

**REPORT OF THE
UNIVERSITY BUDGET COMMITTEE
ON THE 2015-16 TO 2017-18
UNIVERSITY BUDGET**

**Revised
Based on July 14, 2015
Board of Governors approved budget**

**The University Budget Committee Report For
The Years 2015-16 to 2017-18**

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I. GENERAL

The University has put significant effort over the past several years into revising its budget processes to ensure that the institution is in a financial position to make informed decisions on resource allocations that will advance established strategic directions. Despite these challenging financial times, we need to be able to adapt quickly to whatever fiscal situation is presented without losing sight of the priorities that we have established in our academic, research and strategic planning.

The University has prepared the 2015-16 Operating Budget based on the budget assumptions released on June 18, 2015 by the provincial government.

The approval of the budget entails President Mike Mahon recommending the University of Lethbridge's Operating Budget to the Board of Governors' Finance Committee, who in turn recommends it to the Board of Governors for approval. Budget decisions are made in consultation with the Budget Advisory Committee (BAC), Strategic Planning Committee, General Faculties Council, President's Executive and with the University's various budget units.

Budget decisions are also made within the context of the University's "Destination 2020" Strategic Plan. "Our strategic priorities remain priorities independent of the financial challenges our University encounters. To take us to our desired future the University will pursue its established strategic directions and identified priorities."

Budget Allocation Model

While the fiscal environment has been and will remain challenging, 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, senior administration has made every effort to ensure that the quality of our academic programs and services to our students are maintained.

In addressing the budget reductions imposed on the University of Lethbridge during 2013-14 it became apparent that the current budget model did not allow the University to reallocate funds to our strategic priorities in an effective manner. Other concerns that units expressed over a number of years have been the lack of rationale for the grant allocation, along with the fact that the tuition allocation did not account for varying costs per course. Due to these concerns, the

University undertook a review of the operating budget allocation model and a new model was implemented in the 2014-15 budget year with minor modifications to the model in 2015-16.

A framework of values was developed to guide the BAC in developing the University of Lethbridge consolidated operating budget. This framework of values continued to be one of the main principles used to guide the discussions on developing an operating budget allocation method. The values, reaffirmed by both the General Faculties Council and the Board of Governors were that:

Our people define our University and are our greatest strength

People are the essential resource of our institution and as such the University will strive to preserve employment. All University employee groups will be treated with fairness and with respect in all that lies ahead in our work to maintain our student centred focus and to ensure the continued financial sustainability of our institution.

High quality is central to all that we do

Our commitment to maintaining high quality undergraduate and graduate academic programmes is key to our University mission to build a better society. High quality instruction and teaching are essential to this commitment. Research and creative activity are also key to our mission and their vitality and vibrancy serve as a differentiating feature of our institution and a central part of our culture as a comprehensive academic and research institution. High quality facilities and services support our mission and best serve our students, staff, and academic staff.

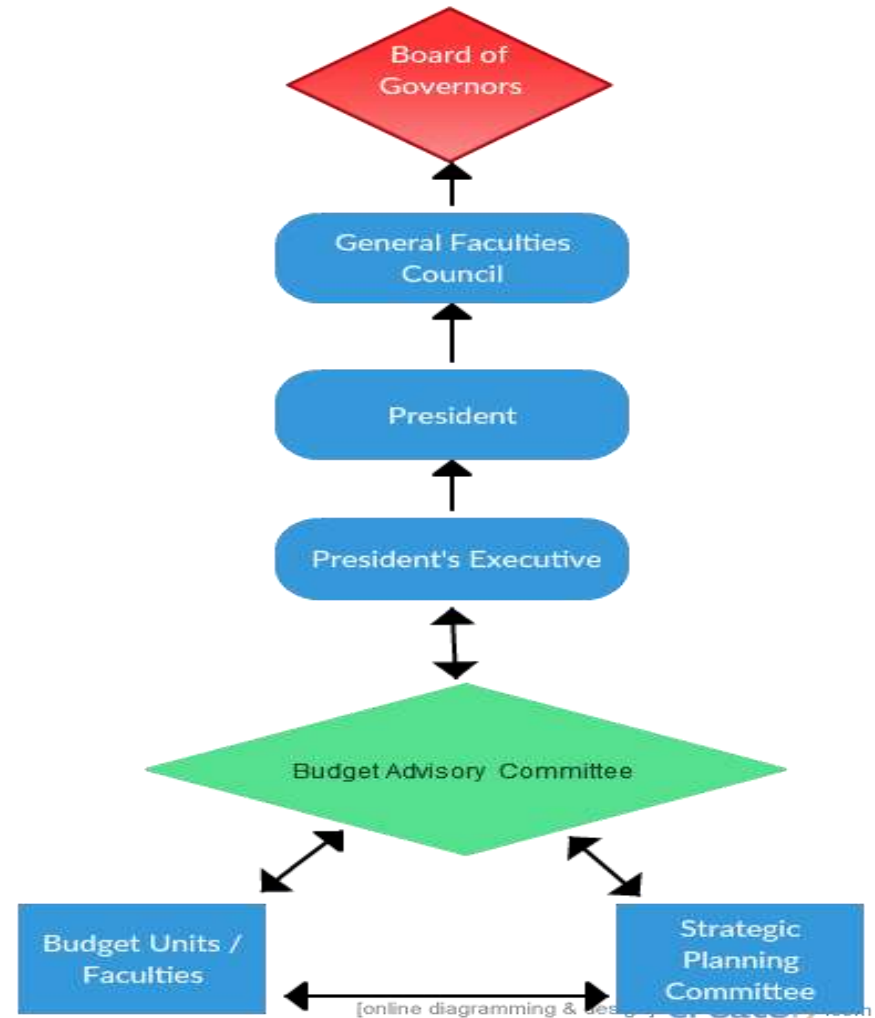
Access to our University is a foundational value

As a Comprehensive Academic and Research University, dedicated to liberal education that was born out of the needs and aspirations of our local communities we are committed to providing student access to our high quality academic programs throughout the province without creating unnecessary financial barriers. Community engagement with our University and community use of our facilities play a role in defining us as a public institution.

