

**REPORT OF THE
UNIVERSITY BUDGET COMMITTEE
ON THE 2012-13 TO 2014-15
UNIVERSITY BUDGET**

MARCH 2012

The University Budget Committee Report For
The Years 2012-13 to 2014-15

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I. GENERAL

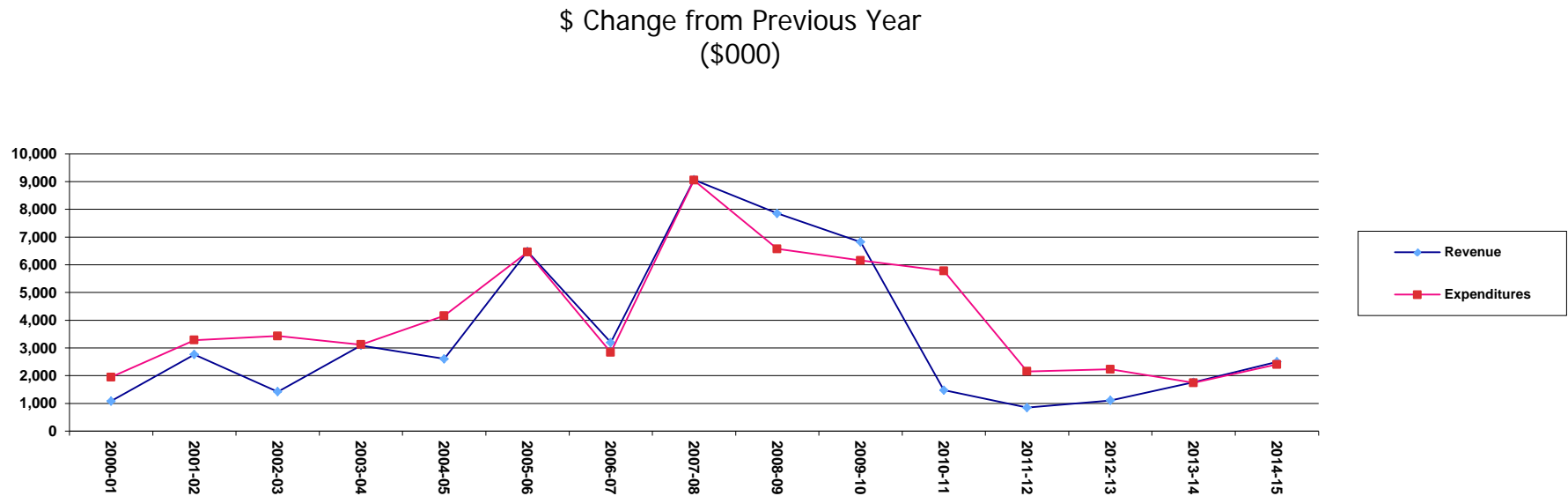
President Mike Mahon is pleased to recommend the University of Lethbridge's Operating Budget for fiscal year 2012-13 to the Board of Governors' Finance Committee who in turn recommends it to the Board of Governors for approval. The proposed operating budget is \$152,324,133 for the upcoming fiscal year, which is an increase of \$1,108,860 (.73%) 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 2012-13 fiscal year. The University is encouraged by the government's introduction of predictable, three-year funding in the amount of 2% operating grant increases for each year. However, it is important to note that this will not fully offset the cost of expenditure increases for these years and thus we will still be experiencing reductions. While the fiscal environment is unfavourable for the next three years and budget reductions will be experienced in most budget units, 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 a 15 year period.



II. PROPOSED REVENUE BUDGET

The University's overall general fund revenue budget will increase by \$1,108,860 in 2012-13 primarily due to the 2% base operating grant increase. 2011-12 included a one-time transition grant of \$1.2 million which was not received in 2012-13; however, this decrease was mostly offset by \$1.0 million of new funding for the Digital Audio Arts program. 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 2005-06 to 2009-10. 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. To offset this, AET gave a one-time grant of \$1.7 million for the 2010-11 fiscal year. In 2011-12 the University received a grant increase of \$2.6 million along with a one-time grant of \$1.2 million. For 2012-13 through to 2014-15 AET has stated that the University will receive a 2% grant increase for each year. This is to help universities plan for the future rather than not know what the funding will be further out than the current year.

With the change to a single Campus Alberta Grant, dedicated funding on several EPE programs was suspended in 2010-11, including 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. University senior administration continues to be in discussions with AET requesting programming funding for programs that are currently unfunded.

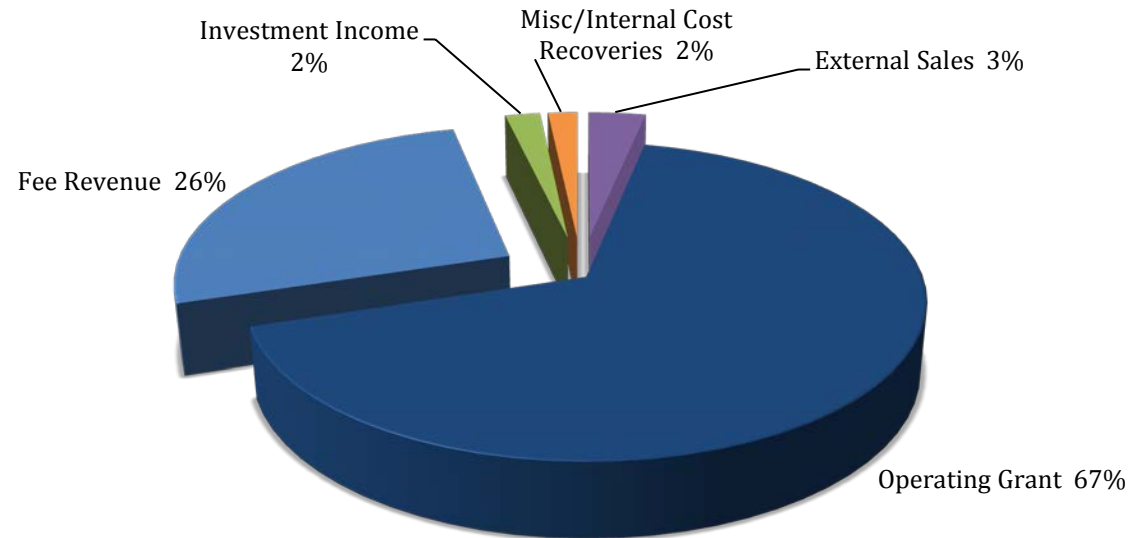
To summarize, the proposed 2012-2013 general fund revenue budget is categorized into the following groups:

