An analysis of McGill budget books (contract services, professional fees, salaries, grants, tuition & fees), headcounts, & senior admin. base salaries

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Data sources

Unrestricted Fund	Budget 2022-2023	Forecast¹ 2022-2023	Variance ($)	Variance (%)
Grants - Canada	$31,799	$32,931	$1,132	3.6%
Grants - Québec	415,970	429,971	14,000	3.4%
Tuition & Fees	410,568	388,819	(21,749)	(5.3%)
Sales of Goods & Services	124,026	135,186	11,159	9.0%
Gifts & Bequests	7,826	8,729	904	11.5%
Endowment Revenue (Investment income)	9,485	7,681	(1,804)	(19.0%)
Short Term Interest Revenue (interest income)	1,825	8,933	7,108	389.5%
Revenues: Total	**$1,001,500**	**$1,012,250**	**$10,751**	**1.1%**
Academic Salaries	$326,025	$321,229	($4,796)	(1.5%)
Administrative and Support Salaries	277,500	286,408	8,908	3.2%
Student Salaries & Payments	15,500	17,643	2,143	13.8%
Student Aid	50,046	53,221	3,175	6.3%
Benefits	112,678	113,077	399	0.4%
Expenses: Salaries and Benefits	**$781,750**	**$791,579**	**$9,829**	**1.3%**
Materials, Supplies & Publications	$39,583	$39,874	$291	0.7%
Building & Occupancy Costs	38,859	39,354	494	1.3%
Contract Services	24,002	25,309	1,307	5.4%
Energy	19,605	19,945	340	1.7%
Cost of Goods Sold & Services Rendered	18,767	18,924	157	0.8%
Hardware and Software Maintenance	16,562	17,867	1,305	7.9%
Professional Fees	12,285	15,024	2,738	22.3%
Contribution to Partner Institutions	10,366	11,226	860	8.3%
Capital Purchases	9,175	6,596	(2,579)	(28.1%)
Interest & Bank Charges	932	853	(80)	(8.6%)
Other Non-Salary Expenses	12,497	18,164	5,667	45.4%
Expenses: Non-Salary	**$202,634**	**$213,136**	**$10,502**	**5.2%**
Inter-Fund Transfers	6,495	7,013	517	8.0%
Contingency	20,000	0	(20,000)	(100.0%)
Expenses: Total	**$1,010,879**	**$1,091,727**	**$849**	**0.1%**
Surplus / (Deficit)	**($9,379)**	**$523**	**$9,902**	

¹ as per January 2023 actuals and commitments, inputs from units, and trend forecasts

Note: Those items are not included in the budget nor the forecast: (1) Unrealised gains (losses); (2) Book-to-Market Adjustments; (3) pension liability and post-employment benefit restatement; (4) accruals for vacation, pension obligations and post-employment benefits.

Figure 1: An example of budget-book revenues and expenses breakdown table (for the unrestricted fund).

In this analysis, 'actual' values are used when available, otherwise 'forecast'. 'year' denotes the FY ending so that comparisons may be made with audited financial statements.

Table 4: Staff Headcount, as of January 31 each year

	Jan 2020	Jan 2021	Jan 2022	Jan 2020 - Jan 2021 Δ year-over-year (%)
Academic Staff				
Tenure-stream professors	1,731	1,740	1,716	(1.4%)
Tenure-stream librarians	63	62	60	(3.2%)
Non-tenure-stream academics	6,009	6,025	6,195	2.8%
Total Academic Staff	**7,803**	**7,827**	**7,971**	**1.8%**
Administrative and Support Staff				
Clerical	908	832	758	(8.9%)
Executives	22	23	22	(4.3%)
Library Assistant	70	65	66	1.5%
MPEX	2,407	2,477	2,619	5.7%
Technical	400	381	384	0.8%
Trades & Services	422	407	403	(1.0%)
Total Administrative and Support Staff	**4,229**	**4,185**	**4,252**	**1.6%**
Grand Total	**12,032**	**12,012**	**12,223**	**1.8%**

Note: The methodology used in the 2021-2022 Budget Book for Staff Headcounts differed from the one used this year. Most notably, it included only paid instructional staff in the headcount for Academic Staff. The methodology used in this Budget Book aligns with McGill University's Staffing Report. Excluded from Academic Staff headcounts are non-tenure stream clinical staff, post-retirement staff, and staff on Long-Term Disability. Excluded from Administrative and Support Staff headcounts are student employees and staff on Long-Term Disability.

