

# Budget FY2008-2009

## Key Considerations

Prof. Anthony C. Masi, Provost  
Presentation to Senate D07-44  
16 April 2008



# Commitment and Objectives

- commitment:
  - to balance operating budget in 3 years
- objectives in implementation:
  - sustain investments made in last 5 years
  - retain and recruit academic talent (professors & graduate students)
  - sustain and enhance research quality and quantity
  - increase targeted recruitment and enrolment of undergraduate and graduate students
  - support faculty-specific and institutional initiatives

# Building the Budget

## Revenue

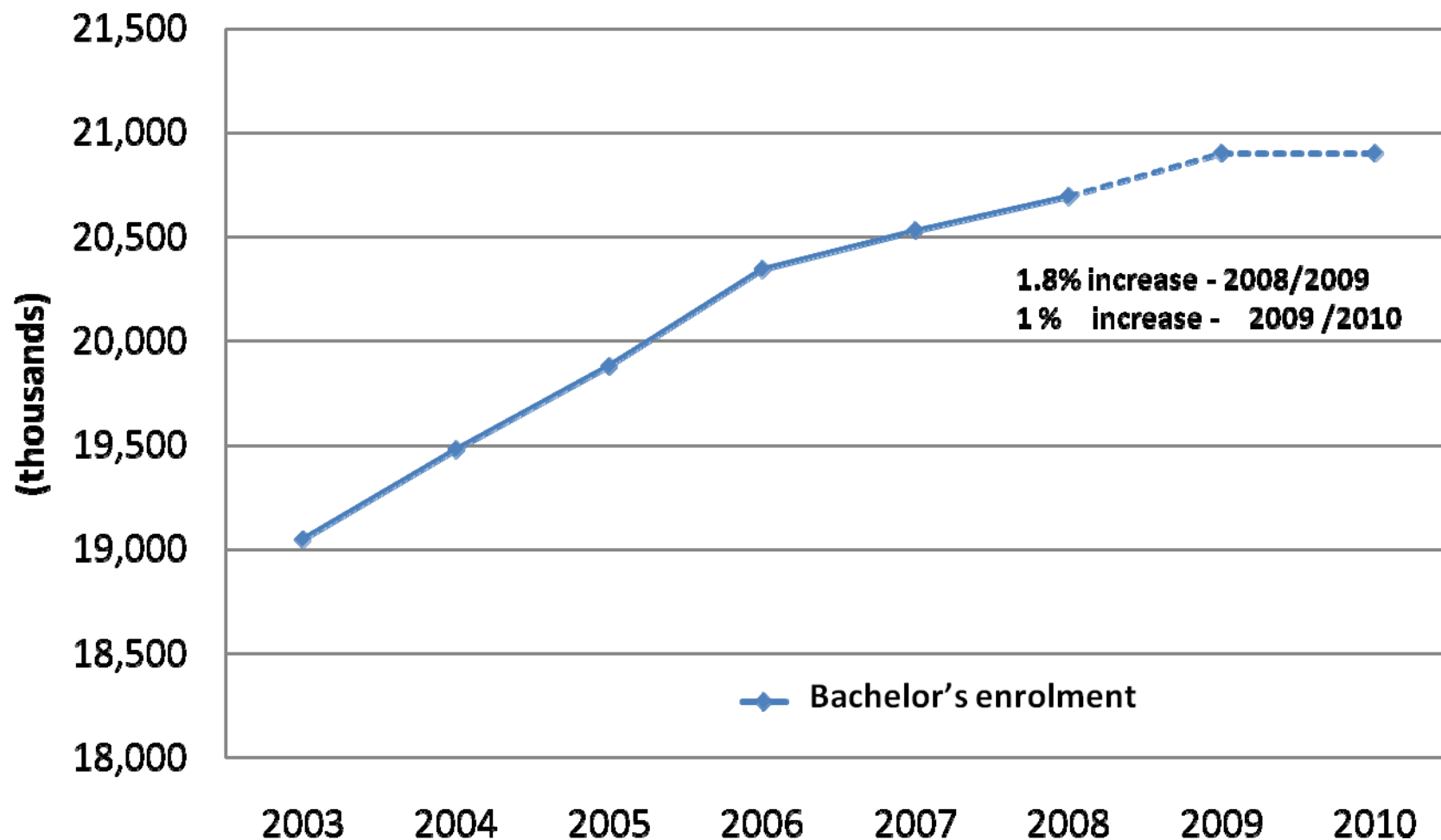
- tuition fees
- MELS operating grant
- additional MELS funding
- CRCs
- indirect cost of research
- sale of goods and services
- annual fund
- interest on endowments
- one-time-only funds

## Expenditures

- salaries
- pension & benefits
- student support
- contingency
- physical infrastructure
- interest payments
- small real estate acquisitions

