

# Faculty of Humanities Budget Report

“The Faculty of Humanities is research-focused and student-centred. We value excellence in research and teaching, promoting responsible and sensitive local and global leadership through an emphasis on critical inquiry, ethical reasoning, and historical and cultural understanding. We value interdisciplinary approaches to discovery and learning, and the clear and creative expression of complex and challenging ideas.”

# Risks – As listed in last year's presentation

- Change in government funding
- **Overly optimistic in other revenue projections**
- **Overly optimistic in undergraduate recruitment** AND graduate enrolment, recruitment and retention projections
- Overly optimistic in projecting retirements
- **Combined Honours issues gets resolved**
- *Space*
- Managing change

# Understanding Revenue Allocation

	2014-15 (2014)	2014-15 (2015)	2015-16 (2015)
Graduate Tuition	\$2,035,585	\$2,624,078	\$2,752,344
Graduate Grant	\$4,716,000	\$4,786,135	\$4,772,396
UG Tuition	\$18,912,751	\$17,979,011	<u>\$18,680,833</u>
UG Grant	\$13,098,694	\$12,237,101	<u>\$11,773,988</u>
Other Income	\$28,045	-\$85,917	-\$44,581
Gross Revenues	<b>\$38,791,075</b>	<b>\$37,540,408</b>	<b>\$37,934,980</b>

UG Tuition and Grant down from projection in 2014-15 owing to lower enrolments

UG Tuition up in 2015-16 owing to change in formula to 100% teaching tuition, but Grant down owing to lower enrolments.

# Gross Revenue Allocation

- Graduate Student Grant for Eligible (Cdn, PhD 1-4) Students
  - ~\$14,000 per MA student
  - ~\$28,000 per PhD student
- Graduate Student Tuition – 100% of tuition paid, INCLUDING from international and revenue generating graduate programs
  - ~\$7,000 per 3 terms domestic student, ~\$16,000 per 3 terms international student
  - MCM ~\$3500 domestic/\$~4000 international per course (12 courses over 2 years)
- Undergraduate Student Grant (BIU) for undergraduate students **registered in our programs**
  - ~\$3000 per Hum I and 3 year BA student
  - ~\$5900 per Honours BA II-IV, BFA I-IV, Art History BA II-III student
  - ~\$8500 per B Music student
- Undergraduate Student *Tuition* (beginning 2015-16):
  - **Every** student registered in your 3 unit course = ~\$600
  - Additional amounts for international student tuition for those registered in our programs, also small “residual” from tuition allocation

# Understanding Revenue Allocation

BUT	2014-15 (2014)	2014-15 (2015)	2015-16 (2015)
Gross Revenues	<b>\$38,791,075</b>	<b>\$37,540,408</b>	<b>\$37,934,980</b>
Less University Fund 8%	<b>-\$3,103,000</b>	<b>-\$3,003,000</b>	<b>-\$3,035,000</b>
Research Infrastructure	<b>-\$351,000</b>	<b>-\$344,000</b>	<b>-\$351,000</b>
- Research Infrastructure 1%	<b>-\$388,000</b>	<b>-\$375,000</b>	<b>-\$379,000</b>
- Plus Humanities Share of Research Infrastructure	<i>\$37,000</i>	<i>\$31,000</i>	<i>\$32,000</i>
Indirect Cost of Research	\$144,000	\$120,442	\$120,442
NEW Adjustment for Combined Honours w Soc Sci		<b>-\$307,000</b>	<b>-\$307,000</b>
NET Revenue Allocation (NOT REALLY)	<b>\$35,481,000</b>	<b>\$34,006,000</b>	<b>\$34,366,000</b>

# Understanding Revenue Allocation

BUT	2014-15 (2014)	2014-15 (2015)	2015-16 (2015)
NET Revenue Allocation	\$35,481,000	\$34,006,000	\$34,366,000
Less Support Unit Costs	-\$17,292,000	-\$16,209,000	-\$16,506,000
Actual NET Allocation BUT	<b>\$18,189,000</b>	<b>\$17,797,000</b>	<b>\$17,860,000</b>
HOLD HARMLESS LEVEL REVENUES	<b><u>\$23,756,000</u></b>	<b><u>\$23,651,000</u></b>	<b><u>\$23,913,000</u></b>
Held Harmless (by University Fund)	\$5,567,000	\$5,854,000	\$6,053,000

## Major Changes:

Hold harmless increase 2015-16 largely due to moving over **\$710,000** of our “Other Revenues” in operating budget to revenue allocation – so allocation would have been **\$24.4m** BUT

Decline revenue projection owing to program enrolments took away over **\$510,000**

