

**BUDGET DEVELOPMENT GROUP**  
**Operating Budget Plan for 2022-23**

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## **Scope and Membership**

The Budget Development Group (BDG) was established by the President to advise on budgetary matters. This group employs an open and consultative approach to budget discussions at the University.

Membership of the BDG includes:

- Anne Comfort, Vice-President, International & Student Affairs
- Philip Cormier, Laboratory & Stores Supervisor, Safety Officer
- Robert Inglis (Chair), Vice-President, Finance & Administration
- Nauman Farooqi, Dean
- Jeff Hennessy, Provost and Vice-President, Academic & Research
- Michael Nolan, MASU Vice-President, Finance and Operations and Student Member
- Margaret-Ellen Messinger, Associate Professor
- Courtney Pringle Carver, Vice-President, University Advancement

The BDG's resource members are Chris Milner, Budget Director and Trudy Hicks, Administrative Assistant.

## **Introduction**

The 2021-22 year continues to provide budgetary challenges and uncertainty due to the continuation of the pandemic and its social and economic impact on Canada and the rest of the world. Inflation rates continue to rise due to supply chain issues; this will be an ongoing concern and impact the University's ability to purchase goods in a timely manner. We continue to incur costs due to COVID-19 prevention such as purchasing personal protective equipment for the community and HEPA filters installed across campus.

However, there are some things to be optimistic about. As of the time of this writing, New Brunswick has successfully administered at least two doses of vaccine to 83% of the population and 47% are fully vaccinated. New Brunswick has also announced an end to restrictions beginning March 14.

Mount Allison University continues to face many of the challenges it faced prior to the pandemic:

- Expenses continue to outpace revenue.
- Deferred maintenance costs continue to be an issue.
- Some positions that benefit a great number of students continue to be funded by soft money.
- Higher expectations with regards to services offered at universities continue to grow
- Increasing student enrolment to a sustainable level.
- Balancing deficits from previous years while strategically investing to increase student enrolment.

To return to a balanced budget, student enrolment and retention must increase and be maintained over the long term. The student experience is key to retention and strategically increasing resources that benefit students such as “creating and promoting destination programs”, growing faculty and staff complement to programs that are in high demand, and providing access to progressive services in student life are key to developing the student experience. Incurring additional costs prior to realizing increased student enrolment will result in a deficit.

For additional information on University finances as well as past minutes and recommendations of the BDG visit the [Mount Allison Budget](#) webpage.

## **Process and Work of the Group**

The Budget Development Group began meeting on November 25 and a total of 12 meetings have been held. The President outlined the goal of the committee and encouraged members to prioritize ideas that increase enrolment and initiatives that drive revenue. It was noted that a deficit will be required but must be justified. To align the BDG priorities with those of the President, the BDG developed the following guiding principles:

- Institutional strategy
- Initiatives that are based on student demand
- Areas that are critically under resourced
- Areas currently generating revenue for the institution
- Investing for growth while maintaining exceptional student experience to retain our students
- Sustainability
- Incentivizing faculty to reward and respect their efforts to bring in net new students
- Evidence-based expenditures that drive at either recruitment, retention, or sustainability with the longer-term aspiration to achieve a balanced budget

Over four meetings each Vice President presented their budget requests. These were based on feedback and input from their directors and direct reports. This was complemented by a report done by the Mount Allison Students' Union as to their budget priorities, based on student consultation. The BDG then asked the Vice Presidents to find any items that could be shared between their respective areas. Members then ranked what they considered to be in line with our guiding principles independently. The rankings were compiled anonymously and presented to the BDG for discussion. A short list of budget recommended budget priorities was then forwarded to the President.

## **Draft Budget Recommendations for 2022-23**

### **1. Government Grant**

The committee worked off an assumption that the grant will increase by 1%.

### **2. Tuition Revenue and Student Assistance**

Revenue is calculated based on student enrolment and can greatly impact the financial position of the university. Domestic and international tuition are set separately.

### **Enrolment – Entering Class as of October 1**

Budget – 2022-2023	750
Actual – 2021-2022	682
Actual – 2020-2021	651

### **Total budgeted enrolment**

	2022-2023 Budget	2021-2022 Budget	2020-2021 Budget
Canadian	1995	1,866	1,821
International	303	262	261
Total	2298	2,128	1,990

### **Tuition Fees Increase**

	2022-2023	2021-2022	2020-2021
Canadian tuition	3.0%	3.0%	4.5%
Internationalization	3.0%	3.0%	2.0%

Michael Nolan, the student representative, underscored the student position on tuition increases, stating that they are unpopular. However, he recognized that with increasing costs, and only slight upward movement on the government grant, there appear to be limited alternative avenues for the University in funding their operations. Thus, he recommended that if tuition increases are to occur in future years, they should be predictable. In other words, students should have a rough understanding of what tuition rates will be throughout their degree.

### **3. Prioritization**

The BDG considered several proposals from each of the Vice Presidents. VPs were asked to find efficiencies and combine items where possible.

The following is a table that represents the average of BDG member's recommended priorities.

<b>Provost V.P. Academic and Research</b>	
Interdisciplinary Health Studies, Aviation Coordinator, Commerce position, Academic Planning and Program Development Officer, Academic Advisor, support for Aviation and Computer Sciences, Lab Instructor support, Student Services Coordinator	\$490,000
<b>V.P. Finance and Administration</b>	
Cyber Security, Heating Plant Staffing, Health and Safety Training, University Wide Training, Data Center Migration	\$150,000

<b>V.P. International and Student Affairs</b>	
Health and Wellness, Athletics, Retention Strategy, Experiential Learning, Indigenous Support	\$300,000
<b>V.P. University Advancement</b>	
Digital Marketing and Alumni Relations	\$211,000
<b>Pan University</b>	
Minimum wage increase, Equipment Replacement	\$200,000

The BDG discussed the impact of a deficit and that a deficit would result based on these recommendations. The return on investment on these budget items should be monitored and assessed annually.

### **2022-23 Budget Planning - Looking Back and Future Recommendations**

The methodology used for members to select the financial asks of each VP was successful and highlighted areas where the committee members had unity. The process ensured that no voice was lost, and we recommend it continue in the future.

The BDG recommends adding multi-year planning to the groups mandate. Any long-term financial planning should work within the bounds of the universities strategic planning and the current budget development principles and guidelines (Policy 7203). Long term planning allows the university to continue to operate and anticipate the needs of future and current students, faculty, staff, and ongoing maintenance costs. These plans should be developed by senior leaders and should include new priority hires, new programs, facilities upgrades and maintenance expenses and be reviewed annually to best reflect future needs. Plans should align strategically with the President’s Strategic Plan and the University Academic Strategic Plan.

The committee selection and process started later in the fall term than normal. It has been recommended by past BDG to begin the process of selection and training of its members earlier in the summer term. An earlier start would benefit members who do not have the financial background.