The other guiding principles used when developing the new budget allocation model were:

The budget process is very rigorous and open

In an effort to ensure that the process is rigorous and open, in 2012 a Presidential Task Force was formed to review the budget process. Through consultations with many stakeholders in the University community, a process was developed that will be more continuous, have a greater emphasis on communication and transparency, and create more opportunities for individuals with the appropriate knowledge and expertise to contribute to the decision making process. The chart below depicts the consultation process that was implemented in November, 2014. In addition, Town Hall meetings provide stakeholder updates and feedback.



Decisions are made within the context of the University's Strategic Plan

A key principle to ensure the long-term stability and growth of the University is to ensure that the budget supports the strategic directions of the University. This includes both using the Strategic Priorities as a reference to decision making and ensuring the budget allocation method allows funds be available for Strategic Priorities.

All decisions are made with a view of their long-term consequences

As funding is not predictive, the University will continue to see fluctuations in its budget from year-to-year. Knowing this, it is very important to make decisions with a long-term view rather than just looking at the current situation.

All decisions are made with a purpose of maintaining the stability of the University

At the present time this principle is difficult to manage given the funding uncertainty and unpredictability. Additional measures have been implemented to ensure that position replacement decisions involve additional scrutiny and consultation.

Budget Model Principles

Position Funds:

- All occupied continuing employment positions as of March 2015 will be funded.
- Essential employment positions that were vacant as of March 2015 will be funded.
- Pooled position funds will be funded at 2013/14 original budget levels.
- All compensation adjustments will be funded centrally.
- Position funds will be centralized into 6 funds:
 - President
 - Provost & Vice-President (Academic) – Faculties
 - Provost & Vice-President (Academic) – Academic Support
 - Vice-President (Finance and Administration)
 - Vice-President (Research)
 - Vice-President (Advancement)

Operating Expenses:

- All fixed costs are funded centrally prior to base level operating expense budget allocation (e.g. insurance, utilities).
- Allocation of base level operating expense budget was reduced from 7% of total compensation (2014-15 allocation) to a formula of average salary multiplied by the number of employees multiplied by 5% in each budget unit.
- Allocation of funding for allowances above the base level operating expenses.

Carryover Policy:

The University's carryover policy allows Budget Units to retain carryover fund balances to a maximum of 2% of their total annual operating expense budget. The balances in excess of 2% will be moved to the Strategic Priorities Fund and allocated to priorities through the budget process.

2015-16 Operating Budget

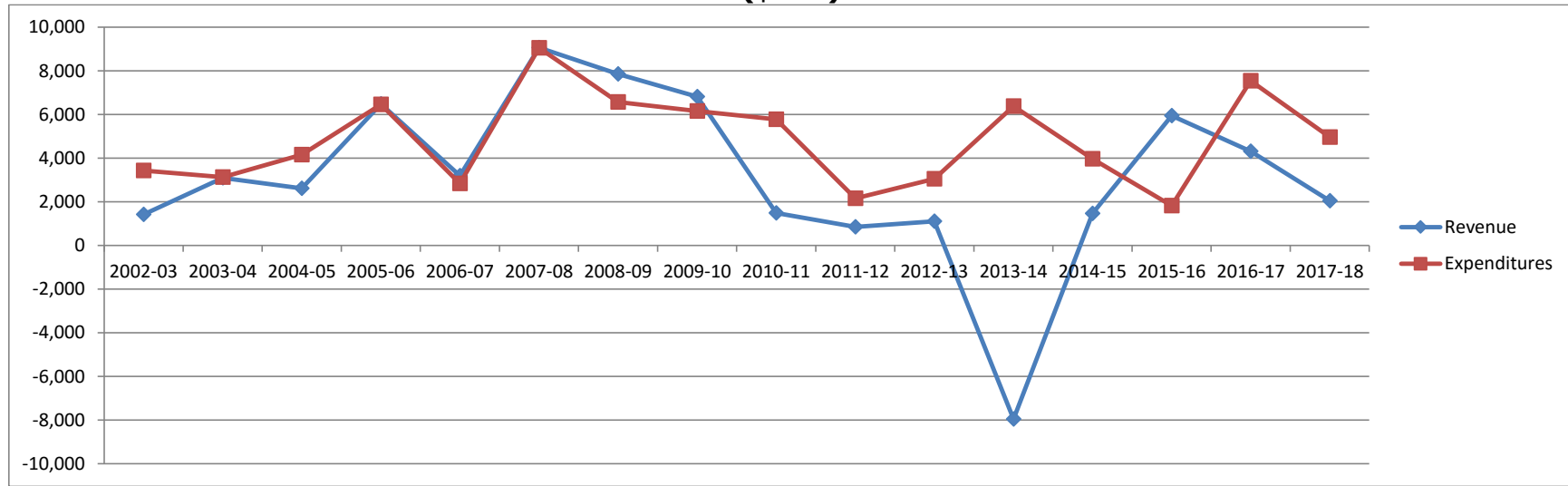
The proposed operating budget is \$168,102,864 (accrual basis – includes amortization & unfunded Universities Academic Pension Plan (UAPP) liability) for fiscal year 2015-16.

The following graph indicates the change in the University's operating revenue and expenditures in current dollars over a 16 year period (projections for 2016-17 and 2017-18).

For the past five years the expenditure budgeted increases have exceeded the revenue budget change. The exception is 2015-16 because a thorough review of the revenue and non-compensation expense budgets was completed and budget adjustments were made. BAC has adopted a budget approach, although still conservative, leaves little room for unexpected swings apart from minor fluctuations.

In prior years the University has used unrestricted net assets to fund strategic priorities; however, in the future organizational structural changes are required. The structural changes include investigating additional revenue sources and right sizing the organization to create a sustainable model.

**\$ Change from Previous Year
(\$000)**



II. PROPOSED REVENUE BUDGET

The University’s overall operating revenue budget will increase by \$5,945,039 for 2015-16. 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.