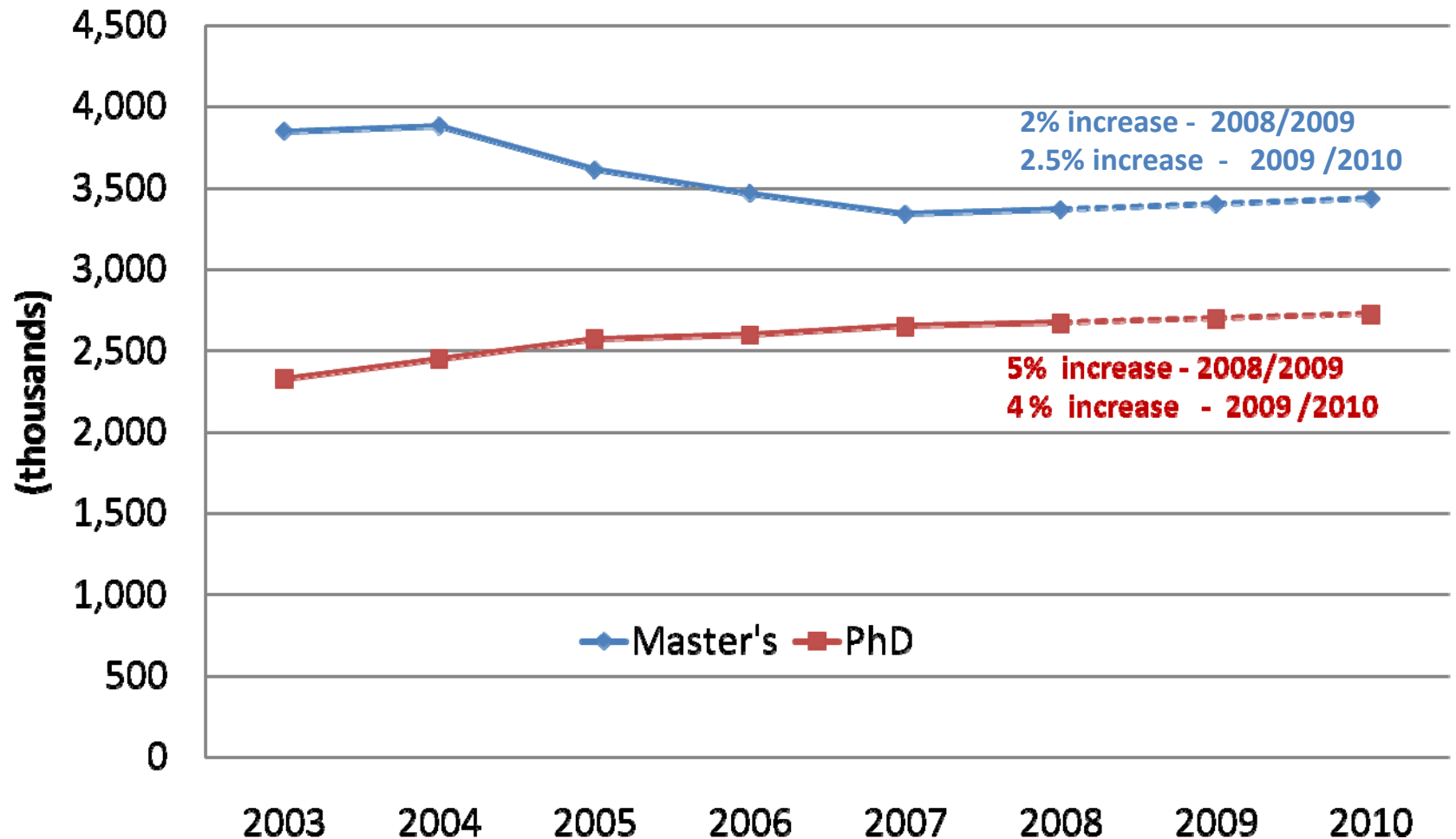
# Revenue

## Undergraduate (FTE) enrolment



# Revenue

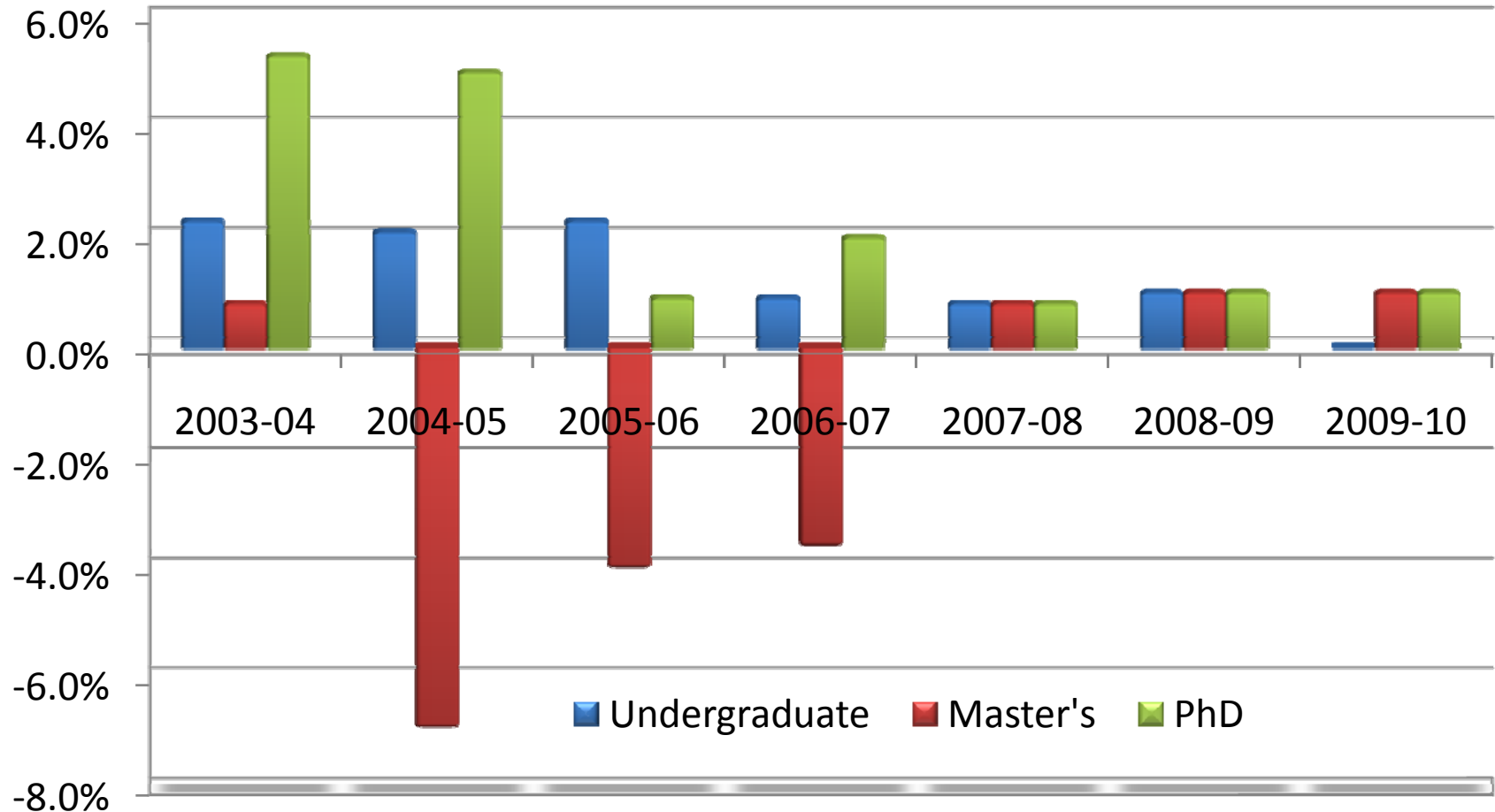
## Graduate (FTE) enrolment



# Revenue

## FTE Student Enrolment (% change)

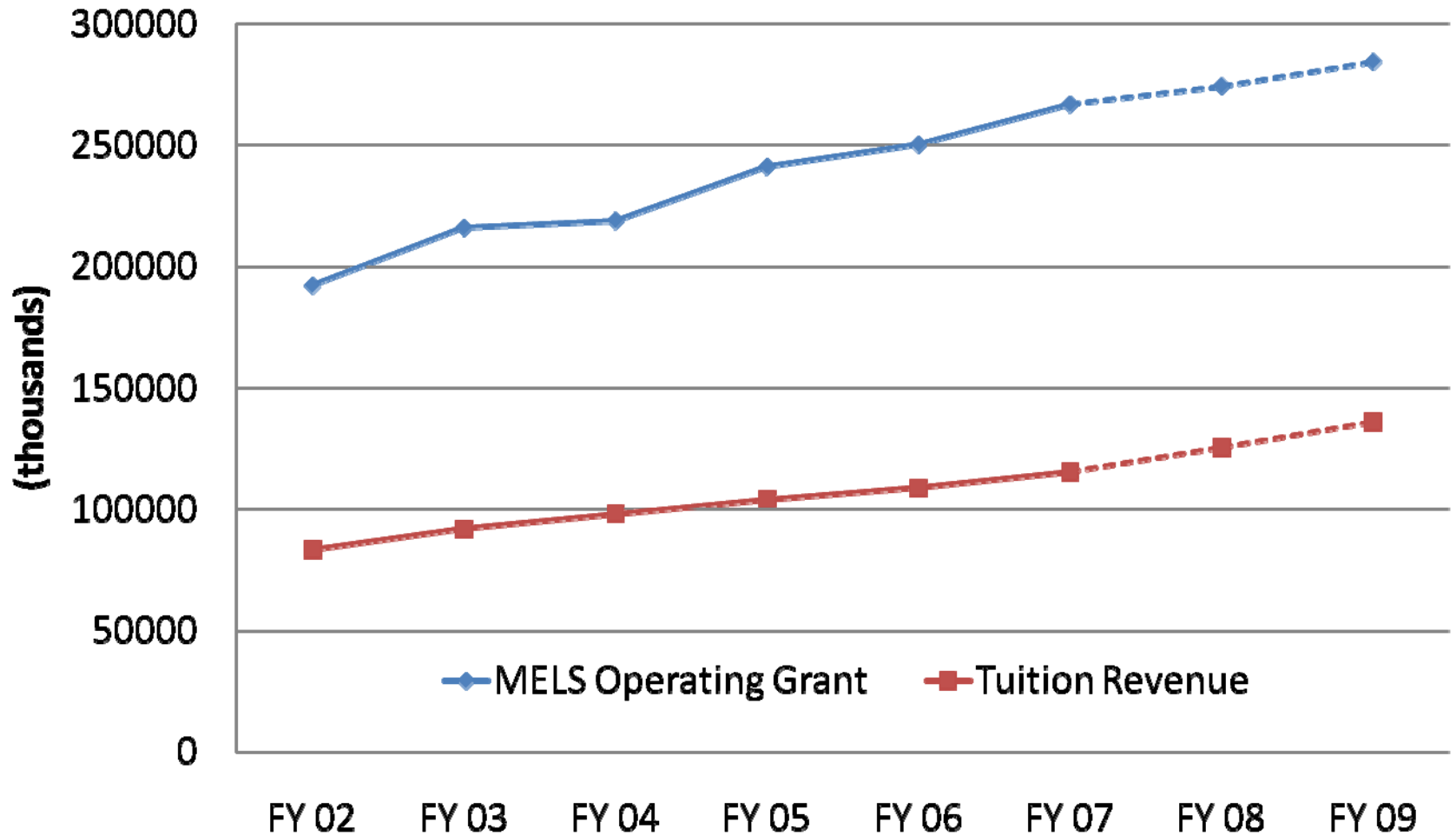
FY 2003 – FY 2010



# Revenue

## MELS operating grant and tuition

FY 2002 – FY 2007



# Tuition grants

University	Retained Tuition, \$*
McMaster	4,514
Queen's	4,579
Alberta	4,686
British Columbia	4,257
Waterloo	4,582
Toronto	4,570
Calgary	4,740
Ottawa	4,546
McGill	1,768 <sup>^</sup>
<b>Average<sup>⊥</sup></b>	<b>4,634</b>
<b>McGill at Average for 2007 = \$60M</b>	

\* Tuition for full-time students for 2007-2008. Excludes programs with differential fees.

<sup>^</sup> Number reflects tuition rate for Quebec students only.

<sup>⊥</sup> Does not include McGill in total.



## *Revenue*

# Federal social transfers to MELS

- \$112M additional funding for Quebec universities
