

July 25, 2017

[REDACTED] s.40(1)

Dear [REDACTED] s.40(1)

Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act, 2015* [Our File #: AESL/033/2017]

On June 27, 2017 the Department of Advanced Education, Skills and Labour received your request for access to the following records/information:

“Please provide copies of all correspondence between officials within the Department of Advanced Education, Skills and Labour (including Ministers) in relation to the 2017-2018 budget of Memorial University of Newfoundland.”

Per your conversation with Mr. David Moore, Director of Information Management on June 27, 2017, the Department has approximately 700 employees and you have agreed to limit the scope of this request to those positions most likely to have this information (i.e. the Minister, Deputy Minister, Assistant Deputy Minister and Director, Literacy and Institutional Services).

I am pleased to inform you that your request for access to this information has been granted in part and the responsive records are attached. Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the *Access to Information and Protection of Privacy Act, 2015* (the act):

Section 27.(1) In this section, "cabinet record" means

- g. a record created for or by a minister for the purpose of briefing that minister on a matter for the Cabinet;
 - h. a record created during the process of developing or preparing a submission for the Cabinet;
- and

Section 27.(2) The head of a public body shall refuse to disclose to an applicant

- a. a cabinet record

Section 29.(1) The head of a public body may refuse to disclose to an applicant information that would reveal

- a. advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister

Please note that the following pages have been redacted in their entirety in accordance with the following sections of the act:

Page(s)	Section(s)
4	Section 29.(1)(a)
9 - 27	Sections 27.(1)(h) and 27.(2)(a)
28 - 33	Sections 27.(1)(g) and 27.(2)(a)
34 - 179	Sections 27.(1)(h) and 27.(2)(a)
196 - 318	Sections 27.(1)(h) and 27.(2)(a)
324 - 327	Sections 27.(1)(h) and 27.(2)(a)
332 - 369	Sections 27.(1)(h) and 27.(2)(a)

As required by subsection 8.(2) of the act, we have severed information that is excepted from disclosure and have provided you with as much information as possible.

Section 42 of the act provides that you may ask the Information and Privacy Commissioner to review this partial refusal of access or you may appeal the refusal to the Supreme Court Trial Division. A request to the Information and Privacy Commissioner shall be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Str. A
St. John's, NL A1B 3V8

Telephone: (709) 729-6309
Facsimile: (709) 729-6500

In the event you wish to appeal to the Supreme Court, you must do so within 15 business days of the date of this letter. Section 52 of the act sets out the process to be followed when filing such an appeal.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information requests website within one day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned at (709) 729-4276 or SharonSeaward@gov.nl.ca.

Sincerely,



SHARON SEAWARD
ATIPP Coordinator

Attachment

From: Tompkins, John
Sent: Monday, March 20, 2017 12:31 PM
To: Byrne, Gerry
Subject: Comm Plan
Attachments: CP MUN and SFA.docx

Minister, this is the comm plan Central Comms asked for. Gig has signed off, which is due today. Feel free to call or email if you would like to discuss. Thanks.

John Tompkins
Director of Communications
Department of Advanced Education, Skills and Labour
(709) 729-0753 (o) 728-7762 (c)
Jtompkins@gov.nl.ca

DRAFT COMMUNICATIONS PLAN
Department of Advanced Education, Skills and Labour

Title: Budget 2017 MUN and Student Financial Assistance

Issue: Budget 2017 impacts to Memorial University and Student Financial Assistance Program.

Consulted with: Debbie Dunphy, Fiona Langor,	Date drafted: March 18, 2017	Announcement date: April 6, 2017
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COMMUNICATIONS ANALYSIS

Public Environment

[REDACTED] In Budget 2016, several of the department's measures impacted post-secondary education funding, generating negative stakeholder reaction. Most notable among these was the decision to reduce funding to Memorial University by three per cent, with the exception of funding provided to maintain the tuition freeze.

It should be noted that while Memorial University's funding was reduced by three per cent, when its total funding is taken into account, the university's total Provincial Government funding still increased by \$450,000 from the year previously.

CBC reported MUN President Gary Kachanoski saying, "Above all, our overriding focus will be to minimize the impact on students and academic programming." Dr. Kachanoski also indicated MUN had been given notice of more cuts to come over the next three years.

Memorial University's initial proposal to raise tuition fees for all international students was met with significant backlash from student groups and advocates who claimed higher fees would discourage immigration. Considerable media coverage of this opposition, which included frequent student protests on-campus, was followed by the university's decision to raise tuition fees only for graduate and medical students.

Local, regional, and provincial media all noted Memorial University remains one of the most affordable institutions in Canada.

Government's expectation that Memorial University maintain the tuition freeze with reduced provincial funding was challenged in the media, especially social media. Government was criticized for taking credit for the tuition freeze, then indicating whether it continued was solely the responsibility of Memorial University.

