

**REPORT OF THE
UNIVERSITY BUDGET COMMITTEE
ON THE 2016-17 TO 2018-19
UNIVERSITY BUDGET**

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2 GENERAL

The University has put significant effort over the past several years into revising its budget process to ensure that we are able to adapt quickly to whatever fiscal situation is presented, that the budget supports the strategic directions of the University, and that all budget decisions are 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."

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 within the University's budget units.

2.1 BUDGET ALLOCATION MODEL

Although revenue sources will continue to fluctuate year-to-year and the provincial fiscal environment is in constant flux, it is important to make decisions with a long-term view, and the University remains committed to directing as many of its scarce resources as possible towards enhancing our position as a comprehensive teaching and research University. If reductions are required to achieve a balanced general operating budget, senior administration will make every effort to ensure that the quality of our academic programs and services to our students is maintained.

2.1.1 VALUES

A framework of values was developed in 2013-14 to guide the BAC in deciding how budget allocations and any necessary reductions would be made. This framework of values continues to guide the discussions on operating budget allocations. The values, reaffirmed by both the General Faculties Council and the Board of Governors are:

i. **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.

ii. **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.

iii. **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.

2.1.2 GUIDING PRINCIPLES

Other guiding principles used in our budget allocation model are:

i. The budget process is very rigorous and open

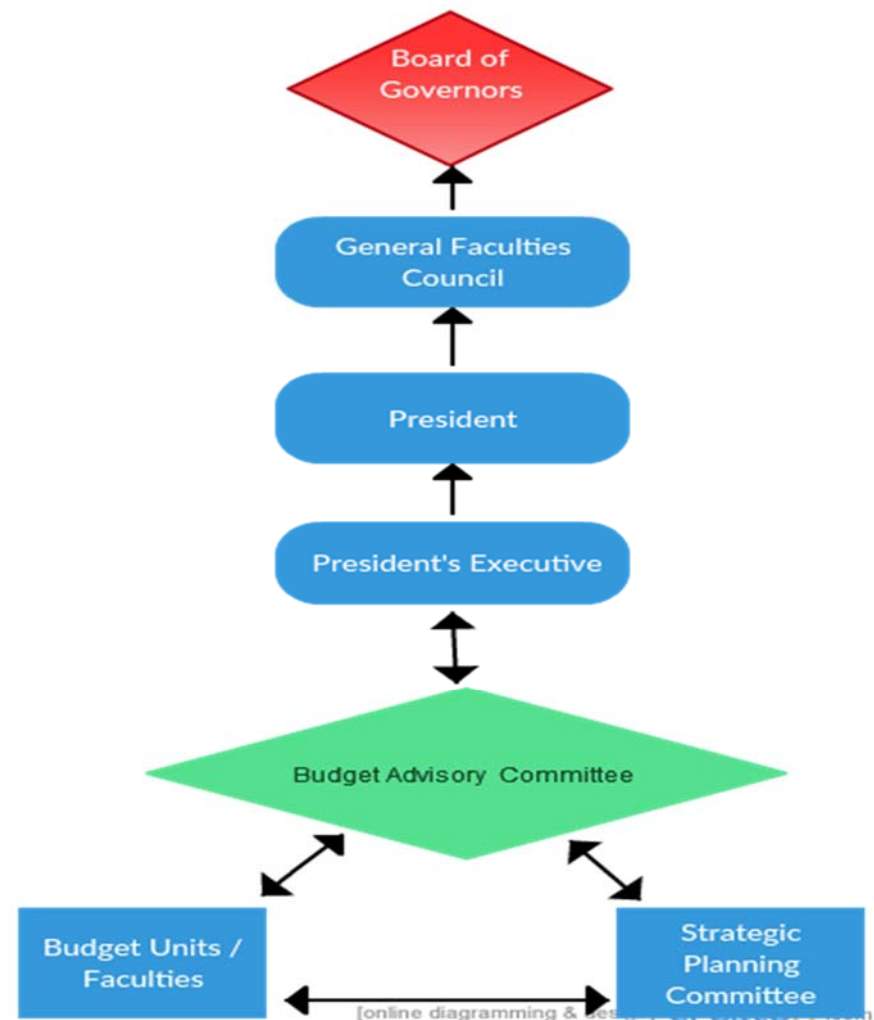
The chart depicts the consultation process that was implemented in November 2014. The budget process begins in the Fall with a significant amount of consultation within the University community. BAC makes budget recommendations with input from Budget Units and Faculties and in consultation with the Strategic Planning Committee, General Faculties Council and President's Executive. The approval of the budget entails BAC recommending the budget to President Executive, then the President recommends the budget to the Board of Governors' Finance Committee for approval and then it is forwarded to the Board of Governors for final approval. Throughout the budget process the University community is kept up to date through website budget messages, Faculty Councils/Department meetings and town hall meetings.

ii. 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 Plan of the University. This includes both using the strategic priorities identified in the Strategic Plan as a reference to decision making and ensuring the budget allocation method allows funds be available for these strategic directions.

iii. 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. Additional measures have been implemented to ensure that employee position replacement decisions involve additional scrutiny and consultation since salary and benefits represents the largest component of the total expenditure budget.



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

With the current fiscal environment of the Province, there is uncertainty in regards to the stability of the Campus Alberta Operating grant and the University must consider the long term predictions of this funding for future years. There is also ambiguity on the tuition fee regulations and what changes the Provincial Government contemplates for future tuition and other related student fees. With this in mind, the Budget Advisory Committee has adopted a conservative approach to ensure that any variations in revenue will still allow for sufficient resources to provide for a balanced budget.

2.2 BUDGET MODEL GUIDELINES

Operating Revenue:

- All grant and tuition revenue will be held centrally.
- External sales will remain within the budget units.
- Inter-department charges are only allowed if services provided exceed the "base level service."

Position Funds:

- All occupied continuing employment positions as of March 2016 will be funded.
- Essential and indispensable employment positions that were vacant as of March 2016 will be funded.
- Pooled salary funds, such as sessional lecturers, student salaries, scholarships and other part-time salaries, will remain funded at 2015-16 original budget levels.
- All compensation adjustments (i.e. salary and benefits) will be funded centrally.
- Position funds (funding for vacant continuing faculty and staff positions) 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 (e.g. insurance, utilities) are funded centrally prior to base level operating expense budget allocations.
- Base level operating expense budget lines (includes materials and services, phone, travel) will remain at 5% of the average salary expense in each budget unit (same as 2015-16 levels).
- Budget allowances for expenditures above the base level operating expenses were reviewed and funded if deemed essential (e.g. internal research awards, teaching development, recruitment travel, allowance for Library acquisitions impacted by the high US exchange rate, etc.).

