

**REPORT OF THE
UNIVERSITY BUDGET COMMITTEE
ON THE 2007-08 TO 2010-11
UNIVERSITY BUDGET**

MARCH, 2007

The University Budget Committee Report For
The Years 2007-08 to 2010-11

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I. GENERAL

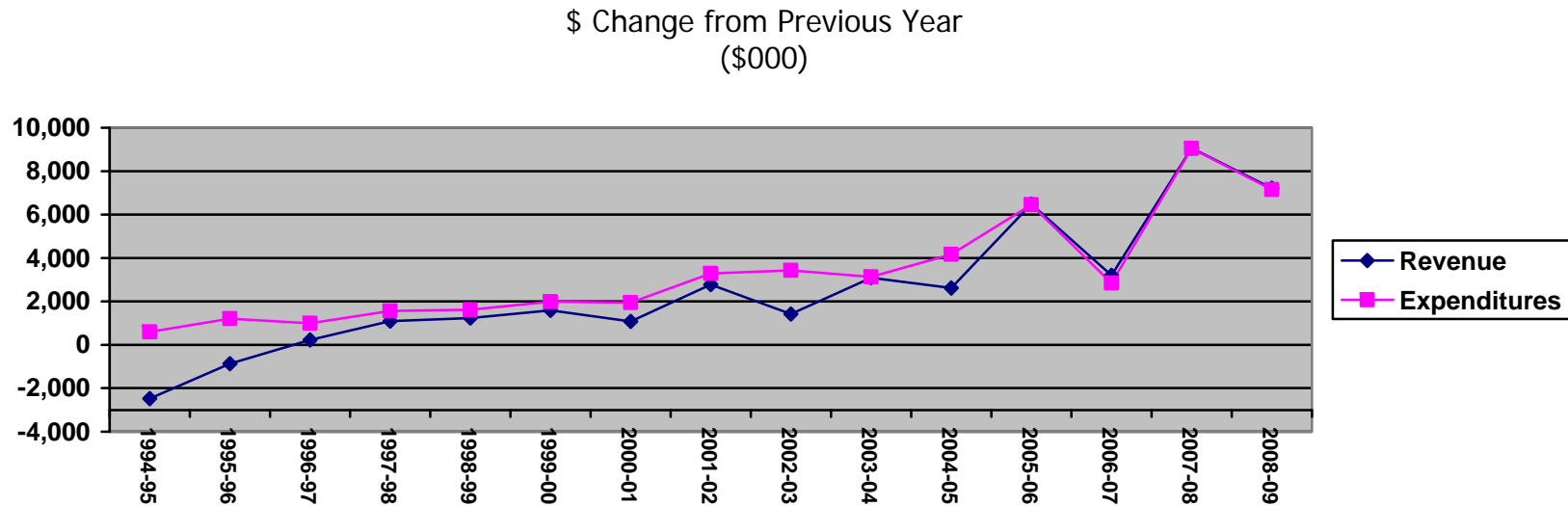
President Bill Cade is pleased to recommend the University of Lethbridge's Operating Budget for fiscal year 2007-08 to the Board of Governors for approval. The proposed operating budget is \$126,001,000 for the upcoming fiscal year which is an increase of \$9,066,900 (7.75%) from the previous year. As in previous years, budget decisions were made after consultation with the University's various budget units. Decisions were also made within the context of the University's strategic planning document, **Our Vision**.

This is the third consecutive budget since 1994 that the institution is not facing reductions. This will allow units to regroup and commit to projects that will provide the institution with more efficiency in operations, address priorities within the institution and provide resources in areas that align with the University's strategic plan. Although reductions will be required in 2009-10 and 2010-11 using conservative budget assumptions, the University will have unallocated general operating funds in 2007-08 of \$19,200 and in 2008-09 of \$62,400.

Through the budget process, the University and the University Budget Committee (UBC) follow certain principles that guide the process each year and set the decision making process. These principles include:

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

The following graph indicates the percentage change in the University's operating revenue and expenditures in current dollars over the past 14 years.



II. PROPOSED REVENUE BUDGET

As noted earlier, the University's overall general fund revenue budget will increase by \$9.07 million in 2007-08. 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. Past experience, however, shows that the budget projections have tracked very closely with realized revenue.

The Government grant provided by Alberta Advanced Education has provided an increase of 6% in 2006-07 and 2007-08 which is a significant increase in the amount the institution has received over past years. The Government has not however provided us with information concerning increases past 2007-08 so we have estimated increases for the last three years of the budget. In addition, the Bachelor of Nursing Collaborative Program and Bachelor of Management Program rolled into the base in 2006-07. The University was also provided with two additional Access Programs in 2006-

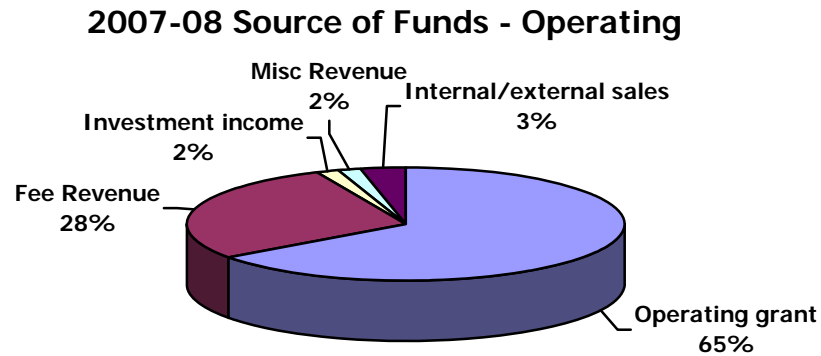
07 including an expansion of the Masters and PhD programs and the Native Transition Program. The total increase in grants in the coming year is \$8,087,700. We have not provided for increases in miscellaneous revenue, investment income or external/internal revenue.