The Canadian Federation of Students (CFS) pre-empted the budget with a campaign demanding no cuts to post-secondary education funding. This campaign included profiles of students who indicated that low tuition fees are the primary reason they are able to get an education and remain in Newfoundland and Labrador. These profiles and other campaign materials were widely shared on social media and received some coverage in local, regional, and provincial media.

The CFS celebrated as a victory Memorial University's decision not to raise undergraduate tuition, and statements from the organization demonstrate its members are encouraged and motivated to continue to fight any actions that increase the cost of post-secondary education for students. For example, a CFS statement published in May, 2016, included: "Everybody who has taken action since the provincial austerity budget in April budget, students, community and labour groups and concerned citizens alike, can all share in this major victory for Newfoundland and Labrador. Collective action works. If we keep up the pressure, we can reverse unfair cuts and build the fairer more prosperous Newfoundland and Labrador that we all deserve. However, Thursday's victory is bittersweet, and our work is not over."

On Nov. 2, 2016, students held rallies in communities across the province to demand the reduction and eventual elimination of tuition fees as part of the National Student Day of Action. For the most part, media coverage of the rallies highlighted the fact Memorial University already offers among the lowest tuition in Canada. In addition, the Minister's tweets detailing the province's financial supports for student supports were widely shared by the media, especially CBC.

Other adjustments to post-secondary education funding generated only minor media coverage and little stakeholder reaction, though overwhelmingly negative [REDACTED]

Strategic Considerations

[REDACTED]

**Target Audiences****Internal**

- Premier's Office
- Executive Council
- Communications and Public Engagement Branch
- Department of Advanced Education, Skills and Labour
- Cabinet Secretariat
- Premier's Office

External

- Post-Secondary Students
- Memorial University staff
- Memorial Pension Committee
- MUN Alumni
- Media
- General public
- MHAs
- Opposition
- Third Party

Consultations

- In November, Minister Byrne met with CFS representatives who lobbied him for three hours to eliminate student tuition in order to reduce the financial burden on students and attract additional students from outside the province.

Communications Objectives

- To communicate the Provincial Government's commitment to affordable accessible education.
- To communicate that, despite continuing financial challenges, the Provincial Government recognizes the role of post-secondary education in developing and maintaining a strong economy.

COMMUNICATIONS STRATEGY**Overall Approach**

- Budget 2017 investments in Memorial University will be announced as part of Budget 2017 communications activities.

Key Messages

Memorial University investments

- In Budget 2017, MUN will receive [REDACTED] in funding for operations, including \$56.4 million to continue the freeze on tuition, and [REDACTED]
- This is the greatest public investment in any university in Atlantic Canada.
- While Memorial University is reducing its operating grant by 2 per cent, MUN's overall budget is increasing. This is due in part to an investment of \$56.4 million to support the tuition freeze.
- We respect Memorial University's legislated autonomy, which enshrines MUN's right to govern its affairs.
- Government has the expectation that Memorial University will maintain its freeze and we are confident in Memorial's ability to allocate the [REDACTED] we provide to run a first-class institution that is affordable and accessible to Newfoundlanders and Labradorians.

Secondary Messages

- A MUN undergraduate student's debt for a four-year program is 40 per cent lower than the Canadian national average.
- MUN receives more grant-in-aid from the Provincial Government for general operations than the universities combined in each of the Maritime Provinces.
- \$56.4 million of MUN's base budget in 2017-18 is for supporting the tuition freeze.
- According to Statistics Canada, for 2016-17:
 - Undergraduate tuition at MUN is the lowest in Canada and is approximately 57 per cent lower than the Canadian average.
 - International undergraduate tuition is the lowest in Canada and is approximately 60 per cent lower than the Canadian average.
 - MUN domestic graduate tuition remains the lowest in Canada outside of Quebec and approximately 50 per cent lower than the Canadian average,

- MUN international graduate tuition remains the lowest in Canada and approximately 70 per cent lower than the Canadian average.
- MUN has the highest general operating expenditures in Canada per student (over \$30,000) of any provincial university sector (\$19,525 Canadian average).
- MUN has an established history of strong leadership, which we want to continue.
- As Government, we are only asking MUN to do what we ourselves are doing – this means making difficult but necessary decisions. We expect MUN to do its part to put this province on a sustainable path that supports a strong economy.
- As in The Way forward, we are asking MUN’s leadership and staff to do better with less. I am confident they will achieve this.
- Our university, and the students who go there still benefit from very generous investments in post-secondary education. Our support for Memorial and its students remains strong, and we are proud to measure that support with any other province, and many countries.

Provincial student loans/grants provided only after students have maximized access to federal portion of student grants and loans.