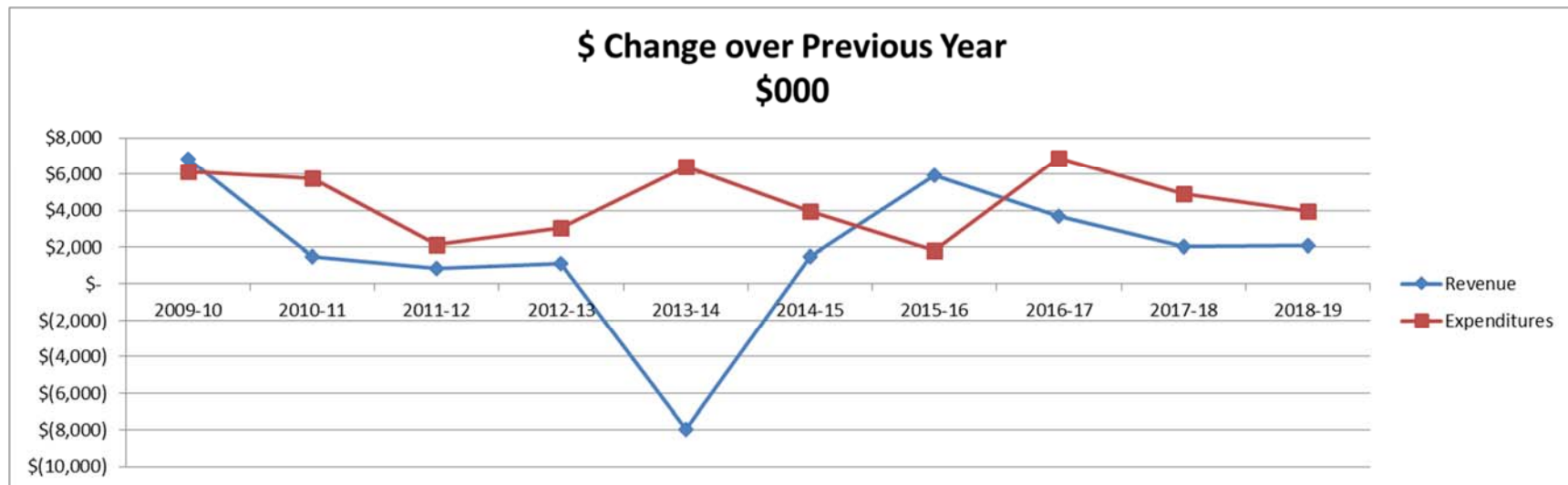
Carryover Policy:

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.

3 2016-17 OPERATING BUDGET

The proposed operating budget is \$172,743,418 (accrual basis – includes amortization) for fiscal year 2016-17.

The following graph indicates the change in the University's operating revenue and expenditures in current dollars over a 10 year period (projections for 2017-18 and 2018-19).



For the past five years the expenditure budgeted increases have exceeded the revenue budget change. The exception is in 2015-16 due to the change in the Provincial Government and the subsequent change in the Campus Alberta Grant midway through the year. The new Provincial Government reversed the 1.4% decrease in 2015-16 Campus Alberta Operating Grant previously announced under the former Progressive Conservative government, committed an additional 2 per cent increase in the Campus Alberta Operating Grant. The new Government also 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 Faculty of Management tuition market modifier which was previously approved in spring 2015 by the former Provincial Government. For 2015-16 the government compensated the University \$752,685 for the tuition fee freeze and \$1,300,000 for the Faculty of Management market modifier, rolling this funding into the Campus Alberta operating grant. It is not expected that the Provincial Government will provide any additional compensation to the University in 2016-17 for the freeze in tuition fee rates which is still in effect.

3.1 PROPOSED REVENUE BUDGET

The University's overall operating revenue budget will increase by \$5,140,554 for 2016-17. 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 following table shows the breakdown of revenue by category. The table depicts operating funds only and does not include capital, research, special purpose, endowments or ancillary operations.

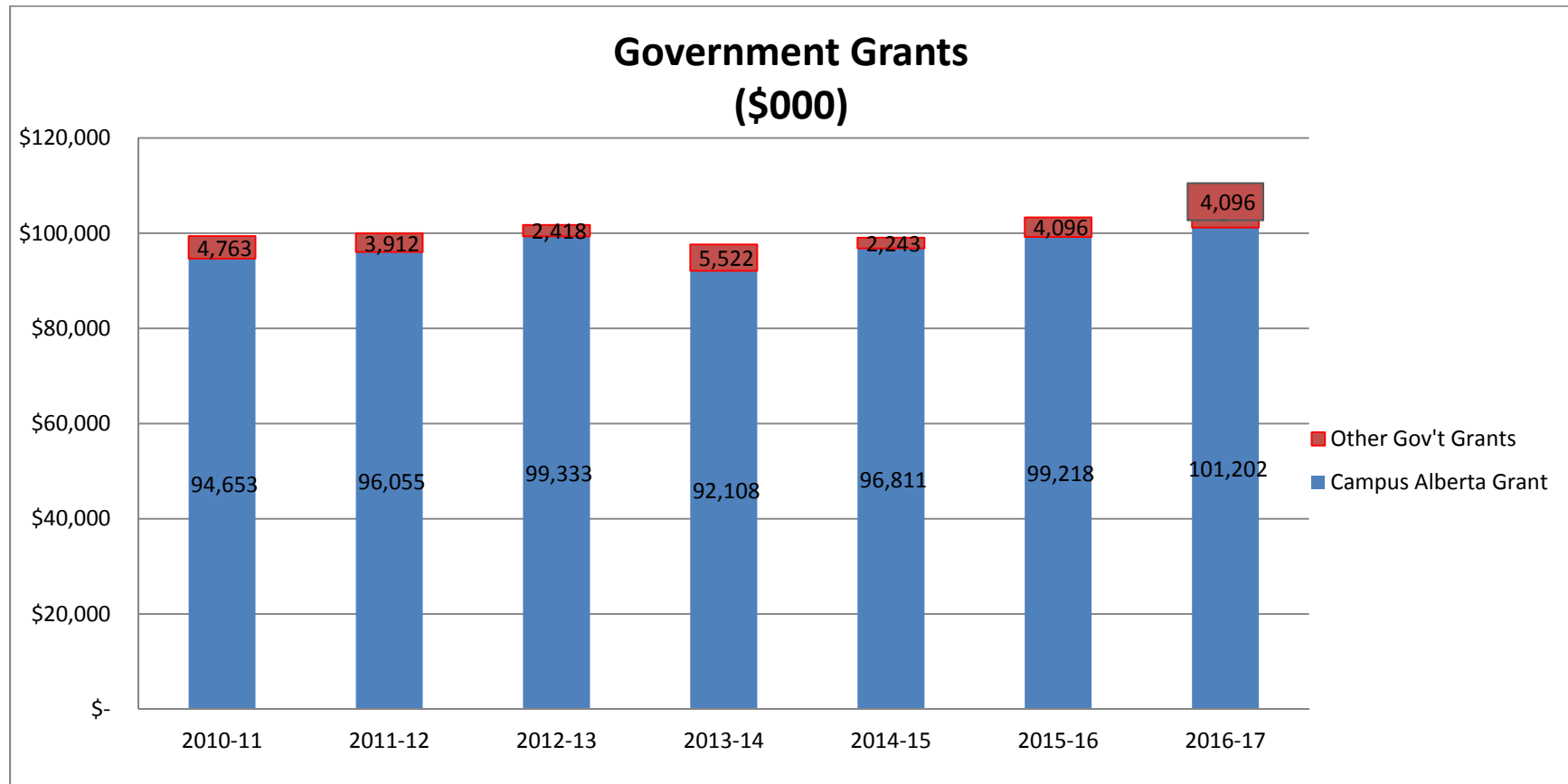
2016-17 General Operating Revenue by Source (Cash Basis - excluding amortization)