2012-13 General Operating Revenue by Source (Cash Basis)

Grant Revenue	101,810,162	66.84%
Fee Revenue	40,033,540	26.28%
Investment Income	3,000,000	1.97%
Miscellaneous/Internal Cost Recoveries	2,549,002	1.67%
External sales/Cost Recoveries	4,931,429	3.24%
Total Projected General Operating Revenue	\$152,324,133	100.00%

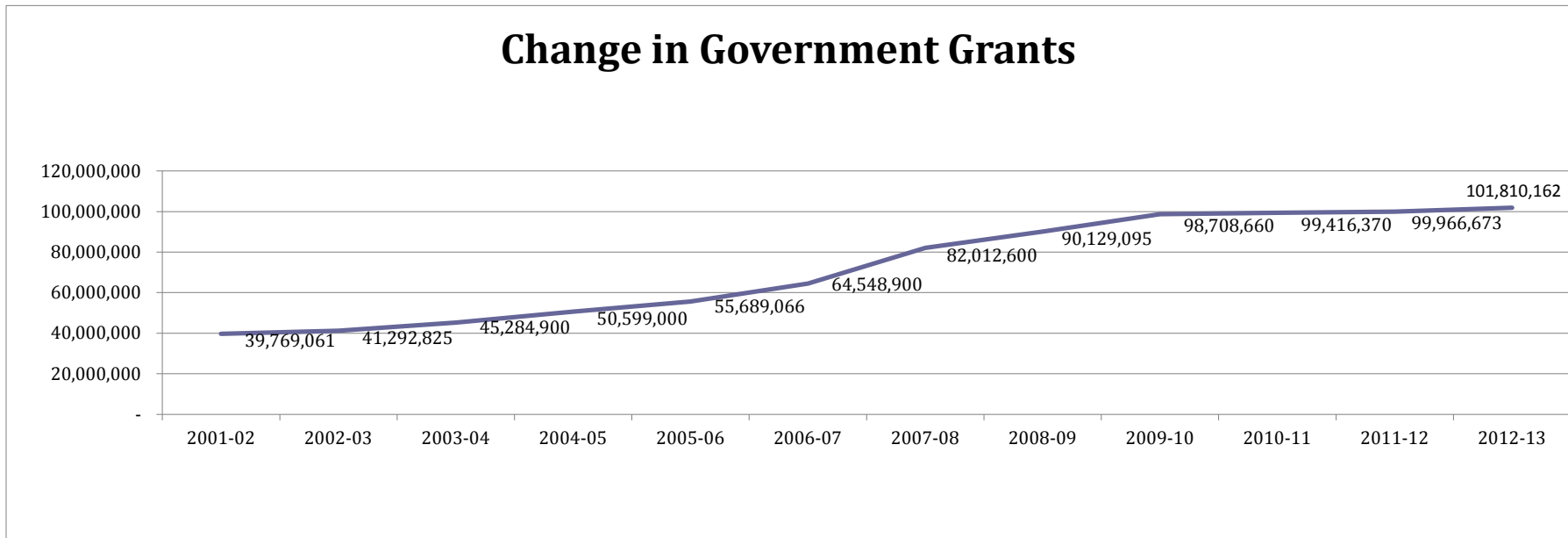
The following graph illustrates the breakdown of revenue by category. The graph depicts operating funds only and does not include capital, research, special purpose, endowments or ancillary operations.

2012-2013 Source of Funds - Operating (cash basis)



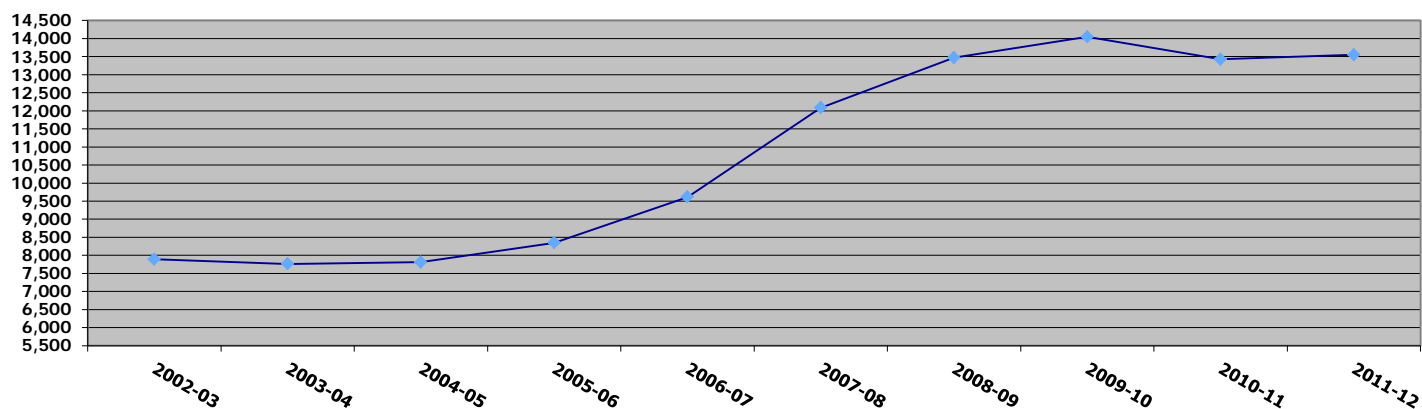
Government Grants

The single largest revenue item (67%) for the University is government grants, totalling \$101,810,162. The Campus Alberta grant will increase by \$1,944,757 as a result of the 2% grant increase.



