

**REPORT OF THE
UNIVERSITY BUDGET COMMITTEE
ON THE 2011-12 TO 2013-14
UNIVERSITY BUDGET**

MARCH 2011

The University Budget Committee Report For
The Years 2011-12 to 2013-14

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I. GENERAL

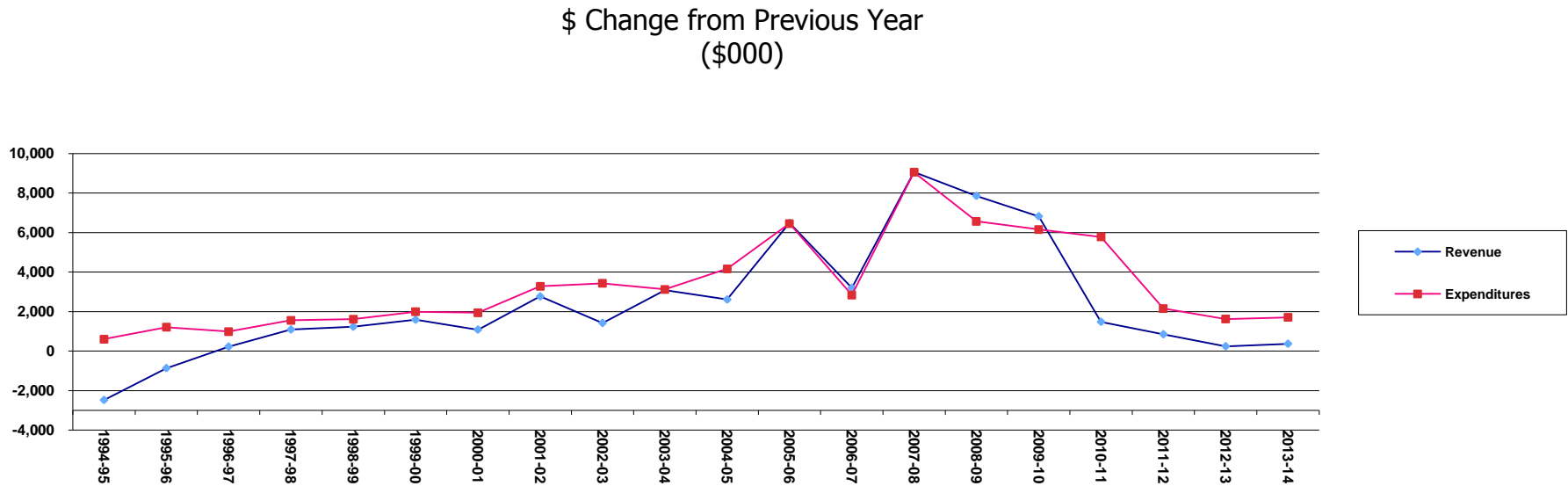
President Mike Mahon is pleased to recommend the University of Lethbridge's Operating Budget for fiscal year 2011-12 to the Board of Governors' Finance Committee who in turn recommends it to the Board of Governors for approval. The proposed operating budget is \$151,215,273 for the upcoming fiscal year, which is an increase of \$850,416 (.99%) from the previous year. As in previous years, budget decisions were made in consultation with the University Budget Committee (UBC) and with the University's various budget units. Budget decisions were also made within the context of the University's 2009-13 Strategic Plan.

This year's budget was a challenge, as the University of Lethbridge is again facing reductions in the 2011-12 fiscal year. Reductions are expected to continue for the following three years due to the government holding the operating grant constant and anticipating stable student enrolment over this period. The reductions that the University will be making to the operating budget could be reason enough to step back and put the institution in a holding pattern. Instead, through increased efficiencies and reallocations, we are finding ways to continue to make strides towards our strategic priorities using one-time funds and reallocations of continuing funds. While the fiscal environment is unfavourable for the next three years, the University remains committed to directing as many of its scarce resources as possible towards our strategic priorities and enhancing our position as a comprehensive teaching and research University. As reductions are made to the operating budget, UBC has made every effort to ensure that the quality of our academic programs and service to our students has been maintained.

Each year through the budget process, the University Budget Committee (UBC) follows certain guiding principles which provide the framework for decision making processes. These guiding principles include:

- An open budget process that allows for discussion between all units on campus.
- A process that allows resources to be aligned with strategic priorities.
- A process that examines the long-term consequences of short term decisions.
- A process that concentrates on the long-term financial viability of the University.
- A process that ensures the financial stability and growth of the institution.

The following graph indicates the change in the University's operating revenue and expenditures in current dollars over the past 15 years.



II. PROPOSED REVENUE BUDGET

The University's overall general fund revenue budget will increase by approximately \$850,000 in 2011-12 primarily due an increase in government grants. The proposed revenue estimates are realistic and attainable, although there is little room for unexpected revenue swings apart from minor fluctuations, especially in tuition revenue. Although past experience shows that the budget projections have tracked very closely with realized revenue, we are now seeing fluctuations in student enrolment which can significantly affect the tuition revenue that the institution receives. For this reason many of the Faculties have reduced or maintained their enrolment projections for the next few years.

The operating grant provided by Alberta Advanced Education and Technology (AET) increased annually by 6% for the years 2006-07 to 2009-10. Last year the University absorbed a decrease in the operating grant of 2.6%. The

government has indicated that post-secondary institutions will not receive increases to government funding over the next few years. In 2010-11 Advanced Education introduced the Campus Alberta grant which combined the existing operating grant and Enrolment Planning Envelope (EPE) funding into one grant. By combining these two grants, institutions were able to make strategic decisions on how best to meet student demand within budgeted resources. However, the resulting total funding from the combined grants were 2.6% lower than what was previously provided by the two separate grants.

With the change to a single Campus Alberta Grant, dedicated funding on several EPE programs was suspended in 2010-11, including Digital Audio Arts and several Health Sciences programs including Public Health and after-degree Nursing. The University has had to stretch existing continuing and one-time funding to allow stability for these programs. This has added additional pressures to the operating budget as we have had to stretch existing dollars across more programs. This has added additional pressures to the operating budget as reductions have been required in the past year and are anticipated to continue into the future. University senior administration continues to be in discussions with AET requesting programming funding for programs that are currently unfunded.