Key Messages:

- Our new “federal assistance first approach” is guided by the principle of maximizing all federal assistance available before provincial assistance kicks in.
- In short, more students will benefit, and many students will get more benefits – thanks to our federal partners who have made their program more generous and accessible, so more students can have their financial needs met.
- The new approach will allow an additional \$2 million in Federal Government student loans to be released over the previous model which will benefit approximately 1,100 additional students.
- This is a pragmatic approach that best uses all of the federal and provincial funding available to ensure students get the financial assistance they need to complete their studies.
- More students than ever before will have their financial needs met to enable them to complete their post-secondary education in Newfoundland and Labrador.
- No student will receive less total student financial assistance.
- The grant-to-loan ratio for the province remains the same, at \$40 loans per week of study followed by \$100 grants.

Secondary Messaging:

- The Provincial Government's commitment to providing affordable and accessible post-secondary education remains strong.
- We have one of the best student aid financial packages in the country.
- Newfoundland and Labrador continues to lead the country in offering the most generous student financial assistance program.

The Announcement

- Memorial University investments will be announced as part of budget day activities.

Minister's Involvement

- The Minister of Advanced Education, Skills and Labour is the lead spokesperson.

Internal Communications

- Staff with the Department of Advanced Education, Skills and Labour will be briefed as required.

Follow-up Activities

- MUN investments and continued support for students should be strongly communicated with proactive activity, including extensive use of social media materials that reiterate support for the university and students.
- Minister will seek out media opportunities and speaking engagements to explain MUN investments and changes in student assistance.
- Technical briefings for media on changes to student assistance should be offered soon after budget is announced.
- Media will be monitored and responded to appropriately.

Evaluation Criteria

- Media analysis will be completed by communications with the Department of Advanced Education, Skills and Labour.

Budget

- No communications budget is required.

Drafted by: John Tompkins, Director of Communications

Approved by: The Honourable Gerry Byrne, Minister of Advanced Education, Skills and Labour
Gig Dooling, Deputy Minister

From: Power, Jacqueline
Sent: Wednesday, October 19, 2016 2:39 PM
To: Dunphy, Debbie
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero based budgeting approach to MUN(2).DOC

Yes, Debbie, it's in trim and Bob is reviewing now

Jacqueline Power, Director
Literacy and Institutional Services Division
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador

Phone: (709) 729-2087
Email: jpower@gov.nl.ca

From: Dunphy, Debbie A
Sent: Wednesday, October 19, 2016 2:35 PM
To: Power, Jacqueline
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hey Jacqueline

Is the most recent version of this in TRIM? I am attending the meeting today as well and wish to review.
thanks

Debbie Dunphy, CPA, CMA
Assistant Deputy Minister (A)
Corporate Services
Department of Advanced Education, Skills and Labour
729-5141
ddunphy@gov.nl.ca

From: Power, Jacqueline
Sent: Wednesday, October 19, 2016 10:55 AM
To: Hanlon, Bren M.; Dunphy, Debbie A
Cc: Gardiner, Bob B; Hunter, Mark C.
Subject: FW: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Bren and Debbie, we are endeavouring to update our note with Denise's edits. Given her advice below can you clarify what we would have sent to/advised MUN last week when the guidelines came out? Soon as we have that I think we can conclude the update.

Jacqueline

Jacqueline Power, Director
Literacy and Institutional Services Division
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador

Phone: (709) 729-2087
 Email: jpower@gov.nl.ca

From: Hanrahan, Denise
Sent: Tuesday, October 18, 2016 5:51 PM
To: Power, Jacqueline
Cc: Gardiner, Bob B; Dunphy, Debbie A
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hi Jacqueline, further to my voice mail message, here are some edits to your note. I understand our ministers have discussed. It is not the intention for MUN or CNA to follow the zero based budgeting approach but rather we are trying to get information on their operations from whatever data they have readily available to assist us in the budget process on a consolidated perspective. With respect to the discretionary areas, we are hoping for more information to explain these areas across government. Hope this helps.

From: Power, Jacqueline
Sent: Monday, October 17, 2016 9:38 AM
To: Hanrahan, Denise <Hanrahand@gov.nl.ca>
Cc: Gardiner, Bob B <bobgardiner@gov.nl.ca>; Dunphy, Debbie A <DDunphy@gov.nl.ca>
Subject: FW: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Good morning, Denise. Further to your email to Bob this weekend, please find attached our proposed meeting note regarding zero-based budgeting. We would appreciate your thoughts. If you could have someone get back to me today, that would be most helpful.

Regards,
 Jacqueline

Jacqueline Power, Director
 Literacy and Institutional Services Division
 Department of Advanced Education, Skills and Labour
 Government of Newfoundland and Labrador

Phone: (709) 729-2087
 Email: jpower@gov.nl.ca

From: Power, Jacqueline
Sent: Friday, October 14, 2016 4:16 PM
To: Hanlon, Bren M.
Subject: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hi Bren,
 We've incorporated your information. Your thoughts would be most appreciated.
 Thanks,
 Jacqueline

Seaward, Sharon M.

From: Hanlon, Bren M.
Sent: Wednesday, October 19, 2016 11:23 AM
To: Power, Jacqueline
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

I should probably be copying you on anything I send them, what do you think?

