

Student's Union

Presentation by Martin Ferguson-Pell, Acting Provost
Phyllis Clark, Vice-President (Finance & Administration)

October 8, 2013



Presentation Outline

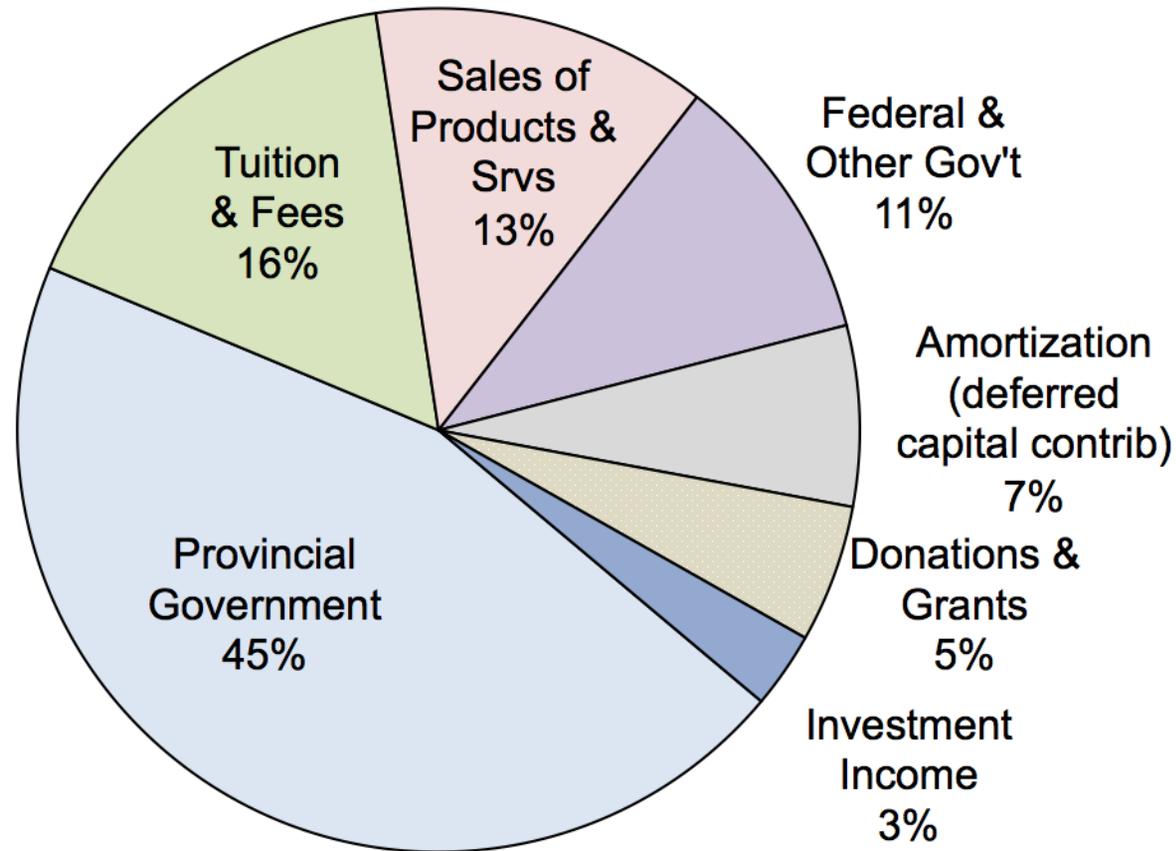
- 1. University budget overview**
- 2. Recap of government decisions**
- 3. Proposed plans**
- 4. Tuition**
- 5. Questions**

INSTITUTIONAL STRUCTURE (CONSOLIDATED)

CONSOLIDATED BUDGET (\$1.7 BILLION)	OPERATING	Revenue: grants, tuition/fees, investment, etc. Expense: salaries & benefits, utilities, etc.	UNRESTRICTED
	ANCILLARY	Self-financing units. e.g. bookstore, residences and parking	RESTRICTED
	CAPITAL	Restricted. Funded by Province, donations, mortgages for capital projects, e.g. NINT	
	RESEARCH & OTHER	External funding for restricted activities. e.g. sponsored research, donations and contracts	