Figure 2: An example of budget-book headcount breakdown (data from staffing reports).

In this analysis, varying/conflicting data are averaged from budget-book and staffing reports.
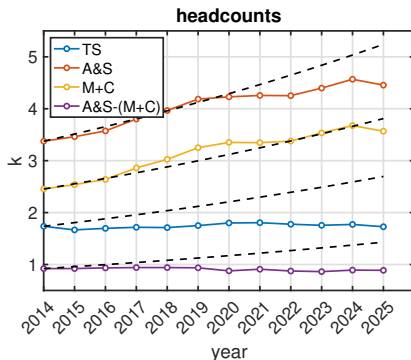
Figure 3: Headcounts with exponential growth curves at 4% per year (dashed lines). Tenure Stream (TS), Administration and Support (A&S); and Managerial (M) and Clerical (C) contributions to administration and support. 'Other' administration and support categories (predominantly 'Technical', 'Trades and Services') reported here as 'Administration and Support' count minus 'Managerial' and 'Clerical' counts.

2019-2020 budget book: "Higher staffing in 2018-2019 was the continuation of a trend started after the 2013 Voluntary Retirement Program, which aimed at reducing personnel costs to pay for capital projects."

Some 2019-2020 budget-book perspectives on Financial Risks:

"The ability of McGill to deploy its enrolment plan for fall 2019 represents a budgetary risk that is associated with higher uncertainty for both revenue and costs. The appointment of a new Registrar and Executive Director, Enrolment Services in 2018-2019 has contributed to the mitigation of this risk. In order to meet the data requirements of strategic enrolment planning, the Analysis, Planning and Budget Unit within the Office of the Provost and Vice-Principal (Academic) has developed a flexible Business Intelligence (BI) and Analytics environment that has proven its capacity to provide McGill's team of Senior Executives with accurate and timely data and business insights on applications, offers of admission and responses from prospective students."

"Success of efforts to identify causes of increased hiring, appropriate planning to reach desired staffing levels, and application/monitoring of targeted staffing levels: Labour is the primary driver of expenses at the University. **The five-year outlook presented in this budget assumes no growth in permanent budget for staff charged to the unrestricted fund over and above salary policy in the next five years. In order to support this outlook, the University is conducting an internal review to examine the causes of increased hiring in 2018-2019**."

... "Success of efforts to control the growth of staffing levels:"

2019-2020: "The five-year outlook presented in this budget assumes no growth in permanent budget for staff charged to the unrestricted fund over and above salary policy in the next five years. In order to support this outlook, the University is conducting an internal review to examine the causes of increased hiring in 2018-2019."

2021-2022: "The five-year outlook presented in this budget assumes no growth in permanent budget in the unrestricted fund for staff over and above salary policy in the next five years. We are currently working on implementing new hiring processes and tools to better plan, monitor and control the appropriate complement of academic and support staff."

2022-2023: "Growth of headcounts for 2022-2023 is anticipated to be limited. We are currently working on implementing new hiring processes and tools to better plan, monitor and control the appropriate complement of academic and support staff."

2023-2024: "Growth of headcounts for 2023-2024 is anticipated to be limited. We are currently working on implementing new hiring processes and tools to better plan, monitor and control the appropriate complement of academic and support staff."

2024-2025: "Following the introduction of strict hiring restrictions in December 2023, headcounts have been reducing and are aligned with our 2024-2025 budget target. We are currently working on implementing new hiring processes and tools to better plan, monitor and control the appropriate complement of academic and support staff."

2025-2026: "Over the past decade, there has been a sustained growth of administrative and support staff. Following the introduction of strict hiring restrictions in December 2023, headcounts have been reducing and are aligned with our 2025-2026 budget target. We are currently working on implementing new hiring processes and tools to better plan, monitor, and control the appropriate complement of academic and support staff. To balance the operating budget in coming years, it is expected that we will need to strategically reduce our salary mass."