From: Power, Jacqueline
Sent: Wednesday, October 19, 2016 11:15 AM
To: Hanlon, Bren M.; Dunphy, Debbie A
Cc: Gardiner, Bob B; Hunter, Mark C.
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Thanks, Bren. That's the clarity we needed.

Jacqueline Power, Director
 Literacy and Institutional Services Division
 Department of Advanced Education, Skills and Labour
 Government of Newfoundland and Labrador

Phone: (709) 729-2087
 Email: jpower@gov.nl.ca

From: Hanlon, Bren M.
Sent: Wednesday, October 19, 2016 11:13 AM
To: Power, Jacqueline; Dunphy, Debbie A
Cc: Gardiner, Bob B; Hunter, Mark C.
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hi Jacqueline,

I just forwarded you two emails I sent to MUN and C N A, it was the basically the instructions from budget division.

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Thanks,
Jacqueline

Meeting Note
Department of Advanced Education, Skills and Labour
Meeting with Memorial University
Date and Time
Location

Attendees:

- Hon. Gerry Byrne, Minister
- Ms. Genevieve Dooling, Deputy Minister
- Mr. Robert Gardiner, Assistant Deputy Minister, Post-Secondary Education
- Dr. Gary Kachanoski, President and Vice-Chancellor, Memorial University
- Mr. Kent Decker, Vice-President (Administration and Finance), Memorial University

Purpose of Meeting:

- Memorial University (MUN) has requested a meeting with the Minister to discuss the application of Budget 2017's zero-based budgeting approach to MUN.

Background:

- Under the *Memorial University Act*, MUN has autonomy over its fiscal affairs, budgeting process and internal budget preparation methodology, and budget management.
- MUN's grant-in-aid is structured on a base-budget approach under which MUN has historically received an annual base budget, additional funding to meet inflationary pressures (e.g., salary and step increases), and funding to support new strategic initiatives that align with Government's priorities and fiscal capabilities.
- The 2017-18 Budget Guidelines from the Department of Finance require all Government Departments and entities to complete zero-based budgeting templates for 2017-18 budget submissions. These templates require ten-year planning for all entities.
- Specific templates and instructions have been provided to MUN which will require them to detail all sources of revenue and lines of expenditure to the Department of Finance by December 12, 2016.
- Operating expense detail has to be provided for advertising, travel, entertainment, membership fees, professional development, telecommunications, printing, professional services and property, furnishings and equipment. [REDACTED]

Analysis

- MUN's internal budgeting processes have historically used a base-budget approach.
- Budget 2016 provided MUN with a grant-in-aid of \$318.7 million for operations and \$3.3 million for capital (\$322 million total). Budget 2016 reduced MUN's 2015-16 base budget (\$275.5M, excluding the tuition freeze subsidy) by three per cent (\$8.3 million). [REDACTED]

[Redacted]

[Redacted]

- MUN makes global budget allocations to the deans and directors who are responsible for the distribution of funds and other budgetary components within their units. MUN departments are permitted to carry forward unspent funds to the next fiscal year.

[Redacted]

- MUN's budget planning process starts each summer when deans and directors prepare unit budgets for the next fiscal year. Their budget estimates are collated and MUN's budget estimates are presented to the Board of Regents (Board) in November/December for approval to submit to Government (please see Annex A for a timeline of MUN's internal budget planning process). After formal notification by Government of its annual budget each spring, the Board approves the budget for allocation within the university.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

- Under the *College Act, 1996*, College of the North Atlantic's (CNA) Board of Governors has similar autonomy over CNA's budget planning process as is provided to MUN

[Redacted]

[Redacted]

- Budget 2013 directed an efficiency review of MUN. To date, MUN had realized approximately \$10 million in annualized efficiency review savings. MUN has earmarked these savings for priority infrastructure projects (e.g., the Core Science Facility, Animal Resource Centre, annual deferred maintenance in the absence of Government funding).

[Redacted]

[Redacted]

Potential Speaking Points

- All Government Departments and entities are required to prepare a zero-based budget for their 2017-18 submission.

3

- The zero-based approach is not a savings exercise for MUN or CNA; it is to provide the Department of Finance with as much detail as possible on what expenses are required to operate Government departments and entities.



- Government appreciates the challenges that changing to a zero-based budget approach so quickly may pose to the university community and seeks MUN's input on how much time it may require to implement and use a zero-based budget approach for its Budget 2017 submission.

Proposed Actions

- The Department will communicate to the Department of Finance MUN's concerns.
- The Department will receive regular updates from MUN on the status of its budget submission.

