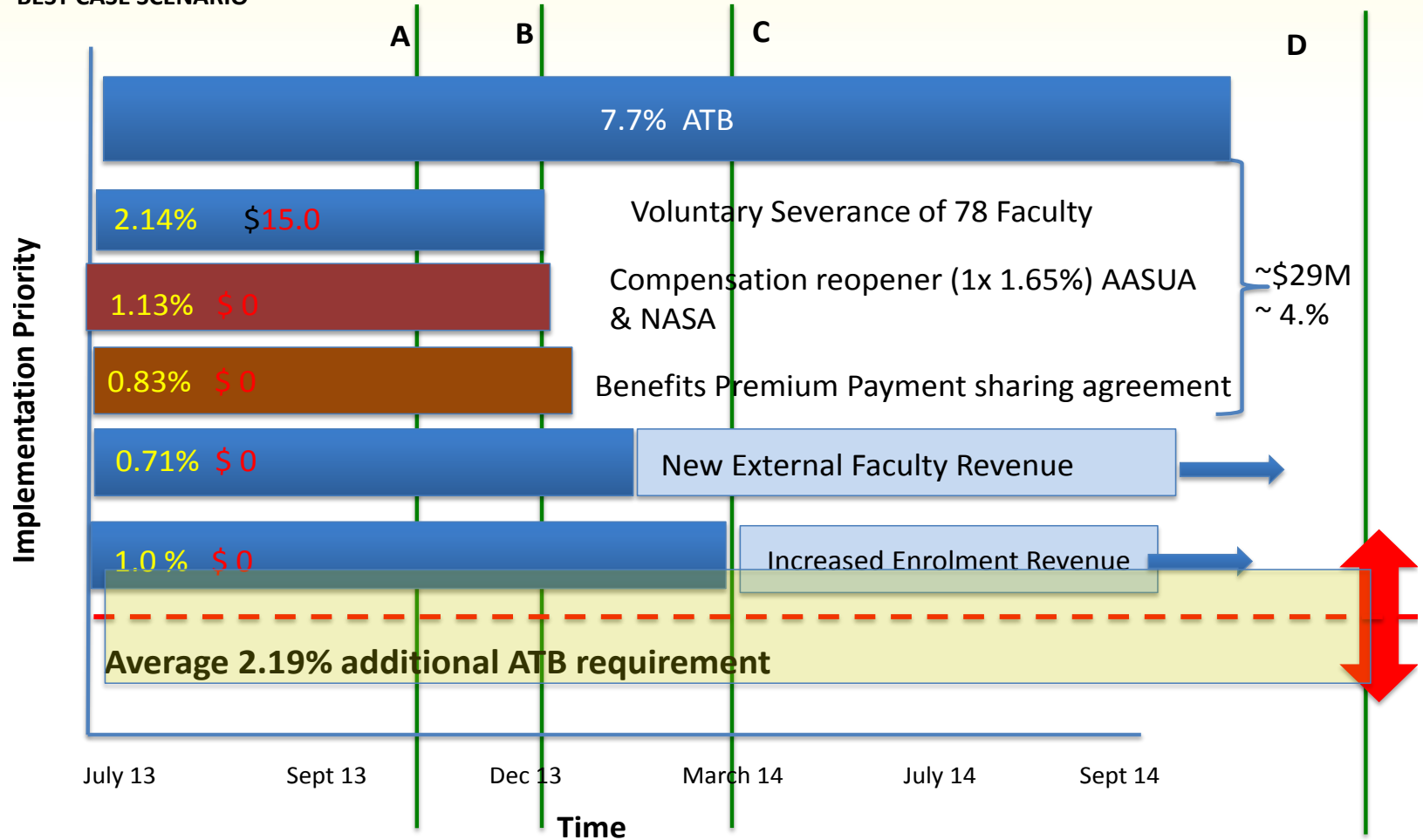
D. Voluntary Severance Packages (VSP)



- VSP – One of the main ways for the institution to save money
- Initially University said this would not be used
- On August 6th the University announced that would be implemented for Academic Staff and some non-academic staff
- Deans given discretion to accept or reject
- Deadline for VSP was Mon, September 16th