	2014 / 2015 (2014)	2014 / 2015 (2015)	2015 / 2016 (2014)	2015 / 2016 (2015)
Operating Revenue Allocation	\$ 23,756,000	\$ 23,651,000	\$ 23,756,000	\$ 23,913,000
Other Revenues	\$ 2,483,220	\$ 1,834,146	\$ 2,758,200	\$ 1,656,235
Recoveries and Transfers	\$ 818,198	\$ 876,683	-\$ 201,302	\$ 819,316
<b>TOTAL SOURCES OF FUNDING:</b>	<b>\$ 27,057,418</b>	<b>\$ 26,361,829</b>	<b>\$ 26,312,898</b>	<b>\$ 26,388,631</b>
<i>Projected Funding as of May 2013</i>	\$ 25,751,586	\$ 25,751,586	\$ 25,641,836	\$ 25,641,836

2014-15 Total Allocation less than we expected

2014-15 Other Revenues less than anticipated, lower than projected enrolments in MELD, change in what is and is not included in Other Revenues

2015-16 Total Allocation projection about right, **for now**

	2014 / 2015 (2014)	2014 / 2015 (2015)	2015 / 2016 (2014)	2015 / 2016 (2015)
<b>Total Academic Salaries and Benefits</b>	<b>\$ 20,645,399</b>	<b>\$ 20,537,740</b>	<b>\$ 19,714,827</b>	<b>\$ 19,902,375</b>
<i>Projected as of May 2013</i>	<i>\$ 21,945,878</i>	<i>\$ 21,945,878</i>	<i>\$ 22,140,714</i>	<i>\$ 22,140,714</i>
<b>Total TA Salaries &amp; Benefits</b>	<b>\$ 2,899,004</b>	<b>\$ 2,709,693</b>	<b>\$ 2,586,668</b>	<b>\$ 2,586,668</b>
<i>Projected as of May 2013</i>	<i>\$ 3,387,254</i>	<i>\$ 3,387,254</i>	<i>\$ 3,387,254</i>	<i>\$ 3,387,254</i>
<b>Total Support Staff Salaries &amp; Benefits</b>	<b>\$ 3,930,512</b>	<b>\$ 3,881,121</b>	<b>\$ 3,847,428</b>	<b>\$ 3,748,792</b>
<i>Projected as of May 2013</i>	<i>\$ 4,262,918</i>	<i>\$ 4,262,918</i>	<i>\$ 4,342,871</i>	<i>\$ 4,342,871</i>
<b>Total Other Expenses</b>	<b>\$ 1,985,990</b>	<b>\$ 1,940,639</b>	<b>\$ 1,831,494</b>	<b>\$ 2,090,795</b>
<i>Projected as of May 2013</i>	<i>\$ 1,647,773</i>	<i>\$ 1,647,773</i>	<i>\$ 1,647,773</i>	<i>\$ 1,647,773</i>
<b>TOTAL EXPENSES:</b>	<b>\$ 29,460,905</b>	<b>\$ 29,099,193</b>	<b>\$ 27,980,417</b>	<b>\$ 28,409,407</b>
<i>Projected Expenses as of May 2013</i>	<i>\$ 31,243,823</i>	<i>\$ 31,243,823</i>	<i>\$ 31,518,612</i>	<i>\$ 31,518,612</i>
<b>PROJECTED DEFICIT :</b>	<b>-\$ 2,402,452</b>	<b>-\$ 2,737,364</b>	<b>-\$ 1,667,519</b>	<b>-\$ 2,020,856</b>
<i>Projected Deficit As Of May 2013</i>	<i>-\$ 5,483,237</i>	<i>-\$ 5,483,237</i>	<i>-\$ 5,867,776</i>	<i>-\$ 5,867,776</i>