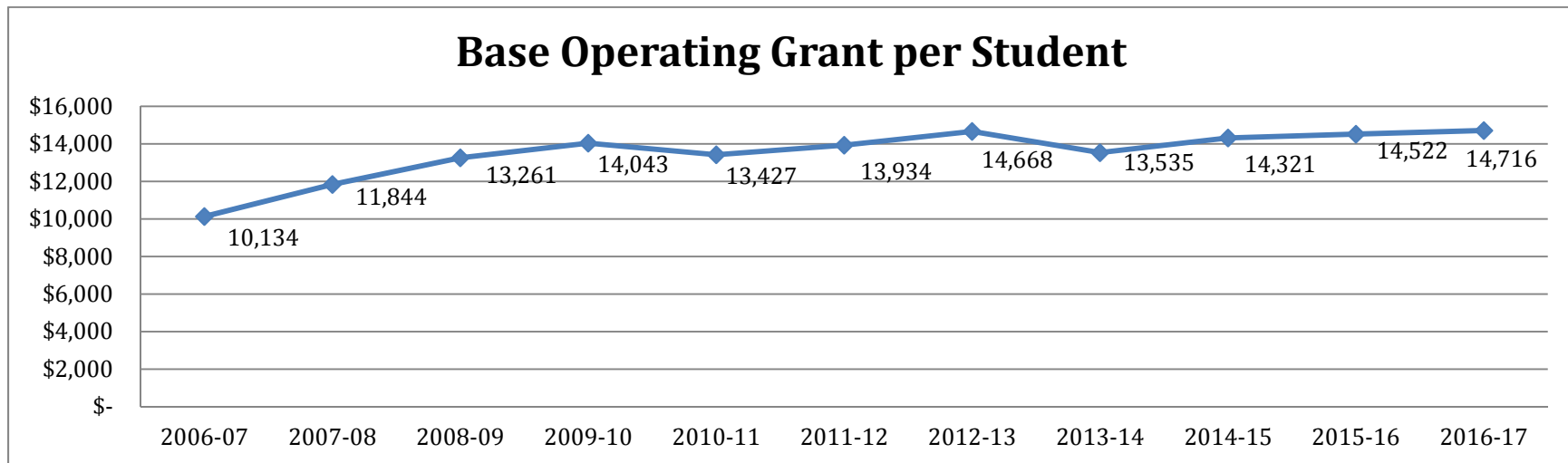
Campus Alberta Grant	\$101,201,948	64%
Other Government Grants	\$4,096,209	3%
Fee Revenue	\$44,665,174	28%
Investment Income	\$5,000,000	3%
External sales/Cost Recoveries	\$3,367,587	2%
Total Projected General Operating Revenue	\$158,330,918	100%

3.1.1 Government Grants

The single largest revenue item (64%) for the University is the Campus Alberta grant, totaling \$101,201,948. The Campus Alberta grant will increase by 2% or \$1,984,352 for 2016-17.

Other Government Grants for 2016-17 include the Research Support Fund (formerly the Indirect Costs Program), Targeted Enrolment Expansion grants for designated program expansion and grants and donations from other sources.





3.1.2 Fees

Fees represent the second largest component of the University's general operating fund revenue budget. For the fiscal year 2016-17, the University projects approximately \$45 million in fee revenue from all credit and non-credit instructional programs, and non-mandatory student related fees. This is an increase of \$1,938,186 (4.54%) over the 2015-16 fiscal year. This increase is a result primarily from projected increases in credit hours and an increase in International fees.

Tuition Fees

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 the University 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 2015-16 Campus Alberta Operating Grant. It is not anticipated that there will be general tuition fee adjustment by the provincial government for the proposed increase in 2016-17 credit hours.

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

Credit Hour Projections

	Actual 2014-15	Budgeted 2015-16	Proposed 2016-17	Proposed 2017-18	Proposed 2018-19
All Faculties	183,228	183,563	190,050	190,050	190,050

Other Student Fees

International students pay tuition rates at the domestic student level plus a tuition increase equal to the annual average Alberta CPI (using a twelve month period ending in June each year) and 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.

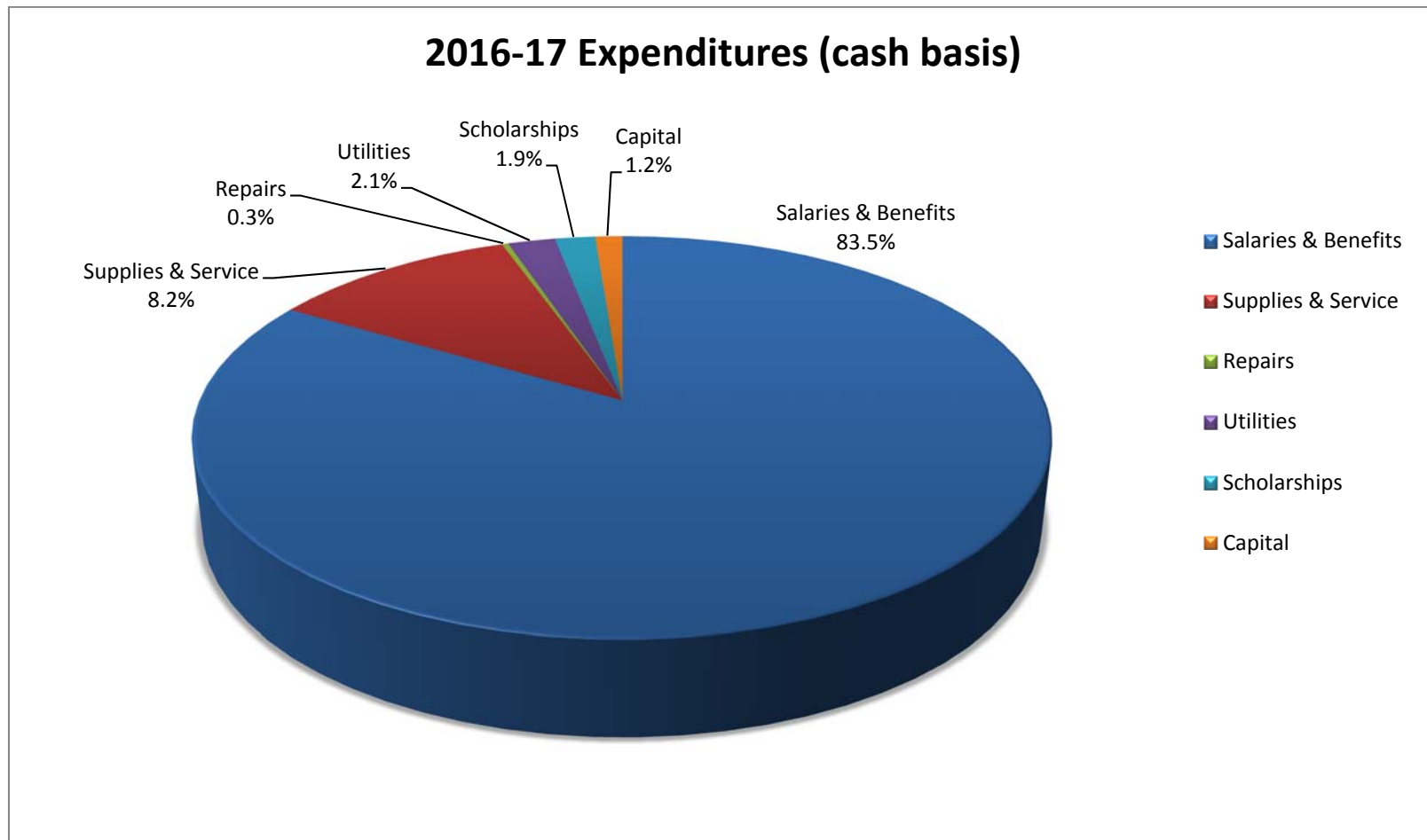
International instructional fees were increased by 1.7% (June 2015 average annual Alberta CPI). International instructional fees are not subject to the tuition freeze.