Prepared/Approved by: M. Hunter/J. Power
Ministerial Approval: Received from Hon

October 14, 2016

Annex A
MUN Internal Budget Timelines

1. *June/July* - The President and his officials draft the format and guidelines for the budget submissions of the Deans and Directors.
2. *July/August* - Deans and Directors are provided with information, instructions and related documents for budget submissions.
3. *August/September* - Deans and Directors submit budget estimates to the President through the Vice-Presidents and preliminary estimates are prepared.
4. *September/October* - A major review of the current fiscal year's budget estimates is undertaken.
5. *November* - The revised budget for the current fiscal year is presented to the Board via the Finance Committee for review and approval.
6. *October/November* - Preliminary allocations for the upcoming year are announced to the Deans and Directors and meetings are held with each individual Dean and Director to discuss budgetary plans, to consider problems and special requests, and to review the planned development of the units.
7. *November/December* - Estimates of the upcoming year's funding are drafted and presented to the Board of Regents via the Finance Committee for approval and submission to the Provincial Government. Meetings are held with Government officials to discuss the University estimates.
8. *December/January* - The University will attempt to obtain from government information regarding its grant for the coming fiscal year. If the information is not available, the Senior Executive Committee will make an estimate of the amount of the grant and the Deans and Directors will be advised of their tentative budget allocation for the coming year.
9. *February/March* - The Deans and Directors will review their tentative allocations and advise their Vice-President of any anticipated difficulties.
10. *March/April* - It is expected that the University will receive formal notification of its grant from Government and the tentative estimates will be revised in order to present a balanced budget to the Board of Regents via the Finance Committee at its May meeting. Normally, communication of final budget will follow that meeting.

Source: Memorial University, Financial and Administrative Services, "Budgetary Process," http://www.mun.ca/finance/policies_procedures/budgetary_process.php#B-1.4.

From: Power, Jacqueline
Sent: Tuesday, October 18, 2016 10:28 PM
To: Hanrahan, Denise
Cc: Gardiner, Bob B; Dunphy, Debbie
Subject: Re: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero based budgeting approach to MUN(2).DOC

Thanks Denise.

Sent from my BlackBerry 10 smartphone on the Bell network.

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Cc: Gardiner, Bob B; Dunphy, Debbie A
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

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Jacqueline Power, Director
Literacy and Institutional Services Division
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador

Phone: (709) 729-2087
Email: jpower@gov.nl.ca

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To: Hanlon, Bren M.

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Jacqueline

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Cc: Hanlon, Bren M.; Dunphy, Debbie
Subject: Re: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Of course first thing in the morning.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Gardiner, Bob B
Sent: Tuesday, October 18, 2016 8:40 PM
To: Power, Jacqueline
Cc: Hanlon, Bren M.; Dunphy, Debbie A
Subject: Fw: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hi jacqueline:

I assume we can have the note adjusted as per Denise's feedback.

Thanks.
Bob

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Cc: Gardiner, Bob B; Dunphy, Debbie A
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hi Jacqueline, further to my voice mail message, here are some edits to your note. I understand our ministers have discussed. It is not the intention for MUN or CNA to follow the zero based budgeting approach but rather we are trying to get information on their operations from whatever data they have readily available to assist us in the budget process on a consolidated perspective. With respect to the discretionary areas, we are hoping for more information to explain these areas across government. Hope this helps.

From: Power, Jacqueline
Sent: Monday, October 17, 2016 9:38 AM
To: Hanrahan, Denise <Hanrahand@gov.nl.ca>
Cc: Gardiner, Bob B <bobgardiner@gov.nl.ca>; Dunphy, Debbie A <DDunphy@gov.nl.ca>
Subject: FW: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Good morning, Denise. Further to your email to Bob this weekend, please find attached our proposed meeting note regarding zero-based budgeting. We would appreciate your thoughts. If you could have someone get back to me today, that would be most helpful.

Regards,
Jacqueline

Jacqueline Power, Director
Literacy and Institutional Services Division
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador

Phone: (709) 729-2087
Email: jpower@gov.nl.ca

From: Power, Jacqueline
Sent: Friday, October 14, 2016 4:16 PM
To: Hanlon, Bren M.
Subject: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hi Bren,
We've incorporated your information. Your thoughts would be most appreciated.
Thanks,
Jacqueline

Meeting Note
Department of Advanced Education, Skills and Labour
Meeting with Memorial University
Date and Time
Location

Attendees:

- Hon. Gerry Byrne, Minister
- Ms. Genevieve Dooling, Deputy Minister
- Mr. Robert Gardiner, Assistant Deputy Minister, Post-Secondary Education
- Dr. Gary Kachanoski, President and Vice-Chancellor, Memorial University
- Mr. Kent Decker, Vice-President (Administration and Finance), Memorial University

Purpose of Meeting:

- Memorial University (MUN) has requested a meeting with the Minister to discuss the application of Budget 2017's zero-based budgeting approach to MUN.