Although there has been an 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 2012-13, the University projects approximately \$40 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 \$719,707 (1.8%) over the 2011-12 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.

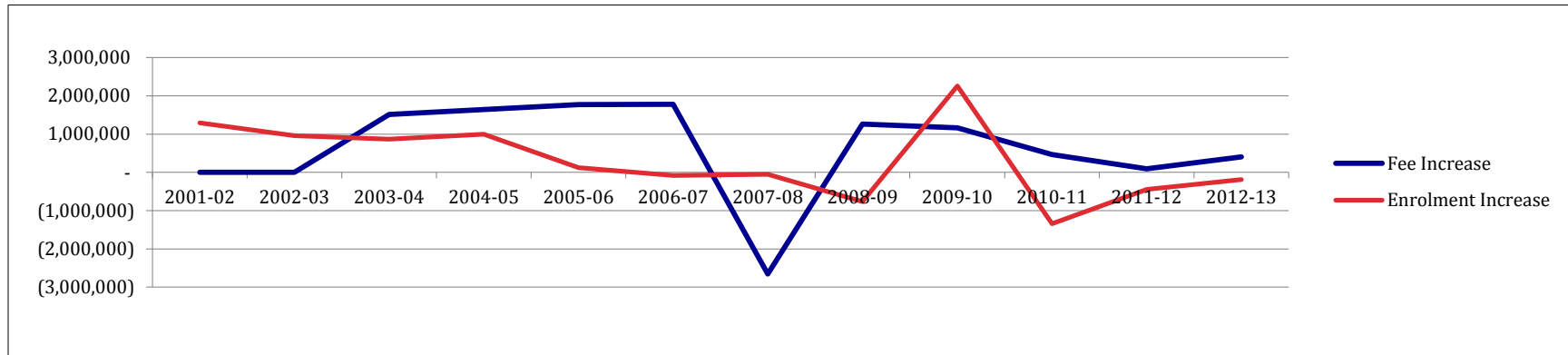
The Board of Governors formally approved the new fee rates for the 2012-13 fiscal year at their December 2011 meeting. AET introduced a new tuition policy in the 2007 year that rolled back tuition fees to the 2004-05 level and restricts fee increases to the annual average Alberta CPI (using a twelve month period ending in June each year). The maximum rate, as directed by AET, used for the 2012-13 increases is 1.45% (.35 % in 2011-12, 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 which each faculty has planned for the next three years to meet their budget requirements.

Credit Hours by Faculty										
	Actual		Estimated		Proposed		Proposed		Proposed	
	2010-11		2011-12		2012-13		2013-14		2014-15	
	hrs	%	hrs	%	hrs	%	hrs	%	hrs	%
Arts and Science	101,174	53.0%	99,048	52.7%	99,273	53.1%	99,273	53.1%	99,273	53.2%
Education	13,478	7.1%	13,056	6.9%	13,032	7.0%	13,032	7.0%	13,032	7.0%
Management	33,588	17.6%	33,731	17.9%	31,978	17.1%	31,978	17.1%	31,978	17.1%
Fine Arts	25,779	13.5%	25,833	13.7%	26,628	14.2%	26,628	14.2%	26,628	14.3%
Health Sciences	16,812	8.8%	16,401	8.7%	16,003	8.6%	16,189	8.7%	15,835	8.5%
Total	190,831	100.0%	188,069	100.0%	186,914	100.0%	187,100	100.0%	186,746	100.0%

The following graph depicts the increased revenue provided from instructional fees for the past 10 years and the portion of the increases that is attributed to fee increases and enrolment growth. Between 2001-02 and 2002-03, the entire increase in fees was attributed to enrolment growth with fees being frozen at the 2000-01 levels. In 2007-08 AET provided students with a tuition rebate (and corresponding grant increase to the institutions). In 2010-11 we experienced a decline in credit hours. For 2011-12 and 2012-13, we have estimated credit hours based on the 2010-11 levels therefore revenue increases are from the modest tuition fee increases as prescribed by AET's Tuition Fee Policy.

Instructional Fees – Analysis of Fee Increases

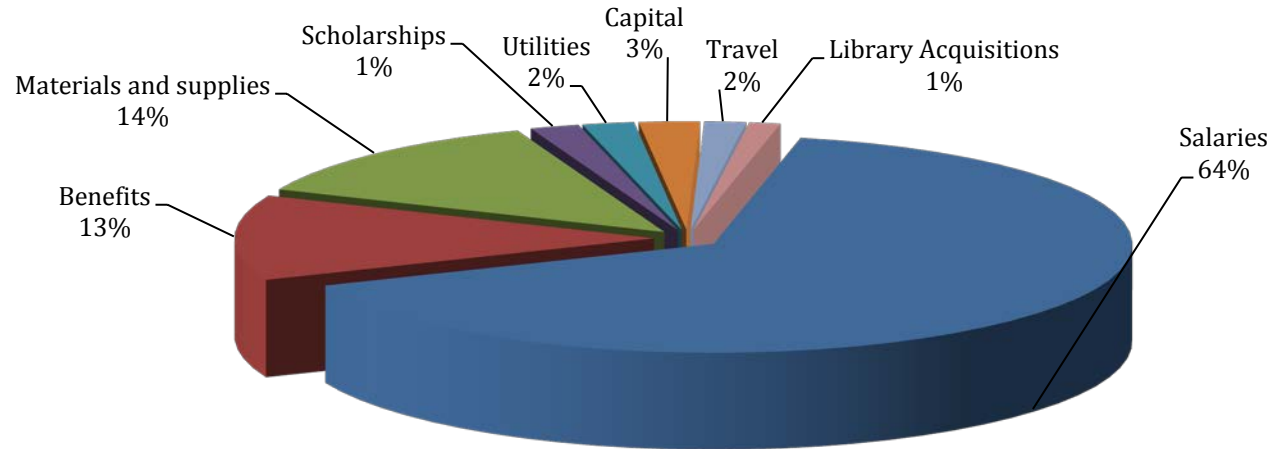


III. PROPOSED EXPENDITURE BUDGET

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).