The proposed 2015-16 general fund revenue budget is categorized into the following groups:

**2015-16 General Operating Revenue by Source (Cash Basis -
excluding amortization and unfunded UAPP liability)**

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

Campus Alberta Grant	\$99,217,596	65%
Other Government Grants	\$4,096,074	3%
Fee Revenue	\$42,726,988	28%
Investment Income	\$4,000,000	3%
External sales/Cost Recoveries	\$3,149,706	2%
Total Projected General Operating Revenue	\$153,190,364	100%

Government Grants

The single largest revenue item (65%) for the University is the Campus Alberta grant, totalling \$99,217,596.

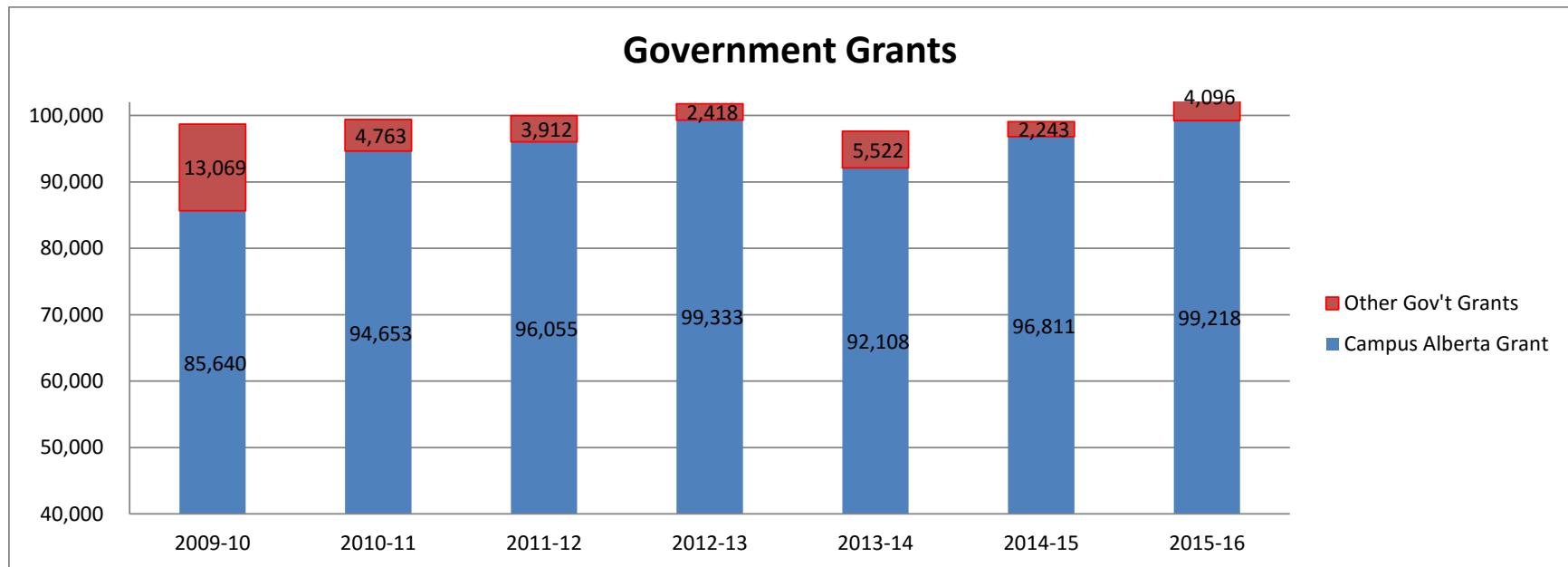
The provincial government announced on June 18, 2015 a freeze to tuition fees and mandatory non-instructional fees at 2014-15 levels and required the rollback of the Management tuition market modifier which was previously approved in spring 2015 by the previous Provincial government. The government compensated the University \$752,685 for the tuition fee increase and by \$1,300,000 for the market modifier, rolling this funding into the Campus Alberta operating grant.

The Campus Alberta grant will increase by \$3,954,927 for 2015-16 as a result of the following increases:

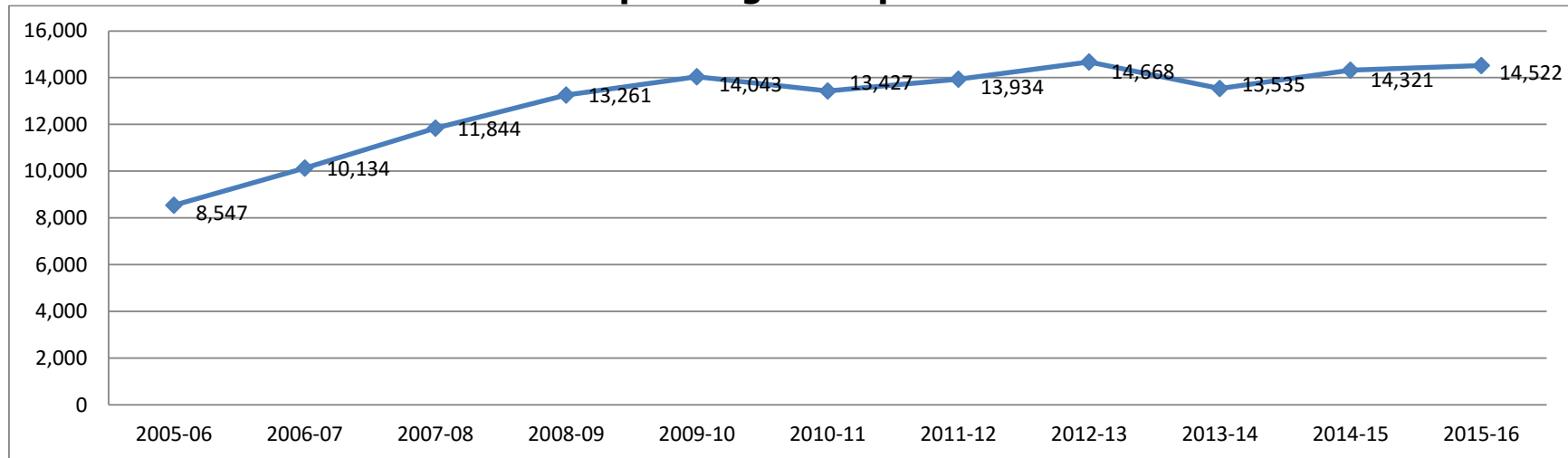
2% Campus Alberta grant increase	\$ 1,902,242
Tuition Fee rebate grant	\$ 752,685
Management Market Modifier grant	\$ 1,300,000
	\$ 3,954,927

Other Government Grants for 2015-16 include the Research Support Fund (formerly the Indirect Costs Program) and Government of Alberta grants excluding the Campus Alberta Grant and grants and donations from other sources.