3.2 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 compensation increases outpacing our revenue increases and other factors such as the freeze in tuition rates and mandatory non-instructional and other fees, and increases in costs that are impacted by the high US exchange rates.

The reduction in expenses associated with the closing of the Edmonton campus will be realized during the 2016-17 academic calendar year and therefore this will include both 2016-17 and 2017-18 fiscal years.

The following graph illustrates the University's expenditure budget by object of expenditure. The most notable component of the budget are salaries and benefits, which comprises approximately 83.5% of the total operating budget (cash basis – excluding amortization).



As in previous years, the starting point for the 2016-17 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.

3.2.1 Compensation Costs

The largest component of the University of Lethbridge's expenditure budget is compensation costs which decreased slightly from 85.9% in 2015-16 to 83.5% in 2016-17 of the total operating expenditures budget (cash basis – excluding amortization). This decrease was a direct result of strategic decisions such as the 2013 Academic Voluntary Retirement Program, with savings realized over the 2014-15 to 2016-17 fiscal years, and the additional measures that were implemented to ensure replacement positions involve additional scrutiny and consultation. 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) 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.

3.2.2 Fixed Costs

While quite modest this year, fixed costs continue to grow and represent a factor in the development of the 2016-17 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:

- A 2% decrease for our utilities has been budgeted for both 2016-17 and 2017-18 and a slight increase of 1% for 2018-19. 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, thus resulting in no budgeted increase in utilities. It is unknown at this time the impact of the new Provincial carbon tax or the impact of the depressed energy sector on future utility costs for the University. A \$1/gigajoule increase in natural gas equates to \$150,000 increase in utility costs.
- Provided an increase to our insurance premiums budget of 5% in each of the next three years 2016-17 to 2018-19.
- Information Technology licenses and contracts budget will increase by 34% in 2016-17 due to new contracts, estimated contractual increases and U.S. dollar exchange rates. A further increase of 4% has been budgeted for 2017-18.

4 OPERATING BUDGET ASSUMPTIONS

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			
	2016-17	2017-18	2018-19
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. For 2016-17 the University faced reductions of \$3.2 million, even with a 2% Campus Alberta operating grant increase. Given the uncertainty in the Province regarding the level of grant funding, BAC requested that every faculty/department strategically prioritize where the reductions would be made to satisfy a 4% reduction in budgeted expenditures or revenue generation opportunities. Based on this prioritization exercise using our framework of values and the University's "Destination 2020" Strategic Plan, budget reductions were submitted to BAC to meet the \$3.2 million required reductions (refer to Appendix C). It is projected the University will be facing deficits in 2017-18 and 2018-19, with a total cumulative reduction required of \$4.8 million.

Proposed Operating Fund Budget Changes
(cash basis - excluding amortization)
(\$000)

	2016-17			2017-18	2018-19
	Projected Budget using Budget Assumptions	Allocation of Revenue & Expense Changes	Proposed	Proposed	Proposed
Prior Year Budgeted Expenditures (excludes amortization):	\$ 153,190	\$ -	\$ 153,190	\$ 158,331	\$ 163,249
Cost Increases (Decreases) for existing programs					
Salaries & Benefits	\$ 2,233	\$ (1,989)	\$ 243	\$ 4,045	\$ 3,564
Materials & Services	\$ 2,772	\$ 2,310	\$ 5,082	\$ (957)	\$ 283
Capital & Equipment	\$ 1,896	\$ (2,080)	\$ (185)	\$ 1,829	\$ 90
Operating Funds Required	\$ 160,090	\$ (1,759)	\$ 158,331	\$ 163,249	\$ 167,186
Prior Year Budgeted Revenue (excludes amortization and reserves):	\$ 153,190	\$ -	\$ 153,190	\$ 158,331	\$ 160,337
Campus Alberta Grant Change	\$ 1,984	\$ -	\$ 1,984	\$ 2,024	\$ 2,064
General Fee Increase	\$ 1,426	\$ 399	\$ 1,826	\$ 9	\$ 22
Investment Income Change	\$ -	\$ 1,000	\$ 1,000		
Miscellaneous Other Revenues	\$ 264	\$ 67	\$ 331	\$ (26)	\$ 3
Operating Funds Available	\$ 156,864	\$ 1,467	\$ 158,331	\$ 160,337	\$ 162,427
Annual Reductions Required	\$ (3,226)	\$ 3,226	\$ -	\$ (2,911)	\$ (1,848)
Cumulative Reductions Required	\$ (3,226)	\$ 3,226	\$ -	\$ (2,911)	\$ (4,759)

4.1 BUDGET ADJUSTMENTS

4.1.1 University Wide Initiatives

Operating budget allocations 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
- Professional supplements
- Scholarships and awards
- Insurance and utilities

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

4.1.2 Life Cycle Equipment Replacement

The annual funding for equipment and software replacement program was restored in 2016-17 to 2014-15 levels of \$1,484,000 (2015: \$0).

4.1.3 Base Level Operating Expense Budget

Faculties and departments receive an allocation for base level operating expenditures at the same funding levels as 2015-16. The allocation is calculated at 5% of the average salary expense in each budget unit.

4.1.4 Ancillary Services and Parking Services – Contribution to Operating

Ancillary Services and Parking Services are required to operate on a cost recovery basis and therefore reimburses the operating budget for services from Financial Services, Human Resources, Information Technology and Facilities. Ancillary Services is contributing an additional \$200,000 (2015: \$500,000) and Parking Services contributes \$465,000 (2015: \$685,000) to the operating budget. This contribution means reduced funds available for capital expenditures and maintenance within Ancillary and Parking Services. The contributions are less than the previous year since Ancillary Services is undergoing significant revenue reductions as a result of the closing of Piikani and Kainai for exterior repairs over the next two years and Parking Services will have a reduction in parking revenue due to the Housing repairs and the anticipated closure of Lot K on May 1, 2016 due to the Destination Project construction laydown area.

5 STRATEGIC PLAN ALLOCATIONS

The University updated its Strategic Plan last year, with the Board of Governors approving the “Destination 2020”, Strategic Plan 2014-2019 in December 2013. 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 believe in academic freedom.
- Research and acquiring knowledge are inherent societal goods and ends in themselves.
- We encourage and support research, scholarship, critical inquiry, and creative performance, in all areas in which we teach, and in areas of special relevance locally, nationally, and globally.
- We conduct research in many forms, including that with the broadest scope and longest term, and communicate the outcome of these efforts.
- Wherever appropriate we connect our research and scholarship to the needs and aspirations of the communities we serve. We sustain, and provide access to, the scholarly resources and knowledge base needed for research, scholarship and creative activity.

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.

- 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 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.

5.1 STRATEGIC DIRECTION: EXCEL AS A COMPREHENSIVE UNIVERSITY

<p>Strategic Priorities (Priorities are not listed in rank order)</p>
<ul style="list-style-type: none"> • Create and grow graduate programs and a culture of graduate education. • Broaden our base of undergraduate programming. • Grow the financial resource base of the University. • Create a physical and intellectual environment that fosters and promotes creativity, research, and innovation. • Preserve and enhance our focus on teaching excellence. • Hire excellent professors that contribute to the continued success of the University in teaching and research.
<p>New Initiatives Supporting this Strategic Direction</p>
<ul style="list-style-type: none"> • Two new PhD options were approved by the ministry. A PhD in Population Studies and Health and the PhD in Cultural, Social, and Political Thought. • The University will be filling nine Board of Governor Research Chairs positions in 2016-17 which will bring the total to forty six. The goal is 50 Chair positions by our 50th Anniversary. • Reinstate Lifecycle Replacement funding which funds replacement of equipment and software used for teaching. • Supplement funding for Library acquisition budget which has seen a significant decline in purchasing power due to the changes in foreign exchange rates. • Investment in the Faculty of Management in an effort to gain Association to Advance Collegiate Schools of Business (AACSB) accreditation. • Teaching Centre launched a new Shop-Talk workshop series that provides tutorial sessions on a variety of teaching topics including effective use of classroom technology.