Background:

- Under the *Memorial University Act*, MUN has autonomy over its fiscal affairs, budgeting process and internal budget preparation methodology, and budget management.
- MUN's grant-in-aid is structured on a base-budget approach under which MUN has historically received an annual base budget, additional funding to meet inflationary pressures (e.g., salary and step increases), and funding to support new strategic initiatives that align with Government's priorities and fiscal capabilities.
- The 2017-18 Budget Guidelines from the Department of Finance require all Government Departments and entities to complete zero-based budgeting templates for 2017-18 budget submissions. These templates require ten-year planning for all entities.
- Specific templates and instructions have been provided to MUN which will require them to detail all sources of revenue and lines of expenditure to the Department of Finance by December 12, 2016.
- Operating expense detail has to be provided for advertising, travel, entertainment, membership fees, professional development, telecommunications, printing, professional services and property, furnishings and equipment. [REDACTED]

Analysis

- MUN's internal budgeting processes have historically used a base-budget approach.
- Budget 2016 provided MUN with a grant-in-aid of \$318.7 million for operations and \$3.3 million for capital (\$322 million total). Budget 2016 reduced MUN's 2015-16 base budget (\$275.5M, excluding the tuition freeze subsidy) by three per cent (\$8.3 million) [REDACTED]

[Redacted]

[Redacted]

- MUN makes global budget allocations to the deans and directors who are responsible for the distribution of funds and other budgetary components within their units. MUN departments are permitted to carry forward unspent funds to the next fiscal year.

[Redacted]

- MUN's budget planning process starts each summer when deans and directors prepare unit budgets for the next fiscal year. Their budget estimates are collated and MUN's budget estimates are presented to the Board of Regents (Board) in November/December for approval to submit to Government (please see Annex A for a timeline of MUN's internal budget planning process). After formal notification by Government of its annual budget each spring, the Board approves the budget for allocation within the university.

[Redacted]

[Redacted]

- Under the *College Act, 1996*, College of the North Atlantic's (CNA) Board of Governors has similar autonomy over CNA's budget planning process as is provided to MUN.

[Redacted]

- Budget 2013 directed an efficiency review of MUN. To date, MUN had realized approximately \$10 million in annualized efficiency review savings. MUN has earmarked these savings for priority infrastructure projects (e.g., the Core Science Facility, Animal Resource Centre, annual deferred maintenance in the absence of Government funding).

[Redacted]

[Redacted]

[Redacted]

Potential Speaking Points

- All Government Departments and entities are required to prepare a zero-based budget for their 2017-18 submission.

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- The zero-based approach is not a savings exercise for MUN or CNA; it is to provide the Department of Finance with as much detail as possible on what expenses are required to operate Government departments and entities.



- Government appreciates the challenges that changing to a zero-based budget approach so quickly may pose to the university community and seeks MUN's input on how much time it may require to implement and use a zero-based budget approach for its Budget 2017 submission.

Proposed Actions

- The Department will communicate to the Department of Finance MUN's concerns.
- The Department will receive regular updates from MUN on the status of its budget submission.

Prepared/Approved by: M. Hunter/J. Power
Ministerial Approval: Received from Hon.

October 14, 2016

Annex A
MUN Internal Budget Timelines

1. *June/July* - The President and his officials draft the formal and guidelines for the budget submissions of the Deans and Directors.
2. *July/August* - Deans and Directors are provided with information, instructions and related documents for budget submissions.
3. *August/September* - Deans and Directors submit budget estimates to the President through the Vice-Presidents and preliminary estimates are prepared.
4. *September/October* - A major review of the current fiscal year's budget estimates is undertaken.
5. *November* - The revised budget for the current fiscal year is presented to the Board via the Finance Committee for review and approval.
6. *October/November* - Preliminary allocations for the upcoming year are announced to the Deans and Directors and meetings are held with each individual Dean and Director to discuss budgetary plans, to consider problems and special requests, and to review the planned development of the units.
7. *November/December* - Estimates of the upcoming year's funding are drafted and presented to the Board of Regents via the Finance Committee for approval and submission to the Provincial Government. Meetings are held with Government officials to discuss the University estimates.
8. *December/January* - The University will attempt to obtain from government information regarding its grant for the coming fiscal year. If the information is not available, the Senior Executive Committee will make an estimate of the amount of the grant and the Deans and Directors will be advised of their tentative budget allocation for the coming year.
9. *February/March* - The Deans and Directors will review their tentative allocations and advise their Vice-President of any anticipated difficulties.
10. *March/April* - It is expected that the University will receive formal notification of its grant from Government and the tentative estimates will be revised in order to present a balanced budget to the Board of Regents via the Finance Committee at its May meeting. Normally, communication of final budget will follow that meeting.

Source: Memorial University, Financial and Administrative Services, "Budgetary Process," http://www.mun.ca/finance/policies_procedures/budgetary_process.php#B-1.4.

Seaward, Sharon M.

From: Power, Jacqueline
Sent: Monday, October 17, 2016 9:36 AM
To: Hanlon, Bren M.
Cc: Gardiner, Bob B; Dunphy, Debbie
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Thanks, Bren. I will share with Denise Hanrahan and get back to you for a final look.