  - \$13M directly to Medical Faculties, McGill's share = \$4.1M
  - \$ 9.4M expected for McGill's general revenues (permanent)
    - \$9.3M accounted for in preliminary budget (temporary)
- “earmarked” grants
  - engineering and management, McGill could get \$1.5M to \$2.0M
  - student mobility (international experiences)
  - collaboration between CEGEPS and universities

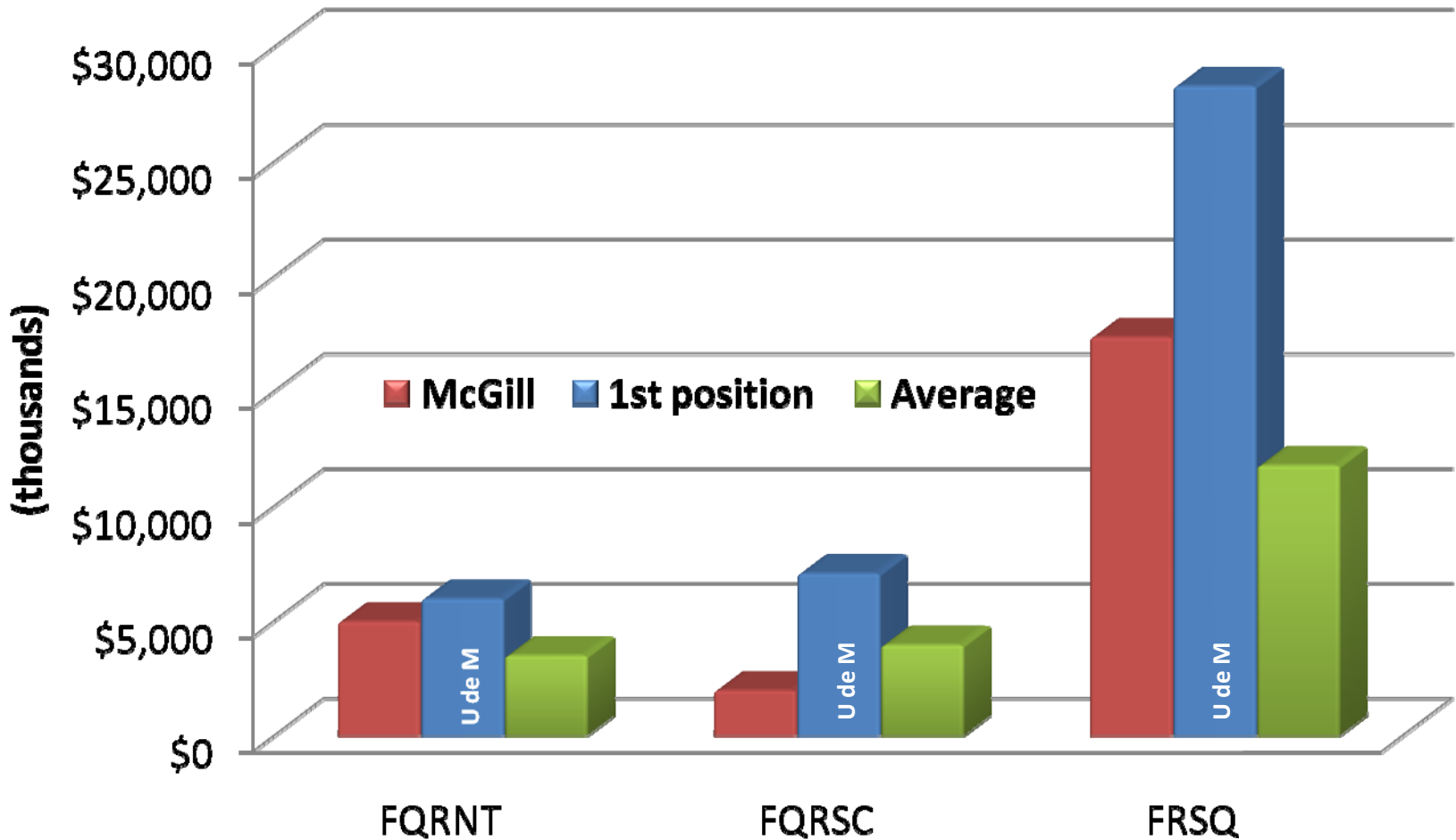
# Additional MELS Funding: new money

- injection of \$53M/year over next 5 years
  - majority targeted programs - details yet to be determined
    - Health sciences
    - “mission” specific competitive funds
    - competitive funding for teacher training programs
  - McGill **maximum** allocation approximately \$5.6M
- possible liberalisation of international tuition in certain disciplines
  - short-term loss of “forfaitaires” vs. new tuition revenues (TBD)
- ancillary fees regulated