5.2 STRATEGIC DIRECTION: INSPIRE AND SUPPORT STUDENT POTENTIAL

Strategic Priorities (Priorities are not listed in rank order)

- Refine and promote liberal education.
- Evaluate and evolve student recruitment strategies.
- Develop and implement student retention strategies.
- Expand internationalization of the University.
- Promote and enhance diversity within the University.
- Engage students in a welcoming environment that supports learning, discovery, and creativity and promotes model citizenship.
- Enhance the experience for FNMI (First Nations, Metis and Inuit) students.
- Ensure the health, safety, and security of students.
- Recognize and promote the essential role of staff in keeping the campuses welcoming and functioning.
- Continue to encourage academic & administrative units to work together to enhance the student experience.

New Initiatives Supporting this Strategic Direction

- Continue to fund Quality Initiatives Program allocations for student initiatives.
- A new dual admission program between Medicine Hat College and University of Lethbridge.
- Continue to provide funding for growing graduate education.
- The University of Lethbridge is the first Canadian post-secondary institution to join the Jed & Clinton Health Matters Campus Program in support of student well-being and mental health.
- Funding provided for revamping the timetabling process which will improve academic space utilization to expand program offerings.
- Investment in FNMI, Counselling and Enrolment Services positions.
- Funding provided for registration/event booking software that will be used by Sport and Recreation Services, Arts and Science Summer Camps, Theatre, Music Conservatory.
- 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.
- Investment in administrative information systems (BANNER revitalization) to provide more streamlined services.

5.3 STRATEGIC DIRECTION: BUILD INTERNAL COMMUNITY AND ENHANCE RELATIONSHIPS WITH EXTERNAL COMMUNITIES

Strategic Priorities (Priorities are not listed in rank order)
<ul style="list-style-type: none"> • Continue to build a healthy, supportive, and collaborative environment and culture that promotes students, faculty, staff, and alumni success and satisfaction. • Continue to develop bridges to Lethbridge and southern Alberta communities. • Strengthen links to regional centres of excellence in research and development.
New Initiatives Supporting this Strategic Direction
<ul style="list-style-type: none"> • People Plan was approved in December 2015 and work is underway on the implementation of the plan. • The Living Well at the University of Lethbridge Employee Health and Wellness Survey was completed. • Penny Building houses Research programs, community rooms, Volunteer Lethbridge, Student Art Gallery and University Advancement. • Development of the Coutts Centre. • 50th Anniversary committee is coordinating celebration events.

5.4 STRATEGIC DIRECTION: PROMOTE ACCESS TO QUALITY, AFFORDABLE POST-SECONDARY EDUCATION

Strategic Priorities (Priorities are not listed in rank order)
<ul style="list-style-type: none"> • Develop a sustainable strategy for delivering programs outside Lethbridge. • Maintain and enhance working alliances with other educational service providers and stakeholders.
New Initiatives Supporting this Strategic Direction
<ul style="list-style-type: none"> • Continue to expand course offerings at the Calgary campus. • Pilot dual credit initiative with Lethbridge Collegiate Institute started fall 2015. • Dual admission programs with College of the Rockies and Medicine Hat College allow seamless transitions to the University. • Continue to support student scholarships from operating budget.

5.5 STRATEGIC DIRECTION: ENHANCE THE SUSTAINABILITY OF THE UNIVERSITY

Strategic Priorities (Priorities are not listed in rank order)
<ul style="list-style-type: none"> • Continue to transform the University into a sustainable community. • Wherever possible, incorporate sustainability into teaching, learning, and research. • Promote sustainability inside and outside the University.
New Initiatives Supporting this Strategic Direction
<ul style="list-style-type: none"> • Pilot project to build a Socratic seminar room and collaborative meeting space. • Support review of carbon footprint of renovations, alterations, and infrastructure renewal projects. • Maintain structural monitoring of University facilities.

6 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 2016-17 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 2016-17:
 - Scholarships, Grants, Bursaries \$ 23,500
 - Academic Enhancement \$ 7,755
(includes speakers, events, orientation & thesis needs)

\$446,500

7 2016-17 OPERATING REVENUES

	2014-2015	2014-2015	2015-2016	2015-2016	2016-2017
	Original Budget	Actual	Original Budget	Projected Actuals	Original Budget
Student Tuition and Fees					
Student Tuition	33,379,571	33,527,804	33,510,784	34,319,101	35,212,948
Subtotal Tuition	33,379,571	33,527,804	33,510,784	34,319,101	35,212,948
Special Program Fees					
MA/MSc/MFA	1,014,730	1,174,338	1,171,500	1,217,677	1,014,730
Master of Education	470,959	601,814	481,740	569,902	470,959
MSc/Mgt	201,200	129,671	190,000	138,734	201,200
Master of Counselling	305,601	341,110	312,320	325,429	305,601
Ph.D.	435,000	484,779	485,000	530,309	435,000
Subtotal Special Program Fees	2,427,490	2,731,713	2,640,560	2,782,051	2,427,490
Incidental Fees					
Student Administration Fees	2,525,000	2,810,299	2,765,000	2,846,922	2,765,000
Music Conservatory Fees	389,571	553,290	353,155	632,728	454,212
Athletic & Recreation Services Fees	1,907,900	1,926,678	1,886,313	1,956,255	1,997,813
English Language Fees	614,490	564,340	617,896	568,454	626,361
Other Miscellaneous Fees	1,140,050	1,267,310	953,280	1,176,241	1,181,350
Subtotal Incidental Fees	6,577,011	7,121,917	6,575,644	7,180,600	7,024,736
Total Tuition and Fees Revenues	42,384,072	43,381,434	42,726,988	44,281,752	44,665,174
Other Revenues					
Campus Alberta Grant	96,810,917	96,810,917	99,217,596	99,217,596	101,201,948
Federal and Other Government Grants	2,198,127	2,260,025	4,045,074	4,101,608	4,080,209
Donations and Other Grants	45,000	691,763	51,000	37,191	16,000
Investment Income*	3,000,000	5,790,924	4,000,000	21,001,366	5,000,000
External Cost Recoveries	2,807,209	5,025,492	3,149,706	4,883,256	3,367,587
Total Other Revenues	104,861,253	110,579,121	110,463,376	129,241,017	113,665,744
Total Tuition and Other Revenues	147,245,325	153,960,555	153,190,364	173,522,769	158,330,918
Appropriations					
Reserve Transfers	(87,500)	494,289	(87,500)	(447,343)	(587,500)
Amortization of Deferred Capital Contributions	15,000,000	11,335,500	15,000,000	11,329,730	15,000,000
Subtotal Appropriations	14,912,500	11,829,789	14,912,500	10,882,388	14,412,500
Total University Revenues	162,157,825	165,790,344	168,102,864	184,405,157	172,743,418
* NOTE	The 2015-16 Investment Income is an anomaly as a result of a change in Investment Managers and therefore the majority of the University investment portfolio was sold and transferred to new Investment Managers, resulting in the realization of previously unrealized investment gains. Due to investment account obligations, the entire amount was reinvested, with no cash realized or available for spending.				