2012-2013 Expenditures (Cash Basis)



As in previous years, the starting point for the 2012-13 operating budget is the projection of the continuing cost base from the 2011-12 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. UBC has attempted, through selective reductions, to provide some relief to specific departments. The Committee has also made efforts, when funds are 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 second 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 was renegotiated last year, and a new three-year agreement was ratified which expires on June 30, 2014. 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 2012-13 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:

- No increase to the utility budget 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. After the budget was drafted, the City of Lethbridge notified us that our utility billings would increase due to increases in electrical transmission costs. This increase is expected to be somewhere in the range of \$120,000 - \$200,000 per year and has not been accounted for in this budget. The 2012-13 increase in utilities will be paid for from the utilities reserve and will be incorporated into the operating budget in future years.

- Provided an increase to our insurance budget of \$100,000 in 2011-2012 and there are no anticipated significant increases for the next three years.
- Decreased our software contracts and maintenance by \$50,000 in 2012-2013 due to the cancellation of a major contract and we do not anticipate any other major changes in the following two years.
- Increased the budget for Investment Advisor by \$30,000 in 2012-13 and \$8,000 per year for 2013/14 & 2014/15, based on the fee percentage on increased investment balances.

IV. OPERATING BUDGET REQUIREMENTS

While revenue increases are expected to be below our expense increases, 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			
	2012-13	2013-14	2014-15
Revenue			
Grant change	2.0%	2.0%	2.0%
Instructional fee increase	1.45%	1.45%	1.45%
Expenditures			
Compensation increases - merit	2.33%	2.33%	2.33%
- market	Pool established	Pool established	Pool established
- benefits	5.0%	5.0%	5.0%
Contracts	-6.7%	0%	0%
Utilities	0%	0%	0%
Insurance	0%	0%	0%
Investment Advisor	8%	2%	2%

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 \$4.05 million. Details on the reductions for the first year are provided in Appendix A to this report.

Proposed Operating Fund Budget Changes (\$000)			
	2012-13	2013-14	2014-15
Prior year budgeted expenditures	\$ 151,216	\$ 154,266	\$ 157,952
Cost increases (decreases) for existing programs			
Salaries & benefits	6,451	3,764	3,487
Scholarships	555	-	-
Materials & Services	(3,117)	(78)	17
Strategic Priorities	800	-	-
Unrealized Investment Income	(2,000)	-	-
Travel	(33)	-	-
Capital & Equipment	393	-	-
Operating fund requirements	\$ 154,266	\$ 157,952	\$ 161,456
Prior year budgeted revenue	\$ 151,216	\$ 152,324	\$ 154,908
General Grant Adjustment	(102)	-	-
2% Grant Increase	1,945	1,989	2,029
General fee increase	720	587	460
Unrealized Investment Income	(2,000)	-	-
Miscellaneous Other Revenue	545	8	10
Operating funds available	\$ 152,324	\$ 154,908	\$ 157,407
Annual reductions required	\$ 1,941	\$ 1,102	\$ 1,005
Cumulative additional funds/reductions required	\$ 1,941	\$ 3,043	\$ 4,048

V. BUDGET ADJUSTMENTS

Reductions have been asked of each unit based on approximately 3.39% of their original 2011-12 operating budget for the 2012-13 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. The University Budget Committee then made recommendations concerning the reductions proposed by the units along with the 2% increase in grant funding, 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 3.39% 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:

- 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:

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 44 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, savings are estimated to be \$1 million after the replacement of the retired faculty members by the 2012-13 fiscal year.

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 to be realized by 2012-13 fiscal year.

Budget Unit Reviews

Financial Planning has reviewed the operations of a number of units over the past few 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.

Two major budget unit reviews are being planned in the next year. These include the graduate student enrolments and the University Health Centre. Graduate students' costs are different in each Faculty. With an emphasis on increasing graduate student enrolments, the University would like to have a better understanding of how this priority will affect other aspects of the University's budget.

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"> • Implementation of on-line graduate student application system. • Provide continuing funds for Copyright Advisor and Archivist. • Maintain library acquisitions budget at current level. • Provide funding for financial and human resources services to support institutional requirements. • Provide funding for additional instruction in the Calgary campus to support the growing enrollment numbers. • Provide funding for research promotional costs.

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"> • Provide continuing funding to ensure student counselling services are maintained. • Provide continuing funding for technical support for the Student Information System. • Implementation of a student portal website. • Strategic Enrolment Management (SEM) committee established with mandate to coordinate recruitment and retention efforts across the campuses. • Setting enrolment directions document approved by SEM. • The Student Recruitment and Retention project continues. • Quality Initiatives Program allocations to the Students' Union for student initiatives. • Provide continuing funding support for Learning Management System and instructional design support. • Provide funding for growing graduate education.

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"> • Projected completion of the downtown Penny Building renovations, Community Arts Centre and Bow Valley College in Calgary in 2012-13. • Continue to support Science and Sports Summer Camps. • Provide funding for proposed capital campaign.

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 partnership with Bow Valley College. • Provide funding for additional instruction in the Calgary campus to support the growing enrollment numbers.

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 with a renewed University Sustainability Committee. • Work with Students' Union to expand composting program on campus. • Support review of carbon footprint of renovations, alterations, and infrastructure renewal projects. • Provide funding for staff training and development programs. • Maintain structural monitoring of University facilities.

