###### **TO: Deans**

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#### **DATE: March 21, 2018**

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**FROM: Janice Ristock, Provost and Vice-President (Academic)**

**SUBJECT: Provincial Budget 2018-2019**

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On March 12, 2018 the Honourable Cameron Friesen, Minister of Finance, tabled his third provincial budget.

The provincial budget contained several elements that impact the University of Manitoba:

1. A 0.9 per cent funding decrease to the entire PSE sector. For the U of M, this results in an operating grant reduction of $3,115,500 (from $351,574,000 to $348,458,500).

U of M had planned for a 0% operating grant increase. Prudent budget planning positions the U of M to manage this reduction this year, but if this level of funding continues, we will find ourselves severely challenged next year and in future years.

1. Research Manitoba will see a funding reduction of $3 million (from $15.1 million to $12.1 million).

This follows a $2 million reduction last year. The U of M is the single largest beneficiary of Research Manitoba funding. The U of M is having conversations with Research Manitoba to understand the precise impact this cut will have for their organization and, in turn, how it will impact the U of M.

1. Funding for Manitoba Graduate Scholarships remains constant at 2017 levels ($2.25 million province-wide).
2. Funding available through the Manitoba Scholarship and Bursary Initiative also remains constant at 2017 levels ($6.75 million province-wide).
3. Included in the U of M’s major capital funding for 2018/19 is $419,000 to support capital costs of the Doctor of Pharmacy program, still pending final approval. Government will provide a total of $3.21 million over eight years to support this initiative.
4. University of Manitoba Access Program funding is reduced by $500k ($4.3 million in 2018 from $4.8 million in 2017). There is no indication yet if the U of M determines which Access programs to reduce or if the Province will provide direction. It will be important that we review our programs as part of careful fiscal management, but for this year we plan to maintain the 2017 funding level to ensure continuity of programs for our students.
5. Equipment and renovation grant funding remains at the 2017/18 level of $3,020,000.
6. Our plan as previously shared is to request the maximum tuition increase allowed under Bill 31.
   1. 1.3% in summer session (because it is under the current academic year) and 6.6% in regular session.
   2. The anticipated increase in tuition revenue based on this increase is $9.5 million (includes 0.5% increase based on in enrolment).
7. There is some concern about the impact to our international student enrolment if the Province moves forward with eliminating provincial health funding for international students.  We are reviewing our ability to assist with this cost for international students in 2018/19.
8. Additional clarification is being sought from the Province on the following:

* Reallocation of funds within the $22-million envelope related to loans and bursaries.
* Changes to the Student Aid program, described as “enhancements,” including:
* $1 million province-wide for low-income Indigenous students;
* $1.7 million province-wide to expand eligibility to students studying at private religious institutions in Manitoba, as well as institutions within Canada but outside of Manitoba.

1. Finally, post-secondary institutions will be expected to review measures that:

* Take action to reduce administrative costs and increase operating efficiencies.
* Implement a 15 per cent reduction in management administrative positions.
* Improve collaboration between institutions to minimize and reduce duplication of programs and services.

The U of M has shown leadership within the province and the PSE sector as a prudent manager of public funds; more recently, the U of M has been paying close attention to the provincial government’s call for reduction of administration costs.

The U of M is confident it will be able to demonstrate the 15 per cent reduction required by government through measures including several unit reorganizations, and the elimination or vacancy management of a significant number of managerial positions.