



# **McGill University Budget: FY2010 (and beyond)**

**Prof. Anthony C. Masi**

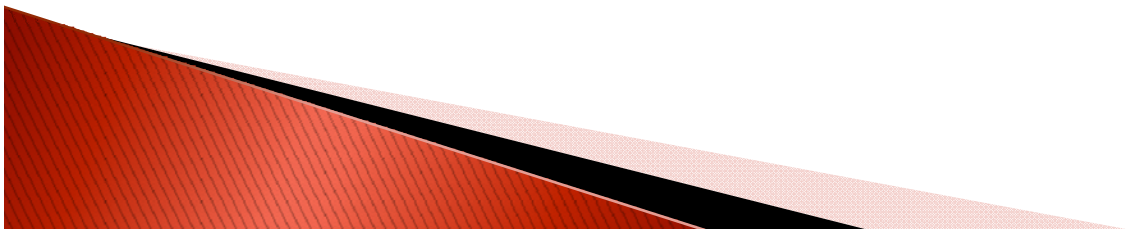
Faculty Council Meeting

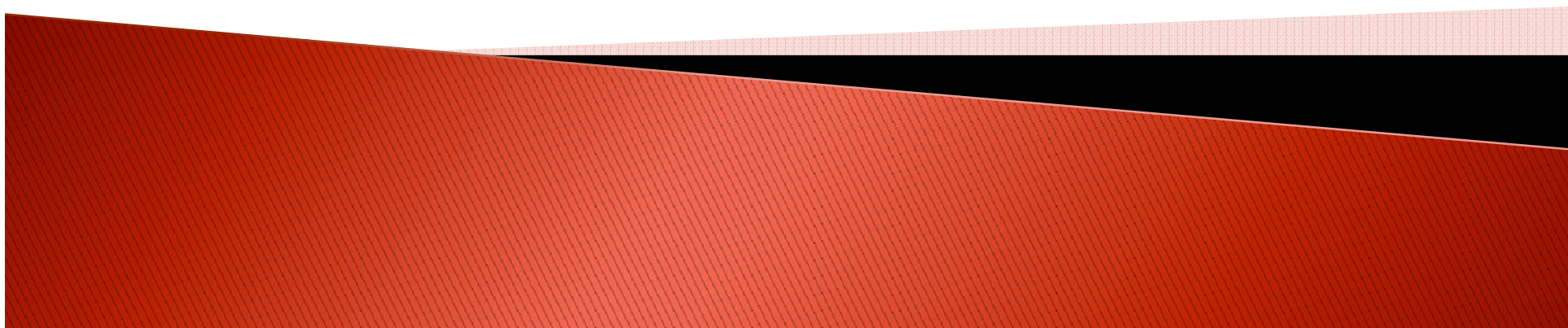
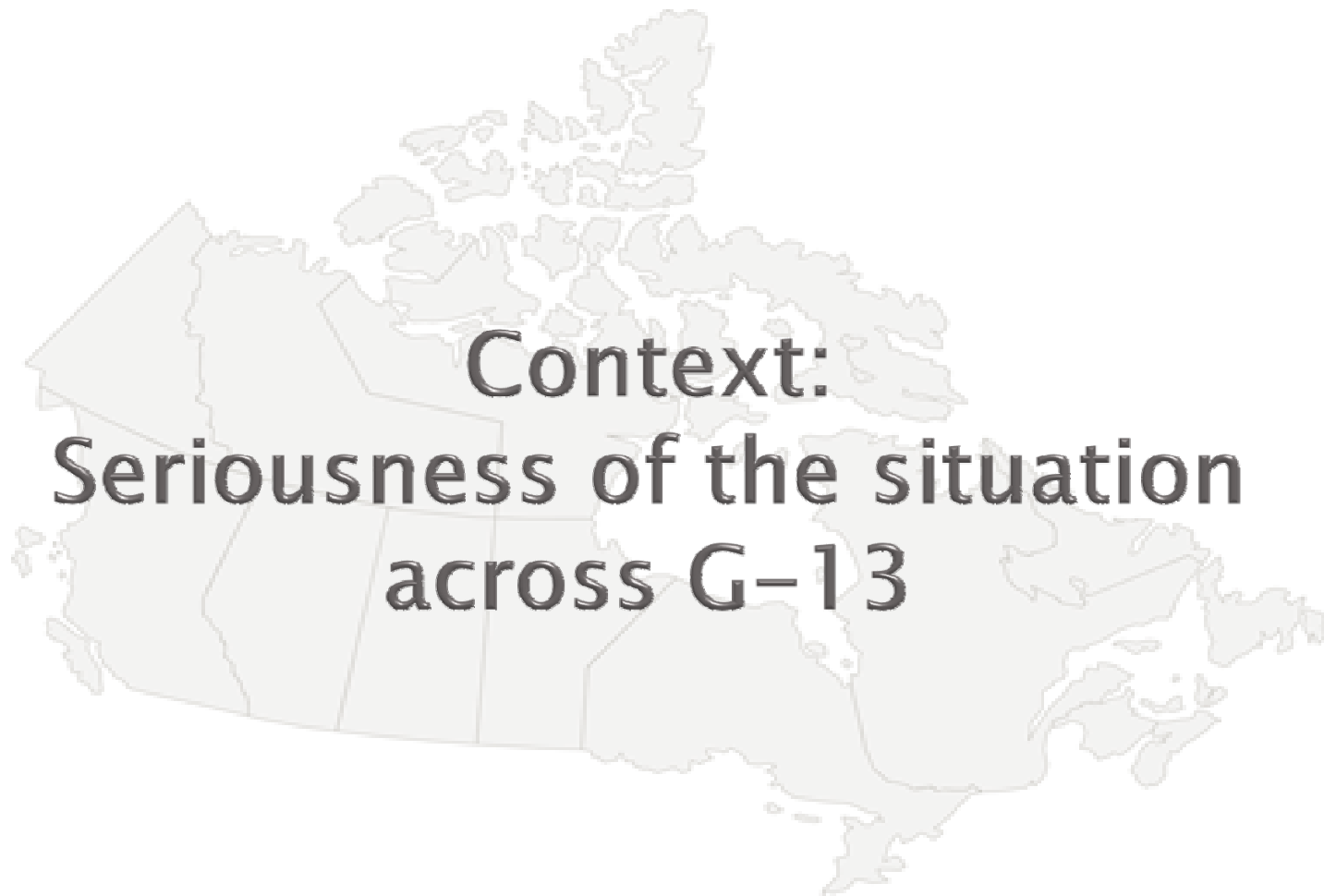
Faculties of Medicine and Dentistry