8 2016-17 OPERATING EXPENDITURES

	2014-2015	2014-2015	2015-2016	2015-2016	2016-2017
	Original Budget	Actual	Original Budget	Projected Actuals	Original Budget
EXPENDITURES					
Academic Units					
Arts & Science	36,141,914	33,828,194	37,043,574	36,432,373	39,309,506
Education	7,534,711	8,283,809	8,651,580	8,351,982	8,748,152
Management	11,119,362	11,262,441	10,938,755	11,089,133	11,132,018
Fine Arts	9,897,782	10,085,151	9,599,759	10,504,305	10,320,781
Health Sciences	6,157,780	6,008,566	6,457,477	6,106,044	6,618,552
Campus North	1,132,473	1,072,196	1,028,552	988,319	902,617
Graduate Studies	3,039,996	4,054,689	3,495,294	3,698,436	3,494,742
Library	3,861,693	3,978,055	4,229,627	3,956,966	4,093,995
Library - Acquisitions	2,241,085	2,401,216	2,131,085	2,493,115	2,363,711
Faculty Travel	152,600	133,169	152,600	158,112	152,600
Study Leave Removal Fund	35,000	35,000	35,000	42,817	35,000
Research Grants	253,700	64,694	253,700	54,125	253,700
Faculty Retention - Board Chairs	215,000	200,000	280,000	300,000	280,000
Faculty Retention - Course Relief	100,000	100,000	100,000	100,000	100,000
Total Academic Units	81,883,096	81,507,180	84,397,003	84,275,726	87,805,374
Support Units					
Board of Governors/Office of the President	1,208,204	1,198,169	1,134,373	1,170,476	1,182,761
University Advancement	3,304,420	3,390,218	3,328,573	3,510,292	3,052,084
Vice President (Academic)	1,295,927	1,271,351	1,320,314	1,280,301	1,311,880
Teaching Centre	1,040,894	971,081	1,041,733	1,058,997	1,070,343
Institutional Analysis	303,429	313,001	337,023	364,895	434,632
Scholarships & Student Finance	1,537,000	326,977	1,537,000	1,529,958	1,561,000
Student Services	6,355,144	6,684,612	7,004,832	6,649,990	6,766,948
International Centre	1,254,113	1,145,993	1,397,803	1,389,359	1,410,532
Art Gallery	360,996	916,872	364,817	367,957	372,538
Vice President (Research)	2,090,475	1,877,899	1,749,769	1,773,548	1,939,040
Vice President (Administration & Finance)	563,804	536,357	561,488	554,629	587,812
Sports & Recreation Services	5,082,900	5,153,368	4,178,153	5,355,636	4,866,859
In House Legal Counsel	314,492	331,964	400,508	362,958	418,147
Internal Audit	136,014	98,261	131,358	126,930	133,767
Information Technology	9,846,786	9,554,606	7,677,999	9,336,482	10,906,544
Financial Services	3,713,229	3,482,382	3,697,278	3,566,869	3,808,190
Facilities	12,215,907	13,764,593	14,361,352	12,673,919	12,342,759
Human Resources	2,844,513	2,943,291	2,828,326	2,857,880	2,729,011
Position Funds	6,784,505	-	5,937,669	-	7,557,372
Contingencies	2,000,000	-	4,224,647	-	2,856,771
Central Administration	2,921,977	4,933,799	5,390,846	5,151,120	4,479,054
Strategic Priorities	-	7,574,418	-	6,963,889	-
Non-Recurring/Carry Forward	-	3,743,628	-	1,764,775	-
Total Support Units	65,174,729	70,212,840	68,605,861	67,810,862	69,788,044
Appropriations					
Capital	100,000	1,574,327	100,000	1,662,686	150,000
Amortization of Capital Assets	15,000,000	19,353,539	15,000,000	19,400,000	15,000,000
Total Appropriations	15,100,000	20,927,866	15,100,000	21,062,686	15,150,000
Total University Operating Expenditures	162,157,825	172,647,886	168,102,864	173,149,274	172,743,418
Unfunded Liability - UAPP	1,700,000	(361,000)	641,000	-	-
Surplus (deficit)	-	(6,496,542)	-	11,255,883	-

9 RECOMMENDATION – APPROVE 2016-17 BUDGET

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

That the Board of Governors approves the 2016-17 budget as presented, and approves the budgets for the two years 2017-18 and 2018-19 in principle.

10 APPENDIX A – CONSOLIDATED BUDGET

10.1 PROPOSED BUDGET BY FUND & BY OBJECT

The University of Lethbridge							
2016-2017 Budget By Fund - by Object							
(\$000)							
	General	Ancillary	Eliminate	Restricted	2016-2017	2017-2018	2018-2019
	Operating	Enterprises ⁽¹⁾	Internal	Funds	Proposed	Proposed	Proposed
			Transactions ⁽²⁾		Budget	Budget	Budget
REVENUES							
Campus Alberta Grant	101,202	-	-	7,518	108,720	112,777	114,839
Federal and other government grants	4,080	-	-	6,443	10,523	8,452	8,452
Student tuition and fees	44,665	-	-	-	44,665	44,674	44,698
Sales of services and products	3,368	13,156	(1,636)	165	15,053	18,432	19,487
Donations and other grants	16	88	-	3,322	3,426	3,461	3,461
Investment income	5,000	111	-	2,440	7,551	7,551	7,570
Reserve	(588)	-	-	-	(588)	(583)	(573)
Amortization of deferred capital contributions	15,000	-	-	-	15,000	15,000	15,000
	172,743	13,356	(1,636)	19,888	204,351	209,764	212,934
EXPENDITURES							
Salaries	109,392	3,206	-	10,508	123,106	126,637	129,732
Benefits	22,343	607	-	916	23,865	24,258	24,866
Supplies and service	17,429	4,473	(1,636)	3,901	24,167	28,354	29,177
Utilities	3,353	432	-	-	3,785	3,960	4,014
Repairs and maintenance	442	405	-	1,903	2,750	2,679	2,737
Scholarships, bursaries and awards	2,844	-	-	2,660	5,504	5,575	5,575
Cost of goods sold	6	3,289	-	-	3,295	3,232	3,166
Capital	1,934	-	-	-	1,934	1,934	1,934
Amortization of capital assets	15,000	75	-	-	15,075	15,067	15,059
	172,743	12,486	(1,636)	19,888	203,481	211,696	216,259
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	870	-	-	870	(1,933)	(3,326)
Unfunded Liability - UAPP	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	870	-	-	870	(1,933)	(3,326)
Notes:							
⁽¹⁾ Includes Ancillary Services and Parking Services							
⁽²⁾ General Operating internal sales netted against expenses							

10.2 PROPOSED BUDGET BY FUNCTION

The University of Lethbridge	
2016-2017 Budget by Fund - by Function	
(\$000)	
	2016-2017
	Proposed
	Budget
REVENUES	
Government of Alberta grant	108,720
Federal and other government grants	10,523
Student tuition and fees	44,665
Sales of services and products	15,053
Donations and other grants	3,426
Investment income	7,551
Reserve	(588)
Amortization of deferred capital contributions	15,000
	204,351
EXPENDITURES	
Academic costs and institutional support	145,400
Sponsored research	12,526
Special purpose and trust	5,460
Ancillary services	10,775
Facility operations and maintenance	14,245
Amortization	15,075
	203,481
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	870
Unfunded Liability - UAPP	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	870