INSTITUTIONAL STRUCTURE (CONSOLIDATED) REVENUE SOURCES

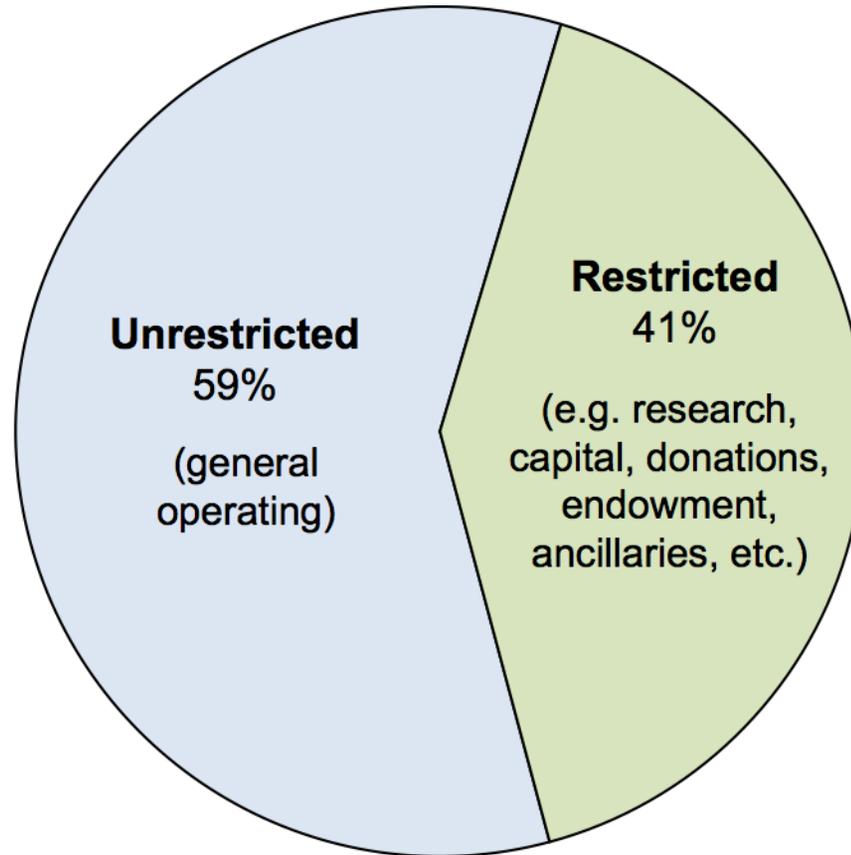
\$1.7 Billion Budget



Source: Comprehensive Institutional Plan 2012

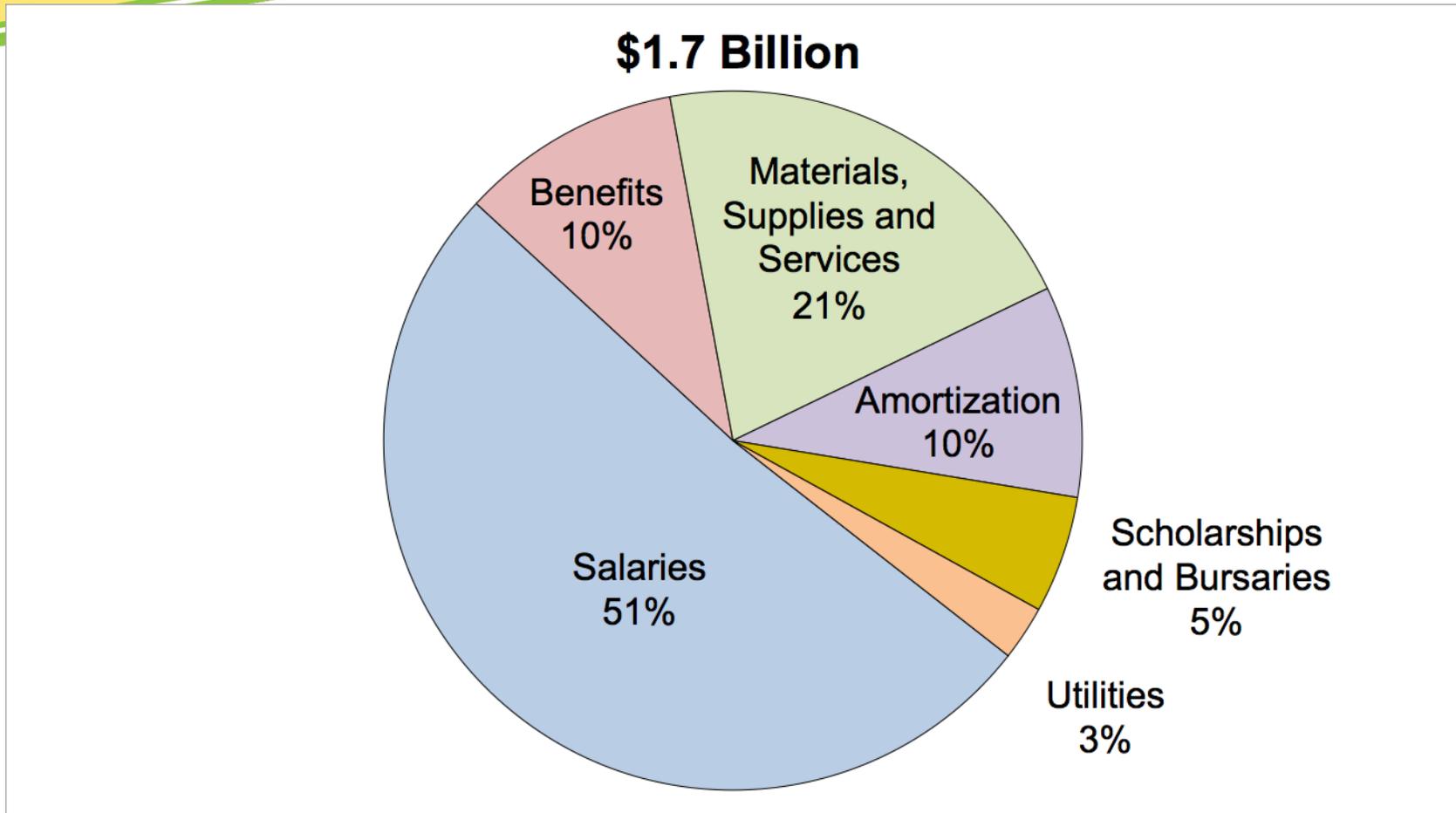
INSTITUTIONAL STRUCTURE (CONSOLIDATED) EXPENDITURES