# Revenue

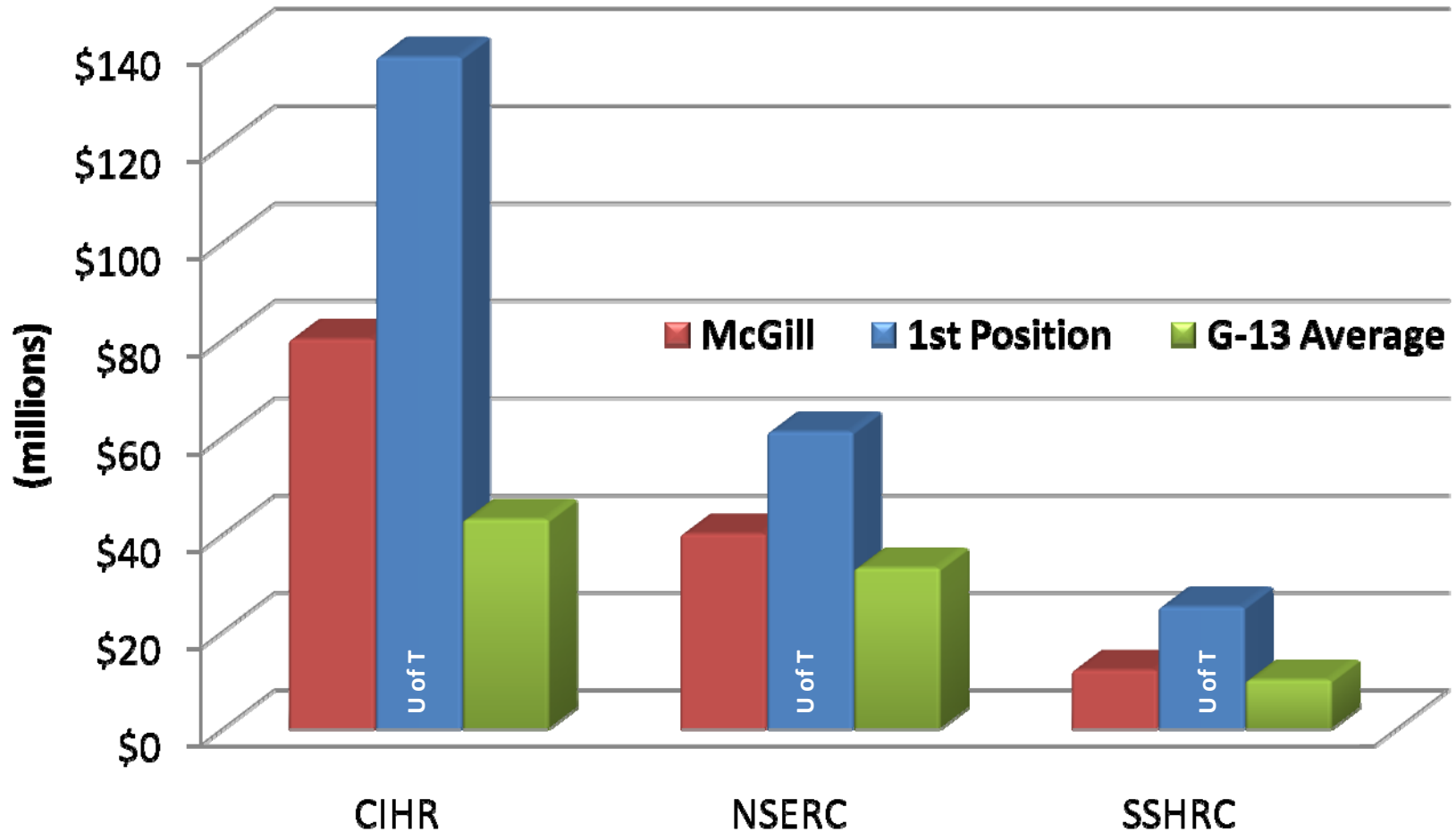
## Provincial Granting Agencies

FY 2006 – FY 2007



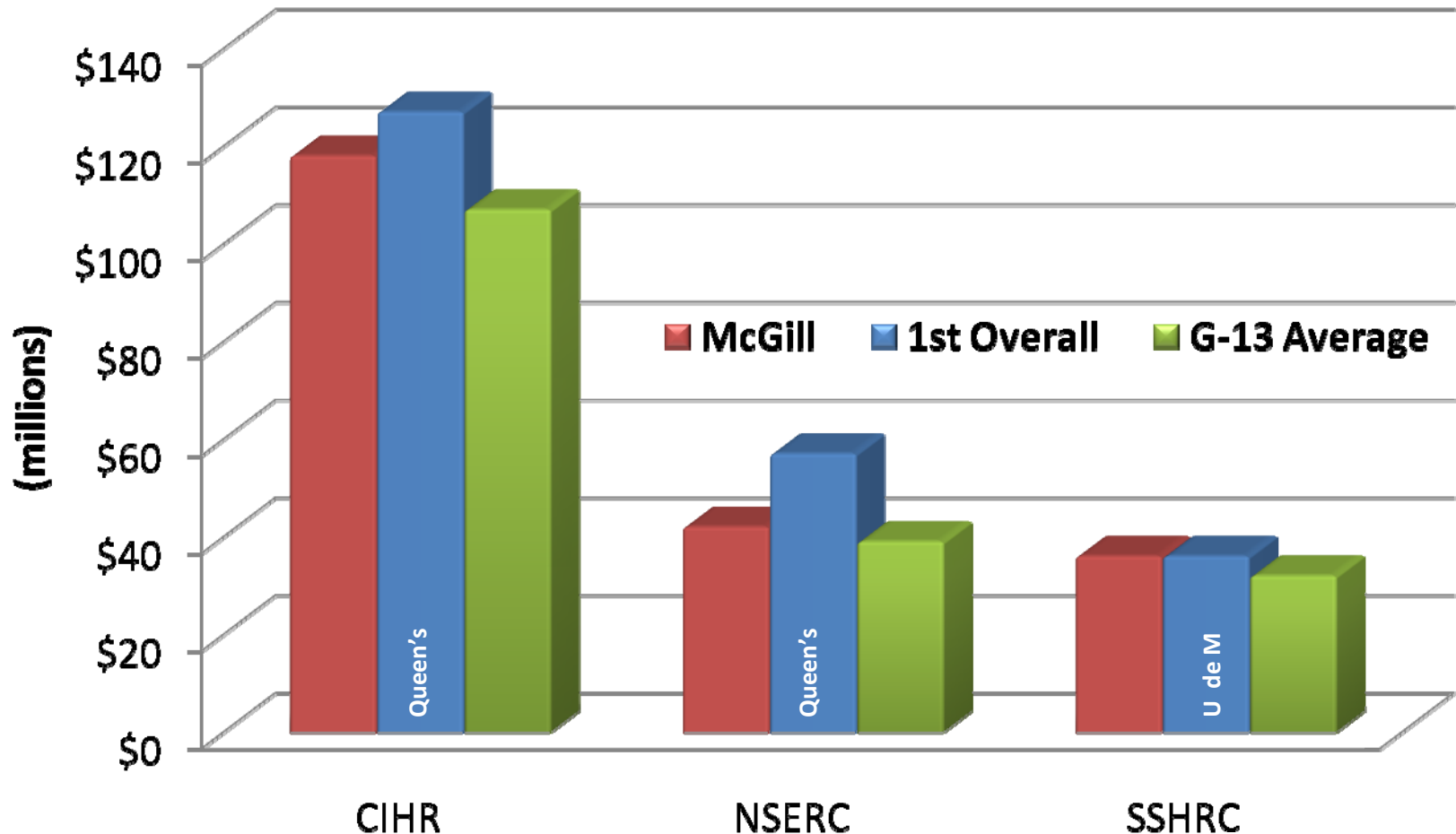
# Revenue

## Tri-Council