**Change in Government Grants
(\$000)**



Base Operating Grant per Student



Fees

Fees represent the second largest component of the University’s general operating fund revenue budget. For the fiscal year 2015-16, the University projects approximately \$43 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 \$342,916 (0.8%) over the 2014-15 fiscal year. This increase consists primarily of projected increases in credit hours and an increase in International fees.

Tuition Fees

IAE introduced a new tuition policy in the 2007-2008 academic year that restricted tuition fee increases to the annual average Alberta CPI (using a twelve month period ending in June each year). The previous provincial government had directed that the maximum tuition fee rate increase to be used for the 2015-16 increases was 2.2% (1.0% in 2014-15).

The new provincial government announced on June 18, 2015 a freeze to tuition fees and mandatory non-instructional fees at 2014-15 levels and required the rollback of the Management tuition market modifier which was approved in Spring 2015 by the previous provincial government. The provincial government compensated institutions for the tuition freeze in the amount of \$752,685 for general tuition fee increases and \$1,300,000 for the cancelled Management tuition market modifier and included these amounts in the Campus Alberta Operating Grant.

The following table provides the credit hour projections used to build the three-year operating budget.

Credit Hour Projections

	Actual 2013-14	Actual 2014-15	Proposed 2015-16	Proposed 2016-17	Proposed 2017-18
All Faculties	185,539	183,228	183,563	184,350	184,350

Other Student Fees

The new provincial government mandated a freeze on tuition and mandatory non-instructional fees at 2014-15 levels and requiring rollback of the Management tuition market modifier previously approved by the previous government in Spring 2015.

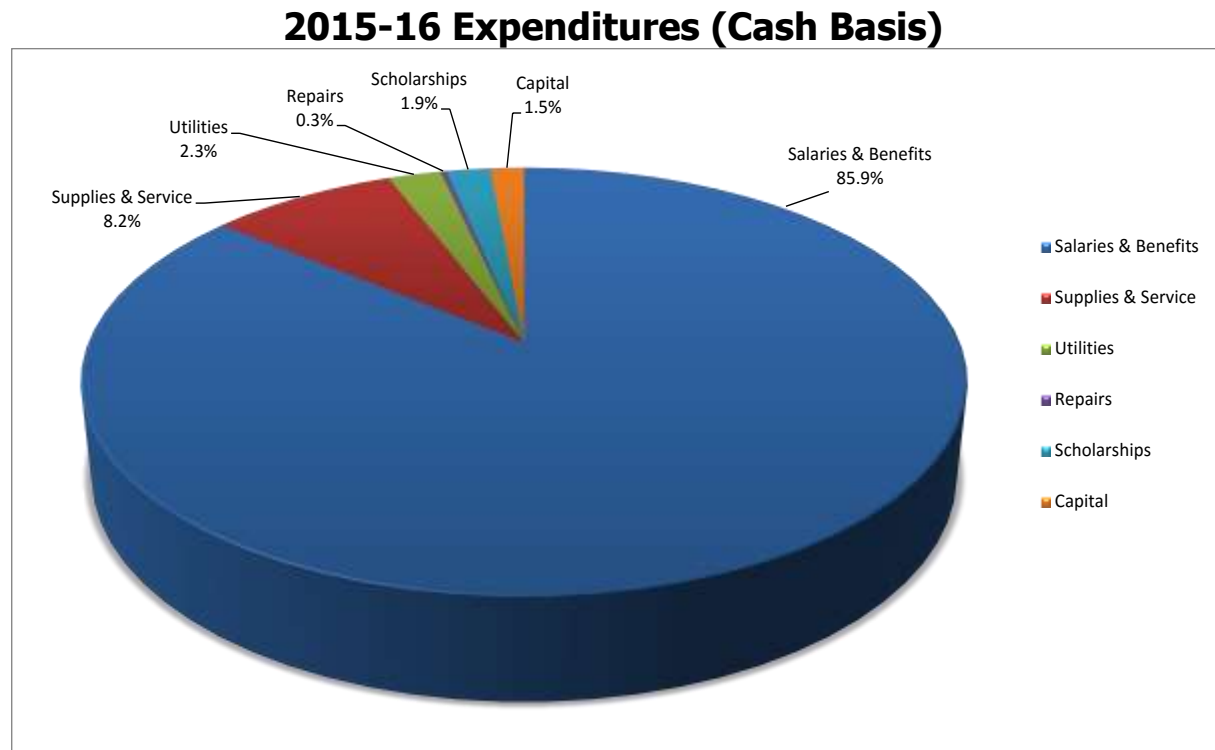
International students pay tuition rates at the same level as domestic students plus a tuition increase equal to the annual average Alberta CPI (using a twelve month period ending in June each year) plus an International Student differential. In 2013-14 the differential was 1.26 times the base tuition fee. As of 2014-15, the differential for all new international students increased to two (2) times the base tuition fee. The increased international differential fee of two times the base tuition fee was only assessed to new international students who began their programs effective September 2013. All international students enrolled at the University prior to September 2013 are assessed the international differential of 1.26 times the base tuition fee until they have completed their program.

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 due to fewer funds being provided through the provincial and federal governments and smaller increases in instructional and other fees.

The reduction in expenses associated with the closing of the Edmonton campus will be realized over the next two fiscal years.