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 are proposing the following allocations for the 2012-13 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.
- \$ 38,500 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.
- \$108,600 Academic related events such as an academic speaker series, student travel, student clubs, and conference grants. Needs based funding to support such initiatives as the Student Food Bank, emergency student assistance, students with disabilities, and student counselling.
- \$ 32,900 GSA (Graduate Students Association) support. GSA's proposed allocations for 2012-13:
 - Scholarships, Grants, Bursaries \$ 8,000
 - Academic Enhancement \$24,900
(includes speakers, events, orientation & thesis needs)

VIII. RECOMMENDATIONS

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

1. Approve the 2012-13 budget as presented, and approve the budgets for the two years 2013-14 and 2014-15 in principle.
2. Approve the reductions for 2012-13 as provided in Appendix A.
3. Approve the continuing allocations for 2012-13 as provided in Appendix B.

2012-13 Operating Budget

SUMMARY OF UNIVERSITY OPERATING REVENUES AND EXPENDITURES						
2012-2013 Operating Budget (Cash Basis)						
	2010-2011	2010-2011	2011-2012	2011-2012	2011-2012	2012-2013
	Original Budget	Actual	Original Budget	YTD Actuals	Projected Actuals	Original Budget
REVENUES						
Tuition and Fees						
Summer Session Tuition	3,050,042	2,622,081	3,210,757		2,679,364	2,863,558
Regular Session Tuition	30,155,358	30,303,749	30,539,150	37,750,207	30,629,783	30,499,069
Subtotal Tuition	33,205,400	32,925,830	33,749,907	37,750,207	33,309,147	33,362,627
Special Program Fees						
MAMSc	614,210	721,285	614,210	794,876	749,876	935,000
Master of Education	656,365	881,864	632,866	819,512	754,512	517,737
MSc/Mgt	190,345	195,840	202,370	212,590	192,590	236,200
Master of Counseling	284,840	245,801	249,359	286,791	271,791	308,627
PhD	190,000	361,481	190,000	439,475	412,475	435,000
Subtotal Special Program Fees	1,935,760	2,406,271	1,888,805	2,553,244	2,381,244	2,432,563
Incidental Fees						
Student Administration Fees	750,000	732,584	865,179		871,060	875,000
Music Conservatory Fees	278,275	327,918	296,637	426,917	346,917	300,000
Athletic & Recreation Services Fees	1,582,655	1,715,889	1,712,655	1,799,111	1,679,111	1,821,500
English Language Fees	452,850	424,839	452,850	386,037	374,037	452,850
Other Miscellaneous Fees	347,800	847,358	347,800	414,989	917,389	789,000
Subtotal Incidental Fees	3,411,580	4,048,587	3,675,121	3,027,054	4,188,514	4,238,350
Total Tuition and Fees	38,552,740	39,380,688	39,313,833	43,330,505	39,878,905	40,033,540
Other Revenues						
Grants	99,711,370	100,034,374	99,966,673	83,071,241	99,080,373	101,810,162
Gifts and Donations	10,000	235,314	10,000	652,409	652,409	-
Investment Income	5,000,000	3,909,314	5,000,000	(3,695,187)	2,432,509	3,000,000
Internal Cost Recoveries	2,549,733	3,655,545	2,640,861	3,119,893	4,019,893	2,549,002
External Cost Recoveries	4,541,014	4,948,051	4,283,906	4,086,998	4,736,998	4,931,429
Total Other Revenues	111,812,117	112,782,598	111,901,440	87,235,354	110,922,182	112,290,593
Total Tuition and Other Revenues	150,364,857	152,163,287	151,215,273	130,565,859	150,801,087	152,324,133
Reserve Transfers						
Reserve Transfers	1,087,076	-	192,076		-	807,924
Total Reserve Transfers	1,087,076	-	192,076		-	807,924
Appropriations						
Amortization of Deferred Capital Contributions	9,700,000	10,312,929	9,000,000	(30,514)	8,969,486	11,000,000
Unrealized Investment Income	2,903,645	5,063,089	2,000,000		(6,127,696)	-
Total Appropriations	12,603,645	5,249,840	11,000,000	(30,514)	2,841,790	11,000,000
Total University Revenues	161,881,426	157,413,127	162,023,197	130,535,345	153,642,877	164,132,057