To summarize, the proposed 2007-08 general fund revenue budget is categorized into the following groups:

2007-08 General Operating Revenue by Source

Grant Revenue	\$82,012,600	65.09%
Fee Revenue	35,487,700	28.16%
Investment Income	2,250,000	1.79%
Miscellaneous	2,100,900	1.67%
Internal/external sales	4,139,800	3.28%
Endowment/Trust Revenue	10,000	.01%
Total Projected General Operating Revenue	\$126,001,000	100.00%

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



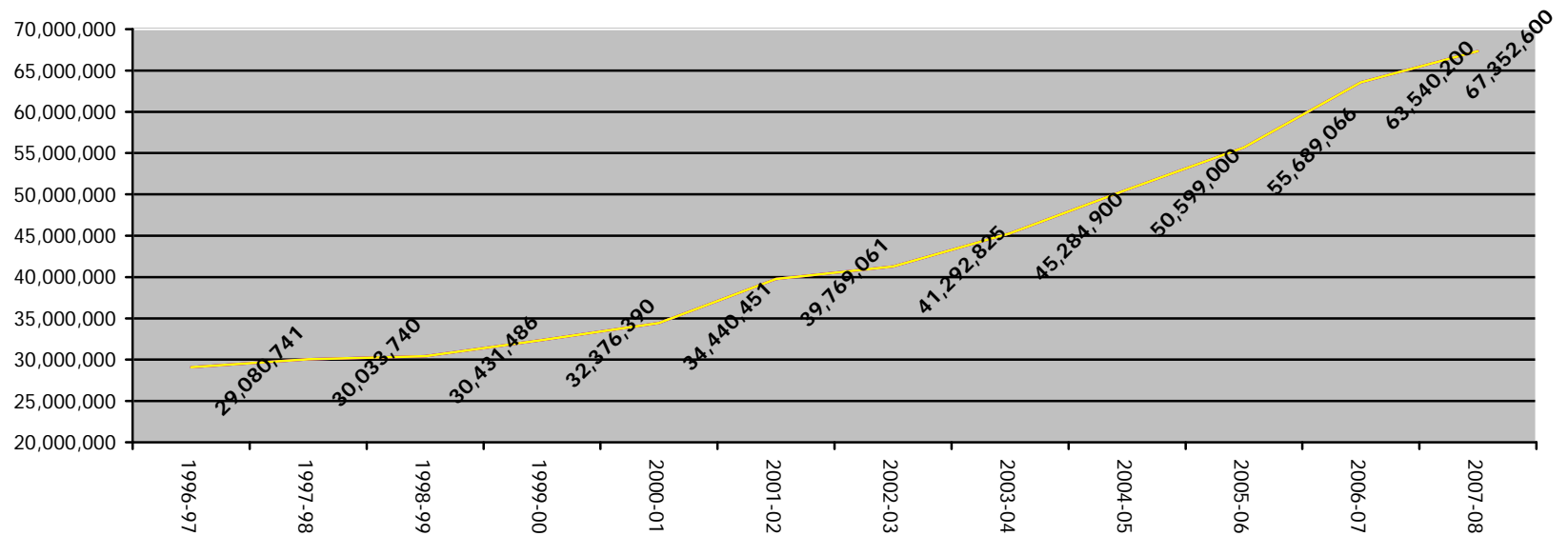
Government Grants

The single largest revenue item for the University is government grants, totaling \$82,012,600. This represents an increase of \$8,087,700 in continuing support, the majority of which is a 6.0% increase in the general operating grant and access grants over last year to reflect general cost pressures. Advanced Education has not announced details of any other additional grants, continuing or one-time, and therefore no other increases have been built into the budget for the coming years. Details of grants have been provided below:

- General operations grant increase of 6% has been provided for in the budget for 2007-08 (\$3,812,400).
- The Collaborative Bachelor of Nursing and the Bachelor of Management Expansion Access Programs were rolled into base in 2006-07.
- Access operations grant increase of 6% for 2007-08 (\$420,400)
- Graduate Program (M.A., M.Sc., PhD.) Expansion and the Native Transition Program (\$3,564,000). This grant is not shown in the general operating budget but is recorded as conditional funding until it is approved by Advanced Education to roll into base operating funding.
- Tuition rebate to offset the increases in tuition fees for 2005-06 and 2006-07 (\$801,600).

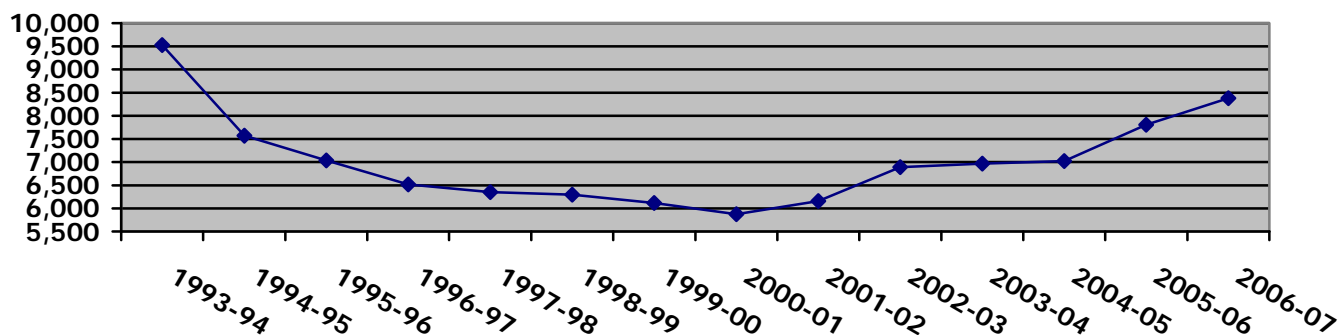
- Performance Envelope funding is now provided on a one-time basis and is dependent on the availability of government funds. Data from each institution is provided to Advanced Education by December 31 with allocations made prior to March 31.

