



2012-13 Budget

University of New Brunswick

*Presented by the Vice-President (Finance and Corporate Services)
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PRESIDENT'S COMMENTARY

I am pleased to propose a balanced \$178-million operating budget to the University Board of Governors. The fact that we have accomplished a balanced budget in these uncertain times is a testament to the hard work of faculty, our deans, staff, the Board of Governors, senior management and other stakeholders who continue to support UNB.

Economic conditions around the world, in our country, and in our province continue to be unstable. There are daily headlines related to austerity programs, budget cuts and pending job losses, and consequences for all public sector enterprises, including our university. In the midst of this uncertainty, UNB developed a Strategic Plan that continues to guide our direction and establish our priorities and focus. Fiscal responsibility and financial resiliency are key components of that plan. This is not new for UNB. Over the past seven years, we have made significant progress in the responsible management of costs, removing more than \$20 million (approximately 12%) of expense growth from our operating budget. These measures ensure that our available resources are utilized as efficiently as possible, while maintaining quality and accessibility for our students.

As our 2012-13 budget makes clear, UNB has also placed an increasing emphasis on securing funding and generating additional revenue for the University. A key component of this plan is careful growth of student enrolment: we have the capacity to gradually increase UNB's student enrolment, while ensuring we sustain the quality of our academic programs and supporting services. We will continue to emphasize the recruitment and retention of domestic and international students.

While our 2012-13 budget includes \$1.8 million in additional one-time operating funding from the Province, UNB will continue to work with the Government, and other public universities, to help ensure that future funding is provided in a sustainable manner. This is crucial to ensuring the consistent quality of our programs through multi-year budget planning. It should also be noted that the Province has suggested a \$175 limitation on tuition fee increases in 2012-13. That amount is reflected in this budget proposal.

The 2012-13 University budget package also provides for funded capital expenditures of \$22 million, including upgrades to University facilities and the learning environment. Capital projects include classroom renewal and a variety of major capital maintenance initiatives. The Province of New Brunswick provided \$4 million to the University capital budget through the final installment of the University Deferred Maintenance Program.

Finally, we will continue to be guided by the University Strategic Plan in the years ahead, working with our many partners.

H E A Campbell
President
Vice-Chancellor
University of New Brunswick



SCOPE

Scope of the Budget

The University of New Brunswick's budgets are developed and managed according to the principles of fund accounting. Revenue is segregated into a variety of fund types and the use of the revenue is governed by the restrictions of the specific fund. Funding is recorded in separate individual accounts to ensure strict adherence to terms associated with the funding and to ensure there is a clear chain of accountability for the funds. The annual budget package includes information on the following funds:

Operating Budget

This fund contains the revenues and expenses associated with the day-to-day operations of the University, including instruction and program delivery, student services, administrative services, operational maintenance, cleaning, utilities and supplies.

The net position of ancillary operations, such as university residences, food services, bookstores and other non-academic activities that generate revenue, are included within the overall operating budget fund.

Each main campus, Fredericton and Saint John, prepares an annual operating budget for the activities of the campus. In certain areas, there are shared services that may be either housed in Fredericton or Saint John but are shared by both campuses. Cost-sharing mechanisms are in place to allocate these costs between campuses.

Capital Budget

This fund contains the resources and expenditures related to capital asset activity at the University, including the construction or major renovation of facilities. The capital budget also includes expenditures on equipment and technology that is funded from special purpose, restricted government funding.

Endowment Budget

The University is the recipient of donations and gifts from Alumni, corporations, members of the public and foundations. Some of the gifts are expendable, meaning the funds are received and utilized immediately or in the near future for the specific wishes of the donor as directed. Some of the gifts are endowed, meaning the funds are held in perpetuity and only the income generated from the investment of the

endowments can be spent on an annual basis. These funds are accounted for in a series of special trust and endowment funds. An annual illustration of the expected payments out of endowment accounts in 2012-13 is contained in the budget package.

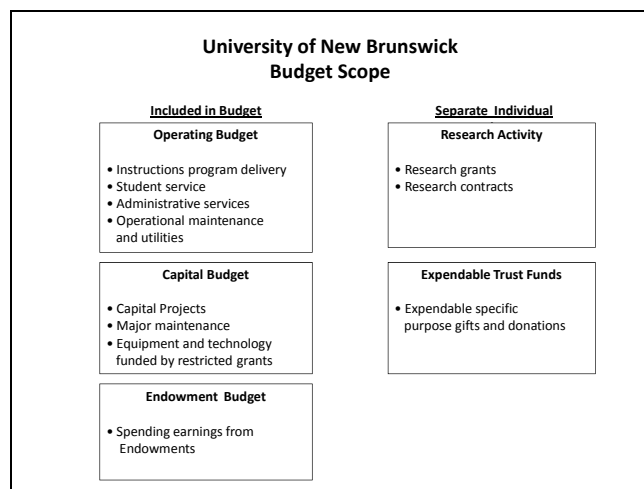
Excluded from the Budget Scope:

Research Activities

The University of New Brunswick conducts a wide variety of research activity funded primarily by Federal Research Programs and various types of contractual arrangements. Each research grant or contract is budgeted and accounted for individually through a series of restricted accounts. Annual research activity for the University of New Brunswick is approximately \$50 million.

Expendable Trust Funds

In some cases, donors provide funds to the University that are intended to be utilized in the very near future for the specific purpose that the donor has designated. The activity patterns for these activities can vary widely from year to year. The University accounts for these funds via restricted trust fund accounting. Larger balances related to capital projects are included in the University Capital Budget.



OBJECTIVES - STRATEGY

Basic Objectives of the University Budget

The overall objective of the University budget is to align resources with strategic and operational plans and priorities.

In regards to the 2012-13 operating budget, additional objectives were to:

- achieve a balanced budget;
- allocate funds to enable implementation of the University's Strategic Plan; and
- position finances to assist the University in dealing with the uncertainties associated with future revenues and expenses.

The budget also serves as an important control mechanism for the management and monitoring of revenues and expenditures.



Overall Budget Strategy

The overall budget strategy for the operating budget was to undertake a combination of initiatives on each campus to either generate new revenues or to reduce the level of expenses in accordance with the blueprint established in the University's Strategic Plan.

<http://www.unb.ca/initiatives/strategicplan/resources/pdf/news/stratplan2010.pdf>

Resource allocations and expense reductions were made on a strategic basis rather than on an across-the-board basis. The allocations were informed by the following considerations:

- Minimize the impact of expenditure reductions on students and core academic programs and services.
- Emphasis should be placed on investing in areas where there is a potential for further growth in revenues in order to support the overall institution.
- Where possible, retain budget flexibility for possible resource reallocations in future years.
- Adequately provide for risk in the budget.

INTRODUCTION AND FISCAL CONTEXT

Introduction and Fiscal Context

The University of New Brunswick has two primary sources of operating funding, the unrestricted operating grant from the Province and tuition fees collected from students. In recent years, there has been pressure on both of these budget elements. The pressure on the provincial operating grant stems from the general economic climate and the resulting impacts on countries, counties and provinces across North America and around the world. In many jurisdictions, public funding is facing great challenges.

The pressure on tuition fee income comes from two sources, there has been and is expected to continue to be, a declining regional population, particularly in the segment of the population that typically attend university. Additionally, tuition fees in New Brunswick have been among the highest in Canada and this effectively restricts the capacity to increase tuition fees at a rate necessary to cover cost increases.

The University of New Brunswick has responded to these challenges in several ways. Primarily, the institution has developed and is implementing a new Strategic Plan that outlines key priorities, including focus on enhancing the student experience at UNB and goals for increased levels of student enrolment. There are early signs of success with the Strategic Plan as student enrolment has begun to increase at UNB. From a financial management perspective, UNB has been aggressive in managing expenses with more than \$18 million, or 10%, in expenditure reductions having been made over the past six years. This expense control has been an important factor in UNB achieving balanced operating budgets in the last two years.

In 2011-12, the University underwent a period of high uncertainty on the cost side of operations with many collective bargaining processes underway, including full-time faculty, a first-time collective agreement for contract academic employees and graduate student workers. Collective agreements for these groups were finalized in 2011-12, therefore providing certainty for these costs in 2012-13. At the time of the budget submission, collective bargaining processes were still in progress for unionized support staff on the Fredericton campus. Bargaining for unionized support staff on the Saint John campus will commence in the summer of 2012.

Like many organizations, the University of New Brunswick faces funding challenges associated with pension plans. The budget document outlines the risks associated with future funding of the Pension Plan for Academic Employees of the University. This Pension Plan is cost and risk shared between the University and the members of the Plan on a 50/50 basis. This governance framework facilitates both parties working to jointly solve pension issues.

Over the past four years, the University has had capital expenditures of more than \$150 million, including two new signature buildings, the Richard J. CURRIE CENTER on the Fredericton campus and the Hans W. Klohn Commons on the Saint John campus. There have also been economic stimulus-based capital renewal projects on both campuses. These projects were funded by the generosity of UNB's donors, as well as federal and provincial governments. The 2012-13 capital budget begins to revert to a more normal level of activity, although there are two major renewal projects that are highlighted in the budget.

The four public universities in New Brunswick are engaged in discussions with the Province of New Brunswick aimed at developing a multi-year funding framework for universities and a multi-year tuition framework to enable students to plan for their educational costs. To the best of our knowledge at the time this document was prepared, the Province, despite serious financial challenges, has chosen to provide New Brunswick universities with additional one-time operating funding of approximately \$4 million, or 1.7%.



2012-13 BUDGET - OPERATING BUDGET SUMMARY

The 2012-13 operating budget is balanced as submitted. This is the third year in a row that the University has submitted a balanced budget. The main determinates in achieving a balanced budget were:

- A \$175, or 3.1%, increase in basic tuition fees
- Budgeting for increased student enrolment of 401 FTE, or 4.36%, compared to last year's budget
- Limiting overall operating expense increase to 2.6%
- One-time Provincial operating grant funding of \$1.8 million, equivalent to a 1.7% increase.

Overall operating revenues are budgeted at \$178.3 million, an increase of \$5.4 million, or 3.1% over the 2011-12 budget.

In 2011-12, one-time funding of slightly more than \$1 million was required to balance the submitted budget. In 2012-13, one-time funding from the Provincial Operating Grant of \$1.8 million has been applied to key priority areas and risk provisions on a one-time basis. This approach provides funding for key areas while also maintaining a degree of fiscal flexibility that is required to deal with the many fiscal uncertainties and challenges that lie ahead.

The operating budget for the Saint John campus is structurally balanced as submitted. The operating budget for the Fredericton Campus is submitted having a \$0.9 million structural shortfall.

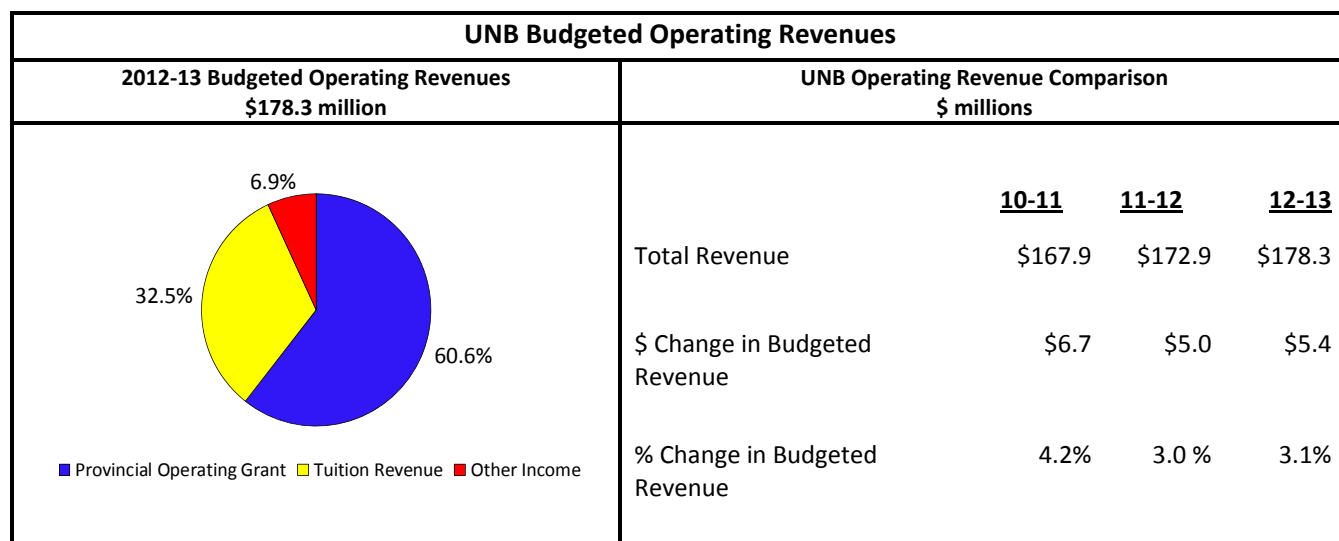
The following is a summary of some of the key figures in the 2012-13 operating budget.

| UNB | | |
|--|---------|---|
| Key Operating Budget Figures | | |
| <i>Operating Budget is Balanced</i> | | |
| - Overall operating revenues | \$178.3 | million (3.1% growth) |
| - Ongoing provincial operating grant (assumed) | \$108.0 | million (No increase) |
| - One-time provincial operating grant increase (assumed) | \$1.8 | million (1.7% increase) |
| - Basic increase in undergraduate tuition fees | \$175 | (3.1% increase) |
| - Overall budgeted student FTE enrolment | 9,586 | (4.36% increase Budget to Budget) (1.8% decrease Budget to Actual) |
| - Additional revenue from budgeted increase in enrolment | \$3.0 | million (on a Budget to Budget basis) |
| - Operating budget expenses | \$178.4 | million (2.6% growth) |
| - Level of budget adjustments made | \$3.2 | million |
| - Overall contingency provision in budget | \$1.5 | million (or .8% of expense budget) |

2012-13 OPERATING BUDGET – SOURCES OF REVENUE

Total operating revenues are budgeted at \$178.3 million in 2012-13. This is a \$5.4 million, or 3.1%, increase over the levels budgeted for last year.

The following charts illustrate the key components of UNB budgeted operating revenues and an historical comparison of changes in total budget revenues.



Over the five-year period ended 2011-12, the average annual growth in operating revenue was 2.2%.

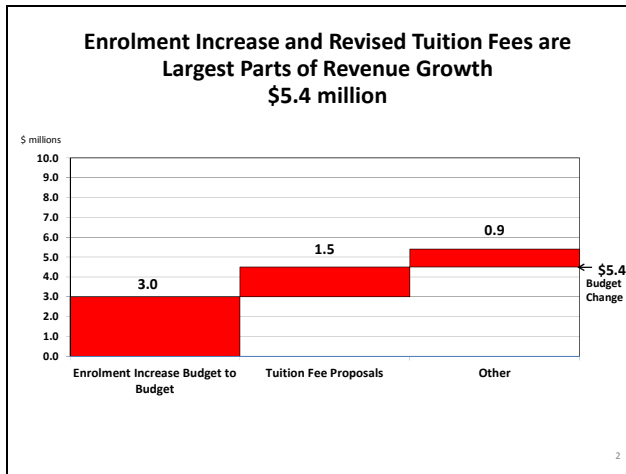
The following table illustrates the changes in the major components of operating revenue budgets over the last three years.

| UNB Main Operating Revenue Budget Components Comparison | | | |
|---|-------------|-------------|-------------|
| | 10-11 | 11-12 | 12-13 |
| % Change in Revenue Components | | | |
| Total Provincial Operating Grant | 6.4% | 1.6% | (0.1%) |
| Tuition Revenue | (.6%) | 2.8% | 8.6% |
| Other Income | .6% | 17.7% | 8.2% |
| Combined % Change | <u>4.2%</u> | <u>3.0%</u> | <u>3.1%</u> |

In 2011-12, the Province of New Brunswick provided New Brunswick universities with a 2% increase in provincial operating grants. Tuition fee increases for domestic students were limited to a \$200 increase. To the best of our knowledge, in 2012-13, the Province of New Brunswick will not provide New Brunswick universities with an increase in ongoing Provincial operating grants, but it will provide universities with additional one-time funding of approximately 1.7%. Tuition fee increases for domestic students in 2012-13 will be limited to a \$175 increase. The actual level of Provincial Grant to the University will be determined through a funding formula that is administered by the Maritime Provinces Higher Education Commission.

As part of the 2012-13 operating budget, the assumption level for overall student full-time equivalent (FTE) enrolment was reviewed and adjusted upward to reflect actual patterns over the last two years. This reset in enrolment assumptions resulted in an additional 401 FTE being added to the 2012-13 budget in comparison to the 2011-12 budget. This increase in enrolment provided an additional \$3.0 million in budgeted tuition revenue. A review of the composition of each major operating budget revenue category is included in the next pages of the budget report.