Jacqueline Power, Director
Literacy and Institutional Services Division
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador

Phone: (709) 729-2087
Email: jpower@gov.nl.ca

From: Hanlon, Bren M.
Sent: Monday, October 17, 2016 9:16 AM
To: Power, Jacqueline
Subject: RE: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Looks fine to me

From: Power, Jacqueline
Sent: Friday, October 14, 2016 4:16 PM
To: Hanlon, Bren M.
Subject: BN-2016-0500 Meeting Note - Meeting with Memorial University (MUN) to discuss the application of Budget 2017's zero-based budgeting approach to MUN(2).DOC

Hi Bren,
We've incorporated your information. Your thoughts would be most appreciated.
Thanks,
Jacqueline

Meeting Note
Department of Advanced Education, Skills and Labour
Meeting with Memorial University
Date and Time
Location

Attendees:

- Hon. Gerry Byrne, Minister
- Ms. Genevieve Dooling, Deputy Minister
- Mr. Robert Gardiner, Assistant Deputy Minister, Post-Secondary Education
- Dr. Gary Kachanoski, President and Vice-Chancellor, Memorial University
- Mr. Kent Decker, Vice-President (Administration and Finance), Memorial University

Purpose of Meeting:


- Memorial University (MUN) has requested a meeting with the Minister to discuss the application of Budget 2017's zero-based budgeting approach to MUN.

Background:

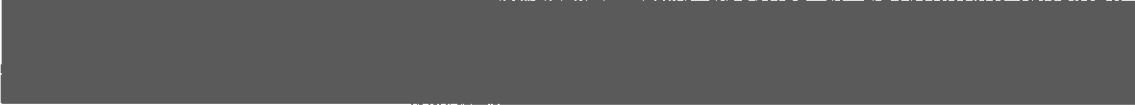
- Under the *Memorial University Act*, MUN has autonomy over its fiscal affairs, budgeting process and internal budget preparation methodology, and budget management.
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- The 2017-18 Budget Guidelines from the Department of Finance require all Government Departments and entities to complete zero-based budgeting templates for 2017-18 budget submissions. These templates require ten-year planning for all entities.
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Analysis

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- Budget 2016 provided MUN with a grant-in-aid of \$318.7 million for operations and \$3.3 million for capital (\$322 million total). Budget 2016 reduced MUN's 2015-16 base budget (\$275.5M, excluding the tuition freeze subsidy) by three per cent (\$8.3 million) [REDACTED]

- 
- MUN makes global budget allocations to the deans and directors who are responsible for the distribution of funds and other budgetary components within their units. MUN departments are permitted to carry forward unspent funds to the next fiscal year.
 - MUN's budget planning process starts each summer when deans and directors prepare unit budgets for the next fiscal year. Their budget estimates are collated and MUN's budget estimates are presented to the Board of Regents (Board) in November/December for approval to submit to Government (please see Annex A for a timeline of MUN's internal budget planning process). After formal notification by Government of its annual budget each spring, the Board approves the budget for allocation within the university.

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- Under the *College Act, 1996*, College of the North Atlantic's (CNA) Board of Governors has similar autonomy over CNA's budget planning process as is provided to MUN. 

- Budget 2013 directed an efficiency review of MUN. To date, MUN had realized approximately \$10 million in annualized efficiency review savings. MUN has earmarked these savings for priority infrastructure projects (e.g., the Core Science Facility, Animal Resource Centre, annual deferred maintenance in the absence of Government funding). 

Potential Speaking Points

- All Government Departments and entities are required to prepare a zero-based budget for their 2017-18 submission.

- The zero-based approach is not a savings exercise; it is to provide the Department of Finance with as much detail as possible on what expenses are required to operate Government departments and entities.



- Government appreciates the challenges that changing to a zero-based budget approach so quickly may pose to the university community and seeks MUN's input on how much time it may require to implement and use a zero-based budget approach for its Budget 2017 submission.

Proposed Actions

- The Department will communicate to the Department of Finance MUN's concerns.
- The Department will receive regular updates from MUN on the status of its budget submission.

Prepared/Approved by: M. Hunter/J. Power
Ministerial Approval: Received from Hon.

October 14, 2016

Annex A
MUN Internal Budget Timelines

1. **June/July** - The President and his officials draft the format and guidelines for the budget submissions of the Deans and Directors.
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Source: Memorial University, Financial and Administrative Services, "Budgetary Process," http://www.mun.ca/finance/policies_procedures/budgetary_process.php#B-1.4.

From: Hunter, Mark C.
Sent: Friday, October 14, 2016 3:19 PM
To: Hanlon, Bren M.
Cc: Power, Jacqueline
Subject: Meeting Note - MUN Zero Base Budgeting 2017-18.DOC
Attachments: Meeting Note - MUN Zero Base Budgeting 2017-18.DOC

Hi Bren,

We've worked up a draft of the meeting note with MUN on zero-based budgeting. If you folks want to plug in your materials into the note and flick it back to us we can do the fine tuning.