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 86% of the total budget (cash basis – excluding amortization).



As in previous years, the starting point for the 2015-16 operating budget is the projection of contractual or statutory increases including salaries and benefits, utilities, insurance, and software contracts/ maintenance costs accounted for 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 increased slightly from 84.2% in 2014-15 to 85.9% in 2015-16 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 will be in negotiations with the University of Lethbridge Faculty Association (ULFA) for economic benefits and with The Alberta Union of Provincial Employees (AUPE) whose contracts both expire on June 30, 2016. Exempt Support Staff, Administrative Professional Officers, and Senior Administration compensation rates are reviewed and set annually by the Board of Governors. The budget assumptions used have estimated changes for the agreements that are to be negotiated.

Fixed Costs

While quite modest this year, fixed costs continue to grow and represent a factor in the development of the 2015-16 operating budget. Like compensation cost increases, any increases in fixed costs must be provided for in the budget.

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

- No increase has been budgeted for our utilities in 2015-16 and modest increases of 2% for 2016-17 and 1% for 2017-18 have been factored in. The University signed an electrical agreement commencing in 2015, which stabilizes our electrical prices until December 2016. Even though the rate is fixed by contract there is an anticipated increase from the City of Lethbridge transmission and local access fee charges. This electrical increase is offset by a decrease in natural gas consumption which is why there is no budgeted increase in utilities.
- Provided an increase to our insurance budget of \$121,620 (18%) in 2015-16 and anticipated increases of 5% for the fiscal years 2016-17 and 2017-18. There is a significant projected increase in 2015-16 due to our recent claim history.
- Information Technology license and contract budget will increase by 6% in 2015-16 due to new contracts, estimated contractual increases and U.S. dollar exchange rates.

IV. OPERATING BUDGET REQUIREMENTS

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, BAC 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 revenue assumptions are provided in the table below.

Revenue Budget Assumptions			
	2015-16	2016-17	2017-18
Revenue			
Campus Alberta Grant change	2.0%	2.0%	2.0%
Instructional fee increase	0.0%	0.0%	0.0%

The following outlines the results of budget assumptions for the next three years. It is projected the University will be facing deficits in 2016-17 and 2017-18, with a total cumulative reduction of \$3.6 million.

2015-16 Operating Budget

Proposed Operating Fund Budget Changes				
(cash basis - excluding amortization and unfunded UAPP liability)				
(\$000)				
		2015-16	2016-17	2017-18
Prior Year Budgeted Expenditures (excludes amortization and unfunded UAPP):		\$ 148,858	\$ 150,684	\$ 158,224
Cost Increases (Decreases) for existing programs				
	Salaries & Benefits	\$ 3,917	\$ 2,783	\$ 4,103
	Materials & Services	\$ (613)	\$ 3,165	\$ 646
	Life Cycle Replacment	\$ (1,478)	\$ 1,478	\$ -
	Capital & Equipment	\$ -	\$ 115	\$ 212
Operating Funds Required		\$ 150,684	\$ 158,224	\$ 163,185
Prior Year Budgeted Revenue (excludes amortization and reserves):		\$ 147,245	\$ 153,190	\$ 157,504
	Campus Alberta Grant Change	\$ 3,955	\$ 1,982	\$ 2,021
	Program Grant Change	\$ 6	\$ -	\$ -
	Targeted Enrolment Grant Change	\$ 204	\$ -	\$ -
	General Fee Increase	\$ 343	\$ 1,774	\$ 24
	Investment Income Change	\$ 1,000	\$ 1,000	
	Miscellaneous Other Revenues	\$ 437	\$ (441)	\$ 2
Operating Funds Available		\$ 153,190	\$ 157,504	\$ 159,551
Annual Reductions Required		\$ 2,506	\$ (3,226)	\$ (2,914)
Cumulative Reductions Required		\$ 2,506	\$ (720)	\$ (3,634)

V. BUDGET ADJUSTMENTS

University Wide Initiatives

Operating budget adjustments have not been applied to several line items within the budget due to contractual obligations or 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

There are several initiatives that have been implemented and administered centrally that will allow the institution to reduce costs. These initiatives include:

Life Cycle Equipment Replacement

The \$1,477,700 annual funding for this equipment replacement program has been temporarily suspended for 2015-16. The University has ensured that there are sufficient funds available to fund critical equipment purchases.

Base Level Operating Expense Budget

Faculties and departments receive an allocation for base level operating expenditures. This calculation was modified from the 2014-15 funding formula and the allocation was reduced from 7% of total compensation (2014-15 allocation) to 5% of the average salary expenses in each budget unit.

Ancillary Services – Contribution to Operating

Ancillary Services operates on a cost recovery basis and therefore reimburses the operating budget for services from Financial Services, Human Resources, Information Technology, Facilities, etc., Ancillary Services is contributing an additional \$500,000 and Parking Services contributes \$685,000 to the operating budget. This contribution means reduced funds available for capital expenditures and maintenance within Ancillary Services.

VI. STRATEGIC PLAN ALLOCATIONS

The University updated its Strategic Plan, and in December 2013 the Board of Governors approved “Destination 2020”, Strategic Plan 2014-2019. The Strategic Plan was used as a guide by BAC in setting 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 principles that drive budgetary decisions:

Our Commitment to Society

- We adopt a global perspective and cultivate responsible citizens who contribute to building better societies.
- We encourage and protect free inquiry and expression, and model collegial and civil debate, dissent, and controversy to critically explore and resolve issues.
- We share with our communities our research, scholarship, creative activities, facilities, resources, and initiatives, involving our communities wherever possible. This helps us anticipate and respond to societal needs.
- We promote diversity and gender equity, and ensure equal opportunity for participation.
- We are committed to collaborating with First Nations, Métis, and Inuit peoples and communities to ensure that our partnerships, and ensuing programs, meet the needs of these communities.