2012-13 OPERATING BUDGET – PROVINCIAL GRANT FUNDING



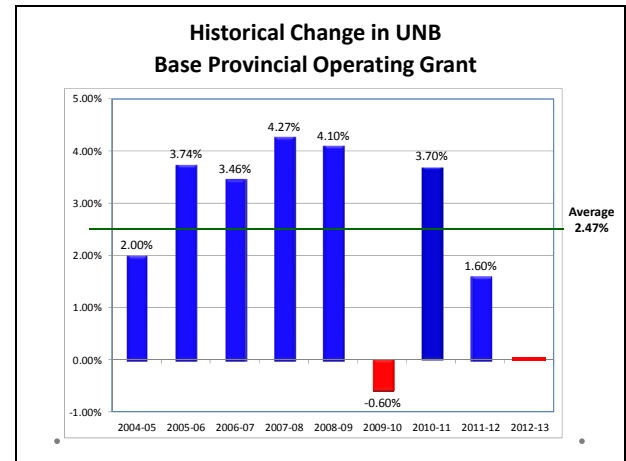
The provincial operating grant is the largest component of the UNB operating budget funding. The total amount budgeted for the grant in 2012-13 is \$108 million. The operating grant has two elements:

- Base unrestricted operating grant
- Grant in lieu of tuition increase for domestic students

The following table summarizes the grant funding levels to UNB in 2011-12 and 2012-13:

| UNB Provincial Operating Grant \$(000's) | | | | |
|---|-------------------|-------------------|---------------|---------------|
| | 2011-12 Budget | 2012-13 Budget | \$ Change | % Change |
| Base unrestricted operating grant | \$99,460 | \$99,383 | \$(77) | (.07%) |
| Grant in lieu of Tuition increase | 8,617 | \$8,617 | \$0 | 0% |
| Base funding | \$108,077 | \$108,000 | \$(77) | (.07%) |
| One-time funding | \$0 | \$1,800 | \$1,800 | 1.7% |

The following chart summarizes the change in base unrestricted operating grants to UNB over the past few years:



The base unrestricted operating grant will be distributed to New Brunswick universities in accordance with a funding allocation formula administered by the Maritime Provinces Higher Education Commission (MPHEC). Approximately 75% of this formula is a fixed amount that changes annually based on the level of change prescribed in the provincial budget. The remaining 25% is subject to a formula allocation that utilizes relative enrolments for each institution and recognizes differences in level of intensity for degree programs.

The four public universities in New Brunswick have entered into a process with the Province aimed at developing a multi-year funding arrangement for the universities.

The University of New Brunswick utilizes the same funding allocation formula as the MPHEC to allocate the provincial grant between the two main campuses of UNB, Fredericton and Saint John. A permanent adjustment to the Saint John campus base grant amount was made in 2008-09 through a reallocation mechanism resulting from the Report of the UNB Commission on Inter-campus Relations, Funding and Governance (31 October 2008). This adjustment continues to be reflected in campus allocations.

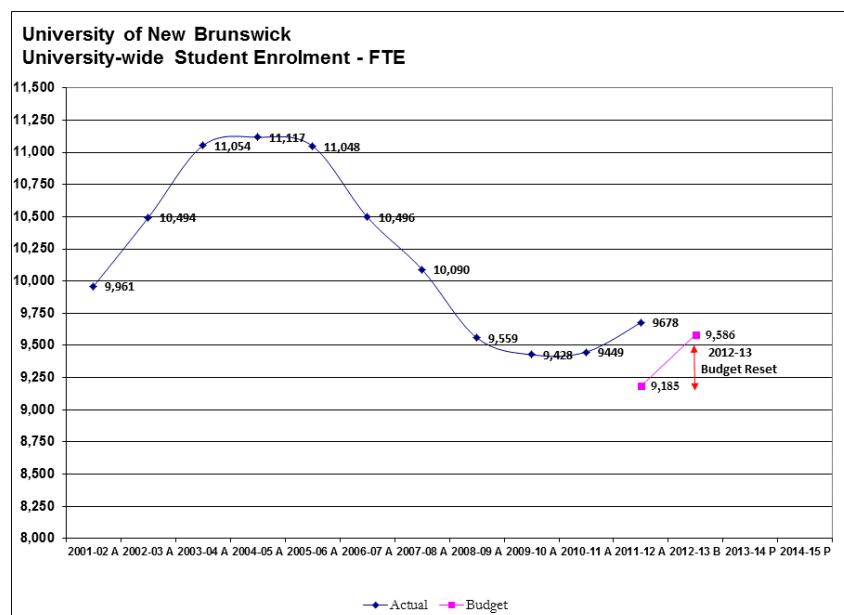
2012-13 OPERATING BUDGET - STUDENT ENROLMENT

Student enrolment is an important driver of operating funding for UNB. The tuition fee income derived from student enrolment accounts for approximately 32% of total operating budget funding. As outlined in the contextual part of the budget package, student enrolment has been decreasing for Maritime-based universities in recent years. The table below illustrates actual UNB FTE student enrolment at UNB over the last ten years, along with the figures budgeted for 2011-12. Enrolment figures plateaued in and around the years of the double cohort of students in Ontario. Since that period, enrolment has declined each year. In the last few years, the level of decline has slowed.

| University of New Brunswick Student Enrolment (FTE's) | | | | | |
|--|---------------|----------|--------|--------|----------|
| | Undergraduate | Graduate | Total | Change | % Change |
| 2001-02 A | 9,106 | 855 | 9,961 | - | - |
| 2002-03 A | 9,523 | 971 | 10,494 | 533 | 5.4% |
| 2003-04 A | 9,961 | 1,093 | 11,054 | 560 | 5.3% |
| 2004-05 A | 9,973 | 1,144 | 11,117 | 63 | .6% |
| 2005-06 A | 9,858 | 1,190 | 11,048 | (69) | (.6%) |
| 2006-07 A | 9,341 | 1,155 | 10,496 | (552) | (5.0%) |
| 2007-08 A | 8,910 | 1,180 | 10,090 | (406) | (3.9%) |
| 2008-09 A | 8,389 | 1,170 | 9,559 | (531) | (5.3%) |
| 2009-10 A | 8,199 | 1,229 | 9,428 | (131) | (1.4%) |
| 2010-11 A | 8,143 | 1,306 | 9,449 | 21 | .2% |
| 2011-12 A | 8,281 | 1,397 | 9,678 | 229 | 2.4% |
| 2012-13 B | 8,236 | 1,350 | 9,586 | (92) | (1.07%) |

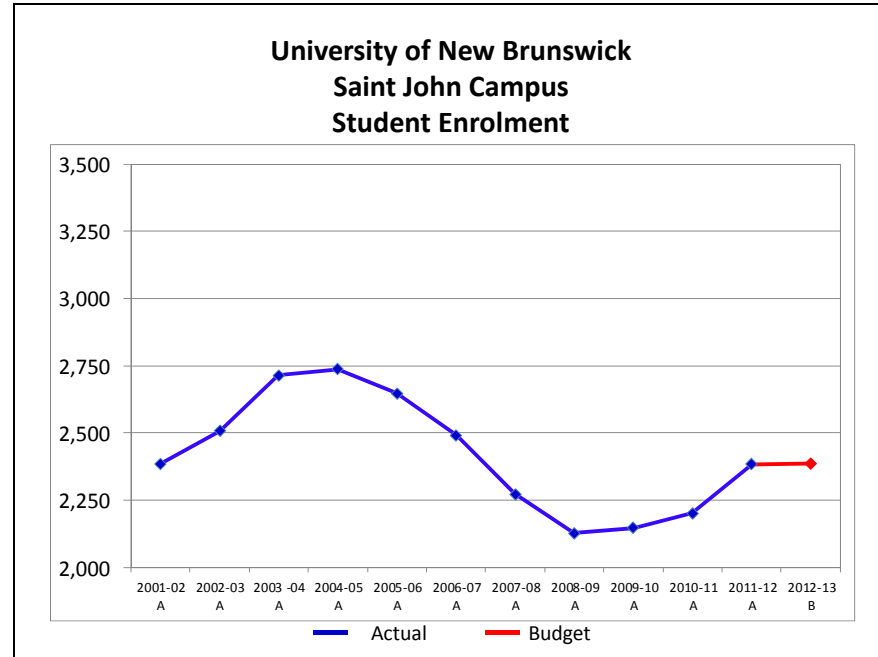
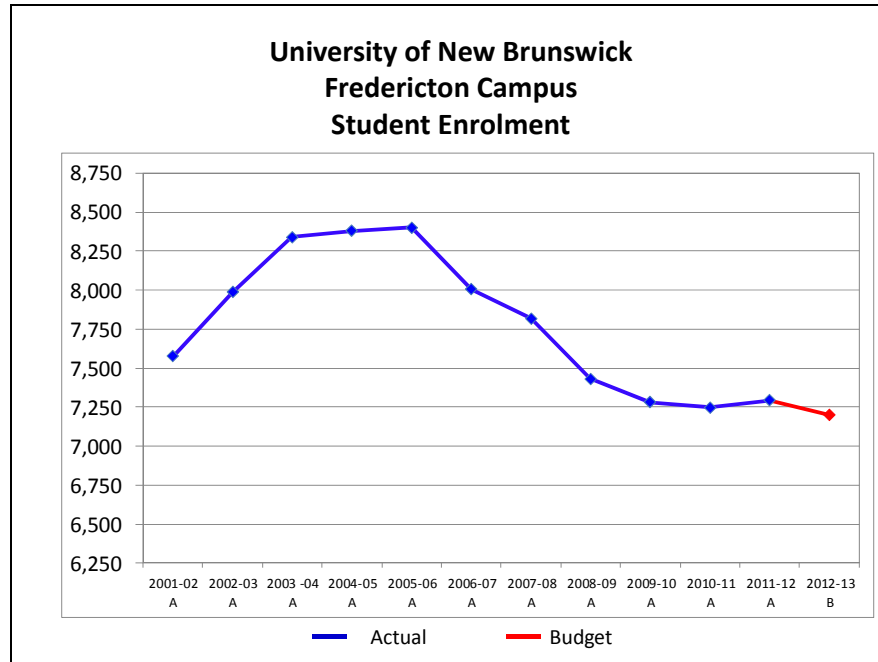
FTE is based on MPHEC definitions with figures as of December 01, excludes out-of-province offshore arrangements

The table above has been recast into a graph, shown below. The graph illustrates the “reset” in the University’s enrolment budget that is included in the 2012-13 budget submission. In 2010-11 and 2011-12, actual student enrolment exceeded budgeted amounts. In 2011-12, actual FTE enrolments were 9,678 compared to a budget of 9,185. As part of the budget process, it was determined that a significant component of this difference could be solidified and added to the budget as an ongoing revenue source. The 2012-13 budget figure of 9,586 represents the combined total of each campus Registrar’s best estimate of UNB enrolment, based on recent trends, application and demographic indicators. Each campus will strive to exceed these baseline enrolment figures with an overall combined notional target of 9,837 FTE students. Should actual enrolment figures exceed or fall short of the Registrar’s best estimates, there would either be a positive or negative impact on budgeted revenue amounts.



2012-13 OPERATING BUDGET - STUDENT ENROLMENT (continued)

Enrolment figures for each of the two main campuses follow:



The student enrolment figures reflect students on both the Fredericton and Saint John campuses (students at Bathurst and Moncton nursing programs are satellite locations within the Fredericton campus). UNB is also party to various agreements with other educational institutions around the world. The financial circumstances for each of these arrangements vary and the net financial contributions from these arrangements are included in the UNB budget. There is no New Brunswick provincial government funding for students in these programs.

2012-13 OPERATING BUDGET – TUITION FEES

As part of the 2012-13 provincial budget, the province did not provide New Brunswick universities with an increase in ongoing operating grant funding. A one-time additional funding amount, equivalent to approximately 1.7%, was provided. Part of the understanding related to these arrangements was that universities would limit the level of basic undergraduate tuition fee increases to no more than \$175. In 2011-12, the level of tuition fee increases was limited to \$200. In the preceding three years, tuition fees were frozen in New Brunswick with universities receiving special grant funding equivalent to what a 5% tuition fee increase would have realized.

The 2012-13 budget includes a proposal to implement the \$175 basic undergraduate tuition fee increase as well as other similar tuition fee recommendations for other programs.

The following table provides a summary of the key elements of UNB various tuition fees:

| Summary of Key UNB Tuition Fees | | | | |
|---|----------------|----------------|------------------|-----------------|
| | <u>2011-12</u> | <u>2012-13</u> | <u>\$ Change</u> | <u>% Change</u> |
| - Undergraduate tuition fee | \$5,682 | \$5,857 | \$175 | 3.08% |
| - Supplemental fee for Undergraduate Int'l students | 6,950 | 7,125 | 175 | 2.52% |
| - Graduate | | | | |
| • Research-based (per term) | 1,920 | 1,978 | 58 | 3.02% |
| • Course-based (excluding MBA) (per course) | 715 | 733 | 18 | 1.95% |
| • Supplemental fee for Graduate Int'l students | 1,296 | 1,363 | 58 | 4.48% |
| - Faculty of Business Administration | 5,782 | 5,957 | 175 | 3.03% |
| - Faculty of Law | 9,232 | 9,407 | 175 | 1.90% |
| - Faculty of Engineering | 6,682 | 6,857 | 175 | 2.62% |

The following table provides a summary of changes to the major categories of UNB tuition fees for 2012-13, as well as a six-year history:

| University of New Brunswick Tuition Fee Changes 2012-13 and 6-year History | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | <u>06-07</u> | <u>07-08</u> | <u>08-09</u> | <u>09-10</u> | <u>10-11</u> | <u>11-12</u> | <u>12-13</u> |
| Undergraduate Fees | | | | | | | |
| \$ change from previous year | \$238 | \$236 | \$0 | \$0 | \$0 | \$200 | \$175 |
| % change from previous year | 4.75% | 4.50% | 0.00% | 0.00% | 0.00% | 3.6% | 3.1% |
| Graduate Tuition Fees | | | | | | | |
| % change from previous year | 4.75% | 4.50% | 0.00% | 0.00% | 0.00% | 3.6% | 3.0% |
| Undergraduate International Supplemental Fee | | | | | | | |
| \$ change from previous year | \$244 | \$242 | \$393 | \$421 | \$320 | \$200 | \$175 |
| % change from previous year | 4.75% | 4.50% | 7.00% | 7.00% | 4.98% | 3.0% | 2.5% |

2012-13 OPERATING BUDGET – TUITION FEES (continued)

Compulsory student ancillary fees levied for university purposes remain unchanged from last year and are as follows:

| UNB Compulsory Student Ancillary Fees Levied for University Purposes Per Year | | |
|--|----------------|----------------|
| | <u>2011-12</u> | <u>2012-13</u> |
| Facilities Improvement Fee | \$175 | \$175 |
| Facility Access Fee (UNBF Only) | 150 | 150 |
| Technology Fee | 50 | 50 |
| Student Health Centre Fee | 50 | 50 |
| | <u>\$425</u> | <u>\$425</u> |

The table below illustrates the national context for average undergraduate tuition fees in provinces across Canada. The table illustrates that average Canadian undergraduate tuition fees increased by 4.3% in 2011-12. Average tuition fees for New Brunswick universities increased by 3.6%, UNB's fees increased 3.6%. The table also shows that New Brunswick universities had the second highest average undergraduate tuition fees in Canada last year. There was also a cluster of five provinces with average tuition fees between \$5,600 and \$6,640.