	2013 / 2014 (2014)	2013-/ 14 (actual)	2014 / 2015 (2014)	2014 / 2015 (2015)	2015 / 2016 (2014)	2015 / 2016 (2015)	2016/ 2017 (2014)	2016/ 2017 (2015)	2017/ 2018 (2015)
<b>TOTAL SOURCES OF FUNDING:</b>	\$ 28,596,490	\$ 28,907,703	\$ 27,057,418	\$ 26,361,829	\$ 26,312,898	\$ 26,388,551	\$ 26,700,448	\$ 26,734,309	\$ 27,291,809
<i>Projected Funding as of May 2013</i>	\$ 25,903,986	\$ 25,903,986	\$ 25,751,586	\$ 25,751,586	\$ 25,641,836	\$ 25,641,836	N/A	N/A	N/A
<b>Total Academic Salaries and Benefits</b>	\$ 21,717,748	\$ 22,500,305	\$ 20,645,399	\$ 20,537,740	\$ 19,714,827	\$ 19,902,375	\$ 19,857,204	\$ 20,304,846	\$ 20,721,886
<i>Projected as of May 2013</i>	\$ 22,018,869	\$ 22,018,869	\$ 21,945,878	\$ 21,945,878	\$ 22,140,714	\$ 22,140,714	N/A	N/A	N/A
<b>Total TA Salaries &amp; Benefits</b>	\$ 3,010,981	\$ 3,078,784	\$ 2,899,004	\$ 2,709,693	\$ 2,586,668	\$ 2,586,668	\$ 2,657,444	\$ 2,656,013	\$ 2,643,057
<i>Projected as of May 2013</i>	\$ 3,387,254	\$ 3,387,254	\$ 3,387,254	\$ 3,387,254	\$ 3,387,254	\$ 3,387,254	N/A	N/A	N/A
<b>Total Support Staff Salaries &amp; Benefits</b>	\$ 4,280,374	\$ 4,312,425	\$ 3,930,512	\$ 3,881,121	\$ 3,847,428	\$ 3,748,792	\$ 3,925,797	\$ 3,802,599	\$ 3,903,711
<i>Projected as of May 2013</i>	\$ 4,199,855	\$ 4,262,918	\$ 4,262,918	\$ 4,262,918	\$ 4,342,871	\$ 4,342,871	N/A	N/A	N/A
<b>Total Other Expenses</b>	\$ 1,835,939	\$ 1,361,070	\$ 1,985,990	\$ 1,940,639	\$ 1,831,494	\$ 2,090,795	\$ 1,831,494	\$ 2,017,324	\$ 1,971,726
<i>Projected as of May 2013</i>	\$ 1,809,273	\$ 1,647,773	\$ 1,647,773	\$ 1,647,773	\$ 1,647,773	\$ 1,647,773	N/A	N/A	N/A
<b>TOTAL EXPENSES:</b>	\$ 30,845,042	\$ 31,252,584	\$ 29,460,905	\$ 29,069,193	\$ 27,980,417	\$ 28,409,407	\$ 28,271,939	\$ 28,780,782	\$ 29,240,380
<i>Projected Expenses as of May 2013</i>	\$ 31,415,251	\$ 31,415,251	\$ 31,243,823	\$ 31,243,823	\$ 31,518,612	\$ 31,518,612			
<b>PROJECTED DEFICIT :</b>	-\$ 2,248,552	-\$ 2,344,881	-\$ 2,402,452	-\$ 2,737,364	-\$ 1,667,519	-\$ 2,020,856	-\$ 1,571,491	-\$ 2,046,473	-\$ 1,948,571
<i>Projected Deficit As Of May 2013</i>	-\$ 5,502,265	-\$ 5,502,265	-\$ 5,483,237	-\$ 5,483,237	-\$ 5,867,776	-\$ 5,867,776	N/A	N/A	N/A

# Cost Containment

- **Conclusion 1: Course management matters.**
- **Conclusion 2: Program requirements and TA expectations matter.**
- **Conclusion 3: CLAs and immediate replacement for retirements will be rare.**
- **Conclusion 4: Space costs us \$\$.** We need to review our use of the spaces that are allocated to us.

We have effected and can effect changes in expenditures:

- By aligning our teaching needs/program requirements to our faculty complement – and that faculty complement, in most cases, needs to be smaller than current.
- By reducing our demand for non-tenure/teaching faculty instructing courses.
- By reducing our demand for non- in time graduate student TA support.
- By thinking about what space we actually need.

# Risks

- Change in government funding
- Overly optimistic in other revenue projections
- Overly optimistic in undergraduate AND graduate enrolment, recruitment and retention projections
- Overly optimistic in projecting retirements
- ~~Combined Honours issues gets resolved~~
- Space
- We don't change anything that we are currently doing
- Managing change

# Opportunities

- Support in the university and beyond is there for a Faculty of Humanities that is taking responsibility.
- Wilson Hall, Fitzhenry Studios and Atrium, Wilson Chair, Asper Chair
- Strategic Mandate Agreement: window for new graduate programs for modest graduate growth
- Show students that McMaster Humanities has something to offer. That is the whole point of the Humanities Means Leadership initiative.
- The Faculty of Humanities
  - **Conclusion 5: Recruiting, retaining and attracting program students still matters, a lot.**
  - **Conclusion 6: Teach and be prosperous. We need to make our courses accessible to as many students as possible, and to teach as many students as possible.**