2012-13 Operating Budget

SUMMARY OF UNIVERSITY OPERATING REVENUES AND EXPENDITURES					
2012-2013 Operating Budget (Cash Basis)					
	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013
	Original Budget	Actual	Original Budget	Projected Actuals	Original Budget
EXPENDITURES					
Academic Units					
Arts & Science	34,056,623	32,455,843	34,396,553	34,124,724	34,565,921
Education	9,690,345	8,979,533	10,017,159	8,996,101	9,953,286
Management	13,371,553	13,219,622	13,578,246	13,320,484	13,560,993
Fine Arts	10,111,919	9,738,605	10,305,959	9,831,430	11,330,539
Health Sciences	5,596,435	6,206,000	5,831,990	5,902,147	5,865,454
Graduate Studies	2,060,275	2,447,399	2,643,208	2,828,130	2,971,796
Library	4,394,533	3,829,699	4,153,004	4,027,843	4,508,214
Faculty Travel	152,600	142,527	152,600	151,556	152,600
Study Leave Removal Fund	35,000	35,000	35,000	33,865	35,000
Research Grants	253,700	164,105	253,700	244,860	253,700
Faculty Retention - Board Chairs	215,000	225,000	215,000	252,085	215,000
Faculty Retention - Course Relief	400,000	400,000	400,000	400,000	400,000
Total Academic Units	80,337,983	77,843,333	81,982,419	80,113,225	83,812,503
Support Units					
Office of the President	1,101,875	1,094,308	1,097,855	1,092,235	1,075,076
Board of Governors	103,826	105,854	175,319	186,934	175,403
Senate	93,322	100,172	96,680	92,740	92,657
General Faculties Council	33,806	12,415	4,895	2,622	3,740
University Advancement	2,046,474	2,252,163	2,207,788	2,434,896	2,519,715
Vice President (Academic)	986,893	971,102	958,988	1,091,641	910,901
CRDC	942,340	957,170	963,919	872,870	910,711
CAETL	203,218	154,222	221,365	190,137	217,266
Institutional Analysis	269,215	271,753	275,388	231,073	216,134
Language Centre	664,311	577,329	669,434	509,344	686,292
International Centre	576,883	625,045	492,438	525,647	491,748
Scholarships	1,636,000	1,493,912	1,687,000	1,533,959	1,687,000
ROSS	5,631,306	5,377,121	5,754,995	6,115,186	6,322,512
Art Gallery	381,050	374,293	309,164	352,060	381,074
Vice President (Research)	1,540,967	1,546,891	1,551,643	1,852,160	1,819,728
Vice President (Finance & Administration)	417,665	488,005	431,188	526,519	519,354
Financial Planning	518,729	607,698	487,010	894,793	491,972
Sports & Recreation Services	5,018,058	4,920,996	5,118,888	4,392,784	5,369,316
Interdepartmental - Ancillary	(158,495)	(512,348)	(158,495)	(411,313)	(158,495)
In House Legal Counsel	-	-	-	78,149	177,858
Internal Audit	106,774	96,753	111,232	35,364	114,616
Information Technology	5,584,207	5,636,302	5,655,169	5,316,686	5,755,615
Telecommunications	1,975,712	1,304,450	1,759,566	1,731,407	2,066,131
Financial Services	3,015,270	2,950,683	3,099,732	3,022,080	3,044,066
Facilities	9,569,415	9,157,036	9,900,701	10,021,969	10,444,244
Utilities	3,261,935	2,988,470	3,162,026	3,195,202	3,162,404
Parking	1,074,000	864,587	1,073,977	905,718	1,475,000
Human Resources	2,759,496	2,883,425	2,976,395	3,104,563	2,949,633
Contingencies	5,016,725	-	5,025,387	-	4,115,978
Central Administration	11,839,496	5,048,519	7,700,261	6,047,280	8,676,426
Total Support Units	66,210,473	52,348,326	62,809,908	55,944,706	65,714,075
Appropriations					
Capital	2,729,325	4,623,420	3,293,435	9,717,337	3,605,479
Amortization of Capital Assets	12,603,645	17,691,757	13,937,435	19,181,742	11,000,000
Total Appropriations	15,332,970	22,315,177	17,230,870	28,899,079	14,605,479
Total University Operating Expenditures	161,881,426	152,506,836	162,023,197	164,957,009	164,132,057
Unfunded Liability - UAPP	1,686,165		1,594,466		1,500,000

APPENDIX A

**PROPOSED 2012-13 BUDGET
REDUCTIONS/REALLOCATIONS**

2012-13 Operating Budget

THE UNIVERSITY OF LETHBRIDGE			
2012-13 BUDGET PROCESS			
	2012-13 BUDGET REDUCTIONS/REALLOCATIONS		
BUDGET UNIT	DESCRIPTION	REQUIRED REDUCTION	REDUCTION MADE
BOARD OF GOVERNORS	REQUIRED REDUCTION	5,717	
	Reduction from Non-Salary Expense Lines		5,717
SENATE OFFICE	REQUIRED REDUCTION	3,160	
	Reduction from Non-Salary Expense Lines		3,160
PRESIDENT'S OFFICE	REQUIRED REDUCTION	36,010	
	Reductions from Non-Salary Expense Lines		28,310
	Reduction from Position Funds		7,700
INSTITUTIONAL ANALYSIS	REQUIRED REDUCTION	9,319	
	Reduction from Position Funds		9,319
GENERAL FACULTIES COUNCIL	REQUIRED REDUCTION	155	
	Reduction from Non-Salary Expense Lines		155
UNIVERSITY ADVANCEMENT	REQUIRED REDUCTION	-	
	Reduction from position abolishment		76,121
	Allocation - Capital Campaign		(76,121)
FINANCIAL PLANNING	REQUIRED REDUCTION	15,719	
	Reduction from Position Funds		15,719
INTERNAL AUDIT	REQUIRED REDUCTION	3,512	
	Reduction from Position Funds		3,512
VP ACADEMIC	REQUIRED REDUCTION	36,424	
	Reduction from Position Funds		36,424

2012-13 Operating Budget

CRDC	REQUIRED REDUCTION	(64,549)	
	Reductions from Non-Salary Expense Lines		28,000
	Reduction from Pooled Position - Students		1,951
	Allocation - Instructional Design Position to support LMS		(91,000)
	Allocation - Prof Dev, Material/Supplies for requested position		(3,500)
FACULTY OF ARTS & SCIENCE	REQUIRED REDUCTION	953,511	
	Reductions from Non-Salary Expense Lines		182,282
	Reductions from Sessional Budget		41,455
	Reductions from Position Funds		632,578
	Reductions from temporary allocation of CARP carryover		300,000
	Allocation - General Grant Increase - Labs		(102,804)
	Allocation - Graduate Education (3) 3 year term positions		(100,000)
FACULTY OF EDUCATION	REQUIRED REDUCTION	415,635	
	Reductions from Position Funds		300,000
	Reductions from increase to M.Ed Fees - One time (Re: AISI)		95,000
	Reductions from Non-Salary Expense Lines		20,635
FACULTY OF MANAGEMENT	REQUIRED REDUCTION	443,033	
	Reductions from Non-Salary Expense Lines		62,492
	Reduction to Sessionals (Lethbridge, Calgary, Edmonton)		129,640
	Adjust Co-op Revenues		(13,465)
	Adjust Lethbridge Campus revenue		53,757
	Adjust Edmonton Campus revenue		(55,027)
	Increase MSc revenues/fellowships		19,455
	Reduction to Pooled Positions - Students		26,250
	Reductions from Position Funds		439,931
	Allocation - Accounting Professor Calgary Campus		(120,000)
	Allocation - Finance Professor Calgary Campus		(100,000)
FACULTY OF FINE ARTS	REQUIRED REDUCTION	346,776	
	Reductions from Position Funds		346,776