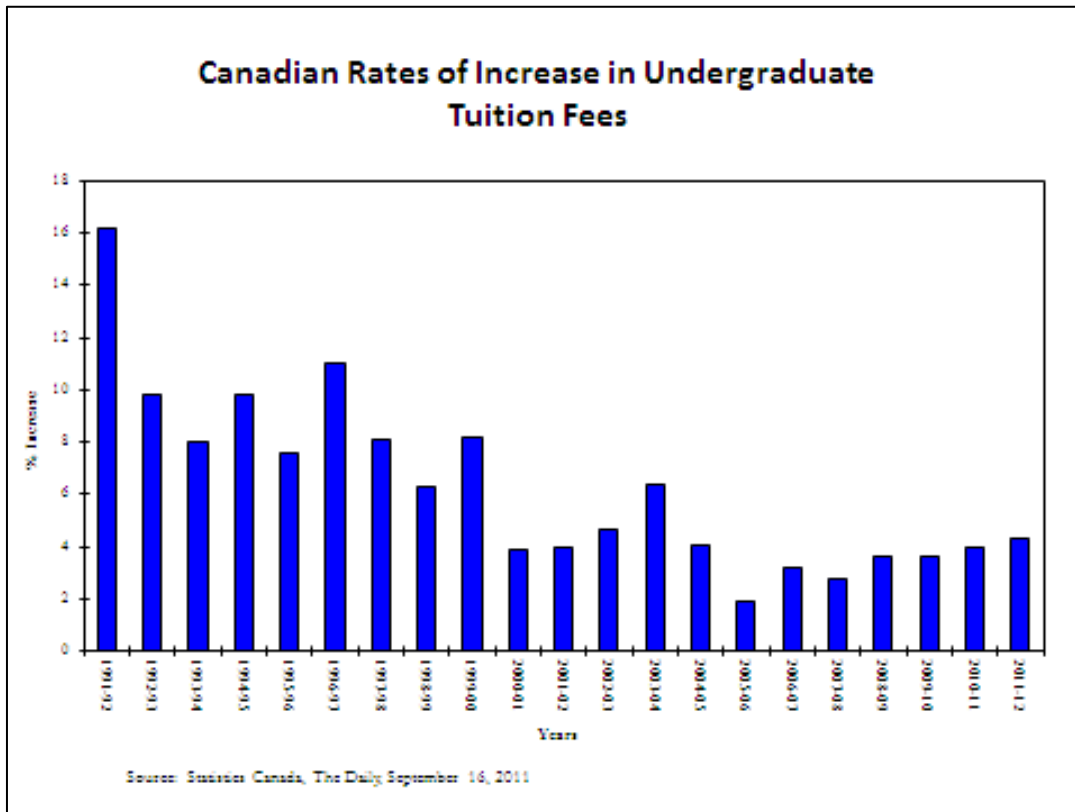
| Average Undergraduate Tuition Fees for Canadian Full-time Students by Province | | | |
|---|-----------------|---------|--------------------|
| | 2010-11 | 2011-12 | 2010-11 to 2011-12 |
| | Current Dollars | | % Change |
| Canada | 5,146 | 5366 | 4.3% |
| Nfld & Labrador | 2,649 | 2,649 | 0.0% |
| PEI | 5,131 | 5,258 | 2.5% |
| Nova Scotia | 5,497 | 5,731 | 4.3% |
| New Brunswick | 5,647 | 5,853 | 3.6% |
| Quebec | 2,411 | 2,519 | 4.5% |
| Ontario | 6,316 | 6,640 | 5.1% |
| Manitoba | 3,593 | 3,645 | 1.4% |
| Saskatchewan | 5,431 | 5,601 | 3.1% |
| Alberta | 5,505 | 5,662 | 2.9% |
| British Columbia | 4,758 | 4,852 | 2.0% |
| Source: Statistics Canada, The Daily, September 16, 2011 | | | |

2012-13 OPERATING BUDGET – TUITION FEES (continued)

The chart below provides a 20-year historical overview of the average change in undergraduate tuition fees in Canada. The table illustrates that the 90's was a decade of very high tuition fee increases, this moderated somewhat from 2000 to 2010. In recent years, many provinces have become more actively engaged in, either establishing some form of restriction, or subsidies on university tuition fees.

As of the time of budget preparation, the following information is known regarding the Canadian tuition fee landscape for 2012-13.

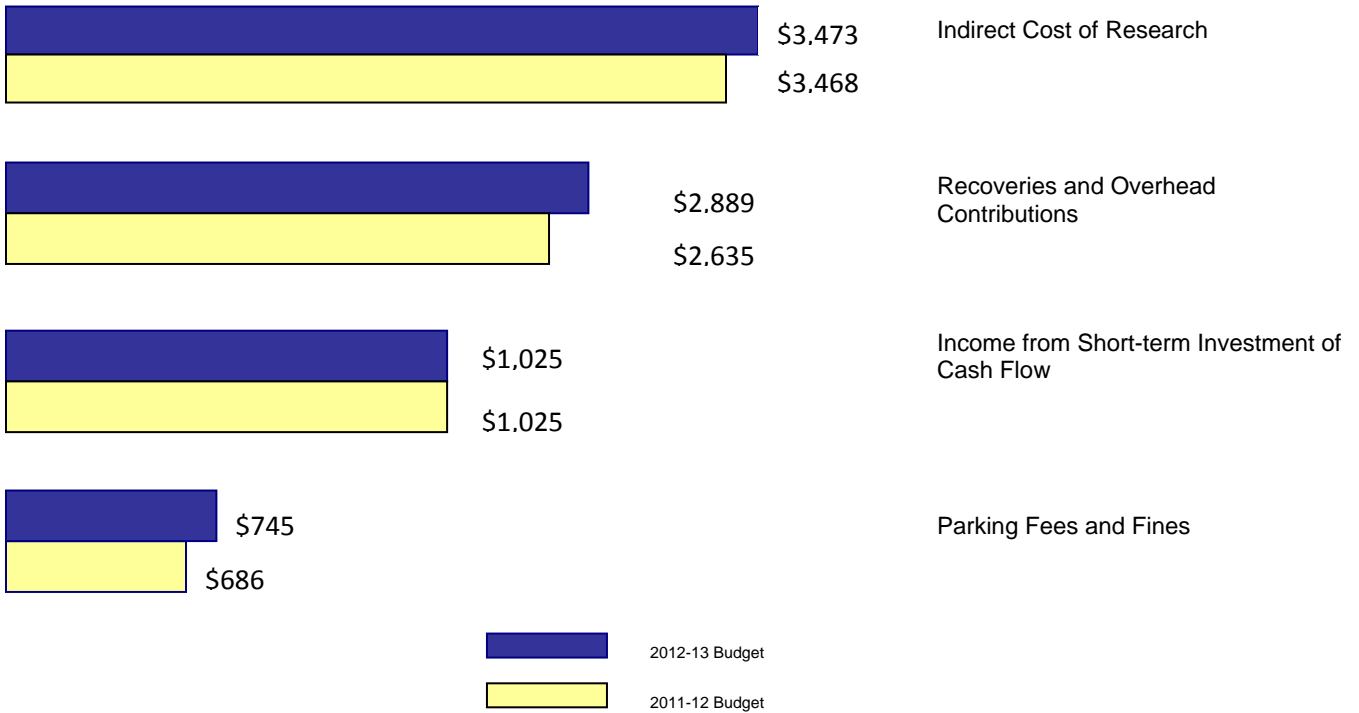
- Nova Scotia has limited basic tuition fee increases to 3%.
- Quebec universities to increase basic tuition fees by \$325 per year over five years.
- Ontario will be providing tuition fee rebates for many students of up to 30%, based on family income levels.
- Alberta had previously announced tuition fee increases would be limited to annual Alberta CPI.



2012-13 OPERATING BUDGET – OTHER REVENUE

The 2012-13 operating budget contains more than \$12.3 million in revenues from other sources, this compares to \$11.4 million that was contained in the 2011-12 budget. The major component of centrally budgeted other revenues follows:

University of New Brunswick
Other Revenue Budget
Key Items 2012-13 and 2011-12
 \$000's

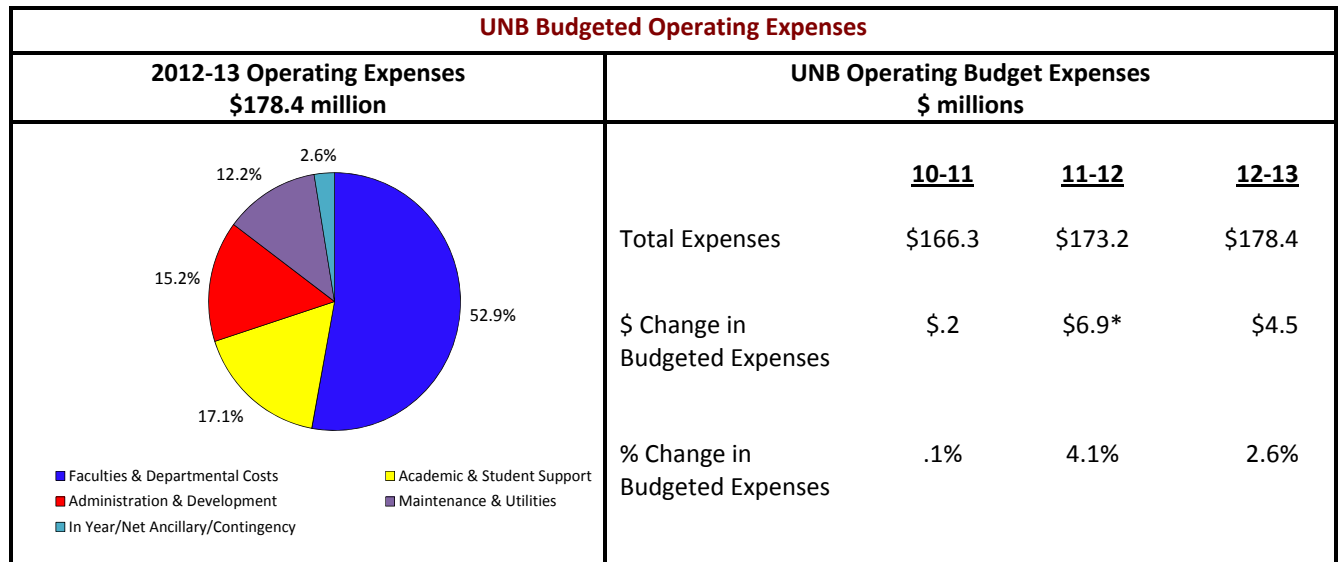


Other components of revenue within this category include, application fees, contribution to operations from land leasing activities, commissions earned and other miscellaneous amounts.



2012-13 OPERATING BUDGET - OPERATING EXPENSES

Overall operating expenses are budgeted at \$178.4 million, an increase of \$4.5 million, or 2.6%, over 2011-12 budget levels. \$3.2 million in expense reductions from baseline amounts were made as part of the budget process. Without these adjustments, operations expense growth would have been slightly more than 4%. In addition to expense management, there were areas where resources were redeployed from one budget activity to another in order to address University priorities. The following charts illustrate the allocation of operating expense to broad categories and also provide a historical comparison to recent budgets.



The average level of budgeted expense increase over the five years ending 2011-12 was 2.24%.

The composition of budgeted expense changes on a campus basis is illustrated below:

| University of New Brunswick % Change in Operating Expenses | | |
|---|-----------------|----------------|
| | <u>% change</u> | |
| | <u>2011-12</u> | <u>2012-13</u> |
| Fredericton campus and University-wide units | 4.0% | 1.9% |
| Saint John campus | 4.6% | 5.3% |
| Overall University | 4.1% | 2.6% |

The 5.3% increase in expenses on the Saint John campus is reflective of increased revenues and activities associated with increased student enrolment.

*2011-12 budget included a \$1 million provision for retroactive adjustment to faculty salaries for economic adjustments that had not been budgeted for in 2010-11, but were accrued in a binding conciliation report.

2012-13 OPERATING BUDGET - OPERATING EXPENSES (continued)

The following table provides a high level summary of the composition of the main elements of the overall net change in budgeted operating expenses:

| UNB | | |
|---|--------------------|-----------------|
| Composition of Net Change in Budgeted Operating Expenses | | |
| | <u>\$ Millions</u> | <u>% Change</u> |
| - Provision for salary and benefit increases, economic adjustments progression-through-the-ranks, pension funding increase, all other benefit costs, net of budget reductions in these budget lines | \$3.0 | 1.73% |
| - Changes to intercollegiate athletics funding model, scholarship support, Math Help Centre, undergraduate science laboratories, Student Health Centre, Campus Safewalk budgets | .771 | .44% |
| - Administrative costs to administer new collective agreements and to facilitate partnership and outreach programs | .216 | .13% |
| - Changes to funding model for Alumni and Alumnae services support | .206 | .12% |
| - All other | .280 | .16% |
| Total | <u>\$4.472</u> | <u>2.6%</u> |

Schedule A provides a high level overview of the allocation of operating budget expenses in 2012-13 with a comparison to the 2011-12 allocations. The detailed budgets for each campus provide further information on the specific components and the changes in expenses categories. The expense category with the largest dollar increase was faculty and departmental costs at \$2.2 million, or 2.8%. The main ingredient in this increase was salary and benefit costs. The expense category with the largest percentage increase, at 5.1% or \$1.3 million, was Administration and Development. Approximately one-half of this amount was driven by several initiatives, including:

- \$216K increase attributed to the provision of ongoing funding for the activities of the Assistant Vice-President (Academic) in their management of the collective agreement with “Group 2” (part-time) faculty as well as partnership and outreach programs on the Fredericton Campus;
- \$206K increase attributed to provision of ongoing funding to fulfill the University’s contractual financial obligation to the Associated Alumni and Alumnae, traditionally funded from undesignated fundraising on a year-to-year basis;
- \$100K increase attributed to the provision of additional ongoing funding for international recruitment and retention initiatives;
- \$50K in additional security costs on the UNBSJ campus which will be recovered in revenues through co-habitants of the campus.
- \$14K increase attributed to the provision of additional ongoing funding for safety and security initiatives (which are offset, in their entirety, by Parking Fees and Fines credited as Other Revenue of the Fredericton Campus); and,
- \$10K increase attributed to the stabilization of funding for SafeWalk.

The remaining cost increases are primarily related to increases in salary and benefit costs.

2012-13 OPERATING BUDGET - OPERATING EXPENSES (continued)

Each year, the University compiles a series of charts and illustrations that illustrate the allocation of UNB operating expenses compared to other Canadian universities. These comparisons are assembled from information prepared by the Canadian Association of University Business Officers (CAUBO) and can be found at the following link beginning at page 30:

<http://www.unb.ca/vpfinance/resources/pdf/reports-presentations/report-fredericton-senate2011.pdf>

Each year the University retains flexibility to allocate funding towards priorities aimed at improving longer-term University finances. The level in the 2012-13 budget is \$1.4 million compared to \$1 million last year. If these investments prove to be successful and generate additional operating revenues, then ongoing funding may be allocated towards these initiatives in subsequent years. The primary focus of these investments in 2011-12 was recruitment and retention related initiatives, this continues in 2012-13.

There were approximately \$3.2 million in ongoing budget adjustments made as part of the 2012-13 budget. These budget adjustments were mainly reductions to expenses in 2012-13. The seven-year total of budget adjustments is more than \$22 million, or roughly 12%. The majority of these budget adjustments were in keeping with a robust expense management strategy. The composition of budget adjustments in 2012-13 follows:

| UNB 2012-13 Ongoing Budget Adjustments | | |
|--|--------------------|-------------------|
| | <u>\$ millions</u> | <u>% of Total</u> |
| - Savings from reductions in faculty positions, including salaries, benefits and other provisions. | \$2.55 | 79.0% |
| - Savings from reductions in staff positions, including salaries, benefits and other provisions | .63 | 20% |
| - Generation of new revenues or cost recoveries at the budget unit level. | .05 | 1% |
| | <u>\$3.23</u> | <u>100%</u> |

All of the above budget adjustments were made to the Fredericton campus and University-wide budget units

In addition to the above budget adjustments, many departmental non-salary budgets were frozen on the Fredericton campus and from University-wide budget units. The impact of this freeze is estimated to be approximately \$400,000.

The 2012-13 budget reductions resulted in the surrender of 17 FTE positions. 95% of these position surrendered were as a result of retirement or some other form of attrition.

As part of the 2012-13 budget process, there was a reallocation of approximately \$1 million in expense budgets towards areas of higher priority within the budget. This redeployment of resources was another tool to achieve overall budget and strategic objectives.

2012-13 OPERATING BUDGET – OPERATING EXPENSES AND OTHER ITEMS (continued)

Net Ancillary Operations

Ancillary operations are non-academic or non-research units that are expected to be self-funding. A detailed budget submission is made for each ancillary unit and is reviewed during campus budget processes. The net results of ancillary operations are included in the overall University operating budget to ensure completeness. The net budgeted cost for ancillary operations in 2012-13 is \$1,458,200 down from a next budgeted cost of \$1,935,506 last year.

A listing of the components within this category is illustrated below:

| UNB Summary of Net Ancillary Operating Budgets \$(000's) (Net Loss) | | |
|--|-------------------------|-------------------------|
| | <u>2011-12</u> | <u>2012-13</u> |
| UNBF Residence System | \$(1,034) | \$(900) |
| UNBSJ Residence System | (191) | (191) |
| Aitken University Centre | (570) | (586) |
| BMO Turf field & dome | (360) | 30 |
| UNBF Bookstore | 197 | 167 |
| UNBSJ Bookstore | 0 | 0 |
| Wu Conference Centre | 22 | 22 |
| (Net Loss) | <u><u>\$(1,936)</u></u> | <u><u>\$(1,458)</u></u> |

There are two main areas where the overall net cost of ancillary operations has decreased in 2012-13:

- 1) The net cost of the UNBF residence system is budgeted to decrease by \$134,000, primarily as a result of a reduction in ongoing debt costs through scheduled repayments.
- 2) In 2011-12, officials on the UNBF campus decided to pay off the remaining debt of \$1.9 million associated with the construction and development of the BMO Turf Field complex. With this debt paid off, there are no longer debt repayment and service costs to the facility, resulting in a break even position for day to day operations.

Contingency

The University budget contains a contingency provision of \$1.5 million (.83%) for potential adverse deviations from budget covering both revenue and expense budget categories. The level of contingency is unchanged from the 2011-12 budget.

In-Year Priority Allocations

As part of a strategy to retain a level of budget flexibility and in order to have a level of unallocated budget funding available to respond to opportunities during the year, some budget funds remain unallocated within the budget. Campus Vice Presidents determine the allocation of these funds during the year based on priorities. Budgeted amounts are unchanged from 2011-12.

| UNB In-year Priority Allocations \$(000's) | | |
|---|-----------------------|-----------------------|
| | <u>2011-12</u> | <u>2012-13</u> |
| UNBF and University Wide Units | \$973 | \$973 |
| UNBSJ | <u>660</u> | <u>660</u> |
| | <u><u>\$1,633</u></u> | <u><u>\$1,633</u></u> |

One-time Use (Source of Funds)

In the 2011-12 budget, this budget line item represented a net one time contribution of approximately \$1 million of specific purpose funds into the operating budget in order to achieve a balanced position.