Leadership team (2024)
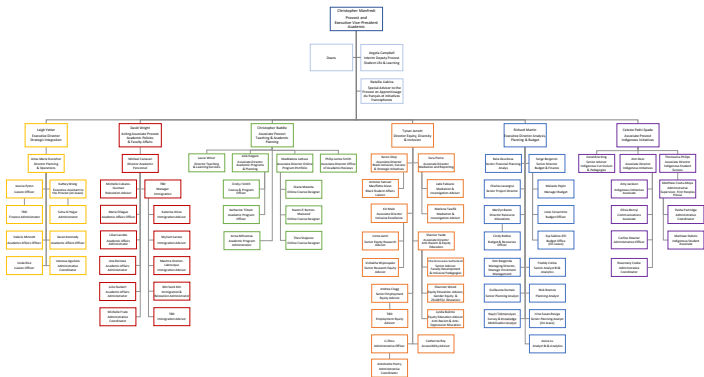
headcounts: 22 (tiers 1-5) + 61 = 81 + (deans).

Figure 4: Leadership team organizational chart 2024.

"The Provost and Executive Vice-President (Academic), as the senior member of the President's core executive team, is both chief academic officer and chief budget officer for the University. These two responsibilities are vested in the same office to ensure that strategic decisions concerning allocation of the University's resources are in line with the core academic priorities of the institution."

Senior admin. base salaries
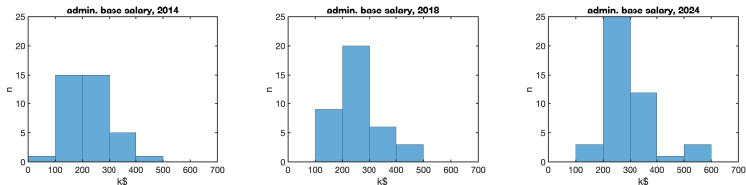
Figure 5: Senior admin. base salaries (frequency histrograms) extracted from documents tabled in the Quebec assembly.

Table 1: Base salary descriptive statistics. $IR = \log(y_2/y_1)/\Delta t$ (applied to sequential pairs in the table)

year	total (M$)	IR (%)	n	IR (%)	mean (k$)	IR (%)
2014	8.01	-	37	-	216.7	-
...	...	...	...	...	...	...
2018	9.61	4.6	38	0.8	252.8	3.9
...	...	...	...	...	...	...
2022	10.5	2.2	37	-0.7	283.5	2.9
2023	13.1	22	45	20	290.0	2.3
2024	13.3	1.5	44	-2.2	301.4	3.9
2014-2024	-	5.1	-	1.7	-	3.3

Note: In 2022, other elements of taxable salary were $\approx 5.2\%$ of base salary; in 2024, $\approx 4.2\%$.
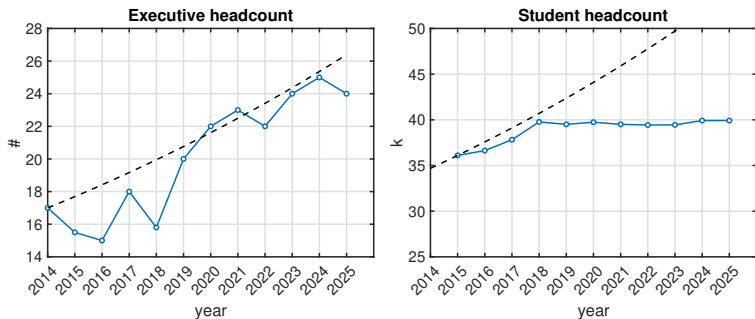
Figure 6: Executive and student headcounts. Dashed lines are exponential growth at 4% per year.

2019-2020 budget book: "The University has confirmed in 2018-2019 appointments in several key management positions, including a new Chief Information Officer, a new Registrar and Executive Director of Enrolment Services, and a new Executive Director of the Royal Victoria Hospital Project. The University has also been actively working on the appointment process for the position of Deputy Provost (Student Life and Learning)."

A closer look at M, C, 'Other'...
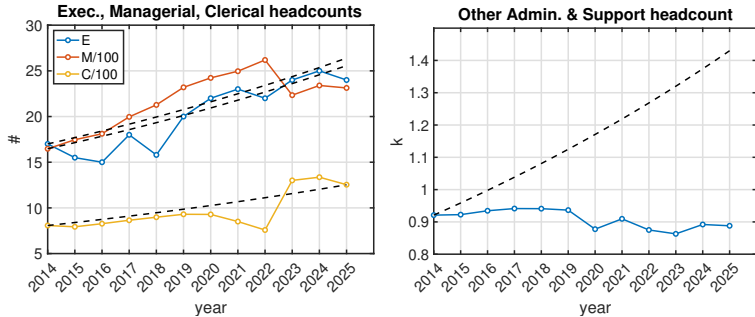
Figure 7: Breakdown of Administration and Support headcounts. Dashed lines are exponential growth at 4% per year. 'Other' is predominantly 'Technical', 'Trades and Services'.