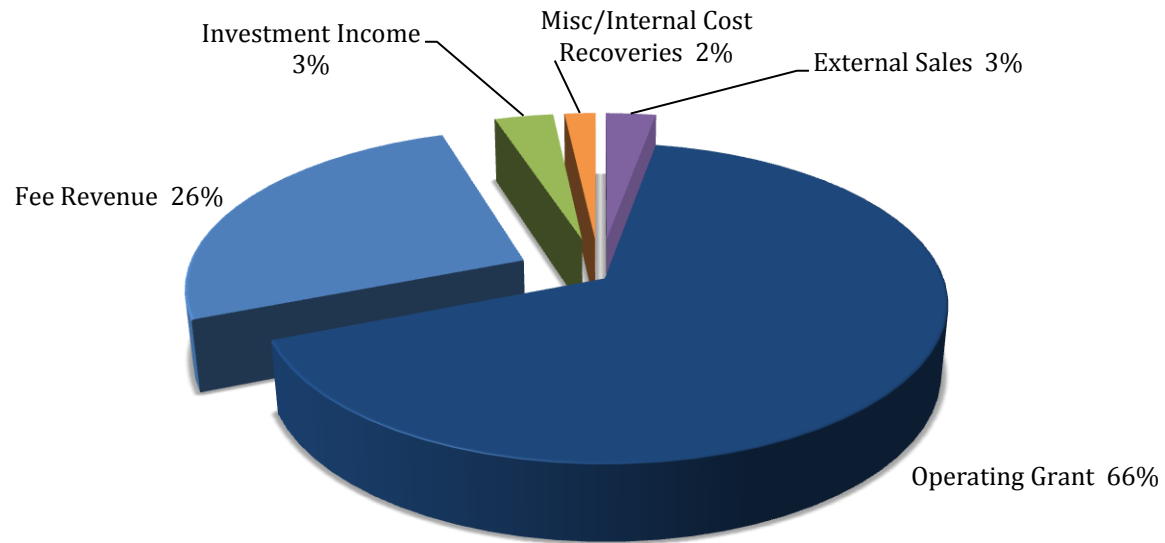
To summarize, the proposed 2011-2012 general fund revenue budget is categorized into the following groups:

2011-12 General Operating Revenue by Source (Cash Basis)

Grant Revenue	\$99,966,673	66.11%
Fee Revenue	39,313,833	26.00%
Investment Income	5,000,000	3.31%
Miscellaneous/Internal Cost Recoveries	2,640,861	1.75%
External sales/Cost Recoveries	4,283,906	2.82%
Endowment/Trust Revenue	10,000	.01%
Total Projected General Operating Revenue	\$151,215,273	100.00%

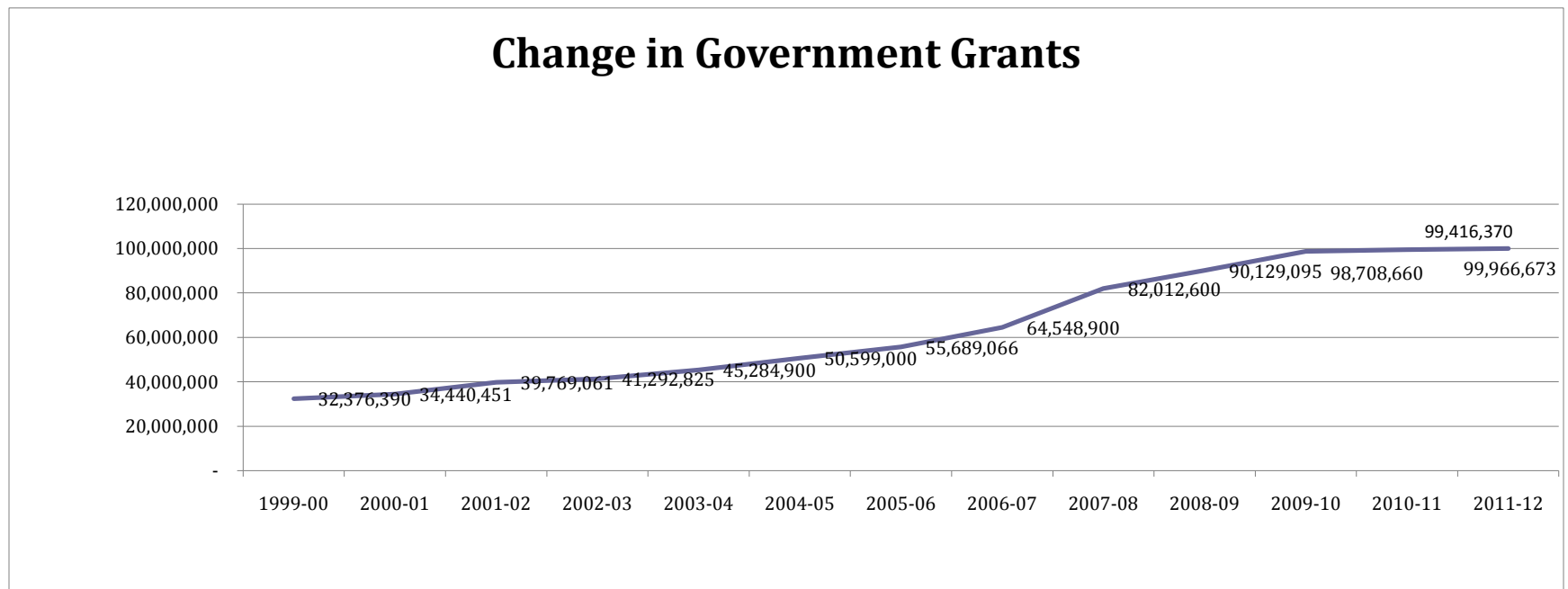
The following graph illustrates the breakdown of revenue by category. The graph depicts operating funds only and does not include capital, research, special purpose, endowments or ancillary operations.

2011-2012 Source of Funds - Operating (cash basis)



Government Grants

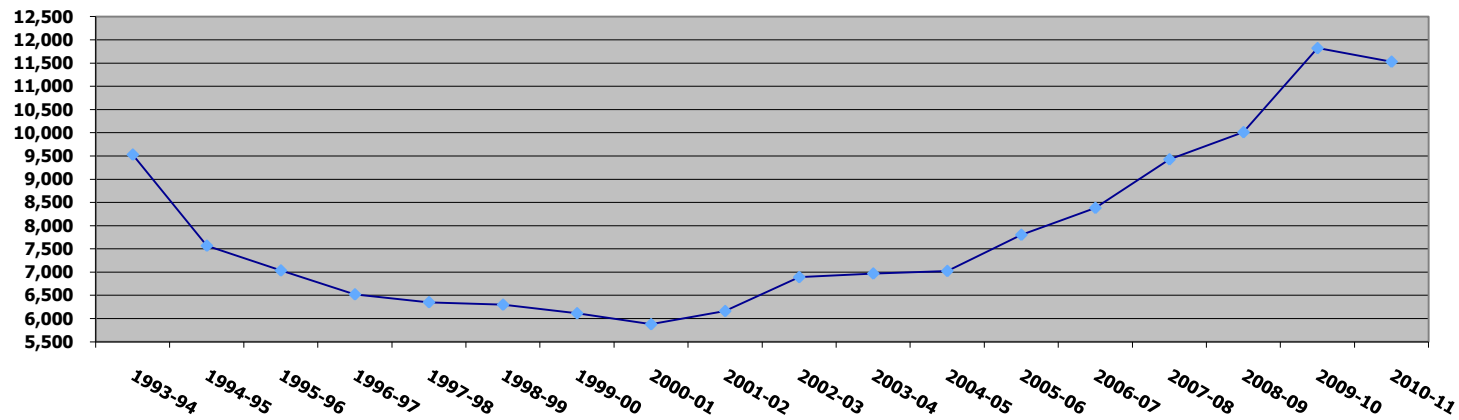
The single largest revenue item (66%) for the University is government grants, totalling \$99,966,673. The Campus Alberta grant will remain at the level of grant received in 2010-11, with the addition of \$1.4 million for the operations of Markin Hall, the Penny Building and the Sports Stadium. A one-time transition grant of \$1.2 million was also received from AET in 2011-12, which the University will use to fund initiatives relating to our strategic plan priorities, as well as to cope with further anticipated operating budget reductions in future years.