The 2012-13 budget includes funding provided by the Provincial Government in lieu of ongoing grant increase that has been allocated to specific expenditures on a one time basis totaling \$1,800,000. The funds have been allocated for the following priorities:

| | |
|---|---------------------------|
| Funding for Renovation of the Ward Chipman Library UNBSJ | \$214,800 |
| Mitigation of structural deficit on a one-time basis UNBF | 862,500 |
| Provision for future risk regarding future government revenues | 722,700 |
| | <u><u>\$1,800,000</u></u> |

RESIDENCE BUDGET (including Conference Services) - Summary

As part of the overall strategy to attract and retain students, the University operates a residence system on the Fredericton and Saint John campuses. On the Fredericton campus, the system comprises 12 traditional undergraduate residences, one suite-style residence and one apartment building offering accommodation for a maximum of 1,606 students. As currently configured, the operational total is 1,445 beds. The Saint John system includes two residences with a bed capacity of 236. Residences are expected to operate on a full cost recovery basis, meaning revenues are expected to offset all operational and major maintenance expenses. Over the last several years, the decline in student enrolment has had a direct impact on overall occupancy rates on the Fredericton campus. This, combined with continuously rising utilities, heating and maintenance expenses, has resulted in a structural budget shortfall. The Saint John campus residence system also has a shortfall as the capital

cost of a new residence was not fully funded and is being amortized over time. With limited capacity to increase rates due to market conditions, the result is a budget shortfall on the Fredericton campus of \$900,000 and the Saint John campus of \$191,000. Over the last few years, several actions have been taken in the Fredericton campus Residence System to lessen the level of the annual budget shortfall, however, there still is a significant structural shortfall.

Fredericton campus residence administration has developed a draft plan to modernize facilities over the next 10 years.

The following tables provide a summary of the key operational and financial data for the residence system as related to the budget:

Fredericton Residence System

Saint John Residence System

| | 2011-12 Budget | 2012-13 Budget | % Change | 2011-12 Budget | 2012-13 Budget | % Change |
|--|-------------------|-------------------|-------------|-------------------|-------------------|-------------|
| Financial \$(000's) | | | | | | |
| Revenues | \$11,568 | \$12,282 | 6.2% | \$1,371 | \$1,422 | 3.7% |
| Expenses | 12,677 | 13,172 | 3.9% | 1,562 | 1,613 | 3.2% |
| Net shortfall | <u>(\$1,109)</u> | <u>(\$890)</u> | | <u>\$(191)</u> | <u>\$(191)</u> | |
| Capital improvements Included in expenses | \$893 | \$863 | | \$7 | \$28 | |
| Occupancy | | | | | | |
| Total beds in system | 1,606 | 1,606 | | 238 | 238 | |
| Beds budgeted to be occupied | 1,305 | 1,358 | | 212 | 212 | |
| Budgeted Occupancy % | <u>81.3%</u> | <u>84.6%</u> | | <u>90%</u> | <u>90%</u> | |

RESIDENCE BUDGET (continued)

After a review of the residence room and meal rates charged by other Atlantic universities, the local housing markets and budget requirements, recommendations are developed for UNB residence and meal rates. For the Fredericton system, traditional rates (residence and meals combined) will increase by 3.6%. Apartment rates are proposed to increase by 2.5%. For the Saint John residence, the proposed rate increases amount to 2.9%.

Fredericton Campus Residence & Meal Rates:

| Room – Accommodation | 2011-12 | 2012-13 | Increase (Decrease) In 2012-13 | |
|--------------------------------------|---------|---------|-----------------------------------|--------------|
| | | | \$ | % |
| Meal Plan | \$3,688 | \$3,866 | \$178 | 4.8% |
| Undergrad Residence (Two Terms) | | | | |
| Special Room | \$6,099 | \$6,251 | 152 | 2.5% |
| Single Room | \$5,396 | \$5,530 | 134 | 2.5% |
| Double Room | \$4,079 | \$4,181 | 102 | 2.5% |
| Magee House (Monthly) | | | | |
| 1 Bedroom Apt. | \$679 | \$696 | 17 | 2.5% |
| 2 Bedroom Apt. | \$804 | \$824 | 20 | 2.5% |
| 3 Bedroom Apt. | \$934 | \$957 | 23 | 2.5% |
| Suite Style Residence (Monthly) | | | | |
| Single Suite | \$821 | \$842 | 21 | 2.6% |
| One Bdrm in Double Suite | \$704 | \$722 | 18 | 2.6% |
| One Bdrm in Triple Suite | \$632 | \$648 | 16 | 2.5% |
| Overall Room & Board Fees | | | | 3.60% |

Saint John Campus Residence & Meal Rates

| Room - Accommodation | 2011-12 | 2012-13 | \$ Increase | % Increase |
|-------------------------------|---------|---------|----------------|---------------|
| Meal Plan | \$2400 | \$2400 | \$0 | 0% |
| Sir James Dunn Residence | | | | |
| Super Single (double bed) | \$4,665 | \$4,804 | \$139 | 3% |
| Large Single | \$4,561 | \$4,698 | \$137 | 3% |
| Single | \$4,266 | \$4,394 | \$128 | 3% |
| Double | \$3,805 | \$3,920 | \$115 | 3% |
| Dr. Colin B. Mackay Residence | | | | |
| 2 Bedroom Suites | \$4,785 | \$4,928 | \$143 | 3% |
| Meal Plan III | \$300 | \$300 | \$0 | 0% |
| Meal Plan IV | \$800 | \$800 | \$0 | 0% |

2012-13 CAPITAL BUDGET - SUMMARY

The capital budget reflects expenditures to be made on capital assets (equipment, buildings, renovations, improvements and capital renewal) that are funded from designated sources. The 2012-13 capital budget reflects ongoing funding and projects, as well as major projects supported by UNB donors and other special limited time stimulus-based funds from the provincial government.

A summary of the 2012-13 capital budget follows:

| University of New Brunswick | | | | |
|---|-------------------------------------|------------------------------------|--------------------------------|--------------------------------|
| 2011-12 Capital Budget Summary | | | | |
| \$(000's) | | | | |
| | <u>Fredericton</u> <u>Campus</u> | <u>Saint John</u> <u>Campus</u> | <u>2012-13</u> <u>Total</u> | <u>2011-12</u> <u>Total</u> |
| Buildings and Space | | | | |
| -Major maintenance, improvements and infrastructure renewal | \$15,983 | \$2,190 | \$18,173 | \$10,782 |
| Equipment and Technology | | | | |
| -(including \$650K in library acquisitions) | 2,253 | 417 | 2,670 | \$2,664 |
| | <u>\$18,236</u> | <u>\$2,607</u> | <u>\$20,843</u> | <u>\$13,446</u> |

The following is a summary of the major projects included in the detailed campus capital budgets:

Fredericton Campus (individual projects greater than \$250,000)

| | |
|--|-------------|
| - Central Heating Plant boiler replacement program (previously approved by the Board of Governors) | \$4,465,000 |
| - ITS infrastructure upgrade | 595,000 |
| - Classroom upgrades | 500,000 |
| - Water and Sewer Infrastructure (Bailey Drive) | 500,000 |
| - Upgrades to the Student Union Building | 483,750 |
| - Steam distribution pipes | 450,000 |
| - Campus safety improvements | 350,000 |
| - Student services consolidated | 350,000 |
| - Residence roof replacements | 331,950 |
| - Window replacement (Toole Hall) | 325,000 |
| - Windows and roof replacement (Carleton Hall) | 300,000 |

Saint John Campus (individual projects greater than \$100,000)

| | |
|---|-----------|
| - Renovation to classroom (Ganong Hall, room number 21) | \$385,000 |
| - Renovation to athletic centre (men's changing room) | 335,000 |
| - Campus washrooms upgrades to address accessibility | 150,000 |
| - Campus high voltage loop upgrade | 150,000 |
| - Repointing of brickwork on various campus buildings | 136,605 |
| - Replace Ganong Hall ramp to address accessibility | 110,000 |

In addition to these amounts, there will be approximately \$900,000 of investments made in various energy management projects in accordance with the Energy Management Program previously approved by the Board.

2012-13 CAPITAL BUDGET – SUMMARY (continued)

The Saint John campus is currently reviewing possible configuration options for a major renovation of the former Ward Chipman Library facility. Once the specific requirements and project scope are finalized a proposal including a funding strategy will be brought to the University's Board of Governors.

Infrastructure Renewal Funding

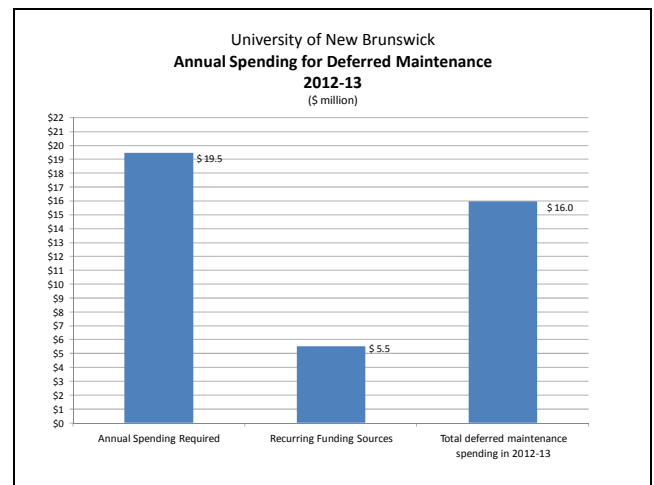
The last installment of the Provincial University Deferred Maintenance Program (UDMP) is slated for 2012-13. The goal of the UDMP Program is to improve University facilities, reduce levels of accommodated deferred maintenance and to provide stimulus-based activity that would benefit the Provincial economy. The table below illustrates the funding allocated under the UDMP Program and the amount allotted to UNB:

| Province of New Brunswick University Deferred Maintenance Funding | | | | | |
|--|----------------|----------------|----------------|----------------|--------------|
| | \$(millions) | | | | |
| | <u>2009-10</u> | <u>2010-11</u> | <u>2011-12</u> | <u>2012-13</u> | <u>Total</u> |
| UDMP Funding for NB Universities | \$30 | \$15 | \$7.5 | \$7.5 | \$60 |
| UDMP Funding for UNB | \$16 | \$8 | \$4 | \$4 | \$32 |

Level of Accumulated Deferred Maintenance

Like many of the older universities across Canada, the University of New Brunswick has accumulated a large backlog of major maintenance. As facilities age and there is insufficient funding sources to perform the necessary replacements and repairs, a backlog of deferred maintenance projects accumulates. The estimated level of this work at UNB is approximately \$187 million, with a full replacement value of approximately \$950 million, the ratio of deferred maintenance to the current replacement value (the FCI index) for UNB is 20. UNB's FCI figure is higher than the Canadian average estimated to be in the order of 14 (a level above 10 is considered poor).

It has been estimated that UNB should be spending approximately \$19.5 million per year on major maintenance. The level of funding typically available for these types of expenditures is approximately \$5.5 million, or \$14 million short. In 2012-13, a total of \$19.4 million will be spent on buildings and space related projects, approximately \$16 million of this would be considered related to deferred maintenance.

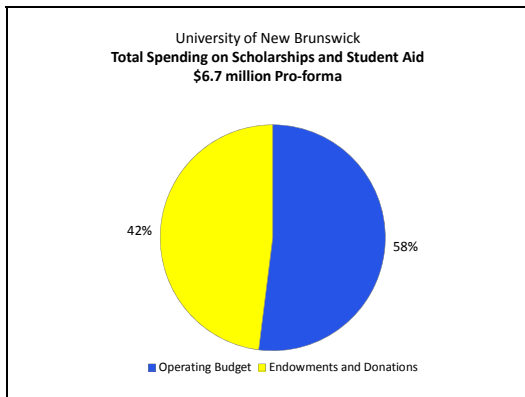


New Construction

There are no new construction projects proposed as part of the 2012-13 budget. In 2011-12, two major new construction projects were completed, with the \$62-million RICHARD J. CURRIE CENTER commissioned on the Fredericton campus and the \$25-million Hans W. Klohn Commons facility on the Saint John campus.

ENDOWMENT BUDGET – Pro-forma Balances and Spending

At \$6.7 million, the University's overall budgeted spending on scholarships and student aid in 2012-13 is at the same level as budgeted last year. The overall spending is funded from a number of sources including an allocation from the operating budget, spending from scholarship endowment and trust accounts, and ongoing gifts from donors. The chart below provides a breakdown of how the overall spending will be financed in 2012-13. Actual amounts in each category may vary depending on circumstances:



The balance of this section is focused on spending from endowment and trust accounts and how this component is expected to be approached in 2012-13.

UNB Endowment Spending Rate – Long-term Target

The university has adopted an endowment spending policy which is designed to achieve a reasonably stable, sustainable and predictable rate of spending through volatile market cycles. Stability and predictability are important for planning scholarships and other programs and activities that are supported by trust and endowment spending. In 2005, following the completion of a study by an actuarial consulting firm on behalf of the University, the long-term real spending rate target was set at 4.5% applied to a 48-month moving average market value base. In 2011-12, following a number of years of volatility and uncertainty in global capital markets, the Board approved a reduction in the long-term real spending rate target to 4.25%, considered to be a more sustainable level. This reduction was consistent with trends at other Canadian universities and reflected expectations by many analysts and economists for lower expected returns going forward. It was also consistent with trends in actuarial valuations of pension plans where actuaries are reducing many of the key economic assumptions including inflation, discount rates and expected rates of return.

The Investments Committee reviews the long-term target spending rate on an annual basis. During the current year

review, it was noted that capital markets experienced significant volatility in 2011. Interest rates are at historic low levels and most economists are forecasting that future investment returns will likely not meet historic levels. In this environment, the Committee is concerned that there is an increased level of risk that the current long-term real spending target of 4.25% may not be sustainable. Although not recommending a reduction in the long-term targeted rate at this time, the Committee has indicated that the rate will need to be carefully reviewed and monitored as markets settle over the next year.

As noted later in this section, in this environment of uncertainty, the Committee is recommending a cautious approach to spending from endowment accounts in 2012-13. In order to protect the financial position of the endowment accounts, it is recommended that spending of up to 4% be permitted from individual endowment accounts when spending reserves are available to support this level of spending. This is less than the long-term target of 4.25%. A plan has been developed to maintain the University's overall level of spending on scholarships and bursaries in 2012-13 by "topping up" spending from scholarship accounts to the 4.25% level using a one-time allocation from the 2012-13 operating budget.

Recent History of Endowment Spending

Each year, the Investments Committee examines a number of key indicators to determine the recommended level of endowment spending in the following fiscal year. A key factor in this decision is the status of endowment spending reserves. These reserves represent unspent income accumulated from those years when investment returns exceeded the amount needed to support annual spending. Other key indicators include the status of endowment inflation reserves, expectations for future returns, donor expectations, and best practices at other institutions.

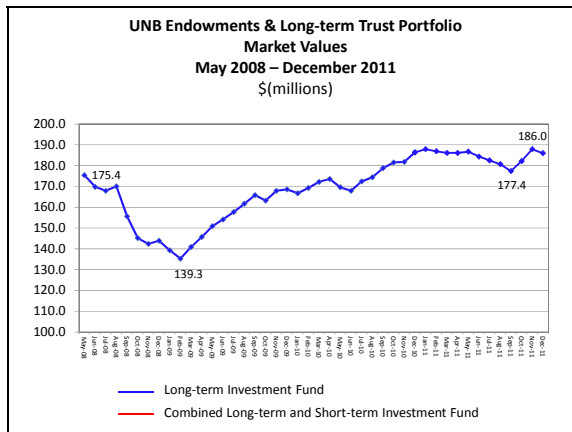
In 2009-2010 and 2010-2011, the Board accepted recommendations from the Investments Committee and approved spending at 4.25%, an amount less than the (then) long-term target rate of 4.5%. The Board also directed that no spending would be permitted in those years from accounts that had a market value of less than the original donation value. This decision was mainly attributable to the severe downturn in global financial markets in late 2008 and early into 2009, and the resulting impact on the University's endowment spending and inflation reserves. An "endowment backstop fund" was established to source enough funds to support endowment and bursary spending at 2008-09 levels in both 2009-10 and 2010-11. A modest fund was also established to support non-scholarship priority activities.

ENDOWMENT BUDGET – Pro-forma Balances and Spending (continued)

The Board approved an approach to endowment spending in 2011-12 that was essentially the same as the approach that was taken in each of the previous two years. In short, spending was permitted at 4.25% from individual accounts that had spending reserves sufficient to support this level of spending. The endowment backstop fund was again available to support spending from underwater scholarship endowment accounts, although only very limited backstop funding was actually required in 2011-12. As noted above, the Board also approved a reduction in the long-term targeted spending rate from 4.5% to 4.25%, considered to be a more sustainable level.

Update on Endowment Returns and Market Values

The chart below tracks the market value of University endowment and other Trust accounts from May 2008 until December 31, 2011.