10 November 2009

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# Situation across G-13 is serious – 1

- ▶ **Université de Montréal**
  - hiring freeze: academic and support staff
  - reduce full-time temporary employees
  - salary freeze to senior administrative and managerial positions
- ▶ **University of Toronto**
  - \$45M deficit in 2008–2009 alone, larger deficit expected for FY2010
  - \$9.8M in cuts to be managed locally by each unit
  - 3% cut on central shared services
  - salary freeze to senior administrative and managerial positions

# Situation across G-13 is serious -2

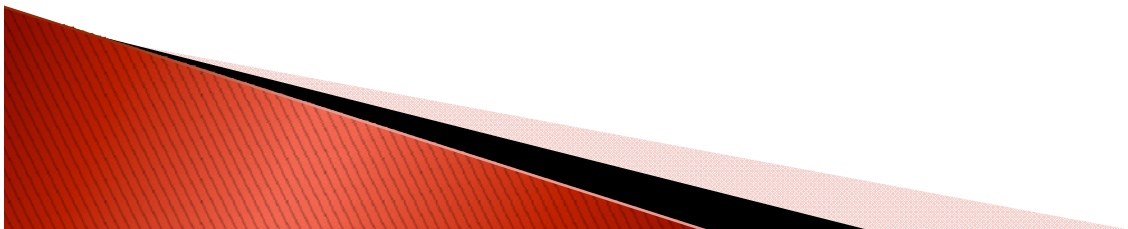
- ▶ University of Western Ontario
  - reduce staff by 114 positions
  - one-year salary freeze for 26 senior administrators
- ▶ Queen's University
  - 5% annual budget cut across all units for the next three years, viewed as insufficient without attrition, layoffs, and redundancies
  - eliminate 42 faculty positions over three years in Arts and Sciences alone

# The McGill Context



# McGill's Budgetary Commitments

- ▶ close FY2009 with \$11.4M deficit
- ▶ propose an operating budget for FY2010 with no more than \$5M deficit
- ▶ balance operating budget for FY2011
- ▶ develop mechanisms to pay-down accumulated deficit starting in FY2012