Although there has been a steady increase in the operating grant over the past 10 years, the grant per student decreased steadily up to 2002 until AET began to provide unfunded enrolment grants in 2003 to compensate the University for the increased access provided to students. Although these grants did not fund the entire cost of students attending the University, they did provide some support. In addition, until 2010-11 the University received funding to operate expansions and new programs through the Enrolment Planning Envelope (EPE). These funds were provided on a grant

per FLE (Full Load Equivalent) student in the specific programs, which also provided funds for services to students. The following graph indicates the base operating grant on a per student basis.

Base Operating Grant per Student



Instructional Fees

Fees represent the second largest component of the University’s general operating fund revenue budget. For the fiscal year 2011-12, the University projects approximately \$39.3 million in fee revenue from all credit and non-credit instructional programs, and from the remaining non-mandatory student related fees. This is an increase of \$761,093 (.98%) over the 2010-11 fiscal year. This increase consists of the tuition fee increase and credit hour changes within each of the academic units. Approximately ninety percent (91.3%) of tuition and materials and services fees for undergraduate students fund faculty expenditures related to teaching.

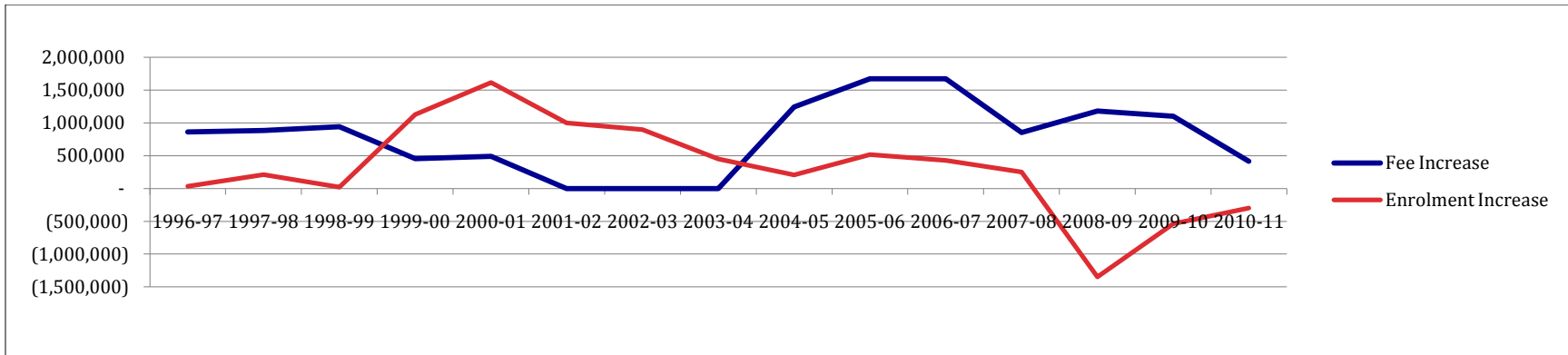
The Board of Governors formally approved the new fee rates for the 2011-12 fiscal year at their December 2010 meeting. AET introduced a new tuition policy in the 2007 year that rolled back tuition fees to the 2004-05 level and restricts fee increases to the annual average Alberta CPI (using a twelve month period ending in June each year). The maximum rate, as directed by AET, used for the 2011-12 increases is .35% (1.5% in 2010-11, 4.1% in 2009-10).

The increase in instructional fee revenue provided in the budget is attributed to both increases in fee rates as well as to planned enrolment changes in some of the faculties. The following table provides the credit hour profiles, excluding EPE funded programs, which each faculty has planned for the next three years to meet their budget requirements (note that Health Sciences will see an increase in credit hours but they are accounted for in EPE programs).

Credit Hours by Faculty					
	Actual 2009-10	Estimated 2010-11	Proposed 2011-12	Proposed 2012-13	Proposed 2013-14
Arts and Science	98,244	97,539	99,048	99,342	99,312
Education	12,584	13,245	13,056	13,056	13,056
Management	34,021	33,323	33,731	33,465	33,465
Fine Arts	23,452	22,867	23,583	23,467	23,467
Health Sciences	11,048	10,499	10,332	9,862	9,895
Total	179,349	177,473	179,750	179,192	179,195

The following graph depicts the increased revenue provided from instructional fees for the past 15 years and the portion of the increases that is attributed to fee increases and enrolment growth. Between 2001-02 and 2004-05, the entire increase in fees was attributed to enrolment growth with fees being frozen at the 2000-01 levels. In 2008-09, 2009-10 (and projected for 2010-11) we experienced reductions in credit hours that has resulted in a decrease in fees revenue of over \$2 million. This does not include the EPE programs rolling into base in the current year.

Instructional Fees – Analysis of Fee Increases

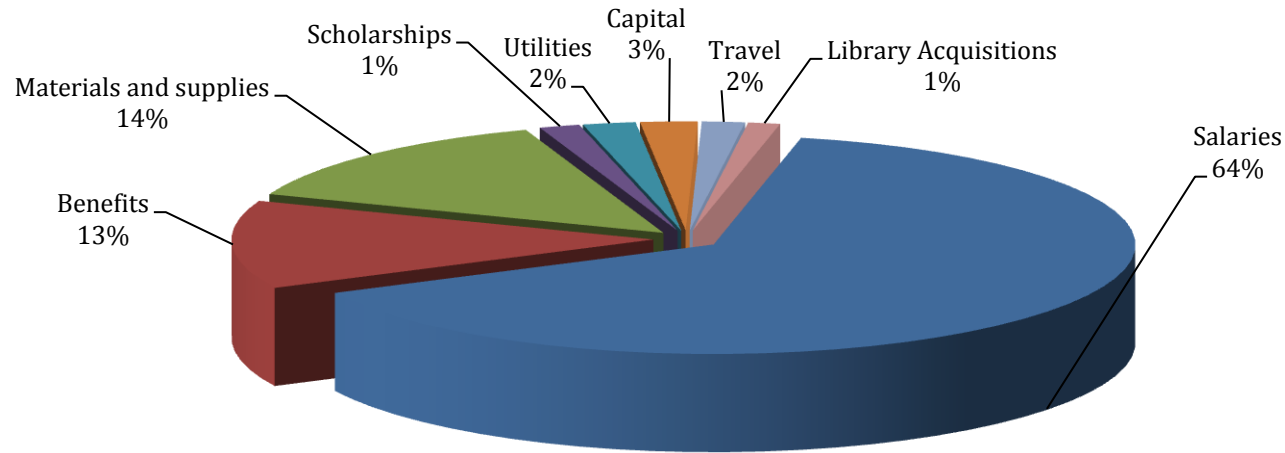


III. PROPOSED EXPENDITURE BUDGET

The University is again in a position where our expenditure line items have outpaced the growth in our revenues. This is primarily due to fewer funds being provided through the provincial and federal governments and smaller increases in instructional and other fees.

The following graph illustrates the University’s expenditure budget by object of expenditure. The most notable components of the budget are salaries and benefits which comprise approximately 77% of the total budget (cash basis – excluding amortization).