\$1.7 Billion



Source: Audited Financial Statements, 2012-13

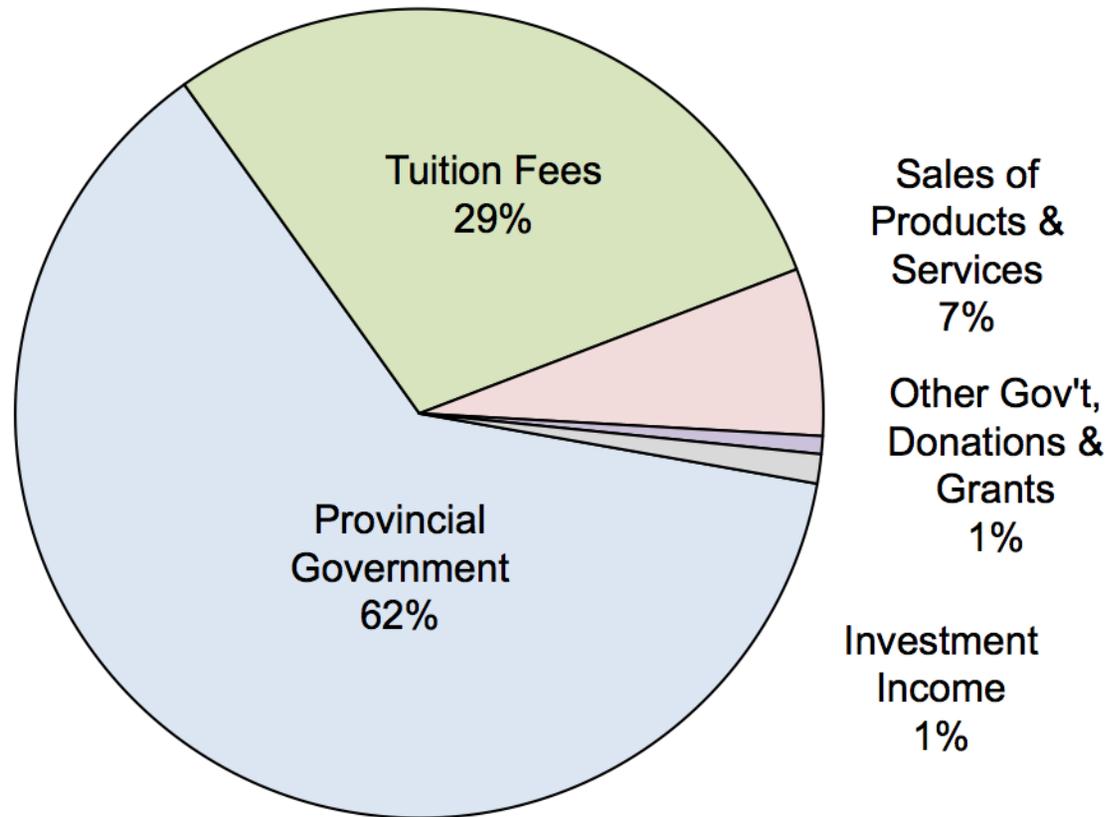
INSTITUTIONAL STRUCTURE (CONSOLIDATED) EXPENDITURES BY TYPE