Our Commitment to Creativity, Inquiry and Discovery

- We offer students a liberal education, the best preparation for their future, which provides a wide base of knowledge and promotes academic skills that students can apply broadly.
- We are student-centred, and help students achieve their full potential by facilitating their intellectual growth and personal excellence in an atmosphere of engagement within and beyond the classroom.
- We are a comprehensive university, offering excellence in undergraduate and graduate university education, and striving for a balance between our focus on teaching and our commitment to research, scholarship, and creative activities.
- We promote effective teaching and learning, applying face-to-face learning, experiential learning, and online and distance learning where those delivery modes make the best sense.
- We strive for inspirational teaching and learning, which takes place in an environment of respect, free from discrimination.
- We expand horizons and develop a global mindset, educating our students to become citizens of a complex society, capable of making important contributions.

Our Commitment to Students

- We offer students a liberal education, the best preparation for their future, which provides a wide base of knowledge and promotes academic skills that students can apply broadly.
- We are student-centred, and help students achieve their full potential by facilitating their intellectual growth and personal excellence in an atmosphere of engagement within and beyond the classroom.
- We are a comprehensive university, offering excellence in undergraduate and graduate university education, and striving for a balance between our focus on teaching and our commitment to research, scholarship, and creative activities.
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- We expand horizons and develop a global mindset, educating our students to become citizens of a complex society, capable of making important contributions.

Our Commitment to Responsible Action

- We emphasize ethical action and are environmentally, socially, and financially responsible.
- We practice procedural fairness and act in accordance with all applicable codes of professional and ethical practice and conduct.
- We use leading technology effectively, to facilitate and enhance learning and research relationships among students, faculty members, and other university stakeholders.

Strategic Direction: Excel 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"> ▪ A doctoral program in the Faculty of Education will begin intake in July 2016 and a Master of Nursing in the Faculty of Health Sciences was approved for intake in Fall 2015. • Two new Board of Governor Research Chairs were approved which brings the total number of research chair positions to 39. • Continue to provide funding for 1st Year Faculty teaching load reduction, Community of Research Excellence Development Opportunities and matching grant for Canada Foundation for Innovation.

Strategic Direction: Inspire and Support Student Potential

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 & 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, & modern. 	<ul style="list-style-type: none"> • Recruitment of a Director FNMI. • Recruitment for a Women’s Rugby coach. • Quality Initiatives Program allocations for student initiatives. • Introduction of a new major in Aboriginal Health. • Provide funding for growing graduate education. • Funding provided for student mental health through a grant from the Provincial Government. • Introduction of a new Fine Arts access fee that provides the Lethbridge campus students the opportunity to experience the broad range of cultural events held throughout the academic year.

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"> • AGILITY, a new innovation and entrepreneurship initiative, will integrate student creativity with excellent teaching and research as well as provide collaboration opportunities with other Alberta institutions on graduate professional skill development. • Penny Building houses Research programs, community rooms, Volunteer Lethbridge, Student Art Gallery and University Advancement. • Development of the Coutts Centre.

Strategic Direction: Promote Access to Quality, Affordable 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"> • Continue to expand course offerings at the Calgary campus. • Continue to support the quality assurance reviews. • Pilot dual credit initiative with Lethbridge Collegiate Institute in fall 2015. • Continue to support student scholarships from operating budget.

Strategic Direction: Enhance the 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"> • Introduction of the SCALE-UP classroom with its collaborative focus provides a more student centered and active learning environment. • Support review of carbon footprint of renovations, alterations, and infrastructure renewal projects. • Maintain structural monitoring of University facilities.

VII. STUDENT QUALITY INITIATIVES PROGRAM (QIP)

\$446,500 of the University's operating budget is allocated to the Student Quality Initiatives Program (QIP).

Proposed allocations for the 2015-16 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.
- \$ 36,000 Student Commons Fund. These funds will be used by the students for renovations and capital projects around campus.
- \$ 75,000 Undergraduate Research Fund. Established for the Faculties/Schools to hire undergraduate research assistants in humanities and social sciences.
- \$ 89,245 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.
- \$ 5,000 Tutoring program
- \$ 31,255 GSA (Graduate Students Association) support. GSA's proposed allocations for 2015-16:
 - Scholarships, Grants, Bursaries \$ 23,500
 - Academic Enhancement \$ 7,755
(includes speakers, events, orientation & thesis needs)

\$446,500

SUMMARY OF UNIVERSITY OPERATING REVENUES 2015-2016 OPERATING BUDGET					
	2013-2014	2013-2014	2014-2015	2014-2015	2015-2016
	Original Budget	Actual	Original Budget	Actual	Original Budget
REVENUES					
Student Tuition and Fees					
Student Tuition	33,493,431	33,538,124	33,379,571	33,527,804	33,510,784
Subtotal Tuition	33,493,431	33,538,124	33,379,571	33,527,804	33,510,784
Special Program Fees					
MA/MSc	935,000	1,146,851	1,014,730	1,174,338	1,171,500
Master of Education	463,146	508,503	470,959	601,814	481,740
MSc/Mgt	201,200	188,944	201,200	129,671	190,000
Master of Counselling	308,627	369,109	305,601	341,110	312,320
Ph.D.	435,000	458,991	435,000	484,779	485,000
Subtotal Special Program Fees	2,342,973	2,672,398	2,427,490	2,731,713	2,640,560
Incidental Fees					
Student Administration Fees	2,412,530	2,411,940	2,525,000	2,810,299	2,765,000
Music Conservatory Fees	358,470	418,928	389,571	553,290	353,155
Athletic & Recreation Services Fees	1,855,600	1,871,678	1,907,900	1,926,678	1,886,313
English Language Fees	452,850	558,199	614,490	564,340	617,896
Other Miscellaneous Fees	1,115,700	1,175,529	1,140,050	1,267,310	953,280
Subtotal Incidental Fees	6,195,150	6,436,274	6,577,011	7,121,917	6,575,644
Total Tuition and Fees Revenues	42,031,554	42,646,796	42,384,072	43,381,434	42,726,988
Other Revenues					
Government of Alberta Grants	92,107,926	95,840,832	96,810,917	97,104,418	99,217,596
Federal and Other Government Grants	5,463,656	1,961,189	2,198,127	1,966,524	4,045,074
Donations and Other Grants	58,075	424,277	45,000	691,763	51,000
Investment Income	3,000,000	16,434,519	3,000,000	11,463,785	4,000,000
External Cost Recoveries	3,109,426	9,090,283	2,807,209	5,025,492	3,149,706
Total Other Revenues	103,739,083	123,751,100	104,861,253	116,251,982	110,463,376
Total Tuition and Other Revenues	145,770,637	166,397,896	147,245,325	159,633,416	153,190,364
Reserve Transfers					
Reserve Transfers	(87,500)	(681,094)	(87,500)	494,289	(87,500)
Total Reserve Transfers	(87,500)	(681,094)	(87,500)	494,289	(87,500)
Appropriations					
Amortization of Deferred Capital Contributions	15,000,000	11,347,519	15,000,000	11,335,500	15,000,000
Unrealized Investment Income					
Total Appropriations	15,000,000	11,347,519	15,000,000	11,335,500	15,000,000
Total University Revenues	160,683,137	177,064,321	162,157,825	171,463,205	168,102,864

