Office of the Provost and Vice-Principal (Academic)
James Administration Building

SUBJECT: Budget Planning 2019-2020 Report I
DATE: December 5, 2018
DOCUMENT #: D18-24

ACTION REQUIRED: ☒ INFORMATION ☐ APPROVAL/DECISION

ISSUE This presentation provides general observations about the FY2019 budg
well as an

MOTION OR RESOLUTION FOR APPROVAL	N/A
APPENDICES	Appendix A: "McGill FY2020 Budget Cycle – Budget Planning I – McGill University Budget FY2021 – November Update"

McGill FY2020 Budget Cycle
Budget Planning I

McGill University Budget FY2019: November Update

Presentation to Senate for the December 5th, 2018 Meeting

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General Observations

FY2019 Budget November Update: Sources of Variance

- Anticipated Variance in Unrestricted Revenues:
  - New Provincial Funding Policy
    - Exact impact still unclear
    - Subvention de fonctionnement in the Règles budgétaires higher than budgeted, but includes reallocated envelopes
  - Enrolment
    - Undergraduate fall 2018 enrolment (headcount) surpassed target by 187 (0.8%)
      - Enrolment for deregulated programs was 248 over target (11.0%)
      - Enrolment for regulated programs was 61 below target (0.2%)
    - Graduate annual new registrations estimated at 105 over target (3.5%)
    - Will result in higher than budgeted tuition and fees
  - Sales of Goods and Services
    - Anticipated increase based on trends and unit expectations to date

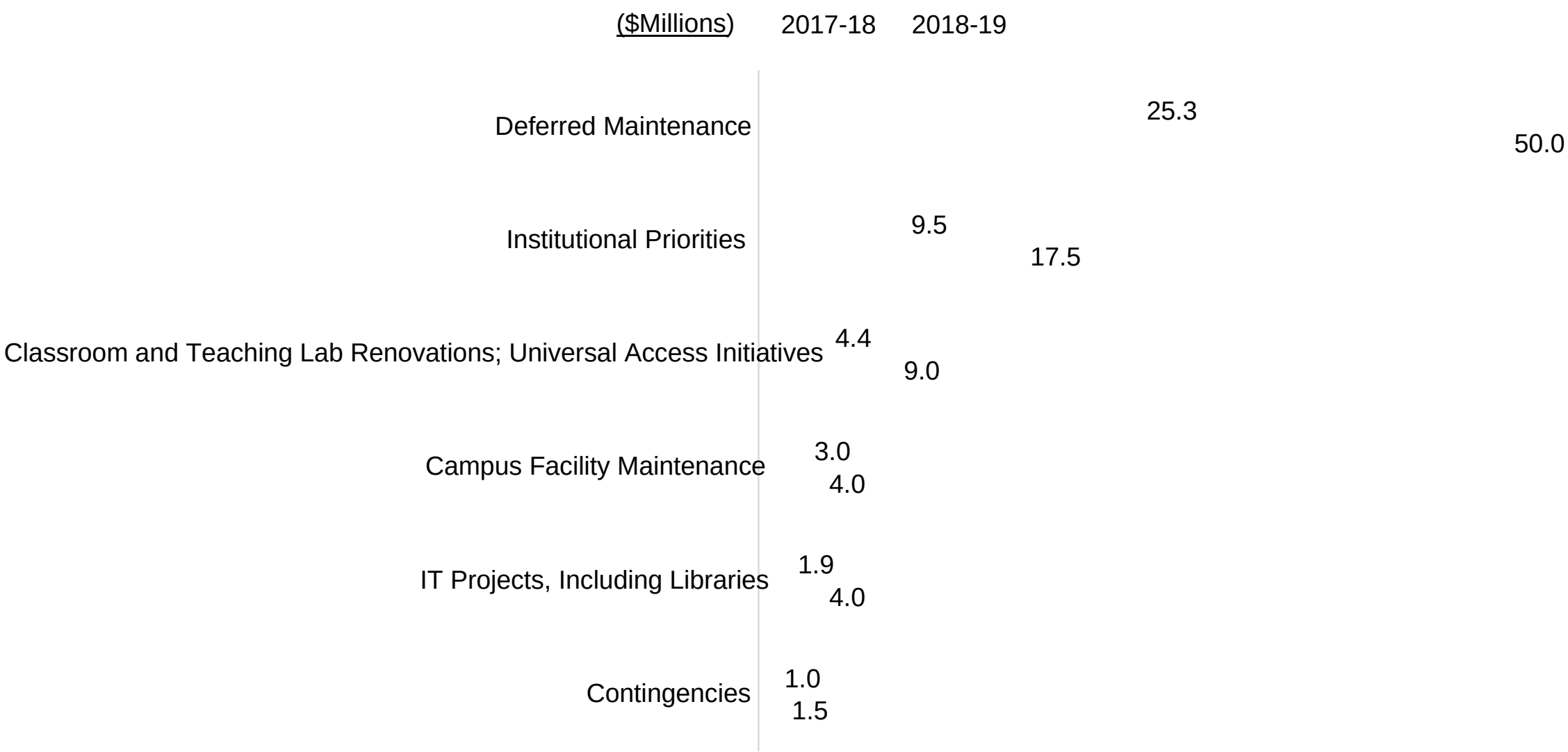
FY2019 Budget November Update: Ministry estimate of impact over five years