Growth in Operating Grant



Although there has been a steady increase in the operating grant, the grant per student decreased steadily until 2002 when Advanced Education began to provide unfunded enrolment grants to compensate the Universities for the increased access provided to students. Although these grants did not fund the entire cost of students attending the institution, it did provide some relief. The following graph indicates the base operating grant on a per student basis.

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 2007-08, the University projects approximately \$35.5 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 \$1,186,500 or 3.5% over the 2006-07 fiscal year. This increase consists of the tuition fee increase and credit hour increases within each of the academic units. Ninety percent (90%) of tuition and materials and services fees go directly to the academic units to offset expenditures related to teaching.

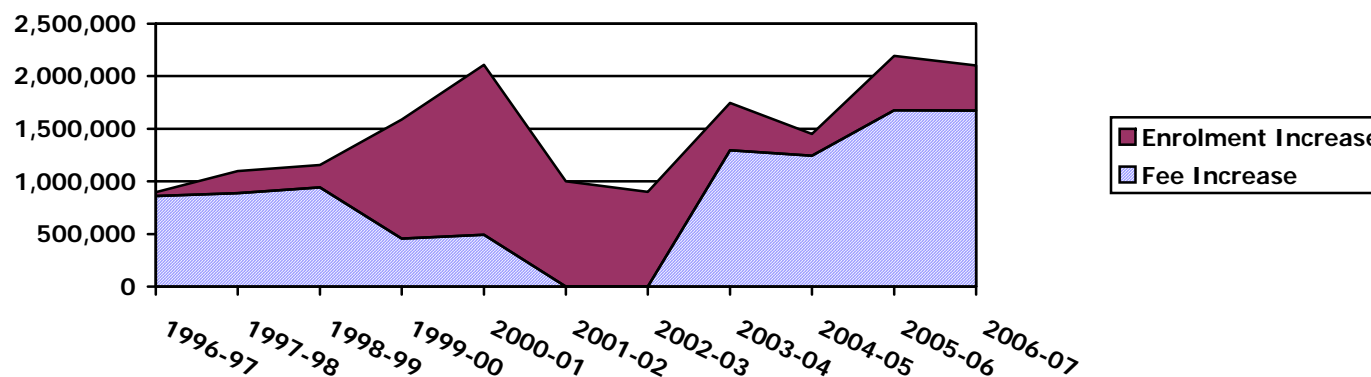
The Board of Governors formally approved the new fee rates for the 2007-08 fiscal year at the December 2006 meeting. Advanced Education introduced a new tuition policy for the 2007 year which rolled back tuition fees to the 2004-05 level and restricts fee increases to the annual average Alberta CPI (using a twelve month period ending in June each year). They have also indicated that they will be providing each institution with additional funding to a minimum of 6% and a maximum of what would be allowed under the old policy, which translates into an increase of 7% for the University of Lethbridge. During the budget planning process, we had the faculties present their budgets using both a 6% and 7% combined increase in fees and government grant. We are using the 6% increase in the budget that is being recommended to the Board of Governors for approval.

The increase in instructional fee revenue provided in the budget is attributed to both increases in fee rates as well as to planned enrolment changes in each of the faculties/schools. This increased enrolment is general growth and does not reflect increases funded through the Access Programs. The following table provides the growth in credit hours, excluding Access funded programs, that each Faculty and School has planned for the next four years to meet their budget requirements.

Credit Hours by Faculty/School						
	Actual 2005-06	Estimated 2006-07	Proposed 2007-08	Proposed 2008-09	Proposed 2009-10	Proposed 2010-11
Arts and Science	108,479	107,707	108,246	109,328	110,421	111,525
Education	13,513	13,700	13,243	13,243	13,243	13,243
Management	33,462	33,159	35,583	36,533	36,533	36,533
Fine Arts	20,249	21,665	21,212	21,212	21,212	21,212
Health Sciences	3,648	4,620	7,778	8,847	10,092	10,176
Total	179,351	180,851	186,062	189,163	191,501	192,689

The following graph depicts the increased revenue provided from instructional fees for the past eleven years and the portion of the increases that is attributed to fee increases and from enrolment growth. Between 2001-02 and 2005-06, the entire increase in fees was attributed to enrolment growth with fees being frozen at the 2000-01 levels.