SUMMARY OF UNIVERSITY OPERATING EXPENDITURES					
2015-2016 OPERATING BUDGET					
	2013-2014	2013-2014	2014-2015	2014-2015	2015-2016
	Original Budget	Actual	Original Budget	Actual	Original Budget
EXPENDITURES					
Academic Units					
Arts & Science	34,793,586	33,786,747	36,141,914	33,828,194	37,043,574
Education	9,802,422	8,822,210	7,534,711	8,283,809	8,651,580
Management	12,238,892	11,364,575	11,119,362	11,262,441	10,938,755
Fine Arts	11,071,216	10,626,766	9,897,782	10,085,151	9,599,759
Health Sciences	6,273,037	6,188,293	6,157,780	6,008,566	6,457,477
Campus North	1,520,583	1,189,827	1,132,473	1,072,196	1,028,552
Graduate Studies	3,175,733	3,767,020	3,039,996	4,054,689	3,495,294
Library	4,622,208	4,209,039	3,971,693	3,978,055	4,229,627
Library - Acquisitions	2,325,188	2,399,511	2,131,085	2,401,216	2,131,085
Faculty Travel	152,600	145,095	152,600	133,169	152,600
Study Leave Removal Fund	35,000	35,000	35,000	35,000	35,000
Research Grants	253,700	18,680	253,700	64,694	253,700
Faculty Retention - Board Chairs	215,000	200,000	215,000	200,000	280,000
Faculty Retention - Course Relief	100,000	100,000	100,000	100,000	100,000
Total Academic Units	86,579,165	82,852,764	81,883,096	81,507,180	84,397,003
Support Units					
Board of Governors/Office of the President	1,272,039	1,175,274	1,119,717	1,198,169	1,134,373
University Advancement	2,545,766	2,755,256	3,304,420	3,390,218	3,328,573
Vice President (Academic)	1,118,510	1,107,693	1,295,927	1,271,351	1,320,314
Teaching Centre	1,184,838	1,178,329	1,040,894	971,081	1,041,733
Institutional Analysis	301,674	293,333	303,429	313,001	337,023
Scholarships & Student Finance	1,537,000	293,904	1,537,000	326,977	1,537,000
Student Services	7,124,415	6,696,739	6,355,144	6,684,612	7,004,832
International Centre	1,108,667	1,135,342	1,254,113	1,145,993	1,397,803
Art Gallery	392,794	707,784	360,996	916,872	364,817
Vice President (Research)	2,075,665	2,176,108	2,090,475	1,877,899	1,749,769
Vice President (Administration & Finance)	533,913	506,549	563,804	536,357	561,488
Sports & Recreation Services	5,337,796	5,377,518	5,082,900	5,153,368	4,178,153
In House Legal Counsel	266,486	252,166	314,492	331,964	400,508
Internal Audit	132,020	131,529	136,014	98,261	131,358
Information Technology	7,471,316	8,135,985	8,392,231	9,554,606	7,677,999
Financial Services	3,658,990	3,499,108	3,713,229	3,482,382	3,697,278
Facilities	14,551,155	13,874,490	13,670,462	13,764,593	14,361,352
Human Resources	2,707,331	2,732,581	2,844,513	2,943,291	2,828,326
Position Funds	-	-	6,784,505	-	5,937,669
Contingencies	3,632,798	-	2,000,000	-	4,224,647
Central Administration	3,800,259	4,021,862	2,921,977	4,933,799	5,390,846
Strategic Priorities	-	4,635,110	-	7,574,418	-
Non-Recurring/Carry Forward	-	3,605,133	-	3,743,628	-
Total Support Units	60,853,266	64,391,866	65,174,729	70,212,840	68,605,861
Appropriations					
Capital	135,000	7,473,198	100,000	1,574,327	100,000
Amortization of Capital Assets	15,000,000	19,189,078	15,000,000	19,353,539	15,000,000
Total Appropriations	15,135,000	26,662,276	15,100,000	20,927,866	15,100,000
Total University Operating Expenditures	162,567,431	173,906,906	162,157,825	172,647,886	168,102,864
Excess (shortfall) of Revenue over Expenses	-	-	-	-	-
Unfunded Liability - UAPP	1,700,000	1,008,000	1,700,000	(361,000)	641,000
Surplus (deficit)	-	2,149,415	-	(823,681)	(641,000)

VIII. RECOMMENDATIONS

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

Approve the 2015-16 budget as presented, and approve the budgets for the two years 2016-17 and 2017-18 in principle.