2011-12 Expenditures (Cash Basis)



As in previous years, the starting point for the 2011-12 operating budget is the projection of the continuing cost base from the 2010-11 year. Projected expenditures remain at prior year levels unless increases are required through contractual or statutory obligations. UBC recognizes that this method of budgeting has had consequences for many budget units, including a loss of purchasing power due to inflationary increases. In prior years, UBC has attempted, through selective reductions, to provide some relief to specific departments. The Committee has also made efforts in previous years, when funds have been available, for distribution to provide for expenditure increases where required. Each year contractual or statutory increases including salaries and benefits, utilities, insurance, and software contracts/ maintenance costs are automatically adjusted in the budget process. These costs are not discretionary and must be paid, and are therefore fully funded.

Compensation Costs

The largest component of the University of Lethbridge's expenditure budget is compensation costs which comprise approximately 77% of the total expenditures budget (cash basis – excluding amortization). Attracting and retaining quality faculty and staff continues to remain a Board of Governors' priority.

The University is in the first year of a three-year agreement, to June 30, 2013, with the University of Lethbridge Faculty Association (ULFA). The Alberta Union of Provincial Employees (AUPE) contract is being renegotiated this year, with the current three-year agreement expiring on June 30, 2011. Exempt Support Staff, Administrative Professional Officers, and Senior Administration compensation rates are reviewed and set annually. The budget projections have used the rates set in the existing agreements and estimated increases in years where the agreements are to be renegotiated.

The Senior Administration group, comprised of the President, Vice Presidents, Associate Vice Presidents, Executive Directors, Librarian and Associate Librarians, Deans and Associate Deans did not take merit or cost of living increases for the 2010-11 year which resulted in savings of \$315,000 annually. This Senior Administration group also did not receive a cost of living increase in 2009-10.

Fixed Costs

While quite modest this year, fixed costs continue to grow and represent a factor in the development of the 2011-12 operating budget. Like compensation cost increases, any increases in fixed costs must be provided for out of existing funds.

There are several noteworthy increases and decreases within the fixed cost category:

- Utility costs do not show any major increases over the next three years. The University signed a four-year electrical agreement commencing in 2011, which has stabilized our electrical prices until 2014. The University buys gas on a two-year basis and any consumption over the contract amount is bought on the free market.
- There are anticipated increases in insurance rates of \$100,000 in 2011-2012 and no anticipated increases for the following two years.
- There are anticipated increases in our software contracts and maintenance of \$50,000 per year for the next three years.

IV. OPERATING BUDGET REQUIREMENTS

While the fiscal environment for the next four years appears unfavourable, senior administration remains committed to redirecting as many resources as possible towards our strategic priorities outlined in the Strategic Plan 2009-13. Ensuring student academic programs and services at the undergraduate and graduate levels are properly funded, dealing with issues around the attraction and retention of students, and addressing the internal infrastructure issues have been the focus of this three-year budget plan. The recommendations detailed later in this report build on the strategic directions presented in the new strategic plan of providing quality education opportunities, quality support services, and a research base that will enable the University to grow and maintain many of the excellent qualities that we are known for.

The operating budget for the next three years has been modeled on the basis of a number of assumptions, many of which have been described above. In making these assumptions, UBC has adopted a conservative approach to ensure that any changes to these assumptions will still allow for sufficient resources to provide for a balanced budget. The assumptions are provided in the table below.

Budget Assumptions			
	2011-12	2012-13	2013-14
Revenue			
Grant change	0.0%	0.0%	0.0%
Instructional fee increase	.35%	1.0%	1.0%
Expenditures			
Compensation increases - merit	2.5% to 4.0%	2.5% to 4.0%	2.5% to 4.0%
- market	Pool established	Pool established	Pool established
- benefits	5.0%	5.0%	5.0%
Contracts	2.4%	1.6%	2.1%
Utilities	0%	0%	0%
Insurance	16.1%	0%	0%

2011-12 Operating Budget

The results of making these assumptions in preparing the budget for the next three years are provided below. The University will be facing deficits in each of the three years in the rolling budget. The total amount of reductions over the next three years that will be required to balance the budget based on these assumptions is \$6.82 million. Details on the reductions for the first year are provided in Appendix A to this report.

Proposed Operating Fund Budget Changes (\$000)			
	2011-12	2012-13	2013-14
Prior year budgeted expenditures	\$150,364.9	\$152,522.4	\$155,541.8
Cost increases (decreases) for existing programs			
Salaries & benefits	(172.8)	2,758.7	2,731.6
Professional fees	11.6	-	-
Insurance	100.0	-	-
Contracts	50.0	50.0	50.0
Utilities	(100.0)	-	(17.1)
Other adjustments	867.7	210.7	342.1
Strategic priority projects & anticipated future budget reductions	1,401.0	-	-
Operating fund requirements	\$152,522.4	\$155,541.8	\$158,648.4
Prior year budgeted revenue	\$150,364.9	\$ 151,215.3	\$ 151,457.5
Grant change	1,453.0	(71.1)	(6.6)
General fee increase	761.0	316.6	362.4
Misc. fees and other revenue	(165.6)	(3.3)	13.4
One time grant	(1,198.0)	-	-
Operating funds available	\$ 151,215.3	\$ 151,457.5	\$151,826.7
Annual reductions required	\$1,307.1	\$ 2,777.2	\$2,737.4
Cumulative additional funds/reductions required	\$1,307.1	\$ 4,084.3	\$6,821.7

V. BUDGET ADJUSTMENTS

Reductions have been asked of each unit based on approximately 1.4% of their original 2010-11 operating budget for the 2011-12 year. Units may balance either through reductions to expenditures or increases to revenue. The University Budget Committee has stipulated that when determining budget adjustments, workload or costs cannot be downloaded onto other units and consideration to re-engineering processes should be considered wherever possible. Although equal reductions have been requested of each unit, budget reductions may not be taken as equal across the board cuts. Decisions concerning balancing the operating budget have been made by the University Budget Committee based upon the consequences of the reductions to the unit and the institution as a whole, as well as the effects on the institutional priorities as provided in the Strategic Plan. Consultations have occurred with Deans, Executive Directors and Senior Executives prior to budget recommendations being made to the President.

The 1.4% operating adjustment has not been applied to several line items within the budget due to contractual obligations or the requirements under strategic priorities. These line items include:

- Library acquisitions
- Faculty travel and study leave removal
- Research grants
- Faculty retention – Board Chairs and course relief
- Scholarships and awards
- Contracts and utilities

Proposed reductions are provided in Appendix A.

University Wide Initiatives

There are several initiatives that have been implemented and administered centrally that will allow the institution to reduce costs and ease the pressure of reductions on individual units. These initiatives include:

Senior Administration Compensation Reduction

Senior administration including the President, Vice Presidents, Associate Vice Presidents, Deans, Associate Deans, University Librarian, Associate University Librarians and Executive Directors did not take any salary increases in 2010-11.

The approved compensation for senior administrators will result in a savings of approximately \$315,000 on an annual basis.

Voluntary Early Retirement Proposals

Voluntary early retirement plans for members of ULFA and AUPE/Exempt/APO/Executive Directors were approved and offered to employees in 2010-11. There were 43 faculty and support staff members approved through the voluntary early retirement program and savings from these retirements will be realized over the next few years.

Although savings are difficult to estimate, estimated savings that the University could see out of the faculty retirements could be \$1 million after the replacement of the retired faculty members over the next two years.