The chart illustrates that in May of 2008 the portfolio had a value of \$175.4 million. Due to the sudden and sharp declines in financial markets in 2008 and into early 2009, the portfolio declined to \$135.3 million at the end of February 2009. Financial markets rebounded strongly later in 2009 and continued to perform well in 2010. Markets were very volatile in 2011 and UNB's Trust & Endowment portfolio was basically flat for the year. As a result, the portfolio reflected a market value of \$186 million as at December 31, 2011. The following chart summarizes the returns for the portfolio for the periods ended December 31, 2011.

| University of New Brunswick Trust and Endowment Portfolio Returns Dec 31, 2011 Annualized | | |
|--|---------------|----------------|
| | <u>1 Year</u> | <u>2 Years</u> |
| Actual Returns | 0.24% | 5.29% |
| Policy Target | 0.60% | 5.16% |

As noted, UNB returns for the one and two-year periods ending December 31, 2011 were positive, but less than the estimated 7% nominal return required to support a spending rate of 4.25%.

Endowment Spending 2012-13

As noted above, in order to protect the financial position of endowment accounts, the Investments Committee has recommended that spending of up to 4% be permitted from these accounts. However, in order to ensure that the University maintains a competitive level of spending on scholarships and bursaries, spending from scholarship endowment accounts will be topped up to 4.25% through an allocation of operating funds.

Specifically, the spending policy for 2012-13 will be enacted as follows:

- Spending will be determined on an account-by-account basis
- There will be no spending permitted from "underwater" accounts (where the current value is less than the original donor value)
- Spending of up to 4% will be permitted from accounts where spending reserves are sufficient to support this level of spending
- For scholarship and bursary endowments, where an award was issued in 2011-12 and the account is currently underwater, or the account's spending reserve is inadequate to support a 4% spending allocation, spending will be "topped-up" to 4.0% from the endowment backstop fund
- Spending will then be topped up to 4.25% from one-time allocation from the 2012-13 operating budget.

SUMMARY OF KEY BUDGET ASSUMPTIONS AND RISKS

The University budget is prepared using a series of assumptions. These assumptions are influenced by a variety of factors, some of which are outside of the control of the University, while, in other cases, the University can influence or control the variables to various degrees. A summary of the key budget assumptions and risks follows:

- **General Economic Environment**

- Inflation Rates

- The budget is based on the assumption that overall inflation rates will be in the range of 2.5% in 2012-13.

- Interest Rates

- The operating budget contains \$1 million in income earned from the short-term investment of cash flow. Earnings are related to the bank rate which is assumed to remain in the lower range. Budgeted earnings are based on an assumed average earning rate of 1.2%.

- Market Returns

- The level of returns from Canadian and world equity markets, as well as the position of interest rates, has a direct impact on the level of earnings for university endowments and the assets of the Academic Pension Plan. The basic assumption is that overall returns for the endowment fund will be in keeping with a real return objective of 4.25% and that real returns for the pension plan will be in keeping with actuarial assumptions. If there is a material negative variance in endowment or pension earnings, the impacts will be felt in future years.

- **Operating Revenues**

- Student Enrolment

- Operating budget revenue is based on overall student FTE enrolment of 9,586 students. This represents a 92 FTE decrease in the number of students from 2011-12 actual amounts. Actual enrolments in 2011-12 were 229 above the previous year. Each change in 100 FTE students (depending on the nature of students, domestic or international, and which program) has an impact on operating revenues of between \$0.6 million and \$1.2 million.

- Provincial Funding

- The amounts in the 2012-13 budget reflect current best estimates of what the University will receive in funding from the provincial government budget via the Maritime Provinces Higher Education Commission formula. As of the time of the budget preparations, the amounts have not been confirmed.
 - The University of New Brunswick, along with three other publicly funded universities in the province, continues a process with the Government of New Brunswick aimed at establishing a multi-year funding memorandum of understanding.

- **Operating Expenses**

- Collective Agreements

- The University has a signed collective agreement with full-time faculty and professional librarians that are represented by the Association of University of New Brunswick Teachers (AUNBT). The collective agreement runs from July 1, 2009 until June 30, 2014.
 - The University has a signed collective agreement with graduate student workers. This group is represented by the Public Service Alliance of Canada. The collective agreement runs from May 1, 2008 to April 30, 2013.
 - The University has signed a collective agreement with contract academic employees that are represented by the AUNBT. The contract expires June 30, 2013.
 - The collective agreement with unionized support workers on the Saint John campus, as represented by CUPE, expires on June 30, 2012. Assumptions have been made in the budget in regards to future related costs. The annual salary mass for this group is approximately \$3 million.
 - The collective agreement with unionized support workers on the Fredericton campus expired on June 30, 2011. This group is represented by the University of New Brunswick Employees Association (UNBEA). As of

SUMMARY OF KEY BUDGET ASSUMPTIONS AND RISK (continued)

the date of budget preparations, collective bargaining processes had not been completed. The budget makes a provision for future related costs. The annual salary mass for this group is approximately \$14 million.

- The University has approximately 600 non-unionized professional staff with a total salary mass of approximately \$30 million. The 2012-13 budget contains provisions for annual salary adjustments for this group. Over the last year, the Public Service Alliance of Canada has expressed interest in unionizing this group. As of the date of budget preparations, these employees remain non-unionized.

- Academic Pension Plan

- The Pension Plan for Academic Employees of the University of New Brunswick has been in inception since January 01, 1993. The Plan is funded and administered on a 50/50 basis with the University and Plan members, as represented by the AUNBT, jointly sharing the costs, risks and administration of the Plan. The latest actuarial valuation of the Plan was performed as of July 01, 2011. The valuation illustrated a going concern actualized funding shortfall of \$74.5 million, with total liabilities of \$262.8 million. The valuation illustrated that annual funding requirements for current benefit levels would be 12.39% of pensionable earnings for each party. This compares to actual amounts being paid by each party of \$10.05% and 1.58% that comes from a rate stabilization account established by the parties as part of an overall Improvement Plan in 2007. The Pension Actuary has advised that, due to current economic conditions and the related suppression of investment earnings, the rate stabilization account is likely to be depleted in the fall of 2012. The University and the members of the Plan would, therefore, be faced with a potential increase in contributions from 10.05% to 12.39% on a salary mass of approximately \$65 million, or roughly

\$1.5 million more each. It is also important to note that another aspect of the 2007 Improvement Plan was that faculty members agreed to a reduced level of pension accrual between 2007 and 2013. Unless otherwise agreed to by the parties, in 2013, the level of pension benefits reverts to its original levels. This would increase the required funding contribution by each party by an additional 1.4% of pensionable earnings. The parties have agreed to review options prior to the funds in the rate stabilization account being exhausted. The University operating budget reflects ongoing pension funding of 12.39%.

- Non-Pension Benefit Costs

University Non-Pension Benefit Plans are cost shared equally between the University and members of the benefit plans. Certain components of these plans contain elements of self-insurance (with partial stop loss coverage). The assumption contained in the budget is that the utilization and lost patterns of recent years will continue in 2012-13.

Heating and Utility Costs

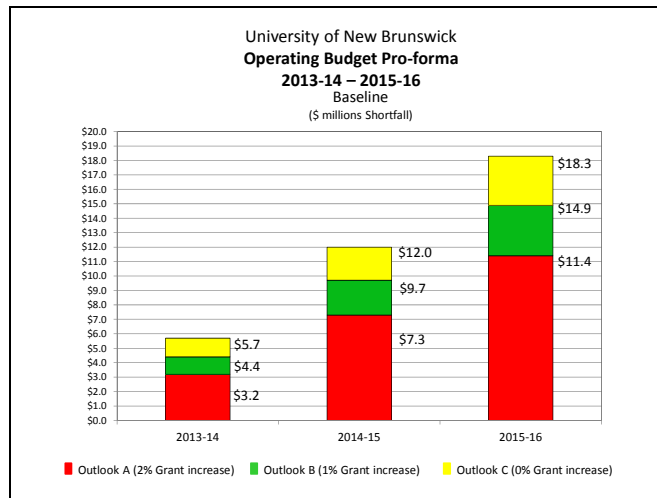
The operating budget contains electricity costs of \$4 million and heating costs of \$5.6 million. Estimates have been made for future utilization and prices. Per indications from the Public Utilities Board, electricity costs are anticipated to remain stable at 2011-12 rates. Significant changes in the fuel mix at the Central Heating Plant on the Fredericton campus are anticipated: the use of light oil will be discontinued, the consumption of natural gas will increase by 37% while the volume of bunker oil will be reduced to one third of previous year's consumption. Natural gas rates are anticipated to remain relatively stable while bunker rates increase approximately 6% and wood approximately 5%.



2012-13 BUDGET - MULTI-YEAR FINANCIAL OUTLOOK SCENARIOS – Operating Budget

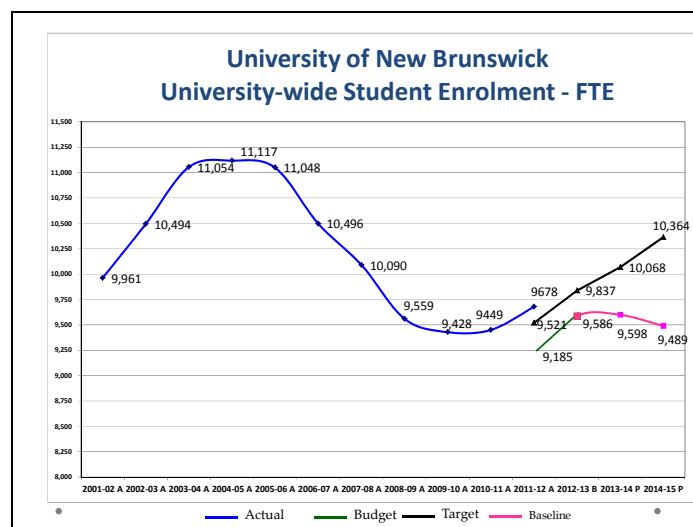
As part of the University budget process, a series of multi-year models of future operating budget revenues and expenses are prepared. The models are prepared based on estimates and assumptions for existing programs, operations and activities (the base line).

The Province and universities will be discussing a multi-year funding arrangement in 2012, there currently is no framework in place for future levels of operating grant funding or the environment for future tuition fees. Accordingly, the scenarios modeled are illustrations of the financial impact of these key variables combined with best estimate assumptions for student enrolment and operating expenses. The modeled scenarios illustrate a 0%, 1% and 2% increase in the level of the Provincial operating grant along with a 3% increase in tuition fees. The models assume the starting point for the provincial operating grant is the base level amount in 2012-13, i.e., does not include the one-time funding of \$1.8 million.



As modeled, annual shortfalls would begin under each scenario in 2013-14 and grow in each subsequent year. The main reasons for the shortfalls are that basic operating expenses are modeled to increase by close to 4% each year whereas overall operating revenues are modeled to increase a lower rate, depending on the level of the provincial grant. Using the mid-point scenario of a 1% grant increase and a 3% increase in tuition fees, when combined with current enrolment forecasts, overall annual revenue growth over the period would be less than 2%.

The graph below depicts baseline FTE enrolment assumptions included in the multi-year financial modeling scenarios in comparison with recent actual figures. The graph also illustrates the notional targets for student enrolment that are set out in the University's strategic plan (the target figures).



2012-13 BUDGET - MULTI-YEAR FINANCIAL FRAMEWORK – Operating Budget

Background

In 2009-10, the University experienced an operating budget shortfall of \$3 million. This shortfall developed after several years of declining student enrolment, which eroded some \$15 million in student tuition revenue from the budget, and a sudden and expected decline in the provincial operating grant. UNB had been actively managing the level of growth in operating expense during the years leading up to 2009-10 and afterwards in order to match expenses to a suppressed level of revenue growth. Budget models illustrated that if left unchecked, budget shortfalls would likely continue and grow in future years. Accordingly in 2010-11, the University established a three-year financial framework to guide University operating budgets. Over the six-year period ending in 2011-12, the University had managed out of the operating budget, more than \$18 million, or 10%, of expenditures. Without these budget reductions, the University would have developed a significant budget shortfall. In 2011-12, the financial framework was adjusted to reflect additional levels of compensation stemming from collective agreement settlements and a renewed emphasis on revenue generation and growing student enrolment.

The 2011-12 budget was balanced and the expectation is that at fiscal year-end, this target will be surpassed.

While the 2012-13 operating budget is balanced, it is not structurally balanced. As outlined through the previous section of the budget, there is a likely risk that the University could remain in an unbalanced position in the near future, primarily as a result of possible low levels of overall revenue growth.

Multi-year Funding Arrangement

New Brunswick universities and the Province of New Brunswick are currently engaged in discussions leading towards a multi-year funding framework for universities and more predictability of future tuition fees for students. The results of this multi-year arrangement will be a major component in the future financial framework for the University of New Brunswick and all other public universities in the province.

Future Financial Framework

UNB will be developing a new framework from a position of a balanced budget and with a strategic plan to guide future decisions. The future financial framework will include the following elements:

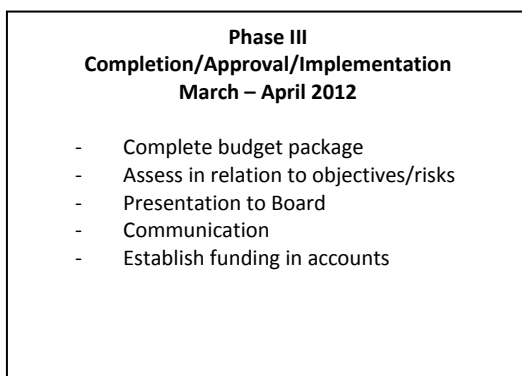
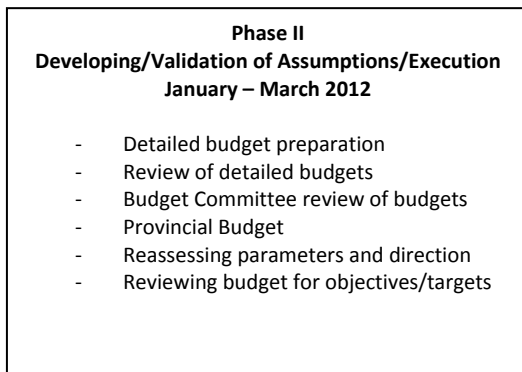
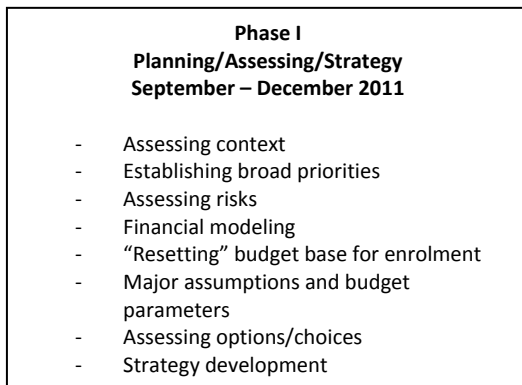
- An overall financial objective to achieve and sustain a structurally balanced operating budget.
- A continued balanced approach to university finances and budgets with new revenues featuring prominently while also continuing with robust expense management while making selective strategic investments in high priority areas.
- The areas for generating new levels and sources of revenue will include:
 - Increasing student enrolment and improved retention of domestic and international students at both undergraduate and graduate levels on both campuses.
 - Continuing education and non-traditional sources.
- Engage in an ambitious and focused fund-raising campaign over this timeframe. The campaign will be directed towards priorities included in the Strategic Plan.
- Enhance efforts to further responsibly develop heritage development lands and use the proceeds of these developments to invest in strategic priorities.
- Pursue research partnerships and funding opportunities in line with strategies included in the Strategic Plan.
- The approach will be specific to the circumstances of each campus while being coordinated from an overall University perspective.



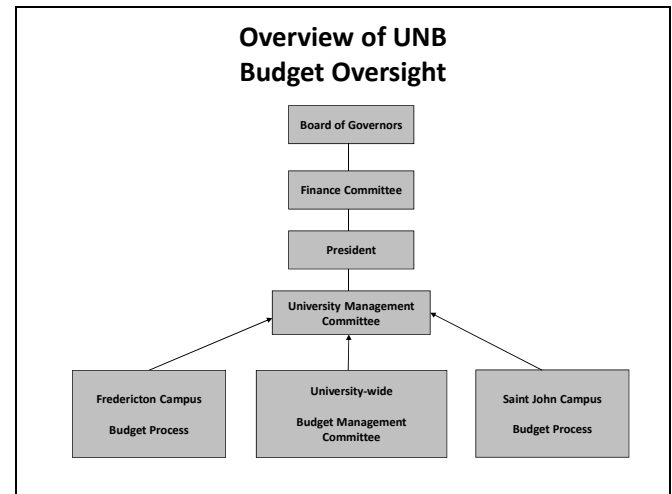
BUDGET PROCESS

Preparing the annual budgets for the University of New Brunswick is a significant undertaking requiring planning, coordination and the effort and contributions from a number of stakeholders. There were three basic phases to the 2012-13 budget process as outlined below:

UNB 2012-13 BUDGET PROCESS Overview of Stages and Timing



The following chart provides an overview of the budget oversight process at UNB to ensure that budget options and choices are reviewed and analyzed prior to the President bringing forward the final budget proposal to the Board of Governors for consideration and approval.