Thanks,

Mark...

Mark C. Hunter, PhD
Program and Policy Development Specialist
Literacy and Institutional Services Division
Post-Secondary Education Branch
Department of Advanced Education, Skills and Labour
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's, Newfoundland and Labrador A1B 4J6
markhunter@gov.nl.ca
T: +1 709 729 2450 / F: +1 709 729 6246

Meeting Note
Department of Advanced Education, Skills and Labour
Meeting with Memorial University
Date and Time
Location

Attendees:

- Hon. Gerry Byrne, Minister
- Ms. Genevieve Dooling, Deputy Minister
- Mr. Robert Gardiner, Assistant Deputy Minister, Post-Secondary Education
- Dr. Gary Kachanoski, President and Vice-Chancellor, Memorial University
- Mr. Kent Decker, Vice-President (Administration and Finance), Memorial University

Purpose of Meeting:

- Memorial University (MUN) has requested a meeting with the Minister to discuss the application of Budget 2017's zero-based budgeting approach to MUN.

Background:

- MUN's grant-in-aid is structured on a base-budget approach whereby MUN has historically received an annual base budget, plus additional funding to meet inflationary pressures (e.g., salary and step increases), and funding to support new strategic initiatives that align with Government's priorities and fiscal capabilities.
- Budget 2016 provided MUN with a grant-in-aid of \$318.7 million for operations and \$3.3 million for capital (\$322 million total). Budget 2016 reduced MUN's 2015-16 base budget (\$275.5M, excluding the tuition freeze subsidy) by three per cent (\$8.3 million)

- Under the *Memorial University Act*, MUN has autonomy over its fiscal affairs, budgeting process and internal methodology employed, and budget management.
- Budget 2017 guidelines have directed that department, agencies, boards and commissions use a zero-based budget approach instead of the traditional base-budget approach.

Add Bren's bullets on zero-based budget approach.

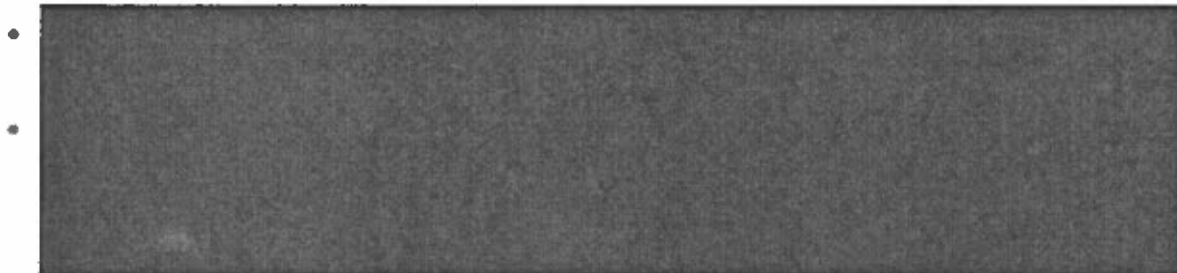
Agenda item #1 (Zero-Based Budgeting and MUN Budget Process)

- MUN officials wish to discuss with the Minister the zero-based budget approach and any challenges it may pose the university's budget process.

Analysis

- MUN's internal budgeting processes have historically used a base-budget approach.
- MUN makes global budget allocations to the deans and directors who are responsible for the distribution of funds and other budgetary components within their units. Departments are permitted to carry forward unspent funds to the next fiscal year.

- MUN's budget planning process starts each summer when deans/directors prepare unit budgets for the next fiscal year. Their budget estimates are collated and then MUN's budget estimates are presented to the Board of Regents in November/December for approval for submission to Government. Please see Annex A for a timeline of MUN's internal budget planning process. After formal notification by Government of its annual budget each spring, the Board of Regents approves the budget for allocation within the university.



- Under the *College Act, 1996*, College of the North Atlantic's (CNA) Board of Governors has similar autonomy over CNA's budget planning process as provided to MUN. 



- Budget 2013 directed an efficiency review of MUN. To date, MUN had realized approximately \$10 million in annualized efficiency review savings. MUN has earmarked these savings for priority infrastructure projects (e.g., the Core Science Facility, Animal Resource Centre, annual deferred maintenance in the absence of Government funding).



Potential Speaking Points

- Government appreciates the challenges that switching to a zero-based budget approach so quickly may pose the university community.
- Government seeks MUN's input on how much time it may require to implement and use a zero-based budget approach for its Budget 2017 submission.

Proposed Actions

- The Department will receive regular updates from MUN on the status of its budget submission.

Prepared/Approved by: M. Hunter /
Ministerial Approval: Received from Hon.

October 14, 2016

Annex A
MUN Internal Budget Timelines

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Source: Memorial University, Financial and Administrative Services, "Budgetary Process," http://www.mun.ca/finance/policies_procedures/budgetary_process.php#B-1.4 .