$ Millions	2016-17 operating grant	Estimated annual impact of revised funding policy and reinvestment ($1.23B)	2022-23 estimated operating grant

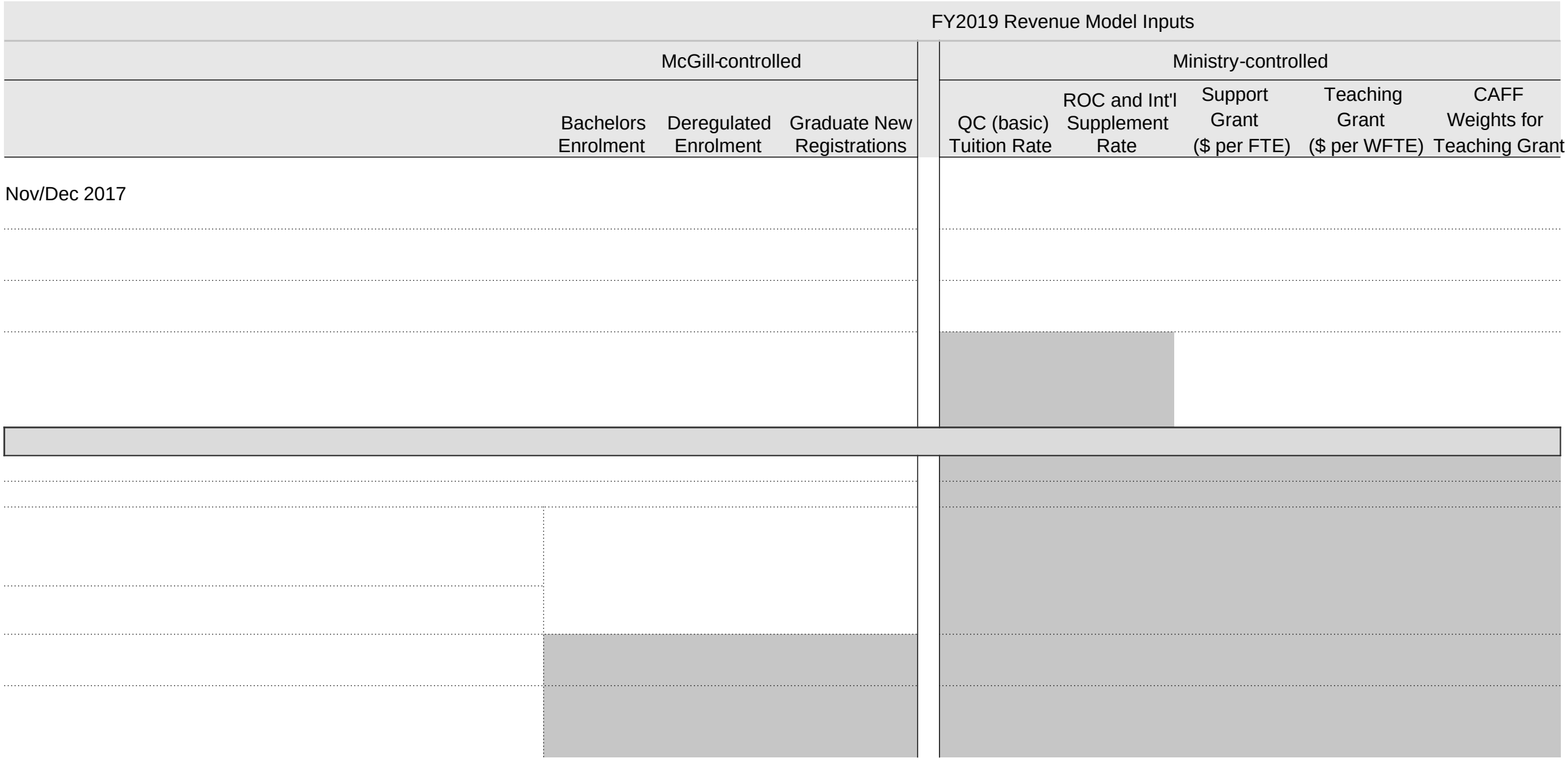
FY2019 Budget November Update: Sources of Variance (cont'd)