Total Amount of Funding FY 2006 – FY 2007



## Revenue

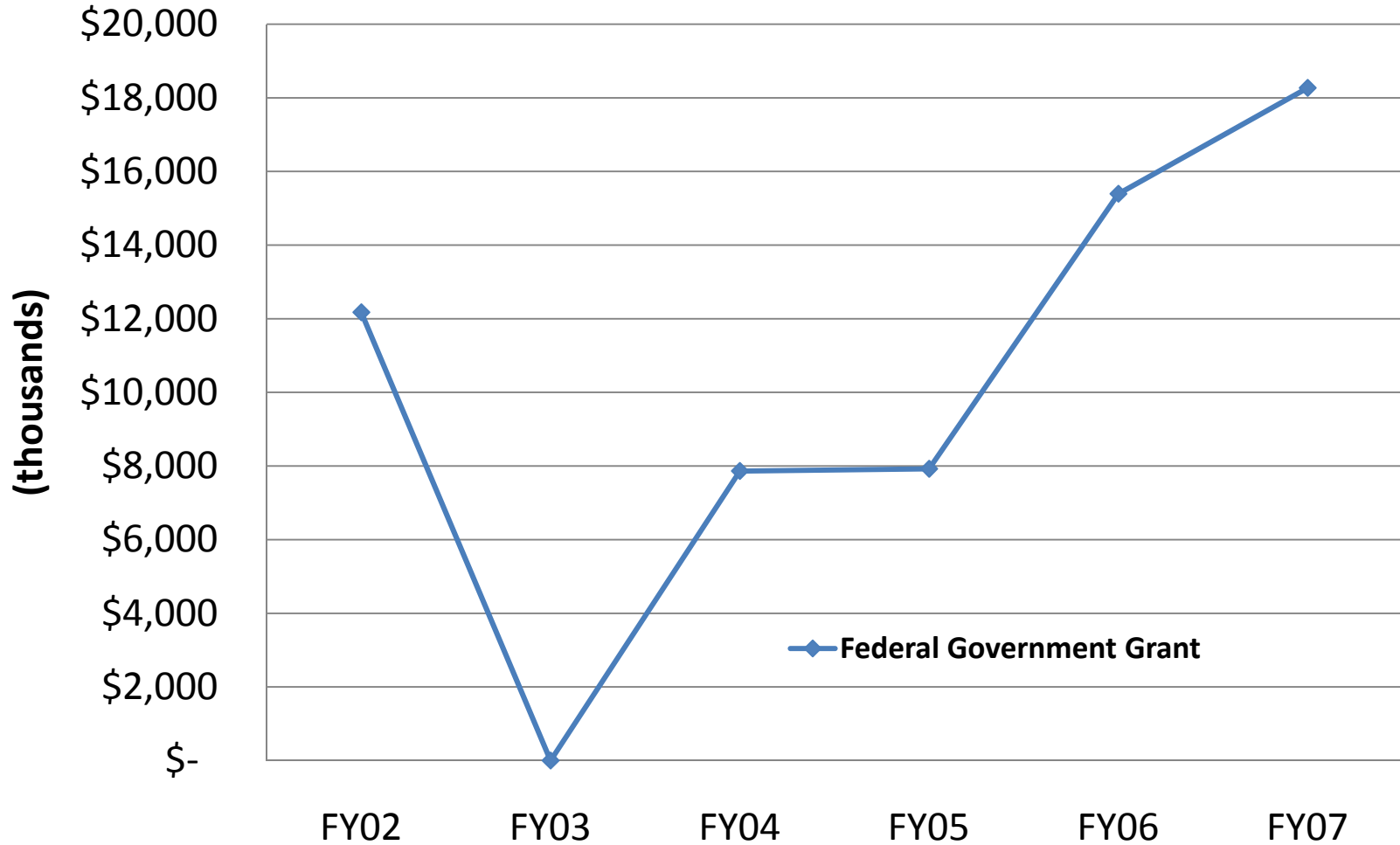
# Tri-Council Total Funding per Principal Investigator FY 2006 – FY 2007