Instructional Fees - Analysis of Fee Increase

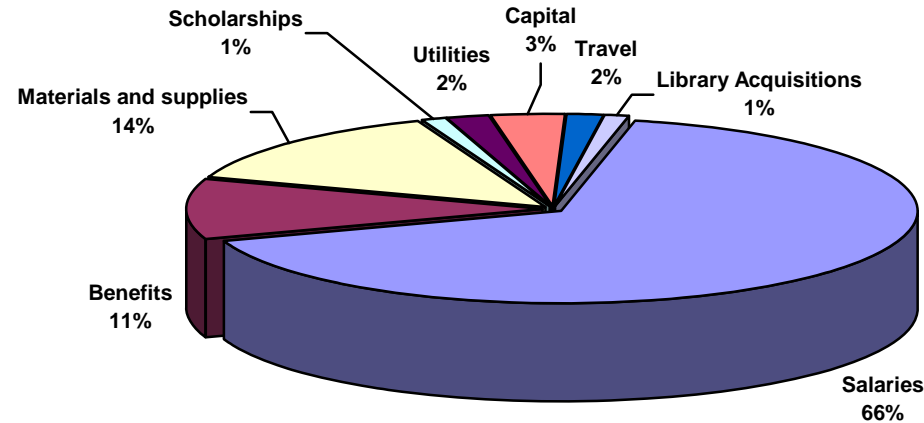


III. PROPOSED EXPENDITURE BUDGET

This is the second year in over ten years that our expenditure line items have not outpaced the growth in our revenues. This is primarily due to more funds being provided through the provincial and federal governments and increases in instructional and other fees.

The following graph illustrates the University's expenditure budget by object of expenditure. The most notable component of the budget is salaries and benefits which make up close to 80% of the total budget (cash basis – excluding amortization).

2007-08 Expenditures (Cash Basis)



As in previous years, the starting point for the 2007-08 operating budget is the projection of the continuing cost base from the 2006-07 year. Projected expenditures remain at prior year levels unless increases are required through contractual or statutory obligations. UBC recognizes that this method of budgeting has had serious consequences for many budget units, including a loss of purchasing power due to inflationary increases and the absorption of costs as enrolment increases. UBC has tried in prior years, through selective reductions, to provide some relief. We have made an effort this year in the continuing allocations to provide for increases where required for general operations to alleviate some of the pressures we have not been able to address over the years due to budgetary constraints.

Each year contractual or statutory increases including salaries and benefits, utilities, insurance, software contracts and maintenance costs, and inflationary increase for library acquisitions are adjusted for automatically in the budget process. These costs are not discretionary and must be paid, and are therefore fully funded on an annual basis.

Compensation Costs

The largest component of the University of Lethbridge's expenditure budget is compensation costs which comprise approximately 80% of the total (cash basis – excluding amortization). Attracting and retaining faculty and staff still remains as one of the Board of Governors' priorities.

The University is in the last year of its agreement with the Faculty Association with contracts being renegotiated for the 2007-08 year. The Alberta Union of Provincial Employees (AUPE) contract was renegotiated last year with a two year agreement being struck. Exempt Support Staff and Administrative Professional Officers wage rates are reviewed and set annually. We have used the rates set in the contracts and have estimated increases in years where the contracts are to be renegotiated.

The remaining increase in benefits results from increases in the salary and wage base which ultimately affects the various fringe benefit budgets.

Fixed Costs

While quite modest this year, fixed costs continue to grow and represent a factor in the development of this year's operating budget. Like compensation cost increases, these increases must be taken off the top of any available new funds to cover the projected cost increases and provide for basic operating needs of a fixed or semi-fixed nature. There are several noteworthy increases and decreases within the fixed cost category:

- Utility costs will increase in the next four years. Although we have a contract for electricity at a fixed rate, any consumption over the contract amount is bought on the free market. With the construction on campus in the past few years, consumption has increased over and above the amounts purchased through the contract. An increase is required to utilities in 2007-08 to adjust for the increased usage. Increases in sewer and water in the past year have also contributed to the large increase in utilities in 2007-08.

- Insurance rates have again increased in the past year, by approximately 16% over the previous year. It is anticipated that the University will continue to experience rate increases ranging between 6 and 16% in the subsequent four years.
- There are anticipated increases in our software contracts of \$30,000 per year for the next four years.
- The Budget Committee has also included an adjustment to the library acquisitions budget equal to the inflationary index anticipated for each year.

IV. OPERATING BUDGET REQUIREMENTS

The past few years have been years of transition for the University Budget Committee. In past years we have had to react to the financial crisis facing the institution with the focus on maintaining quality and trying to balance the budget each year. With the institution not making reductions for the past two years, and the next two years, UBC has tried to provide funds to units to bring staffing levels to a level which meets the workload issues we have been struggling with while trying to make adjustments to balance the budget. Ensuring student programs and services are properly funded, the provision of office and classroom space and increased scholarships have been the focus of this four-year budget. The recommendations detailed later in this report build on the concepts of providing a quality education, quality support services and a research base that will enable the institution to grow and maintain many of the qualities that we are known for.

The operating budget for the next four years has been modeled using a number of assumptions, many of which have been described above. In making these assumptions, the University Budget Committee has taken a conservative approach to ensure that any changes to these assumptions will still allow for sufficient resources to provide for a balanced budget. The assumptions are provided in the table below.