The APO/Alberta Union of Provincial Employees (AUPE)/Exempt Support Staff (ESS)/Executive Director voluntary early retirement plan would require that the position or a similar position within the unit not be replaced unless approved at the Vice President level. The savings under this plan will be approximately \$300,000 over the next two years.

Budget Unit Reviews

Financial Planning has reviewed the operations of a number of units over the past two years and will continue to do so in the future. The mandate of these reviews is to ensure that fees are charged at market rates, budgets meet expenditure needs, and sufficient funds are being set aside for future replacement of capital assets.

The Parking Services review recommended several changes which have allowed Parking Services to increase contributions to University operations. At the conclusion of the review, \$300,000 was allocated to the operating budget on a continuing basis. The allocations included \$200,000 to Facilities to defer reductions in their areas and \$100,000 to central funds to be used to fund strategic priorities or to selectively reduce budget unit reductions. Facilities used \$100,000 in 2010-11 and \$100,000 will be used in 2011-12 to defer required reductions.

Two major budget unit reviews are being planned in the next year. These include the School of Graduate Studies and the Registrar's Office and Student Services units. The Vice President (Academic) has asked that UBC consider providing additional continuing funds for the Student Services unit reorganization. An additional \$100,000 of continuing funds has been earmarked through the Recruitment and Retention Project for the reorganization but will not be allocated until such time as the reorganization is completed and the costs are quantified.

VI. STRATEGIC PLAN ALLOCATIONS

The University of Lethbridge 2009-13 Strategic Plan was approved by the Board of Governors in December 2008 and was launched and communicated to the University community in January and February of 2009. UBC has developed a set of budget values and principles which have helped to guide the budget process in recent years and which aid in realizing the strategic priorities of the University. The following are the strategic directions that drove all budgetary decisions and reallocations to a select number of initiatives:

Our Commitment to Society - The University of Lethbridge is committed to ensuring that we are a community focused institution and that our commitments to teaching, research, and service are blended with those of the surrounding areas.

Our Commitment to Creativity, Inquiry and Discovery - The University of Lethbridge stimulates and supports research, scholarship, and creative work in all areas in which we teach, and wherever possible we connect our research to the needs and aspirations of the communities we serve.

Our Commitment to Students – We give students the best preparation for their future. We help students to identify strengths and overcome weaknesses. We seek to foster: a sense of responsibility for students' learning and personal development; effective student relations with peers and teachers; and student involvement in local, provincial, and national communities.

Our Commitment to Inspiration – The University of Lethbridge aspires to inspirational teaching that ignites intellectual passion and stimulates a thirst for knowledge.

Our Commitment to Responsible Action – We communicate with our internal and external communities so that our mission, goals, and work are well understood. We engage our alumni and other supporters in the activities of the University. We build the value of the University to society by developing mutually supportive relationships with government, individuals, and organizations.

Several reallocations are being proposed in this budget document which supports the strategic directions that the institution has approved. To meet institutional priorities and move the institution forward in the next year, UBC is proposing reallocating existing resources towards our strategic priorities. The table below indicates the proposed allocations and how they relate to the strategic priorities of the institution.

Strategic Direction: Confirm our place as a Comprehensive University

Strategic Priorities	Budget Allocations
<ol style="list-style-type: none"> 1. Create and grow graduate programs and a culture of graduate education. 2. Broaden our base of undergraduate programming. 3. Grow the financial resource base of the University. 4. Create a physical and intellectual environment that fosters and promotes creativity, research, and innovation. 5. Preserve and enhance our focus on teaching excellence. 6. Hire excellent professors that contribute to the continued success of the University in teaching and research. 	<ul style="list-style-type: none"> • Provision of \$300,000 to academic programming for graduate programs. • The new Digital Audio Arts program in the Faculty of Fine Arts has first intake of students in 2009-10. • Completion of sports stadium project.

Strategic Direction: Enhance the Student Experience

Strategic Priorities	Budget Allocations
<ol style="list-style-type: none"> 1. Refine and promote liberal education. 2. Evaluate and evolve student recruitment strategies. 3. Develop and implement student retention strategies. 4. Expand internationalization of the University. 5. Promote and enhance diversity within the University. 6. Engage students in a welcoming environment that supports learning, discovery, and creativity and promotes model citizenship. 7. Enhance the experience for FNMI (First Nations, Metis and Inuit) students. 8. Continue to encourage academic and administrative units to work together to enhance the student experience. 9. Ensure the health, safety, and security of students. 10. Recognize and promote the essential role of staff in keeping the campuses welcoming, functioning, and modern. 	<ul style="list-style-type: none"> • Provision of an additional \$80,000 in scholarship funding to ensure existing scholarship levels are maintained for students. • Development of University web pages to enhance student registration and experience. Work has started on a student portal website with the Recruitment Retention Committee. • Strategic Enrolment Management (SEM) committee established with mandate to coordinate recruitment and retention efforts across the campuses. • Setting enrolment directions document drafted by SEM. • The Student Recruitment and Retention project continues. • Quality Initiatives Program allocations to the Students' Union for student initiatives.

Strategic Direction: Build Internal Community and Enhance Relationships with External Communities

Strategic Priorities	Budget Allocations
<ol style="list-style-type: none"> 1. Continue to build a healthy, supportive, and collaborative environment and culture that promotes students, faculty, staff, and alumni success and satisfaction. 2. Continue to develop bridges to Lethbridge and southern Alberta communities. 3. Strengthen links to regional centres of excellence in research and development. 	<ul style="list-style-type: none"> • Completion of the sports stadium project with operations including open hours for community use. • Opening of the downtown Penny Building, Community Arts Centre and Rocky Mountain Plaza in Calgary • Continue to support Science and Sports Summer Camps.

Strategic Direction: Promote Access to Quality Post-Secondary Education

Strategic Priorities	Budget Allocations
<ol style="list-style-type: none"> 1. Develop a sustainable strategy for delivering programs outside Lethbridge. 2. Maintain and enhance working alliances with other educational service providers and stakeholders. 	<ul style="list-style-type: none"> • Investment in the University Information Technology including the provision of funds for lifecycle replacement of IT equipment on an annual basis. • Continuing support to Alberta Post-Secondary Application System (APAS). • Invest in an on-line scholarship system for students.

Strategic Direction: Enhance the Environmental Sustainability of the University

Strategic Priorities	Budget Allocations
<ol style="list-style-type: none"> 1. Continue to transform the University into a sustainable community. 2. Wherever possible, incorporate sustainability into teaching, learning, and research. 3. Promote sustainability inside and outside the University. 	<ul style="list-style-type: none"> • Continue with sustainability projects including working with the Students' Union on recycling in the Students' Union Building (SUB) • Work with Students' Union to expand composting program on campus. • Invest in Facilities training programs. • Support review of carbon footprint of renovations, alterations, and infrastructure renewal projects.

VII. STUDENT QUALITY INITIATIVES PROGRAM (QIP)

In the Fall of 2005, the Students' Union approached University Administration with a proposal to allocate \$300,000 (12%) of the 2006-07 and 2007-08 tuition increase to student initiative projects identified by U of L students, in consultation with University Administration. In 2007-08 a total of \$600,000 was allocated to the QIP on a continuing basis and in 2010-11 these funds were reduced by \$130,000 to \$470,000.