10.3 RESTRICTED FUNDS

Restricted Funds (\$000)
2016-2017

	Sponsored Research	SR Deferred	Special Purpose and Trust	SPT Deferred	Scholarship, Bursaries and Other	SBO Deferred	Capital and Infrastructure	CI Deferred	TOTAL	Deferred Contributions	2016-2017 Net
REVENUE											
Government of Alberta grants	6,300	(970)	486	-	-	-	2,526	(824)	9,312	(1,793)	7,518
Federal and other government grants	8,200	(1,939)	183	-	-	-	-	-	8,383	(1,939)	6,443
Student tuition and fees	-	-	-	-	-	-	-	-	-	-	-
Sales of services and products	-	-	163	-	2	-	-	-	165	-	165
Donations and other grants	935	-	1,600	103	425	259	-	-	2,960	362	3,322
Investment income	-	-	740	-	1,500	-	200	-	2,440	-	2,440
Amortization of deferred capital contributions	-	-	-	-	-	-	-	-	-	-	-
	15,435	(2,909)	3,172	103	1,927	259	2,726	(824)	23,259	(3,371)	19,888
EXPENDITURES											
Salaries	8,046	-	1,763	-	700	-	-	-	10,508	-	10,508
Benefits	550	-	279	-	86	-	-	-	916	-	916
Supplies and service	2,930	-	831	-	140	-	-	-	3,901	-	3,901
Utilities	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	1	-	-	-	1,902	-	1,903	-	1,903
Scholarships, bursaries and awards	1,000	-	400	-	1,260	-	-	-	2,660	-	2,660
Cost of goods sold	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
Amortization of capital assets	-	-	-	-	-	-	-	-	-	-	-
	12,526	-	3,274	-	2,186	-	1,902	-	19,888	-	19,888
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	2,909	(2,909)	(103)	103	(259)	259	824	(824)	3,371	(3,371)	-

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11 APPENDIX B – ONE TIME FUNDING

OPERATING ONE TIME FUNDING AVAILABILITY		PROJECTED		
as of March 24, 2016		One Time Funding	Carryover Fund Balance	Total One Time Funding Available
Description				
University Contingency	Unallocated continuing funds.	\$ 378,000		
Salary Contingency		\$ 4,400,000		
One time position fund savings	Due to timing differences between vacancy and replacement	\$ 360,000		
Strategic Priorities	Unallocated balance	\$ 2,623,438		
TOTAL ONE TIME FUNDING AVAILABLE		\$ 7,761,438		
Less:				
2016-17 Strategic Priority requests		\$ (786,300)		
		\$ 6,975,138	\$ 3,500,000	\$ 10,475,138
			10% of Annual Operating Budget	\$ 16,810,400
			Shortfall in Surplus held as per Section 5.2	\$ (6,335,262)

Carryover Fund Policy

5. Total Carryover Fund Balance Guideline

5.1 As a general guideline, total carryover fund balances will be maintained at 10% - 12% of the University's annual operating budget. This amount is meant to maintain short-term financial flexibility, as well as provide funds for strategic priorities.

5.2 If total carryover fund balances are under 10% or over 12% of the University's annual operating budget, Senior Administration will review the budget situation and recommend to the Board appropriate action.

2016-17 Strategic Priority One Time Allocations			
Group	Strategic Direction	Description	2016-17 Proposed Allocation
Academic	Excel as a Comprehensive University	Pilot program to increase B Music core (studio) program enrolment	\$ 110,000
Academic	Inspire and Support Student Potential	Edmonton Campus	\$ 136,400
Academic	Inspire and Support Student Potential	Library temporary positions	\$ 68,000
Academic Support	Inspire and Support Student Potential	Timetabling process review and software	\$ 181,900
Academic Support	Excel as a Comprehensive University	Pilot project - Seminar classroom/collaborative meeting room	\$ 100,000
Academic Support	Inspire and Support Student Potential	Testing Centre secure storage	\$ 15,000
Advancement	Build Internal Community & Enhance Relationships with External Communities	50th Anniversary planning	\$ 50,000
Finance & Administration	Inspire and Support Student Potential	Locker room renovation	\$ 25,000
Finance & Administration	Inspire and Support Student Potential	Integrated booking, registration, membership software	\$ 100,000
			\$ 786,300

12 APPENDIX C – REQUIRED ANNUAL OPERATING REDUCTIONS

2016-17 Required Annual Operating Reductions

Faculty/Department	Reduction Amount
Provost & Vice President (Academic) - Academic Units	
Arts & Science	447,484
Fine Arts	307,000
Education	279,874
Management	257,435
Health Sciences	129,170
Library	122,300
Campus North	72,500
Graduate Studies	26,080
Provost & Vice President (Academic) - Academic Support Units	
Provost & Vice President (Academic) Position Funds	260,606
Associate Vice President (Students)	199,268
Information Technology	185,877
Teaching Centre	57,000
Provost & Vice President (Academic)/Institutional Analysis	53,108
International Centre	14,438
Art Gallery	11,292
Vice President (Finance and Administration) Units	
Vice President (Finance & Administration) Position Funds	175,472
Facilities	242,605
Sport and Recreation Services	96,439
Human Resources	79,092
Financial Services	56,197
Academic Support Units	
University Advancement	74,362
Research Services	47,393
President's Office	31,652
	<u>3,226,644</u>
Comprised of:	
Revenue increases	281,768
Position reductions	2,797,024
Expense reductions	147,852
	<u>3,226,644</u>

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13 APPENDIX D – BUDGET ADVISORY COMMITTEE MEMBERSHIP 2016-2017

BUDGET ADVISORY COMMITTEE MEMBERSHIP

2016-17

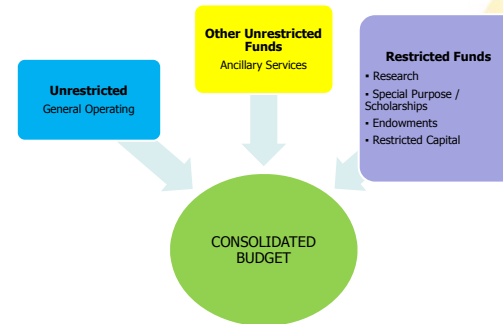
Chairs:	Provost & Vice-President (Academic)	Andy Hakin	
	Vice-President (Finance & Administration)	Nancy Walker	
Membership:	President or Designate	Laurel Corbiere	
	Vice-President (Research)	Erasmus Okine	
	Vice-President (Advancement)	Chris Horbachewski	
	Associate Vice-Presidents	Lesley Brown	
		Matthew Letts/Claudia Malacrida	
		Elaine Carlson	
		Judith Lapadat	
		Carrie Takeyasu	
	Deans/University Librarian	Bob Boudreau	Chris Hosgood
		Ed Jurkowski	Craig Loewen
		Craig Cooper	Chris Nicol
		Rob Wood	Lorne Williams
	Executive Directors	Jim Booth	TJ Hanson
		Mark Humphries	Susie Kennedy
		Ken McInnes	John O’Keeffe
		Tanya Jacobson-Gundlock	Paul Pan
	GSA Vice-President (Finance)	Gurpreet Singh/Kayla Ueland	
	ULSA Vice-President (Finance)	Chris Vokey/Brenna Scott/Michael Gale	
	Resource	Marnie Sawa	

University of
Lethbridge



2016-2017 BUDGET

2016-2017 Budget



2016-2017 Budget

- Budget Advisory Committee recommended the 2016-2017 general operating budget to President's Executive for approval
- The President recommends the budget to the Board of Governors Finance Committee, who in turn recommends it to the Board of Governors for approval