Budget Assumptions				
	2007-08	2008-09	2009-10	2010-11
Revenue				
Grant increase	6.0%	4.0%	3.0%	3.0%
Instructional fee increase	3.3%	2.0%	2.0%	2.0%
Gov't tuition fee subsidy	2.7%	2.7%	-	-
Investment income	-	-	-	-
Expenditures				
Compensation increases - merit	3.25% to 4.0%	Approx. 3.5%	Approx. 3.5%	Approx. 3.5%
- market	Pool established	Pool established	Pool established	Pool established
- benefits	5.0%	5.0%	5.0%	5.0%
Contracts	1.8%	1.8%	1.7%	1.7%
Utilities	6.1%	3.3%	1.5%	1.3%
Insurance	16.0%	13.8%	6.5%	6.1%
Library acquisitions	1.4%	1.4%	1.4%	1.4%

The results of using these assumptions in preparing the budget for the next four years are provided below. The first two years of the proposed budget will result in a nominal surplus each year. The subsequent two years result in deficit budgets based on the conservative assumptions used in building the budgets annually. The government has not indicated the level of operating grants in the years 2008-09 to 2010-11 or whether the tuition subsidy will continue after 2007-08. We have also estimated salary increases for all four years based on provincial and western Canadian settlements reached with Faculty Associations and Support Union groups. Due to the uncertainty of the level of reductions that will be required in years 3 and 4 of the budget, considerable time has not been spent determining how the reductions will be met. General reductions would include the use of available position funds from unfilled positions, reductions in part-time and sessional budgets.

Proposed Operating Fund Budget Changes (\$000)				
	2007-08	2008-09	2009-10	2010-11
Prior year budgeted expenditures	\$116,934.1	\$125,981.8	\$133,132.8	\$139,386.3
Cost increases for existing programs				
Salaries	4,932.5	5,716.8	5077.2	5496.0
Benefits	649.0	728.0	731.7	777.2
Student Initiatives	300.0	0.0	0.0	0.0
Insurance	75.0	75.0	40.0	40.0
Contracts	30.0	30.0	30.0	30.0
Library acquisitions	17.8	18.1	18.3	18.6
Utilities	134.7	78.0	36.0	32.5
Academic Equipment Replacement	400.1	0.0	0.0	0.0
Reallocation between items not detailed above	2,508.6	505.1	320.3	0.0
Operating fund requirements	\$125,981.8	\$133,132.8	\$139,386.3	\$145,780.6
Prior year budgeted revenue	\$116,934.1	\$126,001.0	\$133,214.4	\$138,065.7
Grant increase	7,286.1	4,715.0	2,594.1	2,403.1
Government Tuition subsidy	801.6	1,254.6	1,310.4	1,373.1
Fee increase	1,186.5	1,243.8	946.8	778.5
Other revenue	(207.3)	0	0	0
Operating funds available	\$126,001.0	\$133,214.4	\$138,065.7	\$142,620.4
Annual additional funds/reductions required	\$19.2	\$62.4	\$(1,402.2)	\$(1,839.6)
Cumulative additional funds/reductions required	\$19.2	\$81.6	\$(1,320.6)	\$(3,160.2)

V. FACULTY BUDGETS

As with all post-secondary institutions, it is important that the University of Lethbridge remains focused on maintaining both our quality teaching requirements and our strong research base. UBC has tried to address a number of issues that will strengthen our commitment to both teaching and research.

Over the past two years, Financial Planning has been working with the academic units to set up and fund an academic equipment replacement reserve. This reserve which is being funded over three years will total \$1,022,986 of continuing funds by 2007-08 and will support the replacement of existing teaching equipment in the Faculties on a scheduled basis. Funds will be held centrally and be distributed to the faculties based on scheduled replacement of teaching assets as follows:

Arts and Science	\$697,838
Fine Arts	\$147,111
Education	\$ 79,362
Management	\$ 63,780
Health Sciences	\$ 14,210
Library	<u>\$ 20,685</u>
	\$1,022,986

In the Fall of 2007, additional budgetary allocations were approved by the Board of Governors to support initiatives that show our strong commitment to teaching. The University has made significant efforts to enhance and promote teaching effectiveness throughout its community in the past with the introduction of such programs as "Teaching in Focus" and faculty wide mentoring programs. The establishment of the Centre for Teaching and Learning this year will continue to promote and sustain the outstanding teaching at the University of Lethbridge. Through its commitment to scholarship, research, and best practice, the Centre will advance creativity, originality, and discovery in teaching. It will promote and enhance the many tools required in the professional development of university level teachers and lecturers.

In addition, two Board of Governors Teaching chairs were approved in the Fall to celebrate the 40th Anniversary of the University of Lethbridge. Although the University is rapidly establishing itself as a growing institution that offers significant research and learning opportunities at the masters and doctoral levels in many disciplines, it remains committed to its undergraduate teaching mission. Recognizing and celebrating outstanding professors and enabling them to contribute to the development of the teaching capacity of the University will showcase the central importance of undergraduate teaching to the institution. The Teaching Chairs initiative recognizes faculty members' meritorious and long-standing accomplishments in teaching and/or the scholarship of teaching. The Chairs are awarded by means of a competition that incorporates both external and internal evaluation. The primary criterion for the award is the applicant's record of teaching/teaching scholarship, and each Teaching Chair has a term of two years. The cost of this initiative is \$50,000 per academic year, which provides teaching duty relief for two (2) courses per academic year plus a contribution to a Supplementary Pension Plan for the recipient's.

The University received an Access Grant in 2005-06 for the expansion of the MA/MSc/PhD programs. This expansion will see the program expand from 64 funded (Full Load Equivalents) FLE students, excluding a PhD program, to 294 funded FLEs including a PhD program of 60 FLEs. The University has completed an extensive reorganization of the School of Graduate Studies. Previously, teaching assistantships and travel required for examiners greater than \$700 was paid by the Faculties or out of research grants. These expenditures will now be paid out of the Graduate School's budget. In addition, Faculties/Schools will receive \$2000 per graduate FLE in recognition of the teaching and supervision of these students. Scholarships in the amount of \$150,000 annually will be paid as part of the Graduate program and an additional \$1.3 million will be used to set up an endowment for additional graduate scholarships.