Source: Audited Financial Statements, 2012-13

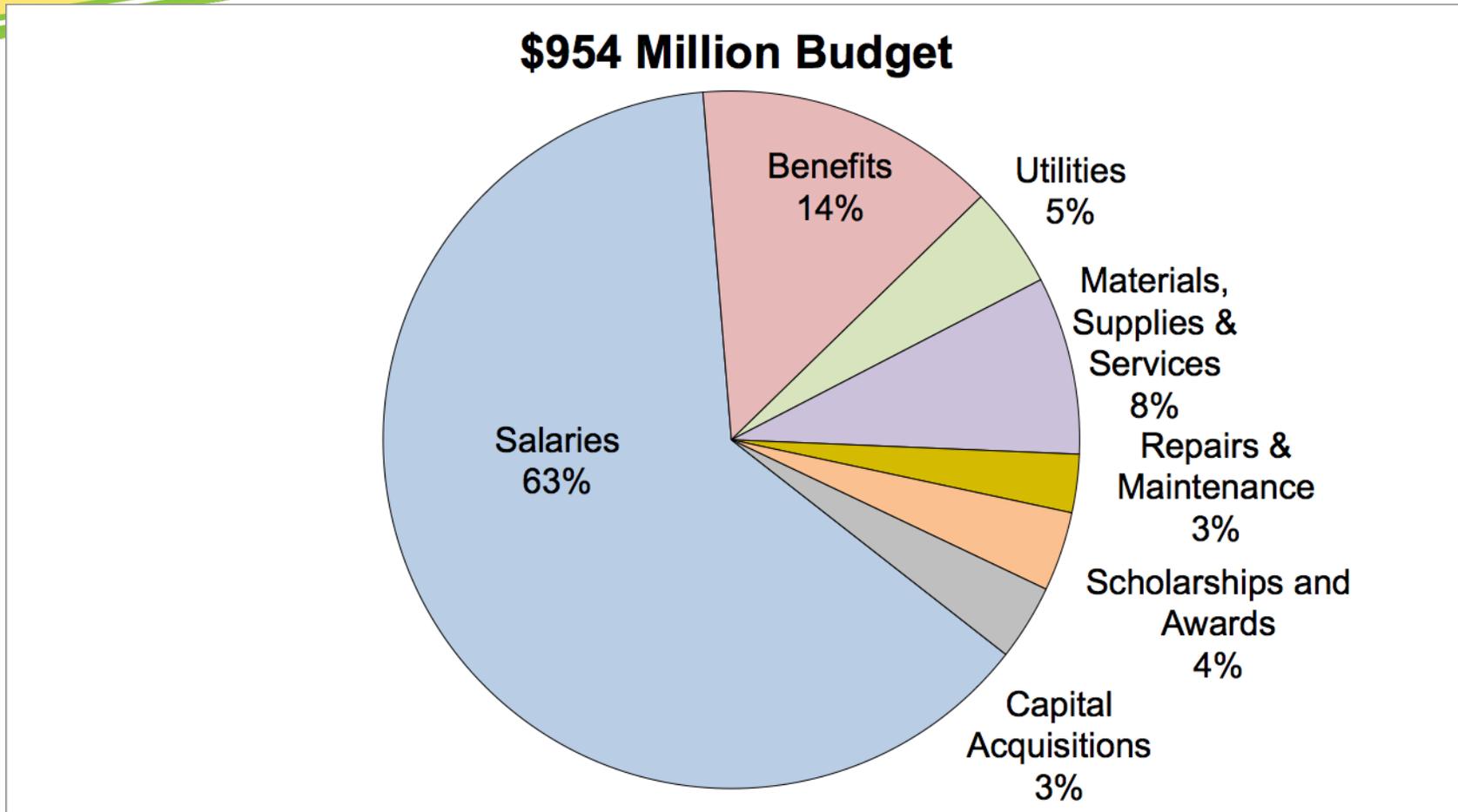
INSTITUTIONAL STRUCTURE (OPERATING) REVENUE SOURCES