The following is a summary of the role of the University-wide Budget Management Committee, as well as all the membership of budget committees and basics of the Fredericton campus budget process:

University-wide Budget Management Committee

This group ensures coordination between campus budget processes and committees and provides oversight to the University budget process. The committee reviews budget submissions from University-wide budget units and acts as a forum for discussion of budget policy matters as well as inter-campus allocations. The committee is advisory to the University Management Committee.

BUDGET PROCESS (continued)

The following individuals were members of the University and campus budget committees for the 2012-13 budget process:

University-wide Budget Management Committee

Eddy Campbell, President, Chair
Daniel Murray, Vice-President (Finance & Corporate Services)
Tony Secco, Vice-President Fredericton (Academic)
Greg Kealey, Vice-President (Research) & Provost
Bob Skillen, Chief Advancement Officer
Robert MacKinnon, Vice-President Saint John
Jordan Thompson, Undergraduate Student Representative, Fredericton
Chris Kretzschmar, Graduate Student Representative
Ying Zhang, Undergraduate Student Representative, Saint John
Brenda Collings, Faculty Representative, Saint John
Karen Keiller, Staff Representative, Saint John
Jim Murray, Faculty Representative, Fredericton
Terry Nikkel, Staff Representative Fredericton (Director's Plus)
Elin Maher, Senate Faculty Representative
John Neville, Associate Dean (Graduate Studies)
Chris Callbeck, Assistant Vice-President (Finance & Administration) UNBSJ
Larry Guitard, Assistant Vice-President (Finance & Corporate Services) & Comptroller
Tim Walker, Director, Resource Planning and Budgeting Team
Eleanor Curtis, Committee Secretary

Saint John Campus Budget Management Committee

Robert MacKinnon, Vice-President (Saint John)
Chris Callbeck, Assistant Vice-President (Finance & Administration) UNBSJ
Regina Farnsworth, Dean, Faculty of Business
Joanna Everitt, Dean, Faculty of Arts
Ruth Shaw, Dean, Science, Applied Science & Engineering (SASE)
Bruce MacDonald, Associate Dean, Graduate Studies
Kevin Bonner, Director, Student Services
Mark Bishop, Registrar
Karen Keiller, Director, Information Services & Systems

Fredericton Campus Budget Process

During the 2012-13 campus budget process, discussions were held with campus stakeholders through the Fredericton Campus Deans Council, campus and university-wide directors group, as well as consultation through the University-wide Budget Management Committee. Throughout the budget process, Deans also interacted with chairs/faculty councils and Directors with their managers/coordinators.

BUDGET – Accountability and Budget Policies

The University of New Brunswick has a long tradition of fiscal responsibility and provides clear open disclosure of its financial position, budgets and results. Among the chief tools that support this approach are:

- A comprehensive set of University financial and budget planning principles and policies which are available on the secure University website at <http://www.unb.ca/secretariat/policy-repository/resources/php/download-policy.php?id=Yw==>
- Preparation and disclosure of annual independently audited financial statements, available on the University open website http://www.unb.ca/financialservices/resources/pdf/financial_accounting/consolidated_financial_statements_april_30_2011.pdf
- Annual reports by the University Comptroller and the Vice-President (Finance and Corporate Services) which describe the financial results and compare to budget targets, both are available on the open University website at <http://www.unb.ca/vpfinance/reports-presentations.html>
- The 2012-13 and previous years' budgets are available on the open University website at <http://www.unb.ca/vpfinance/budgets/index.html>



BUDGET SCHEDULES

Schedule A: Summary of Statement of Operating Revenues & Expenses

Schedule B: Provincial Operating Grant

Schedule C: Recommended Tuition and Related Fee Changes

Schedule D: Recommended Parking Fee Changes

Schedule E: Revenue Proposals

University of New Brunswick
University-wide Consolidated Operating Budget

Schedule A

| | Approved Budget 2011-12 | Proposed Budget 2012-13 | Increase(Decrease) | |
|--|-------------------------------|-------------------------------|--------------------|----------------|
| | | | Dollars | Percent |
| Revenue | | | | |
| Provincial Operating Grant | \$108,066.7 | \$108,000.1 | (\$66.6) | (0.1%) |
| Tuition Revenue | 53,429.8 | 58,006.9 | 4,577.2 | 8.6% |
| Other Revenue | 11,353.8 | 12,283.1 | 929.3 | 8.2% |
| Total Revenue | 172,850.3 | 178,290.1 | 5,439.8 | 3.1% |
| Expense | | | | |
| Academic and Research | | | | |
| Faculties and Departmental Costs | 92,168.0 | 94,378.0 | 2,210.0 | 2.4% |
| Academic and Student Support | 29,153.4 | 30,459.5 | 1,306.1 | 4.5% |
| Sub-total | 121,321.4 | 124,837.6 | 3,516.1 | 2.9% |
| Administration and Support Services | | | | |
| Administration and Development | 25,885.8 | 27,208.5 | 1,322.7 | 5.1% |
| Maintenance and Utilities | 21,649.2 | 21,760.5 | 111.3 | 0.5% |
| Sub-total | 47,535.0 | 48,969.0 | 1,434.0 | 3.0% |
| Total Operating Expense | 168,856.4 | 173,806.5 | 4,950.1 | 2.9% |
| Ancillary Operations (Net) | 1,935.5 | 1,458.2 | (477.4) | (24.7%) |
| In-Year Contingency | 1,500.0 | 1,500.0 | 0.0 | 0.0% |
| In-Year Priority Allocations | 1,633.3 | 1,633.3 | 0.0 | 0.0% |
| Total Expense | 173,925.2 | 178,397.9 | 4,472.8 | 2.6% |
| (Deficit) before One-Time Funds | (1,074.9) | (107.9) | 967.0 | |
| One-Time Sources (Uses) of Funds | | | | |
| Provincial Operating Grant | 0.0 | 1,799.9 | 1,799.9 | |
| Utilization of Internal Reserves | 1,963.9 | (722.7) | (2,686.6) | |
| Provision for Complement Reduction Costs | (889.0) | 0.0 | 889.0 | |
| Provision for Capital Expenditure(s) | 0.0 | (612.4) | (612.4) | |
| Provision for Strategic Investment | 0.0 | (356.9) | (356.9) | |
| Sub-total | 1,074.9 | 107.9 | (967.0) | |
| Net Position | \$0.0 | \$0.0 | \$0.0 | |
| (Deficit) as a Percentage of Revenues | 0.0% | 0.0% | | |

University of New Brunswick
Provincial Operating Grant

Schedule B

| | Actual 2011/12 | Mar 29th Proposed Budget 2012/13 | Increase(Decrease) | |
|--|-------------------|--|--------------------|-------------|
| | | | (\$000) | Percent |
| University-wide | | | | |
| Unrestricted Operating Grants | | | | |
| Flat Grant | \$72,347 | \$72,347 | \$0 | 0.0% |
| Enrolment-based grant | \$25,155 | \$25,155 | \$0 | 0.0% |
| Fiscal transfer for St.Thomas University (1) | \$1,882 | \$1,882 | \$0 | 0.0% |
| Sub-Total | \$99,383 | \$99,383 | \$0 | 0.0% |
| Flat Grant in lieu of tuition freeze | \$8,617 | \$8,617 | \$0 | 0.0% |
| Total | \$108,000 | \$108,000 | \$0 | 0.0% |
| Restricted Capital Grants | | | | |
| Non-space | \$2,176 | \$2,176 | \$0 | 0.0% |
| Alteration & Renovation | \$2,439 | \$2,439 | \$0 | 0.0% |
| Total | \$4,616 | \$4,616 | \$0 | 0.0% |
| Grants Total | \$112,616 | \$112,616 | \$0 | 0.0% |
| One-time Operating Funding | \$0 | \$1,800 | \$1,800 | 1.7% |
| Fredericton Campus | | | | |
| Unrestricted Operating Grants | | | | |
| Flat Grant | \$60,605 | \$60,605 | \$0 | 0.0% |
| Enrolment-based grant | \$21,066 | \$21,066 | \$0 | 0.0% |
| Fiscal transfer for St.Thomas University (1) | \$1,882 | \$1,882 | \$0 | 0.0% |
| Sub-Total | \$83,554 | \$83,554 | \$0 | 0.0% |
| Flat Grant in lieu of tuition freeze | \$6,827 | \$6,827 | \$0 | 0.0% |
| Total | \$90,380 | \$90,380 | \$0 | 0.0% |
| Restricted Capital Grants | | | | |
| Non-space | \$1,863 | \$1,863 | \$0 | 0.0% |
| Alteration & Renovation | \$2,105 | \$2,105 | \$0 | 0.0% |
| Total | \$3,968 | \$3,968 | \$0 | 0.0% |
| Grants Total | \$94,349 | \$94,349 | \$0 | 0.0% |
| One-time Operating Funding | \$0 | \$1,585 | \$1,585 | 1.7% |
| Saint John Campus (2) | | | | |
| Unrestricted Operating Grants | | | | |
| Flat Grant | \$11,741 | \$11,741 | \$0 | 0.0% |
| Enrolment-based grant | 4,088 | 4,088 | \$0 | 0.0% |
| Fiscal transfer for St.Thomas University (1) | \$0 | \$0 | \$0 | 0.0% |
| Sub-Total | \$15,830 | \$15,830 | \$0 | 0.0% |
| Flat Grant in lieu of tuition freeze | \$1,790 | \$1,790 | \$0 | 0.0% |
| Total | \$17,620 | \$17,620 | \$0 | 0.0% |
| Restricted Capital Grants | | | | |
| Non-space | \$313 | \$313 | \$0 | 0.0% |
| Alteration & Renovation | \$334 | \$334 | \$0 | 0.0% |
| Total | \$648 | \$648 | \$0 | 0.0% |
| Grants Total | \$18,267 | \$18,267 | \$0 | 0.0% |
| One-time Operating Funding | \$0 | \$215 | \$215 | 1.7% |

The Fiscal transfer represents the amount allotted to UNB from MPHEC in recognition of the joint services that are provided by the Fredericton Campus that also service the St. Thomas University. These include student services, medical centre and library services.

The Unrestricted and Restricted portions of the grant are provided to the University in total. Intercampus allocations reflect the recommendations of the recent commission on Intercampus Relations, Funding and Governance as well as Board policy. The application of this policy results in an allocation that would result if the Provincial approach to allocations between universities was also applied towards the two campuses.

University of New Brunswick
Recommended Tuition and Related Fee Changes
for 2012-13

Schedule C

| | 2007-08 | | | 2008-09 | | | 2009-10 | | | 2010-11 | | | 2011-12 | | | Recom. 2012-13 | |
|---|---------|-------|-------|---------|-------|-------|---------|-------|-------|---------|-------|-------|---------|-------|-------|-------------------|--|
| | | | | | | | | | | | | | | | \$ | % | |
| Undergraduate Tuition Fee - (including students in a qualifying year) | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,857 | 175 | 3.08% | |
| | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 586 | 18 | 3.17% | |
| | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,172 | 36 | 3.17% | | |
| Faculty of Business Administration | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,482 | 5,957 | 175 | 3.03% | | |
| | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 548 | 596 | 18 | 3.11% | | |
| | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,096 | 1,156 | 36 | 3.11% | | | |
| Faculty of Engineering | 6,282 | 6,482 | 6,482 | 6,482 | 6,482 | 6,482 | 6,482 | 6,482 | 6,482 | 6,482 | 6,482 | 6,682 | 6,857 | 175 | 2.62% | | |
| | 628 | 648 | 648 | 648 | 648 | 648 | 648 | 648 | 648 | 648 | 648 | 668 | 686 | 18 | 2.69% | | |
| | 1,256 | 1,296 | 1,296 | 1,296 | 1,296 | 1,296 | 1,296 | 1,296 | 1,296 | 1,296 | 1,336 | 1,372 | 36 | 2.69% | | | |
| Faculty of Law | 9,032 | 9,032 | 9,032 | 9,032 | 9,032 | 9,032 | 9,032 | 9,032 | 9,032 | 9,032 | 9,032 | 9,232 | 9,407 | 175 | 1.90% | | |
| | 903 | 903 | 903 | 903 | 903 | 903 | 903 | 903 | 903 | 903 | 903 | 923 | 941 | 18 | 1.95% | | |
| | 1,806 | 1,806 | 1,806 | 1,806 | 1,806 | 1,806 | 1,806 | 1,806 | 1,806 | 1,806 | 1,846 | 1,882 | 36 | 1.95% | | | |
| Graduate Tuition Fees for Research Based Programs | 1,854 | 1,854 | 1,854 | 1,854 | 1,854 | 1,854 | 1,854 | 1,854 | 1,854 | 1,854 | 1,854 | 1,920 | 1,978 | 58 | 3.02% | | |
| | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 960 | 989 | 29 | 3.02% | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Graduate Tuition Fees Per Course for Course Based Programs | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 927 | 960 | 989 | 29 | 3.02% | | |
| | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 690 | 715 | 733 | 18 | 2.52% | | |
| | - | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 0 | 0.00% | | |
| MBA in Engineering Mgt. - Compressed Courses (includes a \$462 Program Fee) | 738 | 738 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 838 | 858 | 876 | 18 | 2.10% | | |
| | - | 1,200 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,320 | 1,338 | 18 | 1.36% | | |
| | - | 2,400 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,520 | 2,538 | 18 | 0.71% | | | |

Basic Tuition Fees:

Undergraduate Tuition Fee - (including students in a qualifying year)

Full-time students

Per course (0 - 5 credit hours)

Per course (6 - 11 credit hours)

Faculty of Business Administration

Full-time students (includes a \$100 Program Fee)²

Per course (0 - 5 credit hours) (includes a \$10 Program Fee)²

Per course (6 - 11 credit hours) (includes a \$20 Program Fee)²

Faculty of Engineering

Full-time students (includes a \$1,000 Program Fee)²

Per course (0 - 5 credit hours) (includes a \$100 Program Fee)²

Per course (6 - 11 credit hours) (includes a \$200 Program Fee)²

Faculty of Law

Full-time students (includes a \$3,550 Program Fee)

Per course (0 - 5 credit hours) (includes a \$355 Program Fee)

Per course (6 - 11 credit hours) (includes a \$710 Program Fee)

Graduate Tuition Fees for Research Based Programs

Full Time Program Fee (per term)

Part time or Continuing Fee (per term)

Visiting GR Students Registered at Canadian Universities

Visiting GR Students Registered at Non-Canadian Universities (up to 1 year)

Graduate Tuition Fees Per Course for Course Based Programs

All Programs (except MBA) Per course (0 - 5 credit hours)

M.Ed On-line program Administration Fee Per 3 credit hour course

Masters of Business Administration - Per 3 credit hour course

MBA in Engineering Mgt. - Compressed Courses (includes a \$462 Program Fee)

MBA in Engineering Mgt. - Independent Study (includes a \$1,662 Program Fee)

1 All fee changes for 2012-13 will take effect as of September 1, 2012 except where identified in Note 8.

2 \$1,000 maximum per Academic Year (September 1, 2012 to August 31, 2013).