In most Faculties/Schools the emphasis on the additional funds has been in the area of staffing and their efforts to increase the number of tenure track positions and in turn lowering the number of term and sessional positions. The following table indicates the staffing plans of each of the faculties for the next four year period.

Faculty Staffing Plans 2007-08 to 2010-11

	2007-08	2008-09	2009-10	2010-11
Arts and Science				
Tenure/Tenure Track	201.0	203.0	203.0	203.0
Academic Assistants	47.0	47.0	47.0	47.0
Term	10.0	14.0	17.0	17.0
Sessionals	35.0	35.0	35.0	35.0
Education				
Tenure/Tenure Track	40.0	39.0	39.0	39.0
Academic Assistants	2.0	2.0	2.0	2.0
Term/Secondments	10.0	10.0	10.0	10.0
Sessionals	11.0	12.0	12.0	12.0
Management				
Tenure/Tenure Track	45.0	49.0	49.0	49.0
Academic Assistants	15.0	15.0	15.0	15.0
Term	16.0	16.0	16.0	16.0
Sessionals	14.4	12.8	12.8	12.8
Fine Arts				
Tenure/Tenure Track	41.5	41.5	41.5	41.5
Academic Assistants	9.0	10.0	10.0	10.0
Term	10.3	10.3	10.3	10.3
Sessionals	12.8	12.4	11.8	11.8
Health Sciences				
Tenure/Tenure Track	12.5	16.5	16.5	16.5
Academic Assistants	8.0	5.0	5.0	5.0
Term	5.5	4.5	4.5	4.5
Sessionals	3.6	4.5	3.4	3.4
TOTAL				
Tenure/Tenure Track	340.0	349.0	349.0	349.0
Academic Assistants	81.0	79.0	79.0	79.0
Term	51.8	54.8	57.8	57.8
Sessionals	76.8	76.7	75.0	75.0

VI. STUDENT QUALITY INITIATIVES PROGRAM

In the Fall of 2005, the Students' Union approached Administration with a proposal to allocate \$300,000 (12%) of the 2006-07 and 2007-08 tuition increase to student initiatives that would be chosen by the students at the University of Lethbridge. In 2007-08 \$600,000 will be allocated to the Student Quality Initiatives program on a continuing basis.

The Students' Union made the following allocations in the 2006-07 year:

- \$105,000 or 35% of the allocation has been allocated to scholarships, grants and bursaries. The funds have been divided equally between each of the three and are administered by the Student Scholarships and Finance Office.
- A Student Commons Fund has been established in the amount of \$60,000 (20%). These funds will be used by the students in the Students' Union Building for renovations.
- An Undergraduate Research Endowment of \$40,000 (13.3%) has been established for the Faculties/Schools to hire undergraduate research assistants.
- In 2006-07, \$40,000 (13.3%) of the funds will be set aside as Needs Based Funding to support the Student Food Bank, emergency student assistance, students with disabilities and student counseling.
- \$55,000 (18.3%) has been set aside for academic related events such as an academic speaker series, student travel and conference grants.

All the funds will be held by the University and allocated on an annual basis. The additional \$300,000 for 2007-08 has not been allocated at this time.

VII. CONTINUING ALLOCATIONS (See Appendix A)

Included in the proposed budget are a number of continuing allocations. Funding for these allocations is provided from the Instructional Fee allocations to administration, Student Administrative Fees and access funds which total \$624,805. The following allocations are being proposed:

- Due to the increases in enrolment and activities in a number of units, budget increases will be provided in the following areas:

Senate/Board of Governors	\$10,825 travel
Women's Scholar Series	10,000 second installment to complete series
Counselling Services	7,800 supplies
Convocation	7,000 supplies and catering costs
Career and Employment Services	5,000 part-time budget
Information Technology	12,000 phone/computing
	16,200 software/contract costs
Risk Management	14,350 first aid/radiation training
Human Resources	2,000 Long Service Awards
	4,000 pensions and benefits training
	7,180 EAP Coordinator to full-time
Materials Management	1,000 materials and supplies
	2,700 telephone
	8,400 vehicle expenses
	<u>850</u> memberships
	\$109,305

- The University is proposing to hire a Government Relations person that will lobby on behalf of our institution with government officials, set up meetings for our President and Vice Presidents and ensure that we have a presence and voice in the Provincial Government. Funding for this proposed position is \$104,000.

- A decision has been made to renew and strengthen the northern campuses which have been struggling to maintain a positive profile. In conjunction with the branding initiative being proposed, we are recommending the joint funding of a coordinator position for all three campuses to be shared between central and the Faculty of Management. A total of \$50,000 has been allocated for this position.
- The University remains committed to students coming to our institution with disabilities. We have seen an increase in the number of students since we opened the Disabilities Resource Office in 2005-06 and the office is hard pressed to maintain the quality of service being provided to these students with the current resources available. To help alleviate some of these pressures, UBC is proposing to fund exam runners and part-time tutors and assistants. Funding in the amount of \$20,500 has been allocated for these positions. In addition it is being recommended that the Administrative Support position currently funded with one-time money be regularized at a cost of \$48,600.
- The University remains committed to the recruitment and retention of quality students and we must ensure that our competitive position within the Province is strong. An addition of \$150,000 for the Board of Governors entrance and relocation scholarships to deal with increased demand for these scholarships is required.
- The Web Unit will see considerable restructuring in the next year. We have seen the enhancements to the campus web site including the new Notice Board and search engine. Funds will be provided on a continuing and one-time basis to develop a central WEB/Centre of Excellence, standardize technology platforms, enhance system redundancies and build three independent products including internet (public), intranet (employee) and intranet (student). To fund this transition it is recommended that a Content Specialist position be funded at a cost of \$65,600.
- An audit by Alberta's Auditor General in the Fall of 2006 indicated several areas of weakness particularly in the area of information and network security. It is anticipated that one of the recommendations will be to create an Information and Security Position to deal with these issues. We recognize the difficulty of providing

a secure network particularly as the University grows and our needs become more diverse and complex. For this reason, we are recommending that \$76,800 be allocated to fund this new position.