The Students' Union made the following allocations in the 2010-11 year:

- \$210,000 Scholarships, grants, and bursaries. The funds have been divided equally between each of the three and are administered by the Scholarships and Student Finance Office.
- \$ 60,000 Student Commons Fund. These funds will be used by the students for renovations and capital projects around campus.
- \$ 80,000 Undergraduate Research Fund. Established for the Faculties/Schools to hire undergraduate research assistants in humanities and social sciences.
- \$ 25,000 Needs Based Funding to support the Student Food Bank, emergency student assistance, students with disabilities, and student counselling.
- \$ 95,000 Academic related events such as an academic speaker series, student travel, and conference grants.

VIII. RECOMMENDATIONS

The President makes the following recommendations to the Board of Governors:

1. Approve the 2011-12 budget as presented, and approve the budgets for the two years 2012-13 and 2013-14 in principle.
2. Approve the reductions for 2011-12 as provided in Appendix A.
3. Approve the one-time and continuing allocations for 2011-12 as provided in Appendix B.

2011-12 Operating Budget

SUMMARY OF UNIVERSITY OPERATING REVENUES AND EXPENDITURES					
2011-2012 Operating Budget (Cash Basis)					
	2009-2010 Original Budget	2009-2010 Actual	2010-2011 Original Budget	2010-2011 Projected Actuals	2011-2012 Original Budget
REVENUES					
Tuition and Fees					
Summer Session Tuition	2,204,110	2,518,548	3,050,042	2,622,101	3,210,757
Regular Session Tuition	30,085,236	29,869,804	30,356,553	30,092,641	30,740,345
Subtotal Tuition	32,289,346	32,388,352	33,406,595	32,714,741	33,951,102
Special Programs					
MA/MSc	614,210	735,160	614,210	871,847	614,210
Master of Education	469,270	850,765	656,365	708,521	632,866
MSc/Mgt	163,200	116,698	190,345	193,233	202,370
Master of Counselling	335,779	226,328	284,840	243,667	249,359
Ph.D.	146,520	290,342	190,000	356,350	190,000
Subtotal Special Programs	1,728,979	2,219,293	1,935,760	2,373,618	1,888,805
Incidental Fees					
Student Administration Fees	750,000	725,380	750,000	732,747	865,179
Music Conservatory Fees	256,540	297,398	278,275	293,056	296,637
Athletic & Recreation Services Fees	1,325,000	1,618,429	1,582,655	1,653,931	1,712,655
English Language Fees	452,850	452,107	452,850	419,725	452,850
Other Miscellaneous Fees	103,910	787,524	146,605	820,314	146,605
Subtotal Incidental Fees	2,888,300	3,880,838	3,210,385	3,919,773	3,473,926
Total Tuition and Fees	36,906,625	38,488,483	38,552,740	39,008,133	39,313,833
Other Revenues					
Grants	98,708,660	95,934,881	99,711,370	99,956,254	99,966,673
Gifts and Donations	10,000	355,723	10,000	213,991	10,000
Investment Income	5,000,000	2,111,729	5,000,000	6,299,802	5,000,000
Internal Cost Recoveries	2,075,940	3,419,932	2,549,733	2,604,158	2,640,861
External Cost Recoveries	4,553,990	5,392,041	4,541,014	4,306,517	4,283,906
Total Other Revenues	110,348,590	107,214,306	111,812,117	113,380,722	111,901,440
Total Tuition and Other Revenues	147,255,215	145,702,789	150,364,857	152,388,854	151,215,273
Interfund Transfers					
Transfers from (to) other funds	208,550	2,031,241	128,727	150,700	19,481
Total Interfund Transfers	208,550	2,031,241	128,727	150,700	19,481
Appropriations					
Amortization of Deferred Capital Contributions	6,300,000	8,512,326	9,700,000	9,700,000	9,000,000
Unrealized Investment Income	-	12,239,136	2,903,645	1,423,375	2,000,000
Total Appropriations	6,300,000	20,751,462	12,603,645	11,123,375	11,000,000
Total University Revenues	153,763,765	168,485,492	163,097,229	163,662,930	162,234,754

2011-12 Operating Budget

SUMMARY UNIVERSITY OPERATING REVENUES AND EXPENDITURES					
2011-2012 Operating Budget (Cash Basis)					
	2009-2010	2009-2010	2010-2011	2010-2011	2011-2012
	Original Budget	Actual	Original Budget	Projected Actuals	Original Budget
EXPENDITURES					
Academic Units					
Arts & Science	32,635,590	32,235,854	34,171,623	32,960,737	34,511,552
Education	9,468,555	8,846,971	9,725,345	8,588,546	10,052,159
Management	14,390,715	12,710,278	13,371,553	12,852,624	13,578,246
Fine Arts	9,528,205	9,637,115	10,111,919	9,578,010	10,305,960
Health Sciences	4,904,665	5,857,802	5,597,725	6,312,322	5,831,990
Graduate Studies	2,874,410	1,978,172	2,060,275	2,441,059	2,643,208
Library	4,391,995	4,208,710	5,098,025	4,194,887	4,603,150
Library - Acquisitions	1,581,170	1,334,210	1,312,170	1,514,204	1,668,630
Faculty Travel	152,600	137,784	152,600	135,258	152,600
Study Leave Removal Fund	35,000	35,000	35,000	25,645	35,000
Research Grants	103,700	94,870	103,700	14,319	103,700
Faculty Retention - Board Chairs	210,000	180,000	215,000	180,000	215,000
Faculty Retention - Course Relief	400,000	400,000	400,000	400,000	400,000
Total Academic Units	80,676,605	77,656,766	82,354,935	79,197,611	84,101,195
Support Units					
Office of the President	1,157,525	1,100,537	1,101,875	1,088,291	1,097,855
Board of Governors	98,885	230,061	103,826	99,644	175,319
Senate	83,170	88,827	93,322	81,594	96,680
General Faculties Council	28,865	30,856	33,806	12,123	4,895
University Advancement	2,126,705	2,045,994	2,046,724	2,198,852	2,208,037
Vice President (Academic)	1,070,360	1,374,991	986,893	960,749	958,988
CRDC	736,765	815,435	942,340	975,159	963,919
CAETL	203,230	166,308	203,218	150,003	221,365
Institutional Analysis	237,455	232,628	269,215	261,167	275,388
Language Centre	694,945	511,616	664,311	573,830	669,434
International Centre	546,465	626,618	576,883	604,570	492,438
Scholarships & Student Finance	1,636,000	1,961,892	2,030,651	2,003,026	2,084,914
ROSS	5,492,735	5,503,146	5,236,655	5,209,182	5,357,081
Art Gallery	270,905	423,384	381,050	491,656	309,164
Vice President (Research)	1,302,490	1,476,489	1,803,327	1,833,391	1,701,644
Vice President (Administration & Finance)	495,930	461,598	417,665	449,669	431,188
Financial Planning	536,580	608,219	518,729	778,078	487,010
Sports & Recreation Services	4,306,070	4,949,375	5,042,048	4,407,321	5,142,880
Interdepartmental - Ancillary	(152,495)	(522,296)	(158,495)	(512,342)	(158,495)
Internal Audit	95,460	90,319	106,774	97,349	111,232
Information Technology	4,610,570	6,081,765	5,584,207	5,511,271	5,890,170
Telecommunications	1,387,680	1,637,194	2,020,712	1,411,655	2,055,466
Financial Services	2,773,780	2,928,537	3,015,270	2,964,065	3,099,732
Facilities	8,143,215	9,499,707	9,363,415	8,907,500	9,866,277
Utilities	2,731,935	2,613,822	3,261,935	2,921,425	3,162,026
Parking	1,750,000	978,715	1,335,000	1,011,162	1,334,977
Human Resources	2,584,950	3,157,678	2,759,496	2,971,231	2,976,394
Contingencies	3,455,580	-	5,016,725	-	5,025,388
Central Administration	10,259,795	12,177,104	11,839,500	7,659,098	7,508,181
Total Support Units	58,665,550	61,250,522	66,597,077	55,120,720	63,549,547
Appropriations					
To Capital Projects	2,748,530	6,749,985	454,500	1,441,257	454,500
To(From) Capital Projects	987,500	-	1,087,076	-	192,076
Amortization of Capital Assets	10,685,580	14,952,623	12,603,645	17,394,356	13,937,435
	14,421,610	21,702,607	14,145,221	18,835,613	14,584,011
	-	-	-	-	-
Total University Operating Expenditures	153,763,765	160,609,895	163,097,233	153,153,943	162,234,754
Unfunded Liability - UAPP	-	-	1,686,165	-	1,594,466