*Revenue*

# Federal Indirect Cost of Research

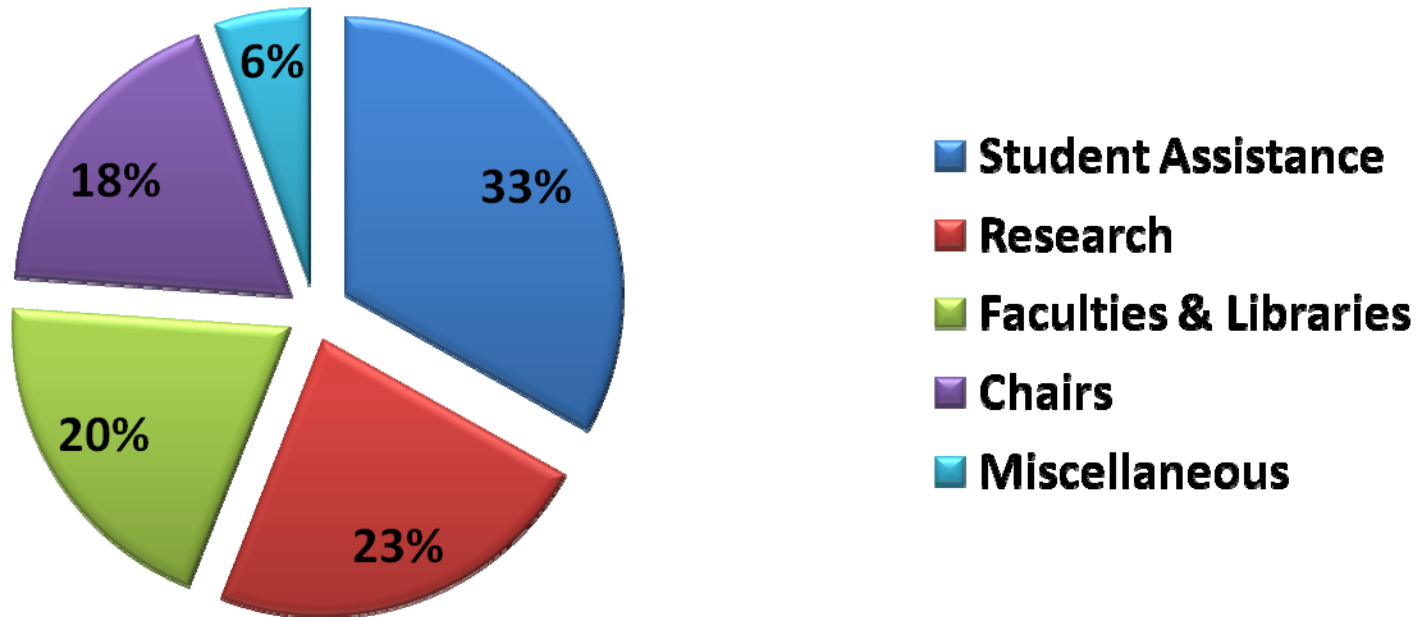
FY 2002 – FY 2007



## Revenue

# Endowment Interest

- guaranteed 5% on endowment fund
- 2007-2008: \$45M payout on \$930M

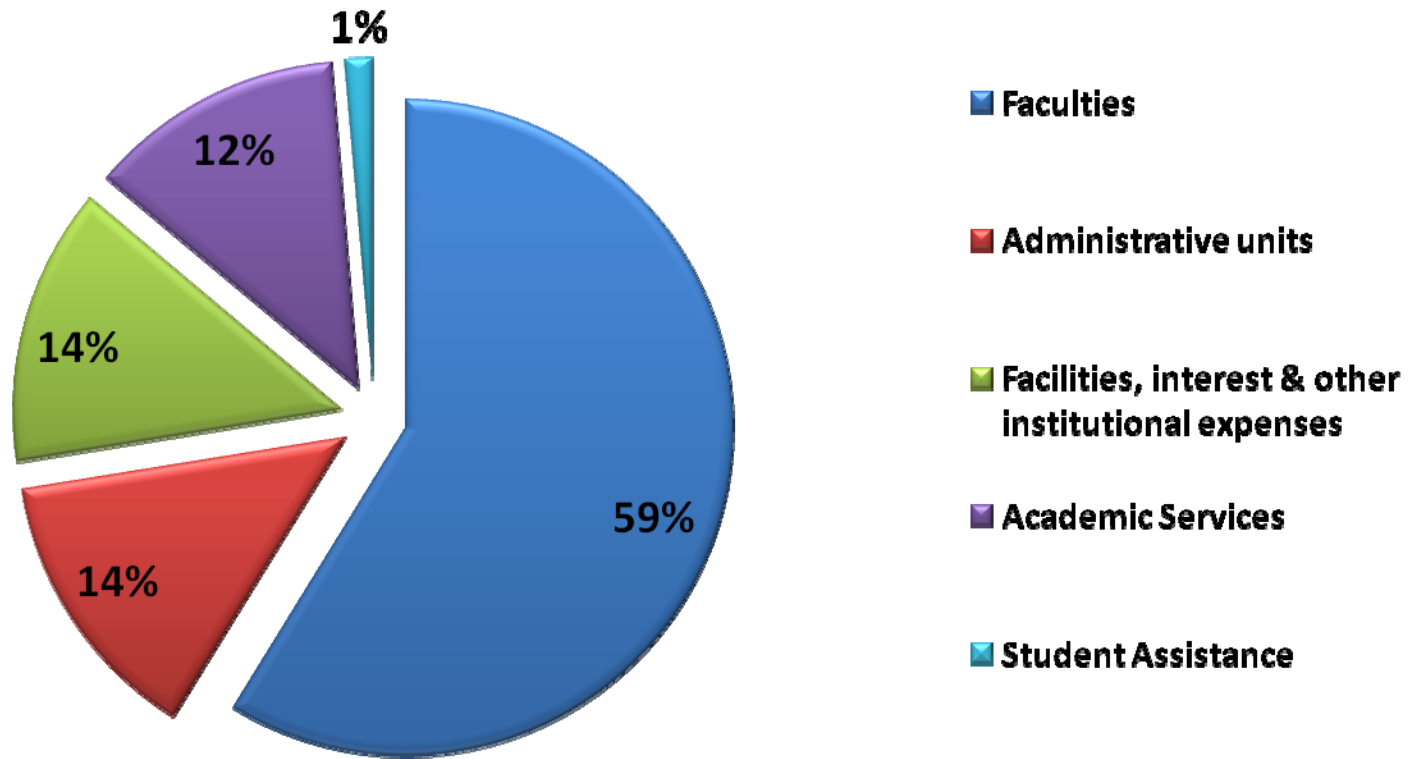


# Expenditures

## Total Operating Budget

FY 2008 – FY 2009

### By Function



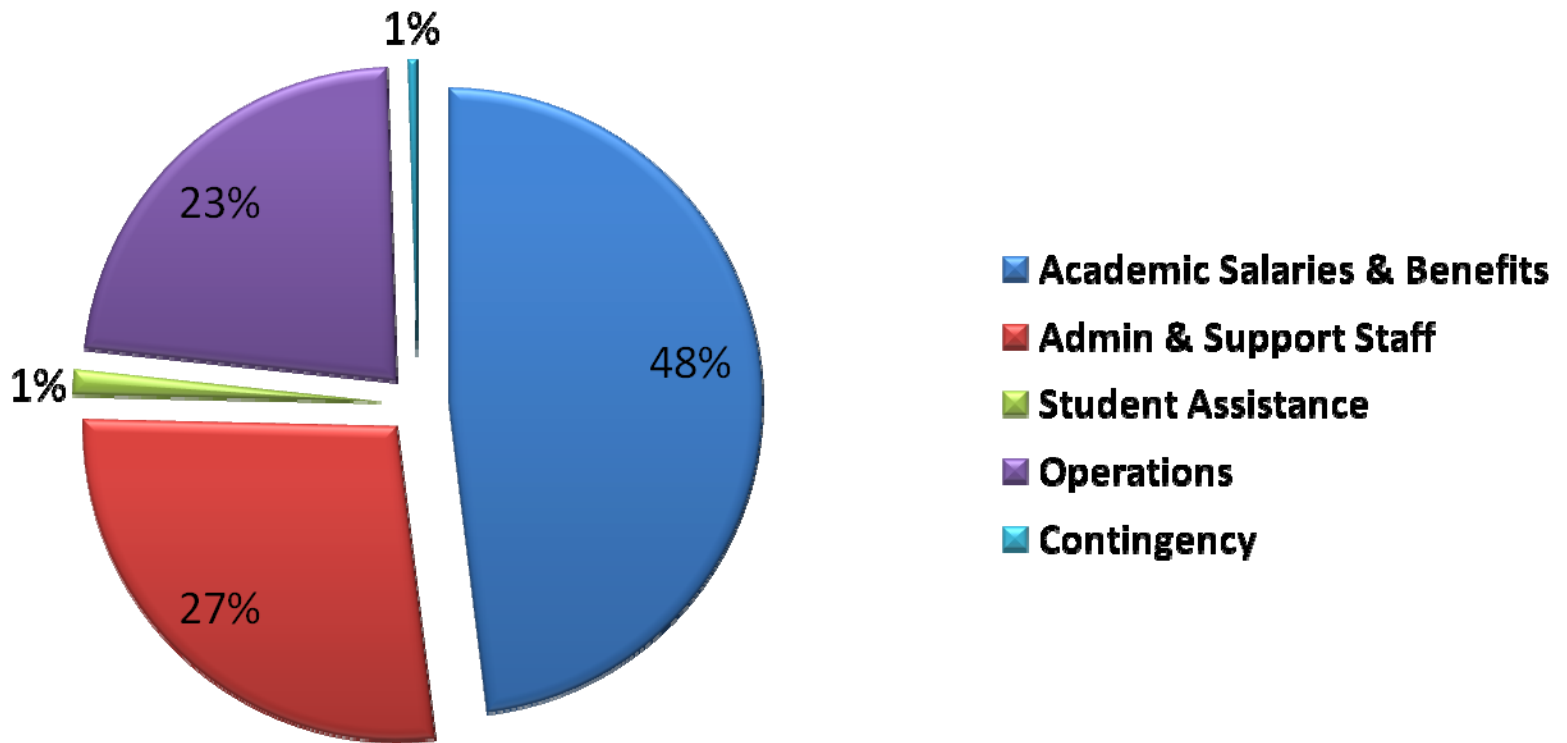


# Expenditures

## Total Operating Budget

FY 2008 – FY 2009

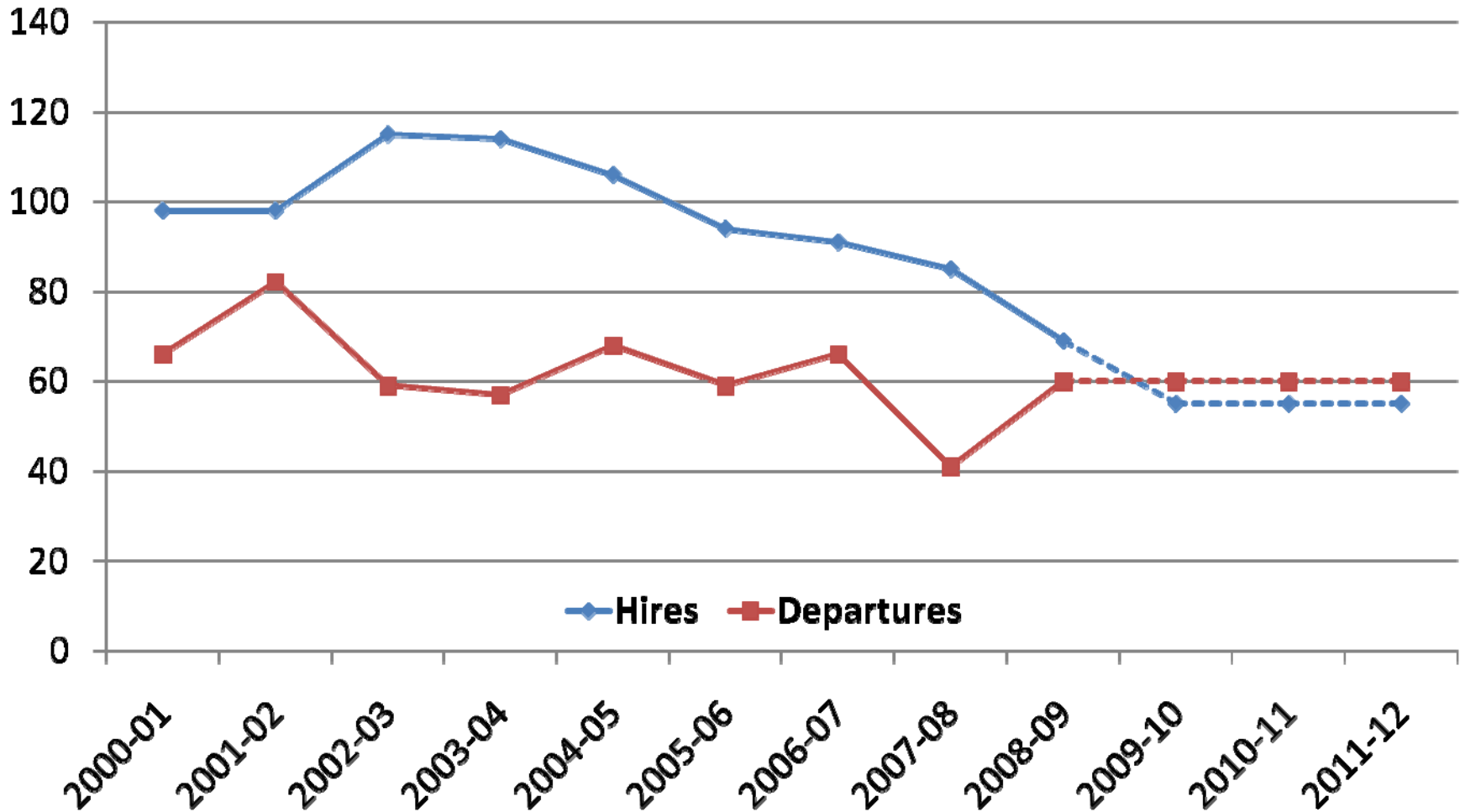
### Nature of Expenses



# Expenditures

## Academic Renewal

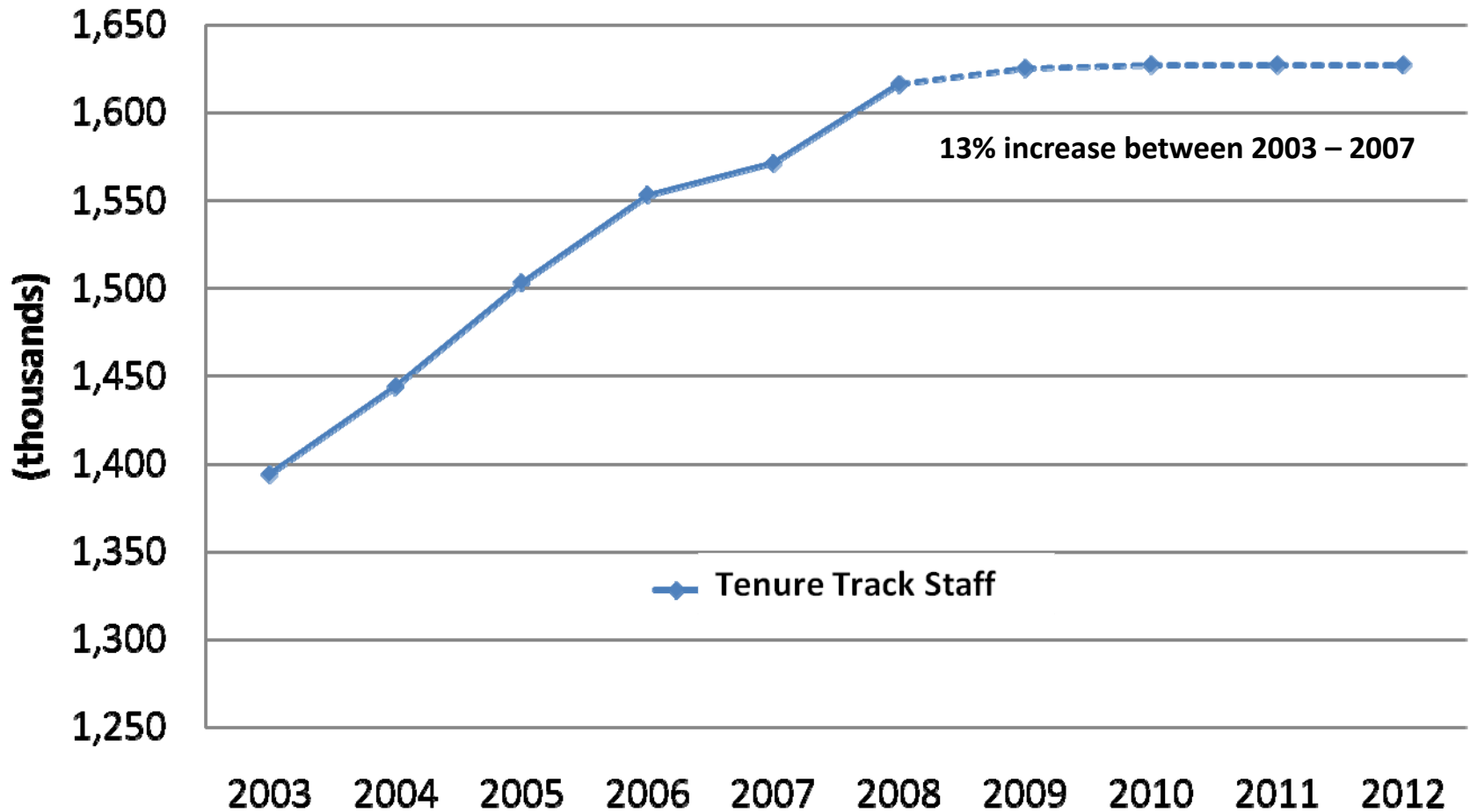
FY 2000 – FY 2012



# Expenditures

## Tenure-Track Staff

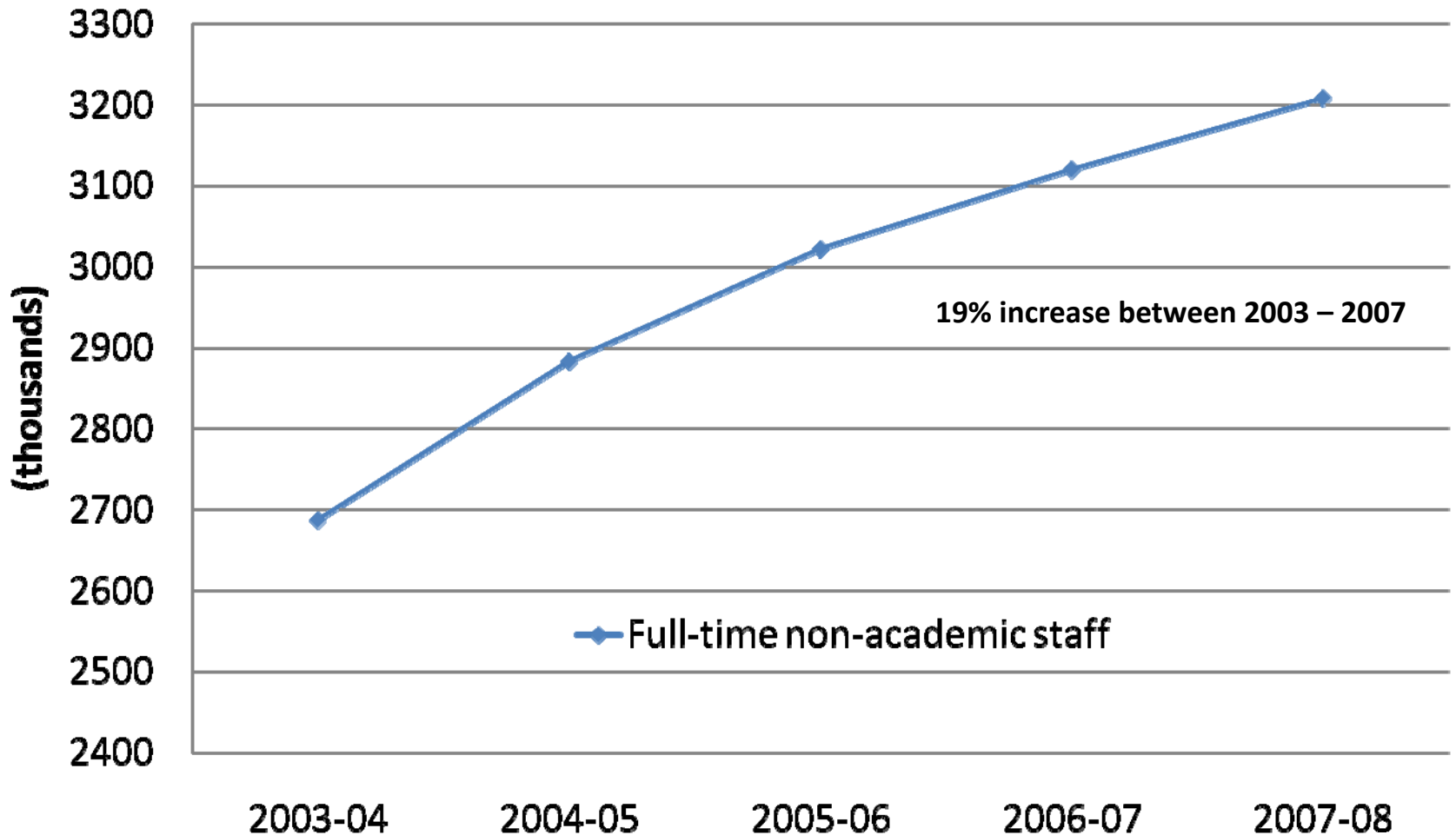
FY 2003 – FY 2012



*Expenditures*

# Administrative & Support Staff

FY 2003 – FY 2008