- Variance in Expenses (compared to approved budget):
  - Tenure-Track Salary Expenditures (initial budget is 100% of salary; leaves/departures reduce the overall cost)
  - Increased Other Academic Salaries & Payments (offsets, in part, Tenure-Track savings above)
  - Increased Support Staff Salaries and Payments
  - Increased Materials, Supplies and Publications
  - Increased Contract Services
  - Decreased Other Non-Salary Expenses (funds are often set aside here, but spent in the other categories noted above)

FY2019 Budget November Update: New capital allocation



Timeline for Analysis, Planning, and Budget (APB) FY2019 Revenue Projections



FY2019 Revenue Lever: Overall enrolment & enrolment mix

(1) Regulated targets are derived from overall targets minus deregulated targets

(2) Deregulated enrolment actuals are an estimate based on students enrolled in deregulated programs, paying international fees, and who are not Canadian citizens, Permanent Residents, or French citizens. Newly admitted students have until the end of the first term to provide proof of citizenship/residency, and thus the number of those considered to be deregulated may decrease slightly from what is shown here.

(p) projected: FY2019 new registrations to graduate programs are projected based on the sum of Summer/Fall 2018 n ares des(g)2 (rs)6 ( )4 (itt)6 (io)- (t)-4 (s-4 (r)b)-4 (rs)6 ( )4

Expense drivers

Uncertainties and Risks for FY2019 and onwards – McGill-controlled

- McGill-controlled:
  - Managing to overall, as well as newly self-financed, enrolment targets
  - Graduate enrolment increases in keeping with our mission as a research university
  - R2R and administrative and support staff position control
  - Bicentennial campaign impact on operating budget
  - Bond payback planning
  - New building projects and their impact on the unrestricted budget
  - New space and its impact on the unrestricted budget
  - New program development coherence and accountability
  - Incremental allocations

Uncertainties and Risks for FY2019 and onwards: Developing position control

- In progress
  - Working with HR
  - Monthly progress reported to Budget Working Group

- Each permanent position will need to have a permanent budget
  - Any excess or shortfall will be isolated in a contingency account within each unit, making it easier to identify the funds available for proposed new hires

- New positions will be reviewed for funding prior to posting
  - Does the unit have

Uncertainties and Risks for FY2019 and onwards - Ministry controlled and Macro

- ❓ Questions
- ❓ Comments