# 2009–2012 Overview

| Subject                                   | Amounts                                       |
|---|---|
| Past year (FY09) target deficit           | \$10.1 Million                                |
| Past year (FY09) actual deficit           | \$11.4 Million                                |
| Current year (FY10) target Budget deficit | \$5.2 Million                                 |
| Next year (FY11) target Budget deficit    | \$0 – Breakeven                               |
| Subsequent years (FY12 and beyond)        | work down \$71.5 Million accumulated deficit* |

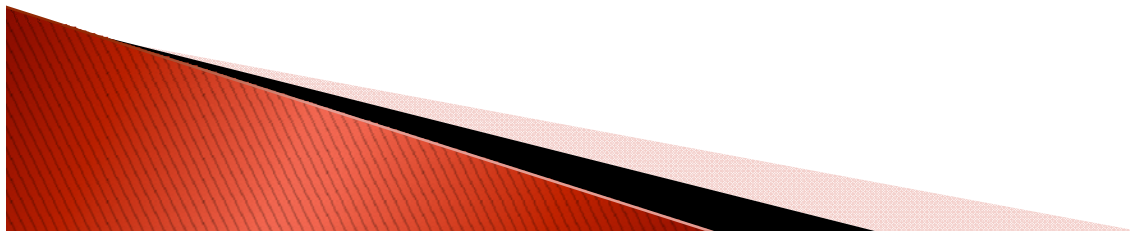
\* As of May 31, 2009





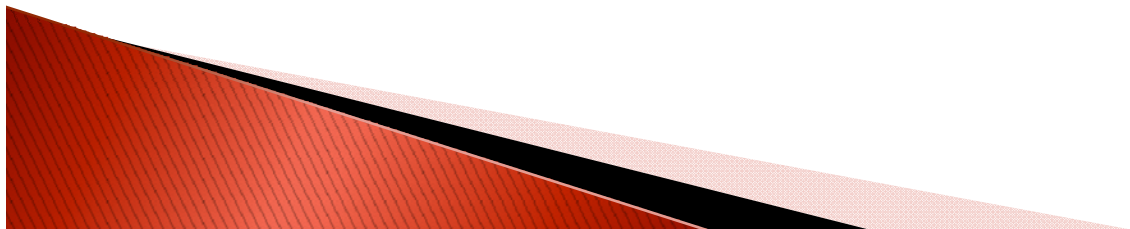
# What the Budget Situation Means for McGill

- ▶ Revenues must grow faster than expenses.



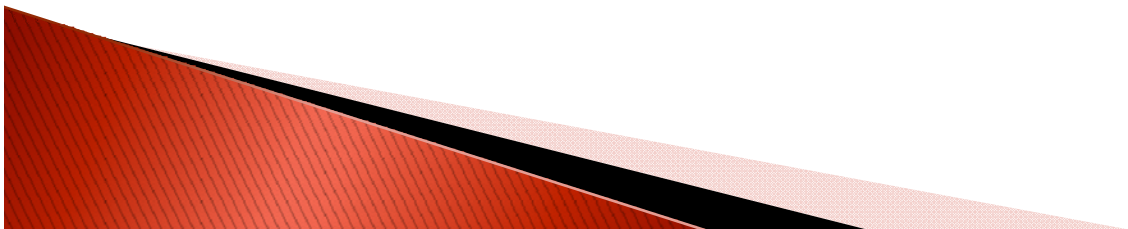
# Revenue Growth

- ▶ no significant new revenue from MELS expected
  - exception: Deferred Maintenance
- ▶ student FTE growth at graduate level
- ▶ increasing indirect costs of research
- ▶ other PATFDEU revenue generation initiatives



# Control Expenses

- ▶ implement PATFDEU initiatives
- ▶ hiring controls
  - question the need to fill vacant positions
  - budgeted zero growth in admin hiring
- ▶ delay salary increases for FY10
- ▶ adjust benefits packages
- ▶ reduce number of very small classes