# Physical Infrastructure

- borrow money for
  - deferred maintenance and other capital projects
  - Teaching and Learning Space Working Group (TLSWG)
  - campus renewal and master plan
  - research space
  - space required due to enrolment growth
- \$1.5 – \$2M set aside to pay interest on capital borrowings
- increase to building operating costs (i.e. energy)

# Recap : Building the Budget

- FY 2007 – 2008
  - \$559.6M in total revenue
  - \$575.1M in total expenditure
  - **\$15.4M gap forecasted**
- FY 2008 – 2009
  - \$578.3M estimate in total revenue
  - \$588.3M estimate in total expenditure
  - **\$10M net forecast**

# Strategic Initiatives

- support academic renewal
- enhance graduate students funding
- improve student life & learning
- continue to support for research initiatives
- facilitate interdisciplinary initiatives

# FY 2008-2009 Reality

- reallocated \$9M from central administration FY 2007-08
- plan to reduce deficit from \$15M to \$10M
- requires reduction in operating expense
  - 3.0% from each administration unit
    - contribution to decrease shortfall
  - 3.0% from each Faculty
    - 1.5% returned directly to Faculty to support academic projects
    - remaining 1.5% to University Priorities Pool



# University Priority Pool

- discussion on process for reallocation
  - application
  - review
  - allocation

# Moving in the Right Direction

- on growth trajectory
  - revenues increasing
  - will continue to prioritize expenditures
- discourse to ensure quality through discipline
  - maintaining and shifting to further align with academic priorities

# Discussion