VIII. ONE-TIME ALLOCATIONS (See Appendix B)

One-time allocations totaling \$1,440,950 are being proposed in the 2007-08 budget with details provided below.

- The Faculty of Education will be provided with \$10,000 for the purchase of a Smart Board for the new Turcotte Hall addition.
- The Faculty of Management will be provided with \$150,000 towards the renovation of their new space in Edmonton.
- An allocation of \$48,000 will be provided to the Registrar's Office for overlap upon retirement of the Associate Registrar, Admissions. This will allow for the hiring of a replacement prior to retirement for training purposes.
- As indicated in the Continuing Allocations, \$560,000 will be provided to the Web Unit in Information Technology to develop a central WEB/Centre of Excellence, standardize technology platforms, enhance system redundancies and build three independent products including internet (public), intranet (employee) and intranet (student).
- Internal Audit has requested a Co-op summer student to help with various projects within the department. \$10,000 has been set aside for this purpose.
- Human Resources will receive \$3,000 to fund training of staff in changes to legislation and regulations as they occur as well as \$75,000 for the continuation of the Leadership Training Program over a five year period. An additional \$21,950 will be provided for a six month extension for the term position implementing the Flex Benefit Program.

- \$45,000 will be allocated for the University to develop and implement a Pandemic Plan as part the overall Emergency Response Plan.
- There will be several costs associated with the move of Materials Management to the new Service Building on the south end of campus. To allow for the same level of service, the Materials Management vehicle being replaced this year will be retained. Costs associated with this vehicle as well as other transition costs cannot be absorbed by the current operating budget. \$50,000 has been set aside to cover these costs.
- CRDC (Curriculum Re-Development Centre) will be provided with \$20,000 for Photography Disk Storage.
- \$200,000 will be provided as seed money to Research Services to fund the University funding requirements for the Canadian Foundation for Innovation (CFI) equipment grants.
- Research Services will be provided with \$40,000 for promotion. There are several events and conferences on the agenda for this department in the upcoming year which will require this additional funding.
- \$55,000 will be provided to Physical Plant for the enhancement of University Drive. In addition, \$53,000 will be provided for the installation of a new Supervisory Control and Data Acquisition (SCADA) to monitor all aspects of our high voltage system and to monitor power conditions including power swells, spikes and dips.
- With the increased student recruitment efforts to maintain our levels of enrolment and our fundraising efforts for capital and scholarships, the University understands the importance of ensuring the Faculties as well as the University are recognized and branded in a way that will allow us to increase our profile in the community and beyond. A total of \$100,000 has been allocated for this project and we encourage all Faculties to participate.

IX. RECOMMENDATIONS

The President recommends to the Board of Governors the following:

1. Approve the 2007-08 budget as presented, and the three years 2009-11 in principle.
2. That \$624,805 in continuing allocations for 2007-08 as provided in Appendix A be approved.
3. That \$1,440,950 in one-time allocations for 2007-08 as provided in Appendix B be approved.

2007-08 Operating Budget

SUMMARY OF UNIVERSITY OPERATING REVENUE AND EXPENDITURES
2007-2008 Operating Budget (Cash Basis)

REVENUES	2005-2006 Original Budget	2005-2006 Actual	2006-2007 Original Budget	2006-2007 Projected Actual	2007-2008 Proposed Budget
Tuition and Fees					
Summer Session Tuition	2,188,550	2,788,802	1,944,700	2,725,000	2,049,040
Regular Session Tuition	27,810,380	26,305,618	26,278,660	26,422,468	27,279,605
Subtotal Tuition	29,998,930	29,094,420	28,223,360	29,147,468	29,328,645
Special Programs					
MA/MSc	441,065	433,466	341,065	453,710	707,795
Master of Education	631,310	576,786	515,345	439,635	459,415
MSc/Mgt	195,840	144,057	195,840	119,702	195,840
Ph.D.	44,670	98,052	44,670	135,001	73,260
Subtotal Special Programs	1,312,885	1,252,361	1,096,920	1,148,048	1,436,310
Incidental Fees					
Materials and Services Fees	2,105,845	1,820,022	1,764,140	1,751,220	1,767,735
Student Administration Fees	750,000	746,600	750,000	728,991	750,000
Music Conservatory Fees	225,235	232,506	225,235	249,012	229,510
Athletic and Recreation Services Fees	967,685	985,466			