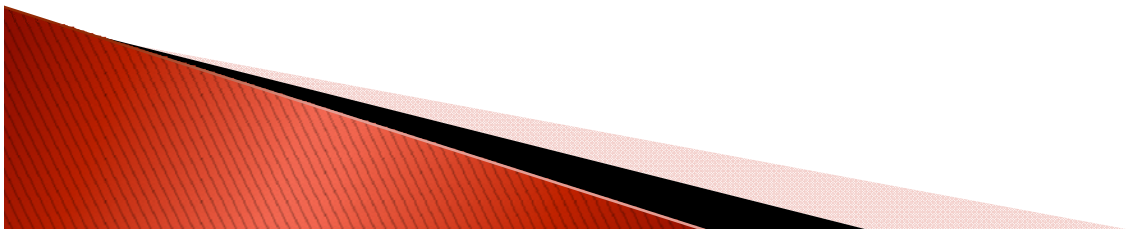


# Budget Planning and Outcomes



# Community Consultations

- ▶ Provost's Administrative Task Force on Dealing with Economic Uncertainty
- ▶ Deans, Chairs, Vice-Principals, and Directors, in monitoring target expenditures and potential revenues
- ▶ four Town Hall meetings chaired by the Principal and the Provost
- ▶ Faculty Council Meetings



# Fundamental Components of Proposed Cuts

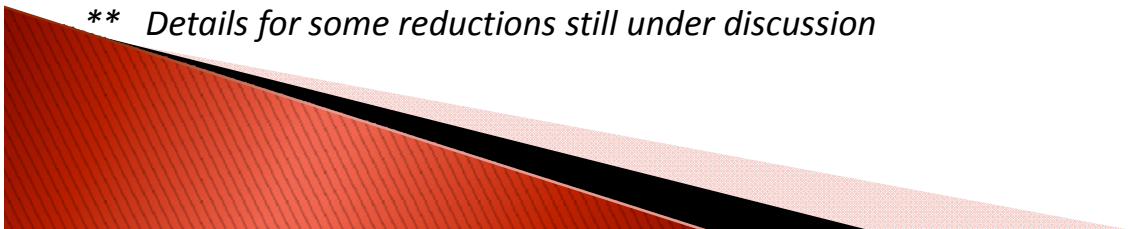
- ▶ targeted and directly measurable in allocations and/or cost recoveries
- ▶ clearly associated with an actionable item
- ▶ behavioural and/or attitudinal change required
- ▶ groundwork prepared for refining the multi-year budget model to:
  - Align with academic priorities
  - sustain McGill's quality in the current difficult economic context
  - position the University to be even more competitive in the future

# Outline of Proposed Cuts

|   |                |
|---|----------------|
| <i>I. Changes in business operations and efficiencies</i> |                |
| Sub-total   | \$6.60M *      |
| <i>II. Compensation adjustments</i>                       |                |
| Sub-total   | \$8.24M **     |
| <i>III. Program and services delivery</i>                 |                |
| Sub-total   | <u>\$2.00M</u> |
| Total   | \$16.84M       |

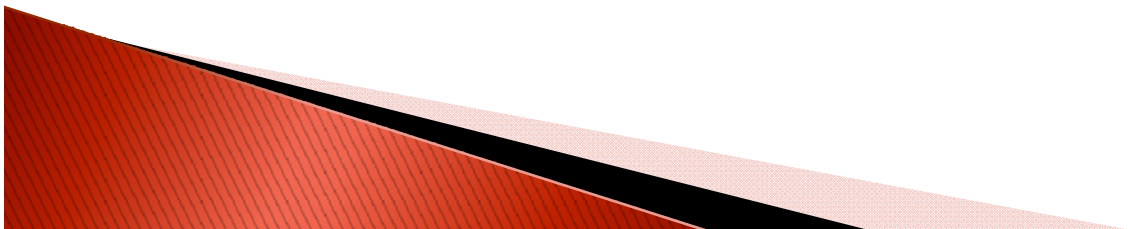
\* Portion of savings to begin in FY2011

\*\* Details for some reductions still under discussion



# Community Involvement

- ▶ biggest impact on McGillians:
  - we're all contributing to the budget reduction through the 6 month deferral in planned salary increases
- ▶ in addition senior administrators have taken an actual 3% salary reduction
- ▶ cuts have been designed to avoid disrupting strategic TT hiring, library acquisitions, and teaching innovation