University of New Brunswick
**Recommended Tuition and Related Fee Changes
For 2012-13**

Schedule C

| | 2007-08 2008-09 2009-10 2010-11 2011-12 | | | | | Recom. | Inc (Dec) | |
|---|---|---------|---------|---------|---------|---------|-----------|-------|
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | \$ | % |
| Supplementary Tuition Fee for International Students | | | | | | | | |
| Undergraduate (for Academic Year) | 5,616 | 6,009 | 6,430 | 6,750 | 6,950 | 7,125 | 175 | 2.52% |
| Undergraduate Per course (0 - 5 credit hours) | 561 | 600 | 643 | 675 | 695 | 713 | 18 | 2.59% |
| Undergraduate Per course (6 - 11 credit hours) | 1,122 | 1,200 | 1,286 | 1,350 | 1,390 | 1,426 | 36 | 2.59% |
| Graduate (per term) | 1,296 | 1,296 | 1,296 | 1,296 | 1,296 | 1,354 | 58 | 4.48% |
| Graduate (per course) | 388 | 388 | 388 | 388 | 388 | 406 | 18 | 4.64% |
| Program for Academic English Preparation (PAEP) | | | | | | | | |
| Full time students in SP/IN/SU (May to August term) | - | - | 1,305 | 1,145 | 1,229 | 1,229 | 0 | 0.00% |
| <u>Other Fees:</u> | | | | | | | | |
| Work Term Fee (for all Undergraduate and Graduate Co-Op Programs) | 730 | 730 | 730 | 730 | 730 | 730 | 0 | 0.00% |
| Professional Experience Program (Faculty of Engineering) | 730 | 730 | 730 | 730 | 730 | 730 | 0 | 0.00% |
| Intensive One-year MBA Program (UNBSJ) | | | | | | | | |
| International Full time (exclusive of Technology & Facilities fees) | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 0 | 0.00% |
| Canadian Full time (exclusive of Technology & Facilities fees) | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 18,000 | 0 | 0.00% |
| Per 2.5 credit hour course | 975 | 975 | 975 | 975 | 975 | 975 | 0 | 0.00% |
| Faculty of Education | | | | | | | | |
| Practicum Fee for one-year consecutive B.Ed (UNBF) | - | 500 | 500 | 500 | 500 | 500 | 0 | 0.00% |
| Out-of-Province Intern Differential Fee | 500 | 500 | 500 | 500 | 500 | 500 | 0 | 0.00% |

Supplementary Tuition Fee for International Students
Undergraduate (for Academic Year)
Undergraduate Per course (0 - 5 credit hours)
Undergraduate Per course (6 - 11 credit hours)
Graduate (per term)
Graduate (per course)

Program for Academic English Preparation (PAEP)
Full time students in SP/IN/SU (May to August term)

Other Fees:

Work Term Fee (for all Undergraduate and Graduate Co-Op Programs)

Professional Experience Program (Faculty of Engineering)

Intensive One-year MBA Program (UNBSJ)

International Full time (exclusive of Technology & Facilities fees)

Canadian Full time (exclusive of Technology & Facilities fees)

Per 2.5 credit hour course

Faculty of Education

Practicum Fee for one-year consecutive B.Ed (UNBF)

Out-of-Province Intern Differential Fee

1 All fee changes for 2012-13 will take effect as of September 1, 2012 except where identified in Note 8.

University of New Brunswick
Recommended Tuition and Related Fee Changes

Schedule C

| | 2007-08 | | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 | | 2012-13 | | Recom. | | Inc (Dec) | | |
|---|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|--------|-------|-----------|-------|---|
| | | | | | | | | | | | | | | | | \$ | % |
| On-Line Administrative & Technical Fees | | | | | | | | | | | | | | | | | |
| Open Access Learning Program (OALP) | 40 | 40 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 0 | 0.00% | |
| M.Ed On-line program Administration Fee Per 3 credit hour course | - | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 0 | 0.00% | |
| Web-Based | - | - | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 0 | 0.00% | |
| Technology Fee ³ | | | | | | | | | | | | | | | | | |
| Full-time Undergraduate programs per term for 2 terms | 25 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 0 | 0.00% | |
| Full-time & Cont. Research Based Graduate programs per term for 3 terms | 17 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 0 | 0.00% | |
| Part-time Research Based Graduate programs per term for 3 terms | 8 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 8.25 | 0 | 0.00% | |
| Undergraduate and Course Based Graduate Programs per course | 5 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 0 | 0.00% | |
| Facilities Improvement Fee ^{4 & 6} | | | | | | | | | | | | | | | | | |
| Full-time Undergraduate programs per term for 2 terms | 88 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 87.50 | 0 | 0.00% | |
| Full-time & Cont. Research Based Graduate programs per term for 3 terms | 58 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 58.00 | 0 | 0.00% | |
| Part-time Research Based Graduate programs per term for 3 terms | 29 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 0 | 0.00% | |
| Undergraduate and Course Based Graduate Programs per course | 18 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 0 | 0.00% | |
| Student Health Fee ^{4 & 6} | | | | | | | | | | | | | | | | | |
| Full-time Undergraduate programs per term for 2 terms | - | - | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 0 | 0.00% | |
| Full-time & Cont. Research Based Graduate programs per term for 3 terms | - | - | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 16.50 | 0 | 0.00% | |
| Full-time Course Based Graduate Programs per course | - | - | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 0 | 0.00% | |
| Facility Access Fee ^{3 & 5} | | | | | | | | | | | | | | | | | |
| Full-time Undergraduate programs per term for 2 terms | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 | 0.00% | |
| Full-time & Cont. Research Based Graduate programs per term for 3 terms | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 | 0.00% | |
| Full-time Course Based Graduate Programs - students may opt in per term | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 | 0.00% | |
| Undergraduate or Graduate part time students may opt in per term | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0 | 0.00% | |
| Prior Learning Assessment Fee | - | - | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 0 | 0.00% | |

On-Line Administrative & Technical Fees

Open Access Learning Program (OALP)

M.Ed On-line program Administration Fee Per 3 credit hour course

Web-Based

Technology Fee³

Full-time Undergraduate programs per term for 2 terms

Full-time & Cont. Research Based Graduate programs per term for 3 terms

Part-time Research Based Graduate programs per term for 3 terms

Undergraduate and Course Based Graduate Programs per course

Facilities Improvement Fee^{4 & 6}

Full-time Undergraduate programs per term for 2 terms

Full-time & Cont. Research Based Graduate programs per term for 3 terms

Part-time Research Based Graduate programs per term for 3 terms

Undergraduate and Course Based Graduate Programs per course

Student Health Fee^{4 & 6}

Full-time Undergraduate programs per term for 2 terms

Full-time & Cont. Research Based Graduate programs per term for 3 terms

Full-time Course Based Graduate Programs per course

Facility Access Fee^{3 & 5}

Full-time Undergraduate programs per term for 2 terms

Full-time & Cont. Research Based Graduate programs per term for 3 terms

Full-time Course Based Graduate Programs - students may opt in per term

Undergraduate or Graduate part time students may opt in per term

Prior Learning Assessment Fee

1 All fee changes for 2012-13 will take effect as of September 1, 2012 except where identified in Note 8.

3 Co-Op and PEP Work Term students are exempt.

4 Bathurst, Moncton and Miramichi students are exempt.

5 Bathurst, Moncton, Miramichi and Saint John students are exempt.

6 International students studying outside the country are exempt.

University of New Brunswick
Recommended Tuition and Related Fee Changes

Schedule C

| | Recom. 2012-13 | | | | Inc (Dec) | |
|--|----------------|---------|---------|---------|-----------|------------|
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| | | | | | \$ | % |
| Diploma in University Teaching | 200 | 300 | 300 | 300 | 300 | 7 2.33% |
| Distance Education Fees | | | | | | |
| Toronto | 50 | 50 | 50 | 50 | 50 | 0 0.00% |
| Maritimes | - | - | 50 | 50 | 50 | 0 0.00% |
| Application Fee | | | | | | |
| Undergraduate - Canadian (Schedule E) | 45 | 45 | 45 | 45 | 45 | 10 22.22% |
| Undergraduate - International | 45 | 60 | 60 | 60 | 60 | 0 0.00% |
| Graduate | 50 | 50 | 50 | 50 | 50 | 0 0.00% |
| Faculty of Law (Schedule E) | 50 | 50 | 50 | 50 | 50 | 75 150.00% |
| Intensive One-year MBA Program (UNBSI) | - | - | - | - | 100 | 0 0.00% |
| Registration Confirmation Deposit ⁷ | | | | | | |
| Undergraduate - Canadian & International | 100 | 100 | 100 | 100 | 100 | 0 0.00% |
| Undergraduate - Canadian & International for Faculty of Nursing | 100 | 250 | 250 | 250 | 250 | 0 0.00% |
| Masters of Business Administration (Fredericton Campus) | - | - | - | - | 500 | 0 0.00% |
| MBA in Engineering Management | - | - | - | - | 500 | 0 0.00% |
| Intensive One-year MBA Program (UNBSI) | - | - | - | - | 1,000 | 0 0.00% |
| Faculty of Law | 300 | 300 | 300 | 300 | 300 | 0 0.00% |
| Late Payment Fee (per term) ⁸ (Schedule E) | 25 | 25 | 25 | 25 | 25 | 25 100.00% |
| Reregistration Fee (per term) ⁸ (Schedule E) | 25 | 25 | 25 | 25 | 25 | 75 300.00% |
| Non Sufficient Funds (NSF) Fee | 25 | 25 | 25 | 25 | 25 | 0 0.00% |
| Audit courses (percentage of normal course fees) | | | | | | |
| Challenge for Credit Examinations (percentage of normal course fees) | 50% | 50% | 50% | 50% | 50% | 0 0.00% |
| Review of Final Course Grade | 25% | 25% | 25% | 25% | 25% | 0 0.00% |
| Transcript Fee (Schedule E) | 15 | 15 | 15 | 15 | 15 | 0 0.00% |
| Graduation Fee (A deposit of \$60 is required for graduation regalia. Upon return of the regalia, \$25 | 5 | 5 | 6 | 6 | 6 | 4 66.67% |
| | 35 | 35 | 35 | 35 | 35 | 0 0.00% |

1 All fee changes for 2012-13 will take effect as of September 1, 2012 except where identified in Note 8.

7 The Registration Confirmation Deposit is credited against a student's tuition balance upon arrival and enrollment at UNB.

8 Fee changes for 2012-13 will take effect as of May 1, 2012.

Recommended Parking Fee Changes for 2012-13

Schedule D

| | 2007-08 | | | | 2008-09 | | | | 2009-10 | | | | 2010-11 | | | | 2011-12 | | | | Recom. 2012-13 | | Inc (Dec) | |
|------------------------------------|---------|--------|--------|--------|---------|--|--|--|---------|--|--|--|---------|--|--|--|---------|--|--|--|-------------------|---|-----------|---|
| | | | | | | | | | | | | | | | | | | | | | \$ | % | \$ | % |
| Students | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 month permit | 190.00 | 196.00 | 200.00 | 205.00 | 138.00 | | | | | | | | | | | | | | | | | | | |
| 10 month permit | - | - | - | - | 115.00 | | | | | | | | | | | | | | | | | | | |
| 8 month permit | 75.00 | 77.00 | 79.00 | 81.00 | 94.00 | | | | | | | | | | | | | | | | | | | |
| 4 month permit | 54.00 | 56.00 | 57.00 | 58.00 | 64.00 | | | | | | | | | | | | | | | | | | | |
| 1 month permit | 25.00 | 26.00 | 27.00 | 28.00 | 28.00 | | | | | | | | | | | | | | | | | | | |
| Daily Visitor Pass | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | | | | | | | | | | | | | | | | | | | |
| Hourly - SJ only | - | - | 1.25 | 1.25 | 1.25 | | | | | | | | | | | | | | | | | | | |
| Replacement of Permit | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | | | | | | | | | | | | | | | | | | | |
| <u>Fines</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| Tier 1 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | | | | | | | | | | | | | | | | | | | |
| Tier 2 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | | | | | | | | | | | | | | | | | | | |
| Vehicle Immobilizer (Boot) Removal | - | - | - | - | - | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|--------|--------|--------|--------|--------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 12 month permit | 190.00 | 196.00 | 200.00 | 205.00 | 211.00 | | | | | | | | | | | | | | | | | | | |
| 10 month permit | - | - | - | - | 176.00 | | | | | | | | | | | | | | | | | | | |
| 8 month permit | 129.00 | 133.00 | 136.00 | 140.00 | 144.00 | | | | | | | | | | | | | | | | | | | |
| 4 month permit (full-time) | 90.00 | 92.00 | 94.00 | 96.00 | 98.00 | | | | | | | | | | | | | | | | | | | |
| 4 month permit (part-time) | 90.00 | 92.00 | 65.00 | 66.00 | 67.00 | | | | | | | | | | | | | | | | | | | |
| 1 month permit | 25.00 | 26.00 | 27.00 | 28.00 | 28.00 | | | | | | | | | | | | | | | | | | | |
| Daily Visitor Pass | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | | | | | | | | | | | | | | | | | | | |
| Hourly - SJ only | - | - | - | 1.25 | 1.25 | | | | | | | | | | | | | | | | | | | |
| Replacement of Permit | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | | | | | | | | | | | | | | | | | | | |
| <u>Fines</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| Tier 1 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | | | | | | | | | | | | | | | | | | | |
| Tier 2 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | | | | | | | | | | | | | | | | | | | |
| Vehicle Immobilizer (Boot) Removal | - | - | - | - | - | | | | | | | | | | | | | | | | | | | |

Faculty and Staff

| | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------|--------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 12 month permit | 216.00 | | | | | | | | | | | | | | | | | | | | | | | |
| 10 month permit | 181.00 | | | | | | | | | | | | | | | | | | | | | | | |
| 8 month permit | 148.00 | | | | | | | | | | | | | | | | | | | | | | | |
| 4 month permit (full-time) | 101.00 | | | | | | | | | | | | | | | | | | | | | | | |
| 4 month permit (part-time) | 69.00 | | | | | | | | | | | | | | | | | | | | | | | |
| 1 month permit | 29.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Daily Visitor Pass | 4.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Hourly - SJ only | 1.25 | | | | | | | | | | | | | | | | | | | | | | | |
| Replacement of Permit | 10.00 | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Fines</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| Tier 1 | 15.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Tier 2 | 30.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicle Immobilizer (Boot) Removal | 50.00 | | | | | | | | | | | | | | | | | | | | | | | |

Notes:

All permits are issued on a "per vehicle" basis.
Faculty and Staff are able to utilize payroll deductions over a maximum of 16 pay periods to purchase their permits.

Late Payment and Registration Fees for Undergraduate Students (Modification)

Applicability:

- Fredericton Campus and Saint John Campus

Recommendation:

Effective May 1, 2012, it is recommended that the Board approve the following modification implementation of fees related to undergraduate students:

- Increase by \$25 the existing Late Payment Fee for undergraduate students (from \$25 to \$50); and,
- Implement a \$100 Reregistration Fee for undergraduate students who have been deregistered due to non-payment but subsequently require reregistration once payment arrangement are made in lieu of the current Incomplete Registration Fee of \$25.

Background:

Student Accounts & Receivable Services on each Campus have seen tremendous growth in front-line customer service support for our student population. Both Student Accounts & Receivable Services and payroll staff continue to incur significant amounts of overtime due to changing student payment profiles. This is not sustainable. Sixty percent (60%) of students do not currently meet the University's payment deadlines and approximately 4,000 students receive targeted emails explaining that further delays in payment will result in deregistration from courses.

By way of example, the number of Fredericton Campus students meeting with staff to set up a payment plan has gone from 44 in Fall 2006 to 804 in Fall 2011, an increase of 760 (or 1700%). The number of students paying tuition via a Student Loan has also increased from 289 in Fall 2006 to 1,549 in Fall 2011, an increase of 1,260 (or 400%).

Staffing levels have not improved during that period, rather, ongoing budget challenges have further constrained the University's ability to offer these services.

Revenue Potential and Allocation

Based on 2010-11 enrolment, it is estimated that these fees would generate approximately \$133K of additional revenues to the Fredericton Campus and \$90K of additional revenues to the Saint John Campus. It is proposed that this revenue be allocated 50% to the central revenues of each Campus and 50% to Financial Services to assist them in providing the additional front-line support service involved in the annual implementation of this program and other student support services.

University of New Brunswick
Revenue Proposals

Schedule E

| Current Process: | Proposed Process: |
|--|---|
| UNB publishes tuition and residence fee due dates (e.g. the first day of classes in September and the second Friday after classes start in January). | UNB publishes tuition and residence fee due dates (e.g. the second Friday after classes start in September and in January.) |
| Students sent a general reminder email re: due dates. | Students sent a general reminder email re: due dates as well as explaining that there is a Late Payment Fee is applicable after these dates. |
| Analysis is undertaken on all unpaid student accounts and a targeted email is sent to them to tell them they are now overdue and within a week they will be deregistered from their courses if they do not make payment arrangements. | Analysis is undertaken on all unpaid student accounts and a targeted email is sent to them to tell them they are now overdue and will be charged the Late Payment Fee. This email will also explain they will be deregistered from their courses and that a Re-Registration Fee is applicable after these dates. Students who receive the targeted email will be charged the Late Payment Fee. |
| Students not meeting the appropriate payment date are deregistered from courses. | Students not meeting the appropriate payment date are deregistered from courses. |
| The Incomplete Registration Fee is applied to those who opt to pay after deregistration. | Students who are deregistered will be required to pay the Reregistration Fee to resume their courses. |

Competitive Position

See attached comparison of late payment fees based on research provided by Financial Services (Fredericton Campus). Based on this information, the implementation of the Late Payment fee is not expected to negatively impact the University of New Brunswick’s competitive position.

University of New Brunswick Revenue Proposals

Schedule E

Late Payment Fee for Undergraduate Students: A Snapshot

| University | Late Payment Fee | Region | Payment Plan Offered |
|---|------------------|-----------------|----------------------|
| Memorial University | \$75 | Atlantic | No |
| Université de Moncton | \$75 | Atlantic | No |
| University of Prince Edward Island | \$60 | Atlantic | Yes |
| Dalhousie University | \$50 | Atlantic | Yes |
| University of New Brunswick - proposed | \$50 | Atlantic | Yes |
| Mount St. Vincent University | \$25 | Atlantic | Yes |
| St. Francis University | \$25 | Atlantic | Yes |
| University of New Brunswick - current | \$25 | Atlantic | Yes |
| Acadia University | No | Atlantic | No |
| Crandall University | No | Atlantic | No |
| Mount Allison University | No | Atlantic | No |
| St Mary's University | No | Atlantic | No |
| *** | | | |
| Queens University | \$150 | | Yes |
| University of Western Ontario | \$124 | | Yes |
| Lakehead University | \$78 | | Yes |
| Brock University | \$75 | | Yes |
| Trent University | \$75 | | No |
| University of Guelph | \$60 | | Yes |
| Grant MacEwan University | \$50 | | Yes |
| McGill University | \$50 | | No |
| Nipissing University | \$50 | | Yes |
| University of Manitoba | \$50 | | Yes |
| University of British Columbia | \$35 | | No |
| University of Ottawa | \$35 | | Yes |
| Concordia University | \$30 | | Yes |
| University of Winnipeg | \$25 | | No |
| Mount Royal University | No | | No |
| Ryerson University | No | | No |
| Simon Fraser University | No | | No |
| Thompson Rivers University | No | | No |
| University of Alberta | No | | No |
| University of Calgary | No | | No |
| University of Calgary | No | | No |
| University of Lethbridge | No | | No |
| University of Regina | No | | No |
| University of Wilfred Laurier | No | | No |
| York University | No | | No |

Student Consultation

None performed.