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			797,500	890,216	797,500
English Language Fees	752,700	573,492	720,920	730,639	518,055
Other Miscellaneous Fees	325,600	355,618	327,650	339,043	327,650
Subtotal Incidental Fees	5,127,065	4,713,704	4,585,445	4,689,121	4,390,450
Total Tuition and Fees	36,438,880	35,060,486	33,905,725	34,984,637	35,155,405
Other Revenues					
Grants	56,952,065	66,454,967	70,994,930	74,246,590	81,842,965
Gifts and Donations	40,000	98,398	10,000	45,454	10,000
Investment Income	2,250,000	2,997,613	2,250,000	2,436,596	2,250,000
Miscellaneous Revenue	585,105	1,389,003	842,300	881,099	662,720
Rental Income	322,080	622,301	141,775	538,251	141,775
Internal Cost Recoveries	1,645,885	2,721,046	1,851,005	2,282,552	1,853,655
External Cost Recoveries	3,648,910	3,344,936	3,596,030	4,423,952	3,868,750
Total Other Revenues	65,444,045	77,628,264	79,686,040	84,854,494	90,629,865
Total Tuition and Other Revenues	101,882,925	112,688,750	113,591,765	119,839,132	125,785,270
Interfund Transfers					
Transfers from (to) other funds	390,445	-	-	-	-

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			240,665		353,085
Total Interfund Transfers	390,445	-	240,665	-	353,085
Total University Revenues	102,273,370	112,688,750	113,832,430	119,839,132	126,138,355

2007-08 Operating Budget

SUMMARY OF UNIVERSITY OPERATING REVENUE AND EXPENDITURES
2007-2008 Operating Budget (Cash Basis)

EXPENDITURES	2005-2006 Original Budget	2005-2006 Actual	2006-2007 Original Budget	2006-2007 Projected Actual	2007-2008 Proposed Budget
Academic Units					
Arts and Science	25,147,785	25,373,562	28,567,660	28,550,898	30,949,280
Education	7,575,390	7,104,453	7,605,055	7,027,551	8,058,815
Management	10,419,605	10,885,328	11,455,620	10,675,401	13,268,345
Fine Arts	7,072,950	7,306,243	8,087,270	8,216,762	8,925,755
Health Sciences	2,684,425	2,667,374	2,881,685	2,798,152	3,423,880
Graduate Studies	878,465	811,447	658,680	823,086	2,611,265
Library	3,436,535	3,182,552	3,770,570	3,317,242	4,265,845
Library - Acquisitions	1,214,790	1,108,365	1,272,355	968,733	1,290,170
Faculty Travel	152,600	178,924	152,600	131,776	152,600
Study Leave Removal Fund	35,000	35,000	35,000	40,572	35,000
Research Grants	103,700	-	103,700	34,865	103,700
Faculty Retention	34,105	-	-	-	-
Faculty Retention - Board Chairs	220,000	-	220,000	-	220,000
Faculty Retention - Course Relief	400,000	-	400,000	-	400,000

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	#	59,375,350	58,653,247	65,210,195	62,585,038	73,704,655
Total Academic Units						
Support Units						
Office of the President		777,340	876,594	875,340	879,313	925,460
Board of Governors		54,080	77,210	56,705	71,383	58,290
Senate		71,505	81,112	77,080	80,061	80,660
General Faculties Council		26,080	23,360	28,705	26,615	30,290
University Advancement		1,349,110	1,264,772	1,950,045	1,735,872	1,864,125
Vice President (Academic)		588,640	728,460	728,240	736,326	875,220
CRDC		515,605	638,467	821,880	788,771	907,830
Institutional Analysis		207,460	188,603	228,530	235,743	94,695
Language Centre		765,200	632,626	799,840	707,677	704,265
International Affairs		433,175	546,857	497,870	498,980	415,555
Financial Aid and Awards - Scholarships		1,026,000	1,206,633	1,231,000	1,231,000	1,336,000
ROSS		3,681,090	4,119,892	4,140,965	4,144,610	4,705,085
Vice President (Research)		623,705	609,719	702,235	781,836	841,325
Vice President (Administration & Finance)		282,530	351,697	377,795	390,906	420,520
Financial Planning		384,785	434,368	435,020	461,856	497,305
Sports & Recreation Services		2,846,645	2,788,137	2,933,135	3,261,810	3,024,160

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Interdepartmental - Ancillary	(102,495)	(107,000)	(102,495)	(120,964)	(102,495)
Internal Audit	79,250	69,887	5,805	74,115	81,960
Information Technology	3,080,990	3,412,520	4,163,705	4,547,886	4,331,755
Telecommunication	1,284,575	1,045,522	1,128,415	1,381,532	1,136,085
Financial Services	1,105,630	1,255,707	1,355,630	1,390,463	1,549,170
Material Management	728,845	744,246	733,300	743,473	818,335
Physical Plant	5,707,965	8,249,591	7,535,075	6,840,848	7,487,555
Utilities	2,529,335	1,672,762	2,334,265	2,478,895	2,693,995
Parking	1,035,000	391,216	1,100,000	802,908	1,100,000
Human Resources	1,514,355	1,870,006	1,851,160	1,899,624	1,994,210
Contingencies	2,800,380	-	3,620,365	-	3,034,055
Central Administration	5,629,260	15,828,012	5,628,680	5,292,161	7,934,345
Total Support Units	39,026,040	49,000,975	45,238,290	41,363,700	48,839,755
Appropriations					
To Captial Projects	2,396,445	-	2,396,445	17,913,986	2,606,445
To (From) Capital Reserves	1,475,535	-	987,500	(501,970)	987,500
Adjustment for non-cash items	-	(12,985,635)	-	-	-

2007-08 Operating Budget

	3,871,980	(12,985,635)	3,383,945	17,412,016	3,593,945
Total University Expenditures	<u>102,273,370</u>	<u>94,668,587</u>	<u>113,832,430</u>	<u>121,360,754</u>	<u>126,138,355</u>