# Contract services, professional fees
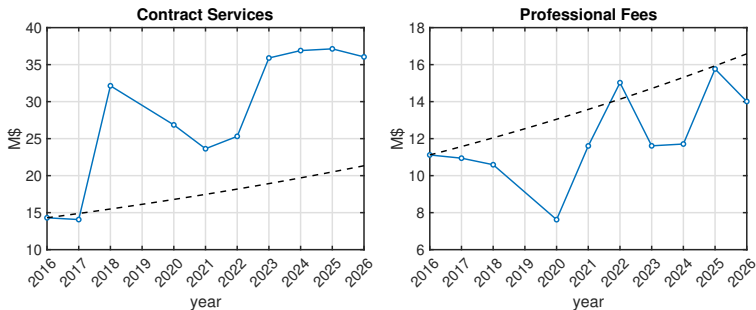
Figure 8: Contract services, professional fees with 2026 budget. Dashed line is exponential growth at 4% per year.
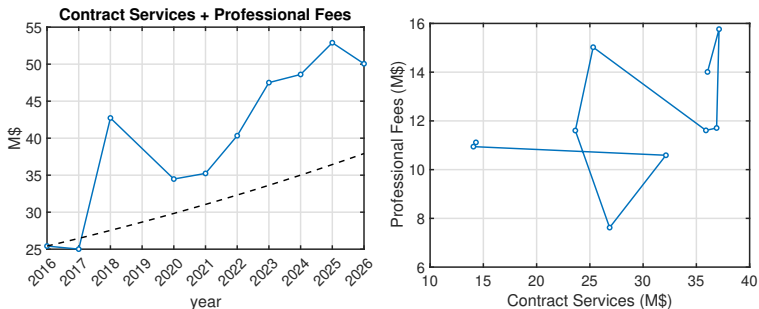
Figure 9: Contract services and professional fees linear regression slope **M$2.58 per year** (p-value 0.0006), strong correlation with respect to time; professional fees versus contract services linear regression slope M$0.090 per year (p-value 0.34, no significant correlation with respect to each other). Dashed lines are exponential growth at 4% per year.

Salaries
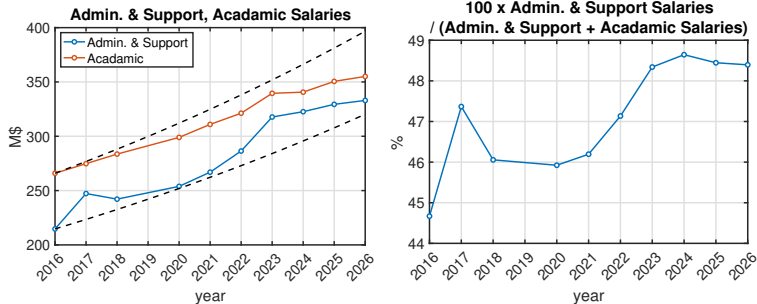
Figure 10: Administration and support salaries, academic salaries, and administrative salaries as a percent of their sum with 2026 budget. Linear regression slope for administration and support salaries **M$12.0 per year**; linear regression slope for academic salaries **M$9.4 per year**. Dashed lines are exponential growth at 4% per year.
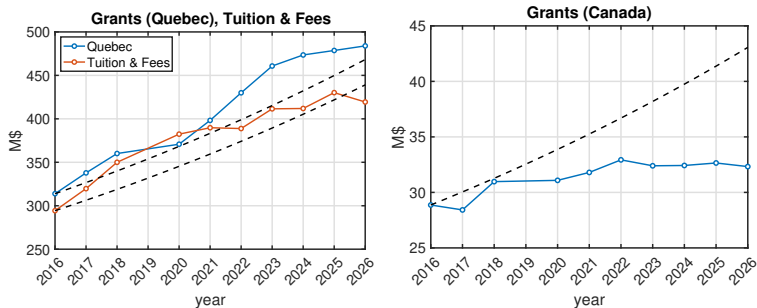
2019-2020 budget book: "The cost of salary policy including benefits is budgeted at $15.0M for 2019-2020."; "Salary expenses are set to increase by $22.7M (+3.3%), including $15M in increases as a result of salary policy."