\$949 Million Budget



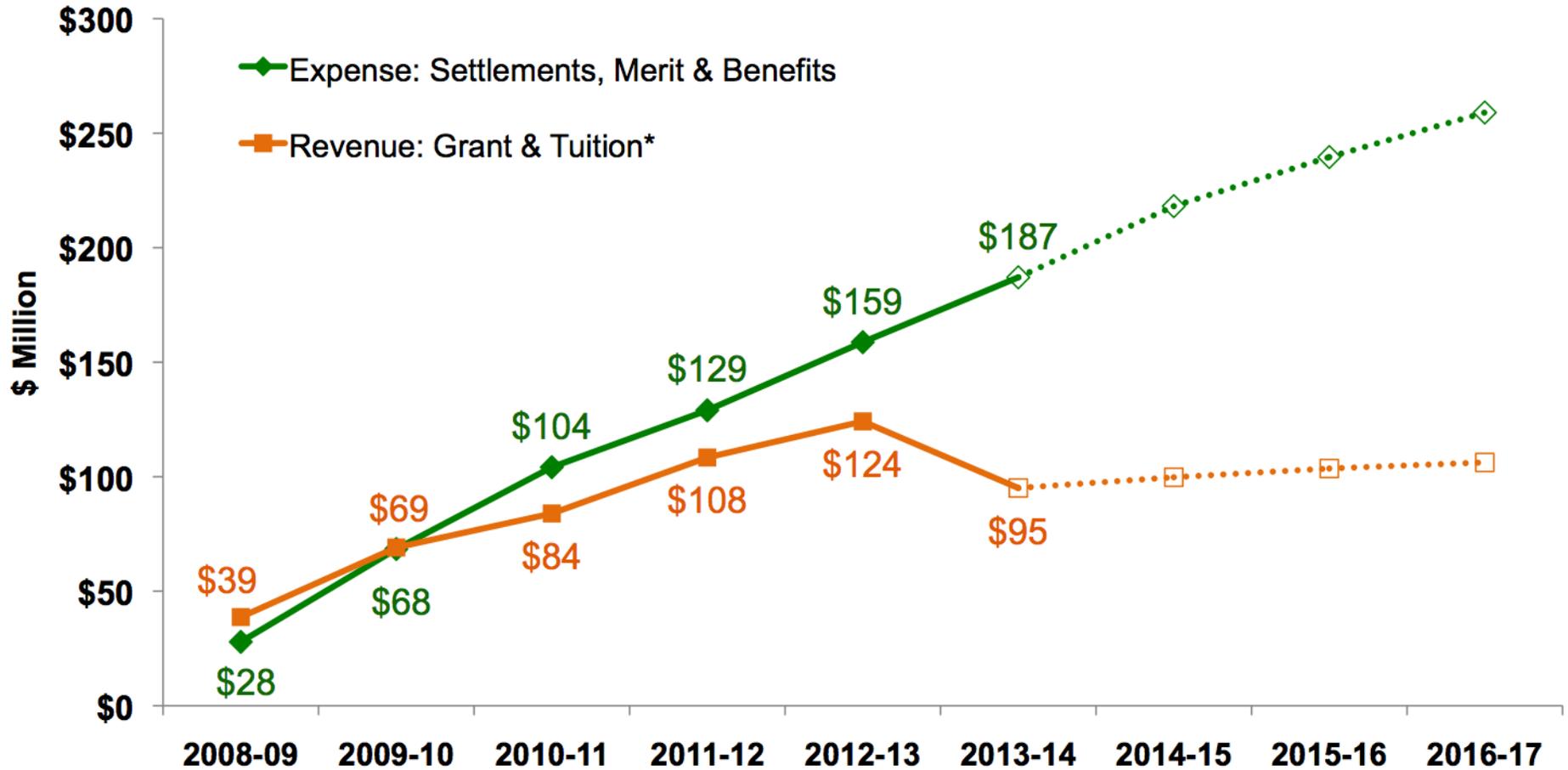
Source: Comprehensive Institutional Plan 2012

INSTITUTIONAL STRUCTURE (OPERATING) BUDGETED EXPENDITURES BY TYPE



Source: Comprehensive Institutional Plan 2012

PRIMARY OPERATING BUDGET REVENUE VS. PRIMARY OPERATING BUDGET EXPENSES



* Centrally available funding

UNIVERSITY'S RESPONSE

- Take the time to plan
- Achieve a balance over three years
- Board approves CIP with three year plan