2012-13 Operating Budget

FACULTY OF HEALTH SCIENCES	REQUIRED REDUCTION	68,070	
	Reductions from Position Funds		204,086
	Reductions from classroom budget (visiting lecturers, classroom enhancement)		3,384
	Allocation - Conversion Academic Assistant to Professor position		(39,400)
	Allocation - Academic Support		(100,000)
ART GALLERY	REQUIRED REDUCTION	12,293	
	Reductions from Position Funds		12,293
LIBRARY	REQUIRED REDUCTION	(120,226)	
	Reductions from Position Funds		125,041
	Reductions from Library Acquisitions		6,866
	Reductions from Non-Salary Expense Lines		17,867
	Allocation - Copyright Advisor		(135,000)
	Allocation - Archivist		(135,000)
LIBRARY ACQUISITIONS	REQUIRED REDUCTION	-	
	Reductions from Library Acquisitions		53,460
	Allocation to cover reduction to Library Acquisitions		(53,460)
LANGUAGE CENTRE	REQUIRED REDUCTION	21,663	
	Reductions from Position Funds		21,663
REGISTRAR'S OFFICE & STUDENT SERVICES	REQUIRED REDUCTION	34,639	
	Reductions from Non-Salary Expense Lines		123,742
	Reductions from Pooled Positions - Students, Part-time temporary		19,397
	Reductions from External Grant Salary Recovery - Counselling Services		50,000
	Allocation - 2 half-time Counselling positions		(95,000)
	Allocation - Student Info Systems - 1 position		(63,500)
RESEARCH SERVICES	REQUIRED REDUCTION	41,508	
	Reductions from VPR Research Allowance		3,000
	Reductions from Non-Salary Expense Lines		1,200
	Reductions from Position Funds		27,308
	Reductions from eliminating teaching relief for Committee Chairs		10,000

2012-13 Operating Budget

CAETL	REQUIRED REDUCTION	7,082	
	Reductions from Non-Salary Expense Lines		7,082
INTERNATIONAL CENTRE FOR STUDENTS	REQUIRED REDUCTION	23,041	
	Reductions from Non-Salary Expense Lines		5,000
	Reductions from Position Funds		18,041
SCHOOL OF GRADUATE STUDIES	REQUIRED REDUCTION	98,194	
	Reductions from Non-Salary Expense Lines		9,194
	Reductions from Pooled Position - Students		9,000
	Reductions from savings on Advantage Award through new Ent & Cont Awards		60,000
	Reductions from increased revenue for Graduate programs		20,000
VP FINANCE & ADMINISTRATION	REQUIRED REDUCTION	17,911	
	Elimination of Executive Analyst Position (APO) June 2009		17,911
HUMAN RESOURCES	REQUIRED REDUCTION	(7,625)	
	Reductions from Non-Salary Expense Lines		26,878
	Reductions from Position Funds (EAP position)		42,365
	Reductions from reduced FTE		23,132
	Allocation for Service Support		(100,000)
INFORMATION TECHNOLOGY ADMINISTRATION	REQUIRED REDUCTION	(138,840)	
	Reductions from Position Funds		155,792
	Allocation - University Portal - Luminis & Banner Relationship Mgmt		(194,632)
	Allocation - Moodle tech support		(100,000)
INFORMATION TECHNOLOGY TELECOMMUNICATIONS	REQUIRED REDUCTION	-	
	Reductions from Position Funds (retirement)		59,848
	Allocation - Service Support		(59,848)

2012-13 Operating Budget

FINANCIAL SERVICES	REQUIRED REDUCTION	(4,741)	
	Reductions from Non-Salary Expense Lines		2,796
	Reductions from Pooled Positions - student, part-time temp		11,418
	Reductions from Position Funds		81,045
	Allocation for Service Support		(100,000)
FACILITIES	REQUIRED REDUCTION	316,961	
	Reductions from Position Funds		302,461
	Reductions from Pooled Position - Full-time temporary		44,500
	Allocation - UCA structural monitoring		(10,000)
	Allocation - Library structural monitoring		(10,000)
	Allocation - PE tunnel structural monitoring		(10,000)
SPORT & RECREATION SERVICES	REQUIRED REDUCTION	164,747	
	Increased Aquatic rentals & programs		33,000
	Reductions from Non-Salary Expense Lines		79,247
	Increased revenue from new initiatives (corporate sponsors, web ads, etc.)		31,000
	Increased revenue for membership and program registration fees		46,500
	Reductions from Position Funds		30,000
	Add new Facility Operation - 3 year commitment		(55,000)
CENTRAL ADMINISTRATION		(798,222)	
	Held for future year budget reductions		(798,222)
TOTAL REQUIRED REDUCTIONS/REALLOCATIONS FOR 2012-13:		1,940,877	
TOTAL REDUCTIONS/REALLOCATIONS MADE FOR 2012-13:			1,940,877

APPENDIX B

PROPOSED

CONTINUING ALLOCATIONS

PROPOSED CONTINUING ALLOCATIONS

The proposed continuing allocations are based on strategic directions defined by the 2009-2013 Strategic Plan, as outlined below.