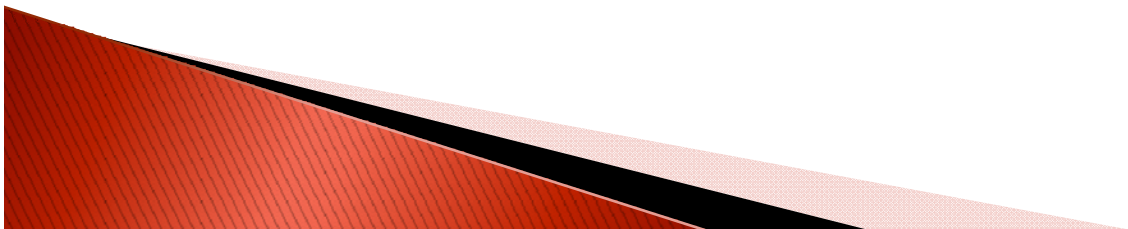


A man in a white shirt and tie is pushing a large white puzzle piece into a larger structure of puzzle pieces. The scene is set against a light background with a reflective floor. The text "Changing the way we think and work" is overlaid in the center in a red, sans-serif font.

Changing the way we  
think and work

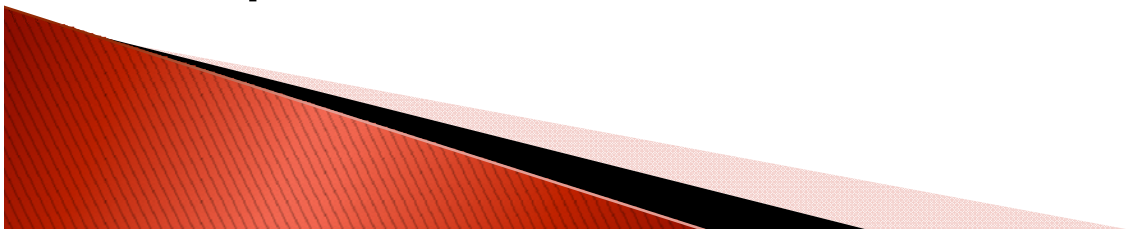
# Across the Community

- ▶ shift resources to high priority targets
- ▶ strengthen local accountability
- ▶ enhance business efficiencies
- ▶ reduce travel and hospitality budgets
- ▶ strategic attrition
- ▶ adjust benefits options



# Within Academic Departments

- ▶ more courses taught by TT and tenured profs
- ▶ reduce reliance on part-time, course lecturers
- ▶ retire low enrolment courses
- ▶ retire low enrolment programs of study
- ▶ explore ways of enhancing summer term options

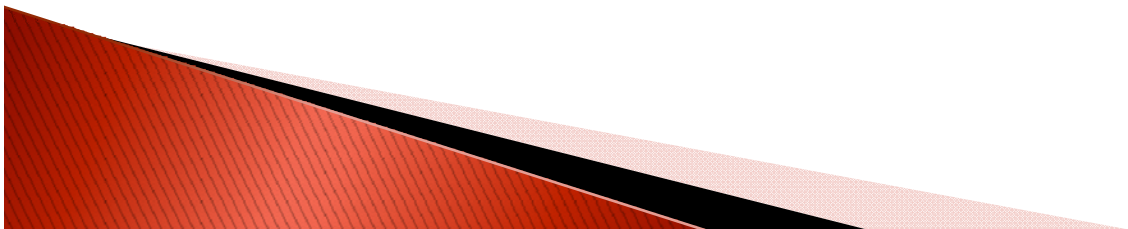


# Graduate Program Directors

- ▶ improve recruitment / selection (B.E.S.T)
- ▶ address supervising and funding gaps
  - MIDAs, GERI, existing funding
- ▶ ensure faculty research grant applications support graduate students
- ▶ work on the new “Milestone” project

# Tenure-Track Professors

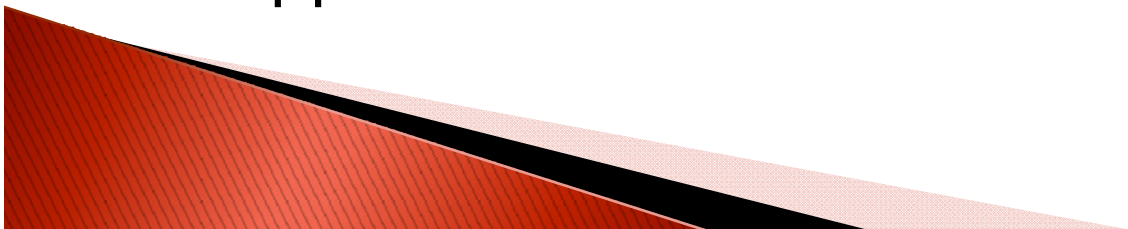
- ▶ share innovations
- ▶ create and enhance mentoring at departmental level
- ▶ explore wider funding opportunities for continuous and overlapping research grants (and contracts)
- ▶ enhanced student engagement at all levels