Benefits
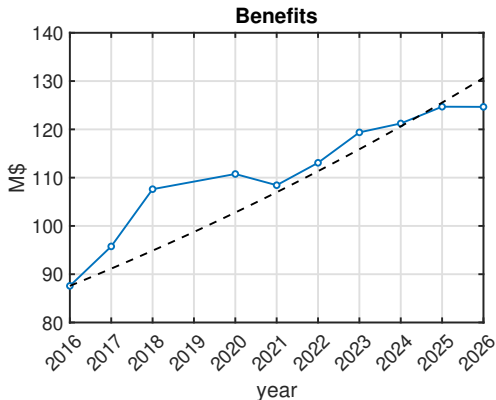
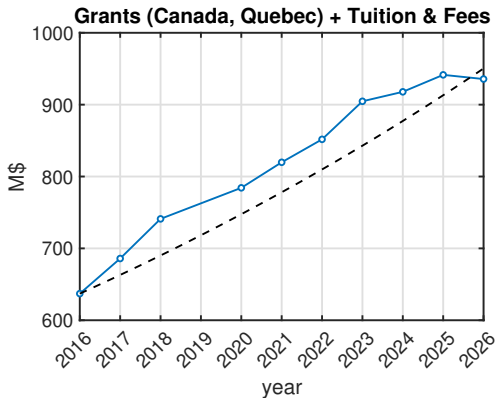

Figure 11: Benefits. Dashed line is exponential growth at 4% per year with 2026 budget. Linear regression slope **M$3.41 per year**.

Revenues

Figure 12: Canada and Quebec grants, tuition and fees with 2026 budget. Dashed lines are exponential growth at 4% per year. Linear regression slope for Quebec grants **M\$18.1 per year.** Linear regression slope for tuition and fees **M\$12.5 per year**.

2019-2020 budget book: "the Quebec government confirmed in Budget 2019 an increase of \$94M in university funding for 2019-2020"; "tuition and fees are expected to increase by \$8.0M (+2.3%)."
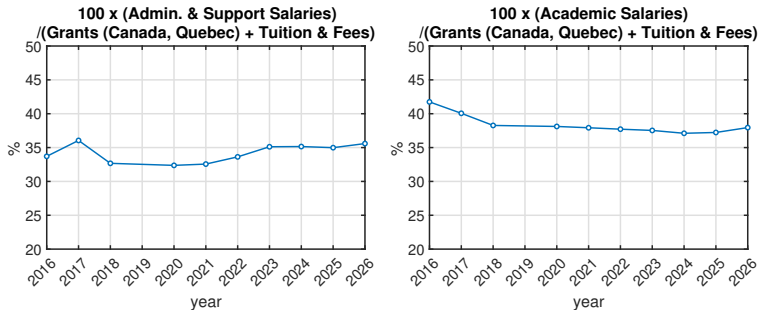
Figure 13: Canada and Quebec grants, tuition and fees with 2026 budget. Linear regression slope for the sum **M$31.0 per year**. Dashed line is exponential growth at 4% per year.

Avg. revenue growth rate 2015-2025: $100 \times 31.0/637 \approx 4.9\%$ per year.

2019-2020 budget book: "Higher revenue are primarily driven by tuition and fees which are forecasted to be higher than budgeted by $17.9M because of fall 2018 enrolment of deregulated international students, as well as enrolment of graduate students. Both surpassed institutional enrolment targets."
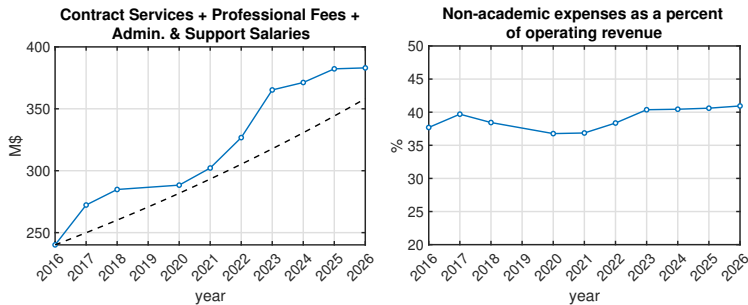
Salaries as a percent of revenues

Figure 14: Salaries (Admin., Support, left; and Academic, right) as a percent of grants, tuition and fees with 2026 budget.

'Non-academic expenses' as a percent of revenues

Figure 15: 'Non-academic salary expenses', and the same as a percent of grants, tuition and fees with 2025 forecast. Linear regression slope for the sum **M\$14.6 per year**. Dashed line is exponential growth at 4% per year.