Enhance the Student Experience:

Counselling Services – 2 half-time positions	\$ 95,000
Student Information Systems – 1 position	\$ 63,500
Instructional Design Position to support LMS	\$ 91,000
Professional development, materials, & supplies for LMS position	\$ 3,500
University Portal – Luminis & Banner Relationship Management	\$194,632
LMS technical support	\$100,000
General grant increase – labs	\$102,804

Confirm our Place as a Comprehensive University:

Conversion Academic Assistant to Professor position	\$ 39,400
Academic Support	\$100,000
Copyright Advisor	\$135,000
Library Acquisitions	\$ 53,460
Archivist	\$135,000
Human Resources Service Support	\$100,000
Financial Services Service Support	\$100,000
Accounting Professor – Calgary Campus	\$120,000
Finance Professor – Calgary Campus	\$100,000
Arts & Science - Graduate Education term positions	\$100,000
Advancement capital campaign	\$ 76,121

Promote Access to Quality Post-Secondary Education:

University Centre for the Arts structural monitoring	\$ 10,000
Library structural monitoring	\$ 10,000
Physical Education Tunnel structural monitoring	\$ 10,000
Telecommunications service support	\$ <u>59,848</u>

TOTAL PROPOSED CONTINUING ALLOCATIONS \$1,799,265

APPENDIX C
PROPOSED BUDGET BY FUND

2012-13 Operating Budget

The University of Lethbridge						
2012-13 Budget by Fund						
(\$000)						
	General Operating	Ancillary Enterprises	Eliminate Internal Transactions	Restricted Funds	2012-13 Proposed Budget	
REVENUE						
Government of Alberta grant	99,467	-		7,145	106,611	
Federal and other government grants	1,992	-		5,384	7,376	
Student tuition and fees	40,034	-		6	40,040	
Sales of services and products	7,480	10,259	(3,559)	18	14,199	
Donations and other grants	352	88		2,364	2,804	
Investment income	3,000	72		1,533	4,605	
Reserve	808	751			1,559	
Amortization of deferred capital contributions	11,000	-		-	11,000	
	164,132	11,171	(3,559)	16,449	188,193	
EXPENDITURES						
Salaries	99,653	2,554		8,506	110,714	
Benefits	19,322	465		668	20,455	
Supplies and service	9,812	1,597	(3,559)	1,768	9,618	
Equipment	2,953	436		499	3,888	
Travel	2,442	49		859	3,350	
External contracted services	2,167	795		346	3,309	
Professional fees	834	12		10	856	
Interest on long term liabilities	275	125		-	400	
Insurance	722	41		-	763	
Property taxes	9	157		1	167	
Utilities	3,040	422		-	3,462	
Repairs and maintenance	737	279		1,366	2,382	
Scholarships, bursaries and awards	2,884	-		2,425	5,310	
Cost of goods sold	238	3,402		-	3,640	
Provisions	4,475	-		-	4,475	
Capital	3,570			-	3,570	
Amortization of capital assets	11,000	248		-	11,248	
	164,132	10,582	(3,559)	16,449	187,604	
REVENUE OVER EXPENDITURES	-	589	-	-	589	
Unfunded Liability - UAPP	1,500				1,500	
EXCESS (DEFICIT) REVENUE OVER EXPENDITURES	(1,500)	589	-	-	(911)	

2012-13 Operating Budget

The University of Lethbridge Restricted Funds 2012-13											
	Sponsored Research	SR Deferred	Special Purpose and Trust	SPT Deferred	Scholarship, Bursaries and Other	SBO Deferred	Capital and Infrastructure	CI Deferred	TOTAL	Deferred Contributions	2012-13 Net
REVENUE											
Government of Alberta grants	4,890,000	-	352,640	536,470	-	-	3,646,729	(2,281,229)	8,889,369	(1,744,759)	7,144,610
Federal and other government grants	7,326,000	(1,998,500)	56,000	-	-	-	-	-	7,382,000	(1,998,500)	5,383,500
Student tuition and fees	-	-	6,230	-	-	-	-	-	6,230	-	6,230
Sales of services and products	-	-	15,520	-	2,600	-	-	-	18,120	-	18,120
Donations and other grants	1,284,000	-	670,200	-	410,000	-	-	-	2,364,200	-	2,364,200
Investment income	-	-	122,780	-	1,410,010	-	-	-	1,532,790	-	1,532,790
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-
	13,500,000	(1,998,500)	1,223,370	536,470	1,822,610	-	3,646,729	(2,281,229)	20,192,709	(3,743,259)	16,449,450
EXPENDITURES											
Salaries	7,200,000	-	917,320	-	388,945	-	-	-	8,506,265	-	8,506,265
Benefits	450,000	-	151,170	-	66,505	-	-	-	667,675	-	667,675
Supplies and service	1,501,500	-	185,140	-	81,410	-	-	-	1,768,050	-	1,768,050
Equipment	450,000	-	22,360	-	26,890	-	-	-	499,250	-	499,250
Travel	715,000	-	94,990	-	49,470	-	-	-	859,460	-	859,460
External contracted services	200,000	-	138,580	-	7,900	-	-	-	346,480	-	346,480
Professional fees	10,000	-	-	-	240	-	-	-	10,240	-	10,240
Interest on long term liabilities	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	240	-	-	-	240	-	240
Property taxes	-	-	-	-	1,010	-	-	-	1,010	-	1,010
Utilities	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	1,365,500	-	1,365,500	-	1,365,500
Scholarships, bursaries and awards	975,000	-	250,280	-	1,200,000	-	-	-	2,425,280	-	2,425,280
Cost of goods sold	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-
	11,501,500	-	1,759,840	-	1,822,610	-	1,365,500	-	16,449,450	-	16,449,450
EXCESS REVENUE OVER EXPENDITURES	1,998,500	(1,998,500)	(536,470)	536,470	-	-	2,281,229	(2,281,229)	3,743,259	(3,743,259)	-

APPENDIX D
UNIVERSITY BUDGET COMMITTEE MEMBERSHIP
2011-2012

**UNIVERSITY BUDGET COMMITTEE MEMBERSHIP
2011-12**

Doug Spoulos, Chair	Associate Vice-President (Finance)	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
Kerry Bernes	Faculty Member	GFC Appointment 2014
Goldie Morgentaler	Faculty Member	GFC Appointment 2014
Alan Siaroff	Faculty Member	GFC Appointment 2013
Jennifer Copeland	Faculty Member	GFC Appointment 2013
Zack Moline	Student Member	GFC Appointment 2012
Leyland Bradley	Student Member	GFC Appointment 2012
Alexandru Lemnaru	Graduate Student Member	GFC Appointment 2012
Sheila Lowe	Resource	
Marnie Sawa	Resource	
Nicole Leusink	Secretary	