APPENDIX A

PROPOSED BUDGET BY FUND

2015-16 Operating Budget

The University of Lethbridge								
2015-2016 Budget by Fund - by Object								
(\$000)								
	2014-2015			Eliminate		2015-2016	2016-2017	2017-2018
	General	General	Ancillary	Ancillary Internal	Restricted	Proposed	Proposed	Proposed
	Operating	Operating	Enterprises ⁽¹⁾	Transactions ⁽²⁾	Funds	Budget	Budget	Budget
REVENUES								
Government of Alberta grant		101,253	-	-	9,719	110,972	112,954	114,975
Federal and other government grants		2,009	-	-	3,650	5,659	5,659	5,659
Student tuition and fees		42,727	-	-	-	42,727	44,501	44,525
Sales of services and products		3,150	13,768	(999)	166	16,085	15,838	16,240
Donations and other grants		51	-	-	5,418	5,469	5,469	5,469
Investment income		4,000	213	-	2,094	6,307	7,358	7,411
Reserve		(88)	-	-	-	(88)	(88)	(88)
Amortization of deferred capital contributions		15,000	-	-	-	15,000	15,000	15,000
		168,102	13,981	(999)	21,047	202,132	206,690	209,191
EXPENDITURES								
Salaries		109,948	3,129	-	11,419	124,496	126,576	130,460
Benefits		21,567	583	-	933	23,083	23,898	24,307
Supplies and service		12,488	4,749	(999)	4,484	20,722	26,091	26,842
Utilities		3,508	481	-	-	3,989	3,887	3,991
Repairs and maintenance		433	387	-	1,364	2,184	2,242	2,227
Scholarships, bursaries and awards		2,890	-	-	2,847	5,737	5,761	5,761
Cost of goods sold		6	3,371	-	-	3,377	3,470	3,552
Capital		2,262	20	-	-	2,282	2,397	2,609
Amortization of capital assets		15,000	94	-	-	15,094	15,097	15,090
		168,102	12,814	(999)	21,047	200,965	209,419	214,839
EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES		-	1,167	-	-	1,167	(2,728)	(5,648)
Unfunded Liability - UAPP		(641)	-	-	-	(641)	-	-
EXCESS (DEFICIENCY) REVENUE OVER EXPENDITURES		(641)	1,167	-	-	526	(2,728)	(5,648)
Notes:								
⁽¹⁾ Includes Ancillary Services and Parking Services								
⁽²⁾ General Operating internal sales netted against expenses								

The University of Lethbridge	
2015-2016 Budget by Fund - by Function	
(\$000)	
	2015-2016
	Proposed
	Budget
REVENUES	
Government of Alberta grant	110,972
Federal and other government grants	5,659
Student tuition and fees	42,727
Sales of services and products	16,085
Donations and other grants	5,469
Investment income	6,307
Reserve	(88)
Amortization of deferred capital contributions	15,000
	202,132
EXPENDITURES	
Academic costs and institutional support	138,741
Sponsored research	13,290
Special purpose and trust	6,394
Ancillary services	11,721
Facility operations and maintenance	15,724
Amortization	15,094
	200,965
REVENUE OVER EXPENDITURES	1,167
Unfunded Liability - UAPP	(641)
EXCESS REVENUE OVER EXPENDITURES	526

2015-16 Operating Budget

The University of Lethbridge Restricted Funds 2015-2016												
	Sponsored Research	SR Deferred	Special Purpose and Trust	SPT Deferred	Scholarship, Bursaries and Other	SBO Deferred	Capital and Infrastructure	CI Deferred	TOTAL	Deferred Contributions	2015-2016 Net	
REVENUE												
Government of Alberta grants	8,000	-	356	-	-	-	2,526	(1,163)	10,882	(1,163)	9,719	
Federal and other government grants	9,000	(5,565)	215	-	-	-	-	-	9,215	(5,565)	3,650	
Student tuition and fees	-	-	-	-	-	-	-	-	-	-	-	
Sales of services and products	-	-	165	-	1	-	-	-	166	-	166	
Donations and other grants	1,855	-	2,979	54	530	-	-	-	5,364	54	5,418	
Investment income	-	-	551	-	1,543	-	-	-	2,094	-	2,094	
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-	
	18,855	(5,565)	4,266	54	2,074	-	2,526	(1,163)	27,721	(6,674)	21,047	
EXPENDITURES												
Salaries	8,600	-	2,224	-	595	-	-	-	11,419	-	11,419	
Benefits	560	-	283	-	90	-	-	-	933	-	933	
Supplies and service	3,080	-	1,266	-	138	-	-	-	4,484	-	4,484	
Utilities	-	-	-	-	-	-	-	-	-	-	-	
Repairs and maintenance	-	-	1	-	-	-	1,363	-	1,364	-	1,364	
Scholarships, bursaries and awards	1,050	-	546	-	1,251	-	-	-	2,847	-	2,847	
Cost of goods sold	-	-	-	-	-	-	-	-	-	-	-	
Provisions	-	-	-	-	-	-	-	-	-	-	-	
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-	
	13,290	-	4,320	-	2,074	-	1,363	-	21,047	-	21,047	
EXCESS REVENUE OVER EXPENDITURES	5,565	(5,565)	(54)	54	-	-	1,163	(1,163)	6,674	(6,674)	-	

APPENDIX B

**BUDGET ADVISORY COMMITTEE
MEMBERSHIP 2015-2016**

**BUDGET ADVISORY COMMITTEE MEMBERSHIP
2015-16**

Chairs:

Provost & Vice-President (Academic)
Vice-President (Finance & Administration)

Andy Hakin
Nancy Walker

Membership:

Acting Vice-President (Research)

Lesley Brown

Vice-President (Advancement)

Chris Horbachewski

Associate Vice-Presidents

Bob Boudreau
Matthew Letts
Elaine Carlson
Judith Lapadat
Carrie Takeyasu

Deans/University Librarian

Bob Ellis
Ed Jurkowski
Craig Cooper
Rob Wood

Chris Hosgood
Craig Loewen
Chris Nicol
Lorne Williams

Executive Directors

Jim Booth
Mark Humphries
Ken McInnes
Sandy Slavin

TJ Hanson
Susie Kennedy
John O’Keeffe
Paul Pan

Graduate Students’ Association Vice-President (Finance)

Arif Islam/Gurpreet Singh

Students’ Union Vice-President (Finance)

Michael Kawchuk/Chris Vokey