APPENDIX A

PROPOSED 2011-12 BUDGET REDUCTIONS

2011-12 Operating Budget

THE UNIVERSITY OF LETHBRIDGE			
2011-12 BUDGET PROCESS			
	2011-12 BUDGET REDUCTIONS		
BUDGET UNIT	DESCRIPTION	REQUIRED REDUCTION	REDUCTION MADE
BOARD OF GOVERNORS	REQUIRED REDUCTION	1,361	
	Reductions from Position Funds		1,361
SENATE OFFICE	REQUIRED REDUCTION	1,290	
	Reductions from Position Funds		1,290
PRESIDENT'S OFFICE	REQUIRED REDUCTION	15,385	
	Reductions from Position Funds		15,385
INSTITUTIONAL ANALYSIS	REQUIRED REDUCTION	3,838	
	Reductions from Position Funds		3,838
GENERAL FACULTIES COUNCIL	REQUIRED REDUCTION	424	
	Reductions from Position Funds		424
UNIVERSITY ADVANCEMENT	REQUIRED REDUCTION	28,535	
	Reductions from Central Salary Contingency		28,535
FINANCIAL PLANNING	REQUIRED REDUCTION	6,290	
	Reductions from Central Salary Contingency		6,290

2011-12 Operating Budget

INTERNAL AUDIT	REQUIRED REDUCTION	1,486	
	Reductions from Position Funds		1,486
VP ACADEMIC	REQUIRED REDUCTION	14,955	
	Reductions from Position Funds		14,955
CRDC	REQUIRED REDUCTION	2,964	
	Reductions from CRDC Lifecycle		2,964
FACULTY OF ARTS & SCIENCE	REQUIRED REDUCTION	318,402	
	Reductions from Non-Salary Expense Lines		47,715
	Reductions from Sessional Budget		186,020
	Reductions from Position Funds		84,667
FACULTY OF EDUCATION	REQUIRED REDUCTION	108,726	
	Reductions from Faculty Salaries 4305-1201 (Salary Recovery from AISI)		67,500
	Reductions from Contracts 4305-1201		41,226
FACULTY OF MANAGEMENT	REQUIRED REDUCTION	92,232	
	Reductions from Non-Salary Expense Lines		(9,258)
	Decrease Lethbridge Enrolments to 19486 Credit Hours		(542,582)
	Adjust Co-op and Mentor Revenues		(26,316)
	Adjust Calgary Credit Hours		567,353
	Adjust Edmonton Campus Enrolments		12,445
	Tuition from Indian and Malaysia Work Studies		12,025
	Reductions from Position Funds		78,565

2011-12 Operating Budget

FACULTY OF FINE ARTS		REQUIRED REDUCTION	120,757	
	Adjust Studio Rates to Actual			(3,852)
	Increase to Credit Hours (22983)			17,201
	Increase to Conservatory Revenue			24,262
	Reductions to Non-Salary Expenses			91,112
	Increase to Dean's (4502-1401) Contingency			(7,966)
ART GALLERY		REQUIRED REDUCTION	5,059	
	Reductions from Position Funds Retirement Savings			5,059
FACULTY OF HEALTH SCIENCES		REQUIRED REDUCTION	3,780	
	Credit Hour Increase (larger 10/11 A/C intake)			3,780
LIBRARY		REQUIRED REDUCTION	61,984	
	Reductions from Position Funds - Pos. 506			43,748
	Reductions from Central Salary Contingency			18,236
REGISTRAR'S OFFICE & STUDENT SERVICES		REQUIRED REDUCTION	76,967	
	Increase to Application Fees			76,967
RESEARCH SERVICES		REQUIRED REDUCTION	16,074	
	Reductions from Central Salary Contingency			16,074
CAETL		REQUIRED REDUCTION	12,125	
	Reductions from Central Salary Contingency			12,125
INTERNATIONAL CENTRE FOR STUDENTS		REQUIRED REDUCTION	18,183	
	Reductions from Graduate Studies EPE Central Funds			18,183

2011-12 Operating Budget

SCHOOL OF GRADUATE STUDIES	REQUIRED REDUCTION	13,627	
	Reductions from Central Graduate Studies Position Funds		13,627
VP FINANCE & ADMINISTRATION	REQUIRED REDUCTION	6,523	
	Elimination of Executive Analyst Position (APO) June 2009		6,523
HUMAN RESOURCES	REQUIRED REDUCTION	36,618	
	Reductions from Central Salary Contingency		36,618
INFORMATION TECHNOLOGY ADMINISTRATION	REQUIRED REDUCTION	66,057	
	Reductions from Central Salary Contingency		66,057
INFORMATION TECHNOLOGY TELECOMMUNICATIONS	REQUIRED REDUCTION	25,666	
	Reductions from Position Funds - Retirements		25,666
FINANCIAL SERVICES	REQUIRED REDUCTION	38,212	
	Reductions from Central Administration Fee		38,212
FACILITIES	REQUIRED REDUCTION	142,108	
	Reductions from Central Salary Contingency		52,108
	Reductions from Parking Reallocation (6999)		90,000
SPORT & RECREATION SERVICES	REQUIRED REDUCTION	67,550	
	Increase in Sport & Recreation Services Fees		67,550
TOTAL REQUIRED REDUCTIONS FOR 2011-12:		1,307,178	
TOTAL REDUCTIONS MADE FOR 2011-12:			1,307,178

APPENDIX B

PROPOSED

CONTINUING AND ONE-TIME ALLOCATIONS

PROPOSED CONTINUING ALLOCATIONS

Information Technology Life-cycle capital replacement allocation	\$333,275
Facilities provision for inflationary increase in supplies	2,148
Facilities funding for AUPE contract changes	40,568
Increase in scholarships to maintain existing scholarship levels for students	<u>80,000</u>

TOTAL PROPOSED CONTINUING ALLOCATIONS	\$455,991
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Funding for the life-cycle capital replacement has been provided through existing funds being reallocated to this program. Funding for the other proposed allocations will be supported through unallocated EPE funding.

\$100,000 has been earmarked for the Student Services unit reorganization from Recruitment and Retention funding. These funds will be provided when the reorganization has been finalized.