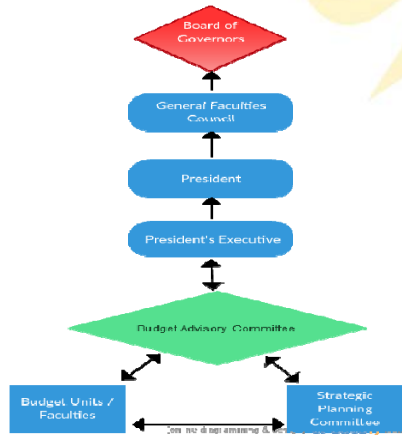


Budget Guiding Principles

- Values
 - Our people define our University and are our greatest strength
 - High quality is central to all that we do
 - Access to our University is a foundational value
- Budget process is very rigorous and open
- Decisions are made within the context of the University's Strategic Plan
- Decisions made with a view of long term consequences
- Decisions made with purpose of maintaining stability



BUDGET PROCESS



2016-17 Budget Model Guidelines

- Budget Model only impacts Operating funds
- Budget Model components:
 - Revenue – Government grants and Fees
 - Position Funds
 - Operating Expenses
- Carryover Policy

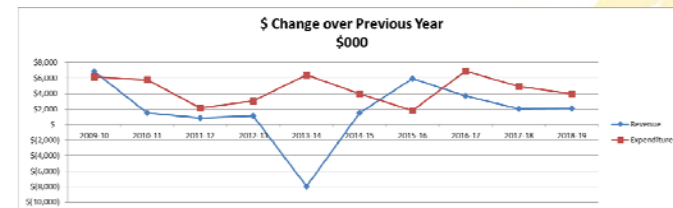


2016-2017 Budget Assumptions

Revenue Budget Assumptions			
	2016-17	2017-18	2018-19
Revenue			
Campus Alberta Grant change	2.0%	2.0%	2.0%
Instructional fee increase	0.0%	0.0%	0.0%



2016-17 Operating Change



- Expenditures budgeted increases have exceeded the revenue budget change.
- Exception is in 2015-16 due to the change in the Provincial Government and the subsequent change in the Campus Alberta Grant midway through the year.



Proposed Operating Fund Budget Change

Proposed Operating Fund Budget Changes (cash basis - excluding amortization)					
(\$000)					
	2016-17		2017-18	2018-19	
	Projected Budget using Budget Assumptions	Allocation of Revenue & Expense Changes	Proposed	Proposed	Proposed
Prior Year Budgeted Expenditures (excludes amortization):	\$ 153,190	\$ -	\$ 153,190	\$ 158,331	\$ 163,249
Cost Increases (Decreases) for existing programs	\$ 2,233	\$ (1,989)	\$ 243	\$ 4,045	\$ 3,564
Salaries & Benefits	\$ 2,233	\$ (1,989)	\$ 243	\$ 4,045	\$ 3,564
Materials & Services	\$ 2,772	\$ 2,310	\$ 5,082	\$ (957)	\$ 283
Capital & Equipment	\$ 1,896	\$ (2,080)	\$ (185)	\$ 1,829	\$ 90
Operating Funds Required	\$ 160,090	\$ (1,759)	\$ 158,331	\$ 163,249	\$ 167,186
Prior Year Budgeted Revenue (excludes amortization and reserves):	\$ 153,190	\$ -	\$ 153,190	\$ 158,331	\$ 160,337
Campus Alberta Grant Change	\$ 1,984	\$ -	\$ 1,984	\$ 2,024	\$ 2,064
General Fee Increase	\$ 1,426	\$ 399	\$ 1,826	\$ 9	\$ 22
Investment Income Change	\$ -	\$ 1,000	\$ 1,000	\$ -	\$ -
Miscellaneous Other Revenues	\$ 264	\$ 67	\$ 331	\$ (26)	\$ 3
Operating Funds Available	\$ 156,864	\$ 1,467	\$ 158,331	\$ 160,337	\$ 162,427
Annual Reductions Required	\$ (3,226)	\$ 3,226	\$ -	\$ (2,911)	\$ (1,848)
Cumulative Reductions Required	\$ (3,226)	\$ 3,226	\$ -	\$ (2,911)	\$ (4,759)



2016-17 Required Operating Budget Reductions

Faculty/Department	Reduction Amount
Provost & Vice President (Academic) - Academic Units	
Arts & Science	447,484
Fine Arts	307,000
Education	279,874
Management	257,435
Health Sciences	125,110
Library	122,300
Campus North	72,500
Graduate Studies	25,080
Provost & Vice President (Academic) - Academic Support Units	
Provost & Vice President (Academic) Position Funds	260,606
Associate Vice President (Students)	199,268
Information Technology	185,877
Teaching Centre	87,000
Provost & Vice President (Academic)/Institutional Analysis	53,108
International Centre	14,438
Art Gallery	11,292
Vice President (Finance and Administration) Units	
Vice President (Finance & Administration) Position Funds	175,472
Facilities	242,605
Sport and Recreation Services	96,439
Human Resources	79,692
Financial Services	56,197
Academic Support Units	
University Advancement	74,362
Research Services	47,393
President's Office	31,652
	3,226,644
Comprised of:	
Revenue increases	281,768
Position reductions	2,797,024
Expense reductions	147,852
	3,226,644



2016-17 General Operating Budget

The University of Lethbridge 2016-2017 Budget By Fund - by Object (\$000)	
	General Operating
REVENUES	
Campus Alberta Grant	101,202
Federal and other government grants	4,080
Student tuition and fees	44,665
Sales of services and products	3,368
Donations and other grants	16
Investment income	5,000
Reserve	(588)
Amortization of deferred capital contributions	15,000
	172,743
EXPENDITURES	
Salaries	109,392
Benefits	22,343
Supplies and service	17,429
Utilities	3,553
Repairs and maintenance	442
Scholarships, bursaries and awards	2,844
Cost of goods sold	6
Capital	1,834
Amortization of capital assets	15,000
	172,743
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-
Unfunded Liability - UAPP	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-



2016-17 General Operating Budget Scenarios

Proposed Budget Scenarios (cash basis - excluding amortization)				
(\$000)				
	2016-17	2016-17	2016-17	
	Scenario 1	Scenario 2	Scenario 3	
	2% Grant Increase	1% Grant Increase	0% Grant Increase	
Prior Year Budgeted Expenditures (excludes amortization):	\$ 153,190	\$ 153,190	\$ 153,190	
Cost Increases (Decreases) for existing programs	\$ 2,233	\$ 2,233	\$ 2,233	
Salaries & Benefits	\$ 2,233	\$ 2,233	\$ 2,233	
Materials & Services	\$ 2,772	\$ 2,772	\$ 2,772	
Capital & Equipment	\$ 1,896	\$ 1,896	\$ 1,896	
Operating Funds Required	\$ 160,090	\$ 160,090	\$ 160,090	
Prior Year Budgeted Revenue (excludes amortization and reserves):	\$ 153,190	\$ 153,190	\$ 153,190	
Campus Alberta Grant Change	\$ 1,984	\$ 892	\$ -	
General Fee Increase	\$ 1,426	\$ 1,426	\$ 1,426	
Investment Income Change	\$ -	\$ -	\$ -	
Miscellaneous Other Revenues	\$ 264	\$ 264	\$ 264	
Operating Funds Available	\$ 156,864	\$ 155,872	\$ 154,880	
Initial Annual Reductions Required Based on Scenario 1	\$ (3,226)	\$ (3,226)	\$ (3,226)	
Addition Reduction Required	\$ -	\$ (992)	\$ (1,984)	
Total Annual Reductions Required	\$ (3,226)	\$ (4,218)	\$ (5,210)	