Late Payment Fee for Graduate Students (Implementation)

Applicability:

- Fredericton Campus and Saint John Campus

Recommendation:

Effective May 1, 2012, it is recommended that the Board approve the implementation of a Late Payment Fee for Masters and Doctoral (graduate) students of:

- \$50 per term.

Background:

Currently there are approximately 1,650 active graduate students at the University of New Brunswick. While payment deadlines are clearly outlined within the School of Graduate Studies Fee Regulations, approximately 25% of the students do not pay on time. Late payment results in the allocation of considerable staff resources to follow up with these students.

Beginning in the 2009-2010 year, graduate students were made subject to the same process as undergraduate students with regard to payment reminders. Late paying students are sent a reminder email that fees are due and that information technology services could be terminated for those who did not make payment/payment arrangements by a specific date. While this process has raised awareness, the last two years experience indicates that there has only been a slight decrease in the numbers of late paying students.

It is proposed that the University implement a Late Payment Fee for Graduate Students, consistent in amount and application with that proposed for undergraduate students, to encourage students to pay their fees/arrange payment plans by the required due date.

If approved, a change to the Graduate School Fee regulations would be required reflecting the following: "A Late Payment Fee of \$50 will be charged if a student fails to negotiate his/her student loan, or pay fees within the published payment due dates." Note that students who finish their degree requirements by the end of the first month of study, resulting in their registration being removed, will not be required to pay the proposed Late Payment Fee.

Revenue Potential and Allocation

Based on 2010-11 enrolment, it is estimated that this fee would generate approximately \$18K of additional revenues to the Fredericton Campus and \$3K of additional revenues to the Saint John Campus. It is proposed that this revenue be allocated 70% to the central revenues of each Campus and 30% to Financial Services to assist them in providing the additional front-line support service involved in the annual implementation of this program.

University of New Brunswick Revenue Proposals

Schedule E

Competitive Position

See attached comparison of late payment fees based on research provided by Financial Services (Fredericton Campus). Based on this information, the implementation of the Late Payment fee is not expected to negatively impact the University of New Brunswick's competitive position.

Late Payment Fee for Graduate Students: A Snapshot

| Institution | Fee | Region |
|---|-------------|----------|
| University of New Brunswick- Current | \$0 | Atlantic |
| Mount St. Vincent University | \$25 | Atlantic |
| Acadia University | \$50 | Atlantic |
| Dalhousie University | \$50 | Atlantic |
| University of New Brunswick (Proposed) | \$50 | Atlantic |
| University of Prince Edward Island | \$60 | Atlantic |
| Memorial University | \$75 | Atlantic |
| University de Moncton | \$75 | Atlantic |
| *** | | |
| Lakehead University | \$78 | Other |
| Concordia University | \$75 | Other |
| Bishops University | \$65 | Other |
| Laurentian University | \$50 | Other |

Student Consultation

None performed.

Application Fee for Domestic, Undergraduate Students (Modification)

Applicability:

- Fredericton Campus and Saint John Campus

Recommendation:

Effective September 1, 2012, it is recommended that the Board approve an increase in the Application Fee for the Domestic, Undergraduate Students of:

- \$10 (from \$45 to \$55 per Applicant).

Background:

The University of New Brunswick has not increased its Application Fee since 2005-06.

The Office of the Registrar on both the Fredericton and Saint John Campus receive and process approximately 4,500 applications for its (approx.) 1,600 annual new admissions.

Accordingly, each office allocates ongoing resources to front-line staff support and costs such as materials and postage costs in support of this and other related activities (e.g. assessment and liaison with the Faculties). The related costs of providing these services are subject to annual pressure due to normal inflation, however, the fee revenue has not increased since 2005-06.

Revenue Potential and Allocation

It is estimated that this increase would generate approximately \$32K of additional revenues to the Fredericton Campus and \$6K of additional revenues to the Saint John Campus. The additional Application Fee revenues are traditionally allocated to the Office of the Registrar on the Fredericton Campus. All such revenue is allocated to central revenue on the Saint John Campus.

Competitive Position

See attached comparison of application fees based on research provided by the Office of the Registrar (Fredericton Campus). Based on this information, this increase is not expected to negatively impact the University of New Brunswick's competitive position.

Student Consultation

None performed.

University of New Brunswick
Revenue Proposals

Schedule E

Application Fees for Domestic, Undergraduate Students: A Snapshot

| Province | Institution | Domestic Application Fee |
|---------------------------------------|---|--------------------------|
| Alberta | | |
| | Athabasca University | \$100 |
| | Concordia University College of Alberta | \$35 |
| | Mount Royal College | \$70 |
| | The King's University College | \$65 |
| | University of Lethbridge | \$75 |
| | University of Alberta | \$115 |
| | University of Calgary | \$115 |
| British Columbia | | |
| | Emily Carr University of Art & Design | \$40 |
| | Kwantien Polytechnic University | \$40 |
| | Royal Roads University | \$106 |
| | Simon Fraser University | \$45 |
| | Thompson Rivers University | \$25.50 |
| | Trinity Western University | \$0 |
| | University of British Columbia | \$61.20 |
| | University of Northern B.C. | \$35 |
| | University of Fraser Valley | \$45 |
| | University of Victoria | \$60 |
| | University of Vancouver Island | \$35.70 |
| Manitoba | | |
| | Brandon University | \$61 |
| | University of Winnipeg | \$80 |
| | University of Manitoba | \$80 |
| New Brunswick | | |
| | Mount-Allison University | \$50 |
| | Saint Thomas University | \$35 |
| | Université de Moncton | \$50 |
| | University of New Brunswick | \$45 |
| Newfoundland | | |
| | Memorial University | \$40 |
| Nova Scotia | | |
| | Acadia University | \$25 |
| | Cape Breton University | \$35 |
| | Dalhousie University | \$65 or \$70 |
| | Mount Saint Vincent University | \$30 |
| | Nova Scotia Agriculture College | \$25 |
| | NSCAD | \$70 |
| | Saint Mary's University | \$40 |
| | Saint Francis-Xavier University | \$40 |
| | University of King's College | \$65 or \$70 |
| Ontario | | |
| | Ontario University Application Centre | \$130 base fee |
| Additional Supplementary Fees: | | |
| | Brock University | \$55 |
| | Carleton University | \$59 |
| | Lakehead University | \$55 |
| | Laurentian University | \$40 |
| | McMaster University | \$85 |
| | Queen's University | \$85 |
| | Ryerson University | \$80 |

University of New Brunswick
Revenue Proposals

Schedule E

| Province | Institution | Domestic Application Fee |
|-----------------------------|---|---------------------------------|
| | Trent University | \$65/\$90 |
| | University of Ontario Institute of Technology | \$60 |
| | University of Ottawa | \$70 |
| | University of Toronto | \$90 |
| | University of Waterloo | \$75 |
| | University of Western Ontario | \$75 |
| | University of Windsor | \$50 |
| | Wilfred Laurier University | \$60 |
| | York University | \$85 |
| Prince Edward Island | | |
| | University of Prince Edward Island | \$50 |
| Quebec | | |
| | Bishop's University | \$60 |
| | Concordia University | \$100 |
| | McGill University | \$100 |
| | Université de Montréal | Online: \$85, Paper \$115 |
| | Université de Sherbrooke | \$70 |
| | Université du Québec | \$82 |
| | Université Laval | \$52 or \$64 |
| Saskatchewan | | |
| | University of Regina | \$100 |
| | University of Saskatchewan | \$90 |

Application Fee for Faculty of Law Students (Modification)

Applicability:

- Fredericton Campus

Recommendation:

Effective September 1, 2012, it is recommended that the Board approve:

- An increase in the Faculty of Law Application Fee of \$75 (from \$50 to \$125 per Application).

Background:

The Faculty of Law has not increased its Application Fee since 1995.

The Faculty of Law receives and processes approximately 800 applications for its (approx.) 90 annual new admissions.

Unlike other Faculties, the Faculty of Law receives and processes these applications directly within the Faculty (as opposed to the Office of the Registrar). This administrative difference is traditional among law schools across Canada. Accordingly, the Faculty of Law has long allocated ongoing resources to front-line staff support and costs such as materials and postage costs in support of this and other student service activities. The related costs of providing these services are subject to annual pressure due to normal inflation, however, the fee revenue has not increased since 1995.

Revenue Potential and Allocation

Based on the average applications received over the past three years, it is estimated that this increase would generate approximately \$60K of additional revenues to the Fredericton Campus. These additional revenues would be allocated directly to the Faculty of Law in support of maintaining and enhancing front-line services to students.

Competitive Position

See attached comparison of application fees based on research provided by the Faculty of Law. Based on this information, the increased fee would place the University of New Brunswick’s Faculty of Law Application Fee within the middle range of comparable fees in Canada.

The Faculty of Law will monitor the placement of its Application Fee as compared to those of other schools and may propose amendments from time to time, including potential reductions, in order to maintain their competitive position.

Faculty of Law Application Fees: A Snapshot

| Institution | New | Additional details |
|--------------------------------|------------|---|
| University of Alberta | \$115 | \$115 for new students/\$75 for current or former students |
| University of British Columbia | \$80 | |
| University of Calgary | \$100 | \$100 Canadian/\$130 International |
| University of Manitoba | \$95 | \$95 before Sept. 19 th / \$125 after Sept. 19 th |
| McGill University | \$100 | |
| University of New Brunswick | \$50 | |
| Osgoode | \$285 | \$195 OLSAS fee plus \$90 additional school fee |
| Queen’s University | \$285 | \$195 OLSAS fee plus \$90 additional school fee |
| University of Saskatchewan | \$125 | |
| Schulich School of Law | \$70 | |
| University of Toronto | \$285 | \$195 OLSAS fee plus \$90 additional school fee |
| University of Victoria | \$75 | |
| University of Western Ontario | \$285 | \$195 OLSAS fee plus \$90 additional school fee |
| University of Windsor | \$285 | \$195 OLSAS fee plus \$90 additional school fee |

Note:

OLSAS is the Ontario Law School Application Service, the collector of \$195 non-refundable service fee for a student wishing to apply to law schools at up to six Ontario institutions. The fee is scaled such that the OLSAS fee (which is ultimately remitted to institutions) is reduced for each additional institution to which a student applies.

Student Consultation

None performed.

Transcript Fees (Modification)

Applicability:

- Fredericton Campus and Saint John Campus

Recommendation:

Effective September 1, 2012, it is recommended that the Board approve:

- An increase in the basic Transcript Fee of \$4 (from \$6 to \$10 per transcript); and,
- Deletion of the Same-Day Service Transcript Fee of \$10.

Background:

The University of New Brunswick receives approximately 15,000 requests for transcripts annually. This service is currently provided at a charge of \$6 per transcript (including additional copies within the same order) within a 1-2 business day turnaround. As with other institutions, students are responsible for courier/express mail charges.

It is proposed that the Same-Day Service Transcript Fee be replaced with the general, albeit higher, basic Transcript Fee since the service is provided within 1-2 business days in any event. This will provide for a simpler fee structure. All requests for transcripts will be subject to the same basic Transcript Fee of \$10 per transcript to better reflect the rising cost of providing the service.

Revenue Potential and Allocation

Based on 2011-12 activity, it is estimated that this increase would generate approximately \$50K of additional revenues to the Fredericton Campus and \$10K to the Saint John Campus. Transcript Fee revenues are traditionally allocated to the Office of the Registrar on the Fredericton Campus. All such revenue is allocated to central revenue on the Saint John Campus.

Competitive Position

See attached comparison of transcript fees based on research provided by the Office of the Registrar (Fredericton Campus). Based on this information, this increase is not expected to negatively impact our competitive position.

Student Consultation

None performed.

**University of New Brunswick
Revenue Proposals**

Schedule E

Transcript Fees: A Snapshot of University Charges

| Province | Institution | Basic Transcript Fee (assumes Canadian Post) | Working Time in bus.days | Additional related |
|-------------------------|---|--|--------------------------|---|
| Alberta | | | | |
| | Athabasca University | Free | 2 | Extra fees for courier or express may apply. |
| | Mount Royal College | \$10 | | Extra fees for courier may apply. |
| | University of Lethbridge | Free | 2-4 WKS | Extra fees for courier, express may apply. |
| | University of Alberta | Free | | Extra fees for courier may apply. |
| | University of Calgary | Free | 1-7 | Extra fees for courier may apply. |
| British Columbia | | | | |
| | Simon Fraser University | \$11.20 + \$7.84 per additional | 3 | Extra fees for rush service may apply. |
| | University of British Columbia | \$7.47 | | Extra fees for courier and same-day service may apply. |
| | University of Northern B.C. | \$5 | 10 | |
| | University of Victoria | \$10 | 30 mins. – 5 days | Extra fees for rush, courier may apply. |
| Manitoba | | | | |
| | Brandon University | \$10 plus \$4 per additional | | Extra fees for courier, express may apply. |
| | University of Winnipeg | \$10 | Up to 5 | Extra fees for courier, fax may apply. |
| | University of Manitoba | \$10.50 | 2 | Extra fees for courier may apply. |
| New Brunswick | | | | |
| | Crandall University | \$5 | 5 | |
| | Mount-Allison University | \$5 | | Extra fees for rush, courier, express, fax may apply. |
| | Saint Thomas University | \$5 | | Extra fees for courier may apply. |
| | Université de Moncton | \$4 | 2 | |
| Newfoundland | | | | |
| | Memorial University | Free | 2 | |
| Nova Scotia | | | | |
| | Acadia University | \$10 | 3-5 | \$15 international |
| | Dalhousie University incl. School of Pharmacy | Free to 5 copies plus \$5 per additional | 2 | Extra fees for rush service may apply. |
| | Mount Saint Vincent University | Free | | Extra fees for courier, fax may apply. |
| | Nova Scotia Agriculture College | Free | | *All fees must be paid to be able to order transcripts |
| | Nova Scotia College of Arts and Design | \$10 (Official) \$5 (Not official) | | Extra fees for courier, rush may apply. |
| | Saint Mary's University | \$5 | 7-10 | Extra fees for courier, fax, same-day and next day service may apply. |
| | Saint Francis-Xavier | \$10 | 3-5 | Extra fees for courier, express or overseas may apply. |
| | University of King's College (Arts & Science) | First 5 free, \$5 per additional | 3-5 | Extra fees for rush service may apply. |
| | University of King's College (Journalism) | Free | 3-5 | Extra fees for rush service may apply. |
| Ontario | | | | |
| | Brock University | \$10 | | Extra fees for courier may apply. |
| | Carleton University | Free | 2 | Extra fees for courier, express may apply. |
| | Lakehead University | \$10 | | Extra fees for courier, express, fax may apply. |
| | Laurentian University | \$10 | | |

University of New Brunswick
Revenue Proposals

Schedule E

| Province | Institution | Basic Transcript Fee (assumes Canadian Post) | Working Time in bus.days | Additional related |
|-----------------------------|------------------------------------|--|--------------------------|---|
| | McMaster University | Free | 5-7 | Extra fees for rush courier, express, fax may apply. |
| | Queen's University | \$15 | | Extra fees for courier may apply. |
| | Redeemer University College | \$5 + \$3 per additional | | Extra fees for rush, courier, express, fax may apply. |
| | Royal Military College of Canada | \$15 | | Extra fees for rush, fax may apply. |
| | Ryerson University | \$10 | 10 | |
| | Trent University | \$10 | | Extra fees for express may apply. |
| | University of Guelph | \$10 | 3-10 | Extra fees for courier may apply. |
| | University of Ottawa | \$10 + \$5 per additional | | |
| | University of Toronto | \$10 | | |
| | University of Waterloo | \$10 | | Extra fees for courier, fax may apply. |
| | University of Western Ontario | \$12 | 4-5 | Extra fees for courier, fax may apply. |
| | University of Windsor | \$10 | | Extra fees for courier may apply. |
| | Wilfred Laurier University | \$10 | 3-4 | Extra fees for courier, fax may apply. |
| | York University | \$12 | 10-15 | Extra courier fees may apply. |
| Prince Edward Island | | | | |
| | Holland College | \$15 + \$5 per additional | 7 | |
| | University of Prince Edward Island | Free | | Extra fees for courier, fax, same-day service may apply. |
| Quebec | | | | |
| | Bishop's University | \$5 plus \$2 per additional | | No fee for current students. Extra fees for courier, express may apply. |
| | Concordia University | \$7 | 5 | Extra fees for courier may apply |
| | McGill University | Free | 5-7 | |
| | Université Laval | \$7 | 7 | |
| Saskatchewan | | | | |
| | University of Regina | Free (max. 5 requests per semester) | 5 | Extra fees for courier may apply. |