	Year 1 2013-14	Year 2 2014-15	Year 3 2015-16
Targeted Budget Reductions	\$28 M	\$26 M	\$30 M

2013-14 BUDGET REDUCTIONS

Faculties

1.5% ATB of faculties' portion of base	\$ 7.6 M
25% reduction travel and hosting	\$ 2.0 M
Provost initiatives (Extension, programming)	\$ 2.5 M
Graduate funding (BU, AR, SC, FGSR, PER)	\$ 5.0 M
Total	\$ 17.1 M

60% of \$28m total reduction to Base

Support (3.0% ATB plus 25% reduction to travel and hosting)

Provost (Libraries, HSC, Scholarships, AICT)	\$ 7.8 M
VP F&O	\$ 1.4 M
VP Research	\$ 0.4 M
VP UR	\$ 0.3 M
VP F&A	\$ 1.2 M
Governance	\$ 0.2 M
VP Advancement	\$ 0.4 M
Total:	\$11.7 M

41% of \$28m total reduction to Base

Grand Total

\$28.8

AUGUST 16 MINISTER REQUIRES BALANCED BUDGET IN TWO YEARS

Original three year plan

	Year 1 2013-14	Year 2 2014-15	Year 3 2015-16
Targeted Budget Reductions	\$28 M	\$26 M	\$30 M

Revised two year plan

	Year 1 2013-14	Year 2 2014-15
Targeted Budget Reductions	\$28 M	\$56 M

BUDGET REDUCTION TARGETS FOR 2014-15

Faculties 7% budget reductions*

\$36 M

64% of
reduction

Admin Portfolios 8% - 10% budget reductions *

\$15 M

36% of
reduction

Other savings (central institutional)

\$ 5 M

TOTAL

\$56 M

* Overall budget reduction targets. Differential cuts will be applied

WHAT HAVE WE BEEN DOING?

Date	Activity
Apr 16-18	Board Strategic Planning Retreat
Mar 7	Provincial budget
Mar 10	Emergency Meeting President, Acting Provost and Deans
July 5	Mini Deans Retreat
July 19	Second Mini Deans Retreat
July 22	Formal letter to AASUA regarding compensation re-opener
July 30	Formal letter to NASA regarding compensation re-opener
July 30	AASUA rejects compensation re-opener

WHAT HAVE WE BEEN DOING?

Date	Activity
Aug 1	NASA recommend to membership to vote NO to compensation re-opener
Aug 6	Launch voluntary severance program
Aug 21	PEC (S) Retreat
Aug 22	PEC (S) and Deans Retreat

POSSIBLE MITIGATION STRATEGIES TO BUDGET REDUCTIONS

Revenue generation

- Indirect costs of research funding
- International student enrolment
- Implement net revenue generating programs
 - (eg. professional course-based masters)
- Fund development

Managing expenditures

- Voluntary severance
- Ren Committee
- Other negotiations

POTENTIAL IMPACT OF MITIGATION STRATEGIES

- Voluntary Severance ~1%
- New external faculty revenue ~1%
- Increased enrolment revenue ~1%

Depending on the mitigation strategy 1% in ~ \$3 million to \$6 million

WHAT HAPPENS AFTER 2014-15?

- Budget challenges will continue
- No forecast increase in Campus Alberta grant
- Marginal increase in tuition revenue
- General inflation 2 to 4 percent

2014-15 TUITION & FEES CONSULTATIONS

- T-BAC/M-BAC process
- R-BAC process
- Ministry confirmed Alberta CPI at 1 percent
- Proposed that 2012-13 general tuition increase by 1 percent for 2014-15
- Consultations on increasing IDF multiplier
- Proposed increase to residence fees
- Possible increases to Athletics and Recreation MNIF

TIME LINE ON TUITION AND FEES

Date	Activity
Oct 2	R-BAC consultations
Oct 10	T-BAC/M-BAC consultations
Oct - Mar	Consultations/recommendations on Athletics and Recreation Fee (tentative)
Oct 16	R-BAC consultations
Oct 30	R-BAC consultations
Nov 12	T-BAC/M-BAC/R-BAC consultations
Nov 13	GFC (APC) tuition recommendation to BFPC
Nov 26	BFPC tuition/residence fee recommendations to Board
Dec 10	T-BAC/M-BAC consultations
Dec 12	R-BAC consultations
Dec 13	Board vote on tuition and residence fees



GO FORWARD STRATEGIES

1. Academic Transformation
2. Sustainable Financial Models
3. Administrative Efficiencies
4. Culture Change

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