D. Best Case Budget Scenario

BEST CASE SCENARIO

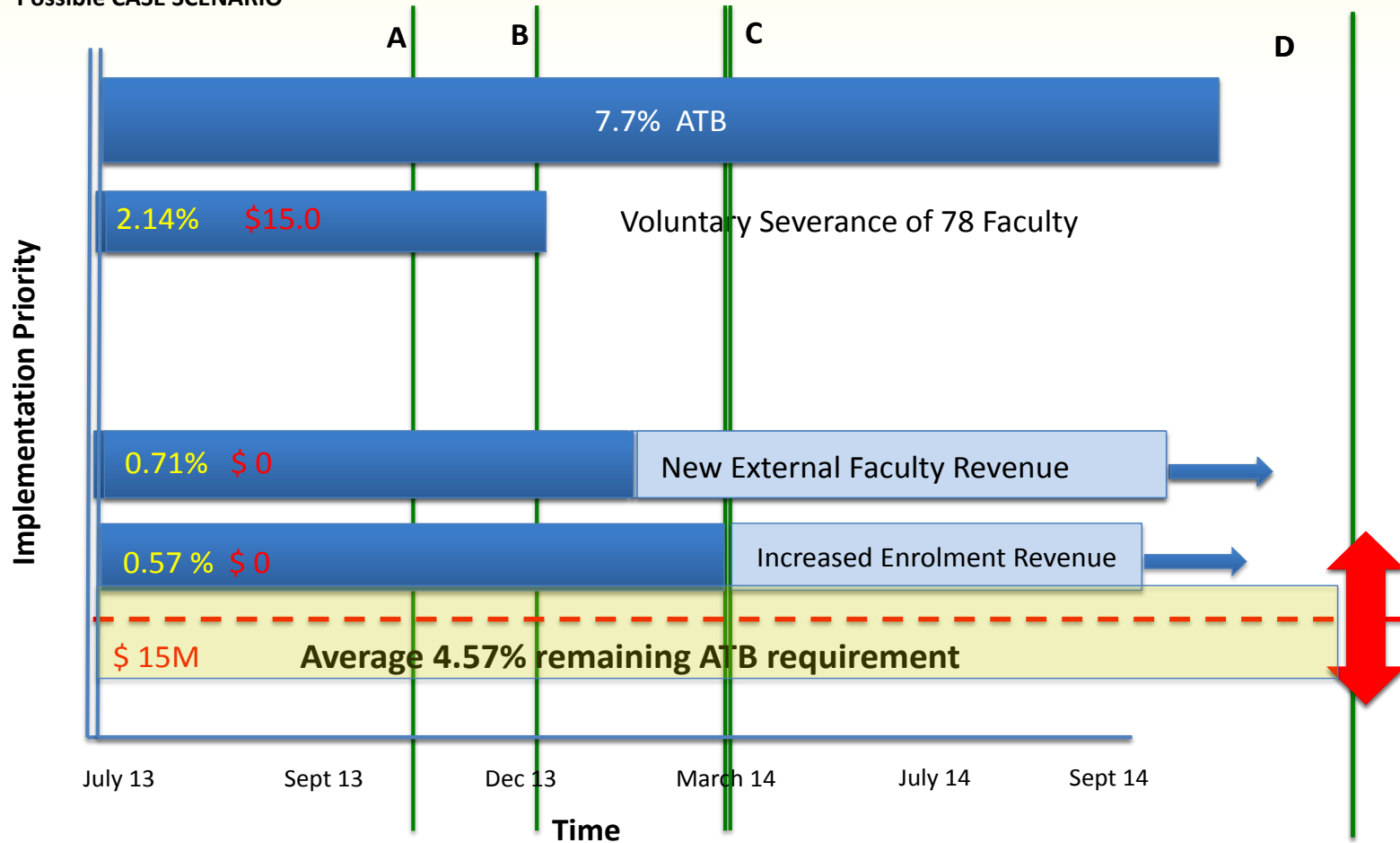


A = 2014-15 budget for Board
B = Interim report to EAE

C = Budget 2014-15 announced
D = 2014-15 balanced position

D. Intermediate Case Budget Scenario

Possible CASE SCENARIO

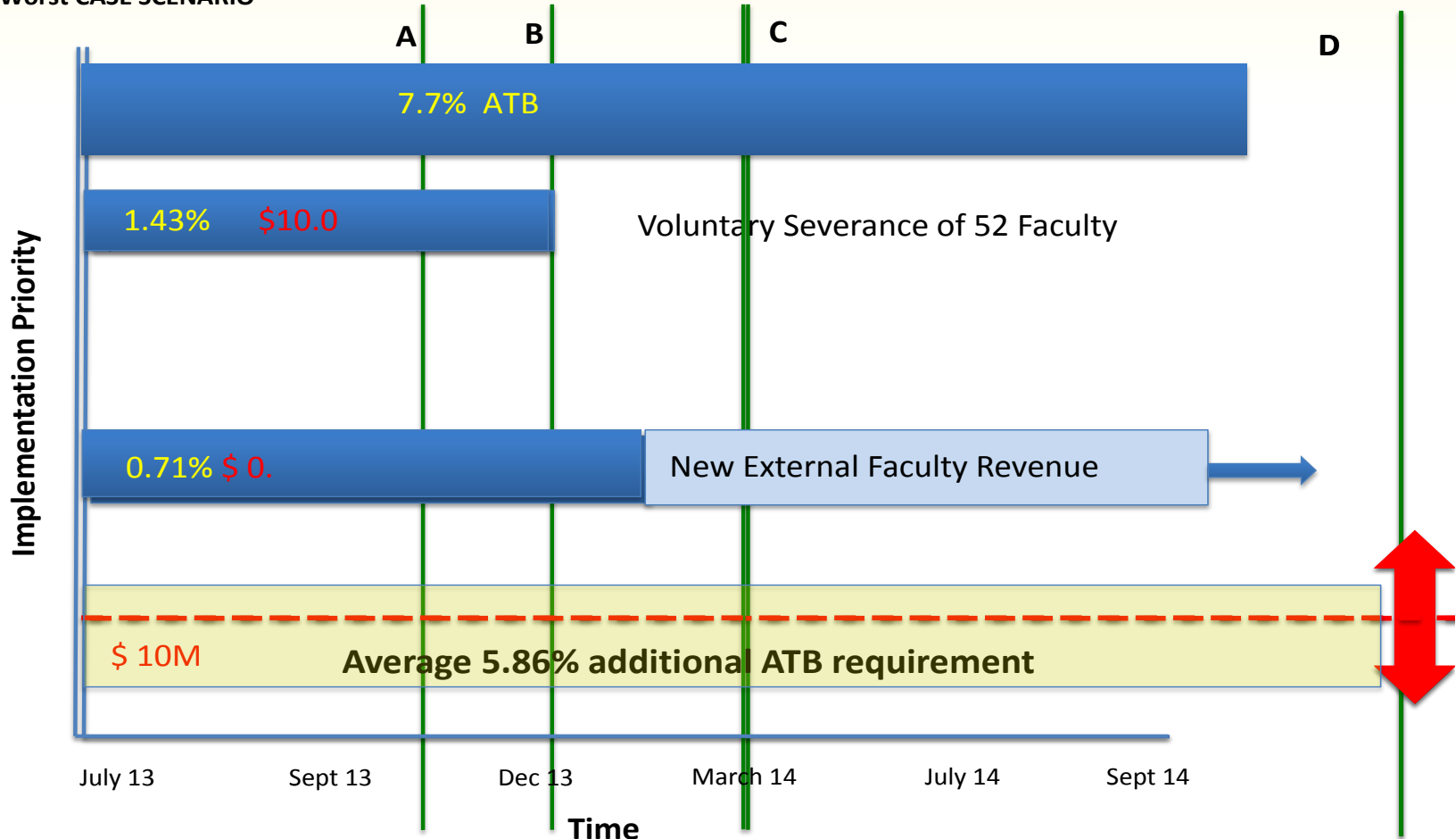


A = 2014-15 budget for Board
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C = Budget 2014-15 announced
D = 2014-15 balanced position

D. Worst Case Budget Scenario

Worst CASE SCENARIO



A = 2014-15 budget for Board
B = Interim report to EAE

C = Budget 2014-15 announced
D = 2014-15 balanced position

E. International Differential Fee (IDF)

- How to calculate the IDF?

Domestic Students Tuition (DST) = (Tuition)(1 + CPI*) + Market Modifier (MM)

Int'l Students Tuition (IST) = (Tuition)(1 + CPI) + (IDF)(1 + CPI) + (MM × IDFM)

- International Market Modifier (IMM)

- Market Modifiers are also differentiated for international students
- IDFM = (IDF/Tuition)
 - IDFM = International Differential Fee Multiplier
- IMM = (1+IDFM)(MM)
 - MM = Market Modifier

E. International Differential Fee (IDF)



Interesting thing to take note of...

- For 2013/14, the IDF allocation to international student scholarships have been reduced. (Not sure by how much.)

F. Additional Information



- President's Vision Moving Forward
 - Academic Transformation
 - Sustainable Financial Models
 - Efficient Administration
 - Culture Change

- Reviewing tuition discussions

G. Concerns from the SU



- Students are not being actively engaged in discussion
- FA's do not feel actively involved with faculty discussions
- Concern over how decisions are being made regarding units supported by student fees
- Concern from international students about being used to cover budgetary shortfalls