PROPOSED ONE-TIME ALLOCATIONS

Library self-checkout	\$100,000
Oracle licensing requirements	<u>235,000</u>

TOTAL PROPOSED ONE-TIME ALLOCATIONS	\$335,000
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Proposed funding of the one-time allocations has been provided from one-time grants provided by Advanced Education in 2010-11.

APPENDIX C

PROPOSED BUDGET BY FUND

2011-12 Operating Budget

The University of Lethbridge						
2011-12 Budget by Fund						
(\$000)						
	General Operating	Ancillary Enterprise	Eliminate Internal Transactions	Restricted Funds	TOTAL	
REVENUE						
Government of Alberta grants	97,975	-		2,637	100,611	
Federal and other government grants	1,992	-		8,661	10,653	
Student tuition and fees	39,314	-		-	39,314	
Sales of services and products	6,944	10,330	(3,508)	96	13,862	
Donations and other grants	10	88		3,506	3,605	
Investment income	5,000	41		1,085	6,126	
Unrealized Investment Income	2,000				2,000	
Amortization of deferred capital contributions	9,000	-		-	9,000	
	162,235	10,459	(3,508)	15,986	185,171	
EXPENDITURES						
Salaries	96,668	2,485		8,450	107,603	
Benefits	18,034	420		523	18,977	
Supplies and service	10,007	1,576	(3,508)	1,988	10,062	
Equipment	2,842	662		640	4,144	
Travel	2,475	38		846	3,360	
External contracted services	2,230	786		736	3,753	
Professional fees	916	12		87	1,015	
Interest on long term liabilities	275	125		-	400	
Insurance	723	27		-	750	
Property taxes	159	96		1	256	
Utilities	3,036	420		-	3,456	
Maintenance and repairs	709	203		386	1,299	
Scholarships, bursaries and awards	2,329	-		2,328	4,657	
Cost of goods sold	233	3,339		-	3,572	
Provisions	7,661	-		-	7,661	
Amortization of capital assets	13,937	244		-	14,181	
	162,235	10,433	(3,508)	15,986	185,147	
REVENUE OVER EXPENDITURES	0	26	-	-	26	
Unfunded Liability - UAPP	1,594	-	-	-	1,594	
EXCESS REVENUE OVER EXPENDITURES	(1,594)	26	-	-	(1,568)	

UNIVERSITY OF LETHBRIDGE		
ANCILLARY ENTERPRISES		
	2011-12	
	Budget	TOTAL
Revenue		
Government of Alberta Grants	-	-
Federal & Other government grants	-	-
Sales of services & products	10,330	10,330
Student tuition & fees	-	-
Donations & other grants	88	88
Investment Revenue	41	41
	10,459	10,459
Expenses		
Salaries	2,485	2,485
Employee Benefits	420	420
Materials, Supplies & Services		
Supplies & service	1,576	1,576
Equipment	662	662
Travel	38	38
External contracted services	786	786
Professional fees	12	12
Interest on long term obligations	125	125
Insurance	27	27
Property taxes	96	96
Loss (gain) on disposal of capital assets		
Utilities	420	420
Maintenance & repairs	203	203
Scholarships, bursaries & awards	-	-
Cost of goods sold	3,339	3,339
Amortization	244	244
	10,433	10,433
	26	26

2011-12 Operating Budget

The University of Lethbridge Restricted Funds 2011-12											
	Sponsored Research	SR Deferred	Special Purpose and Trust	SPT Deferred	Scholarship, Bursaries and Other	SBO Deferred	Capital and Infrastructure	CI Deferred	TOTAL	Deferred Contributions	2011-12 Net
REVENUE											
Government of Alberta grants	6,146,500	(4,221,300)	264,500	60,600	-	-	3,313,000	(2,926,600)	9,724,000	(7,087,300)	2,636,700
Federal and other government grants	8,604,200	-	57,000	-	-	-	-	-	8,661,200	-	8,661,200
Student tuition and fees	-	-	-	-	-	-	-	-	-	-	-
Sales of services and products	27,700	-	68,600	-	-	-	-	-	96,300	-	96,300
Donations and other grants	3,400,000	(1,000,000)	563,600	-	542,800	-	-	-	4,506,400	(1,000,000)	3,506,400
Investment income	-	-	147,000	-	937,900	-	-	-	1,084,900	-	1,084,900
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-
	18,178,400	(5,221,300)	1,100,700	60,600	1,480,700	-	3,313,000	(2,926,600)	24,072,800	(8,087,300)	15,985,500
EXPENDITURES											
Salaries	8,000,000	-	369,700	-	80,600	-	-	-	8,450,300	-	8,450,300
Benefits	471,000	-	30,400	-	21,100	-	-	-	522,500	-	522,500
Supplies and service	1,713,300	-	174,900	-	99,400	-	-	-	1,987,600	-	1,987,600
Equipment	583,500	-	33,300	-	22,800	-	-	-	639,600	-	639,600
Travel	742,900	-	72,500	-	30,800	-	-	-	846,200	-	846,200
External contracted services	578,800	-	133,400	-	24,200	-	-	-	736,400	-	736,400
Professional fees	86,200	-	1,000	-	-	-	-	-	87,200	-	87,200
Interest on long term liabilities	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	1,100	-	-	-	1,100	-	1,100
Utilities	-	-	-	-	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	386,400	-	386,400	-	386,400
Scholarships, bursaries and awards	781,400	-	346,100	-	1,200,700	-	-	-	2,328,200	-	2,328,200
Cost of goods sold	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-
	12,957,100	-	1,161,300	-	1,480,700	-	386,400	-	15,985,500	-	15,985,500
EXCESS REVENUE OVER EXPENDITURES	5,221,300	(5,221,300)	(60,600)	60,600	-	-	2,926,600	(2,926,600)	8,087,300	(8,087,300)	-

APPENDIX D
UNIVERSITY BUDGET COMMITTEE MEMBERSHIP
2010-2011

**UNIVERSITY BUDGET COMMITTEE MEMBERSHIP
2010-11**

Karen Clearwater, Chair	Associate Vice-President (Financial Planning)	ex-officio
Andrew Hakin	Vice-President (Academic) & Provost	ex-officio
Nancy Walker	Vice-President (Finance & Administration)	ex-officio
Bob Boudreau	Associate Vice-President (Academic)	ex-officio
Carrie Takeyasu	Executive Director, Financial Services	Presidential Appointment 2013
Leona Jacobs	Librarian	Presidential Appointment 2012
Brad Hagen	Faculty Member	Presidential Appointment 2013
Gordon Hunter	Faculty Member	Presidential Appointment 2013
Peter Visentin	Faculty Member	Presidential Appointment 2013
Pamela Adams	Faculty Member	GFC Appointment 2011
Rene Boéré	Faculty Member	GFC Appointment 2011
Alan Siaroff	Faculty Member	GFC Appointment 2013
Jennifer Copeland	Faculty Member	GFC Appointment 2013
Taz Kassam	Student Member	GFC Appointment 2011
Alan Hall	Student Member	GFC Appointment 2011
Carolyn Penniket	Graduate Student Member	GFC Appointment 2011
Lynn Arnold	Resource	
Sheila Lowe	Resource	
Marnie Sawa	Resource	
Nicole Leusink	Secretary	