# Senior Administration

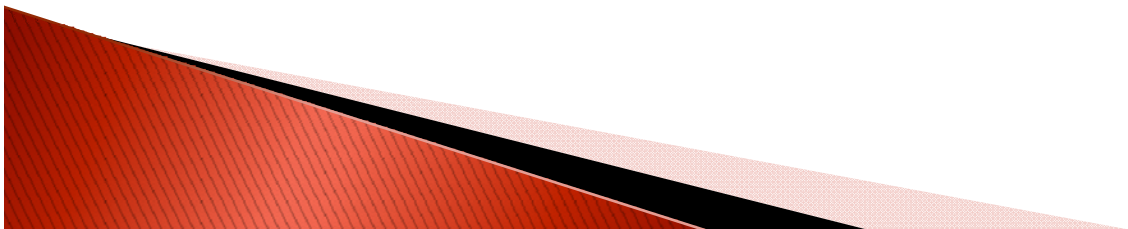
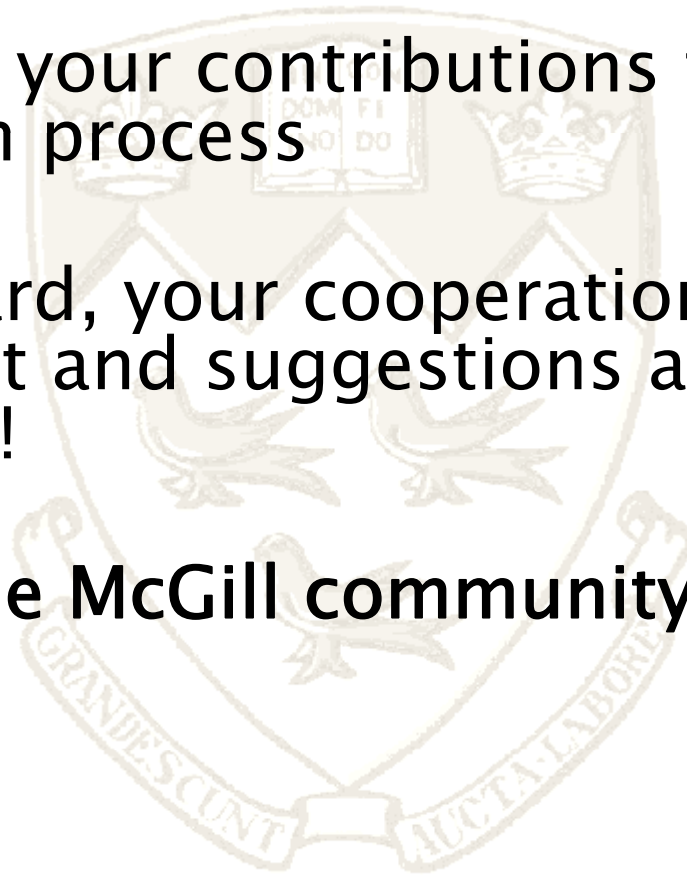
Develop concrete mechanisms for linking resource to priorities:


- ▶ create and enhance mentoring at departmental level
- ▶ improving Faculty-level access to central data
- ▶ longer refresh cycles for IT equipment
- ▶ improve energy efficiency
- ▶ create internal purchasing controls
- ▶ increase research grant numbers, amounts, and support



# Conclusion

- ▶ I appreciate your contributions to the budget consultation process
- ▶ going forward, your cooperation, commitment and suggestions are needed and encouraged!
- ▶ I am sure the McGill community is up to the challenge.



The background of the slide is a light gray color with several large, 3D-style question marks scattered across it. Some are in shades of gray, while one in the lower center is a reddish-pink color. The text is centered in a white box with a black border.

**Questions  
Comments  
Concerns  
Criticisms  
Complaints  
Suggestions**