

# 2006-07 Budget Planning

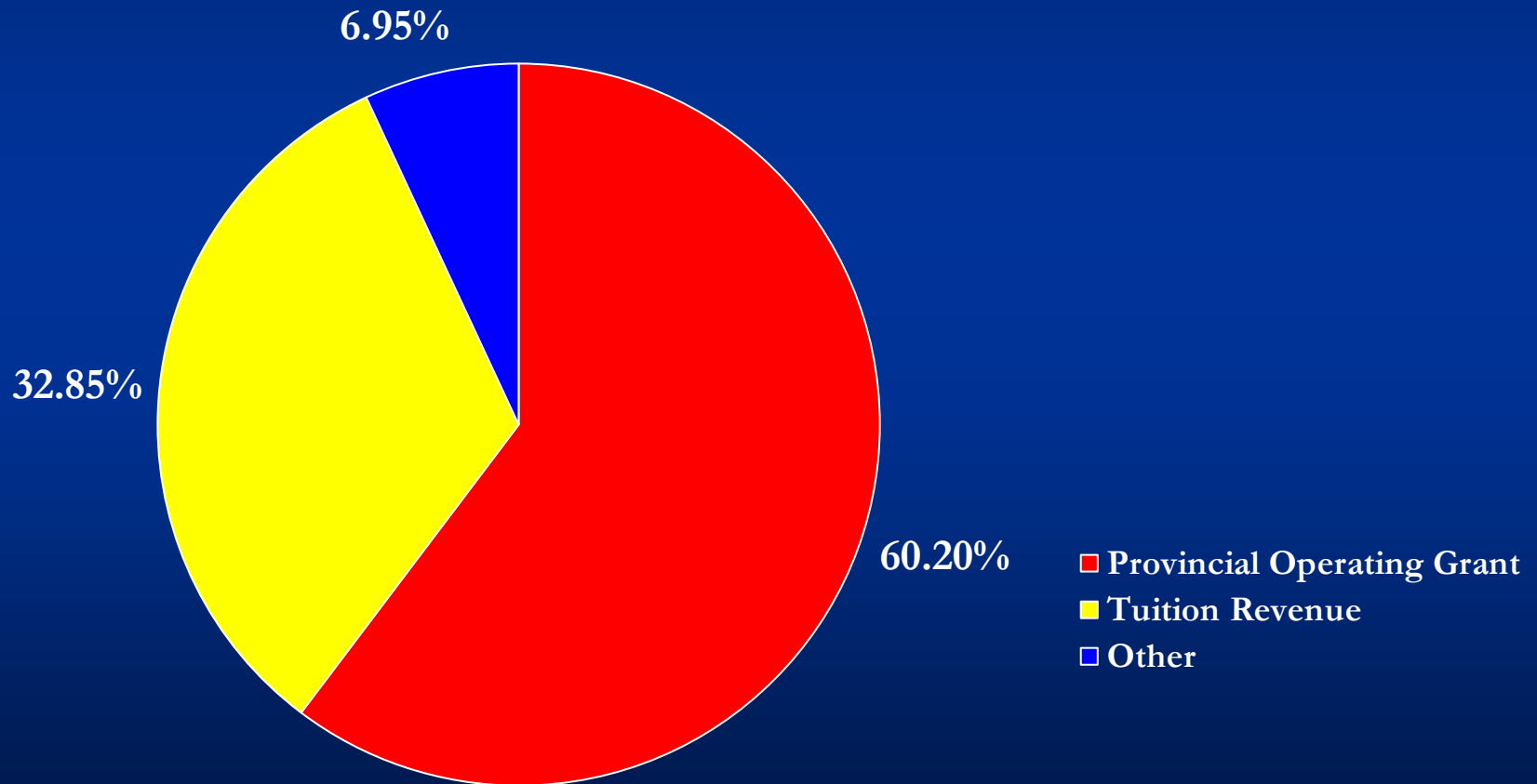
Fiscal Environment

UNB Fredericton Campus

# AGENDA

- 1) Brief recap of 2005-06 Budget
- 2) Broad outlook for 2006-07
- 3) Review of major outlook assumptions
- 4) Implications for 2006-07 and beyond

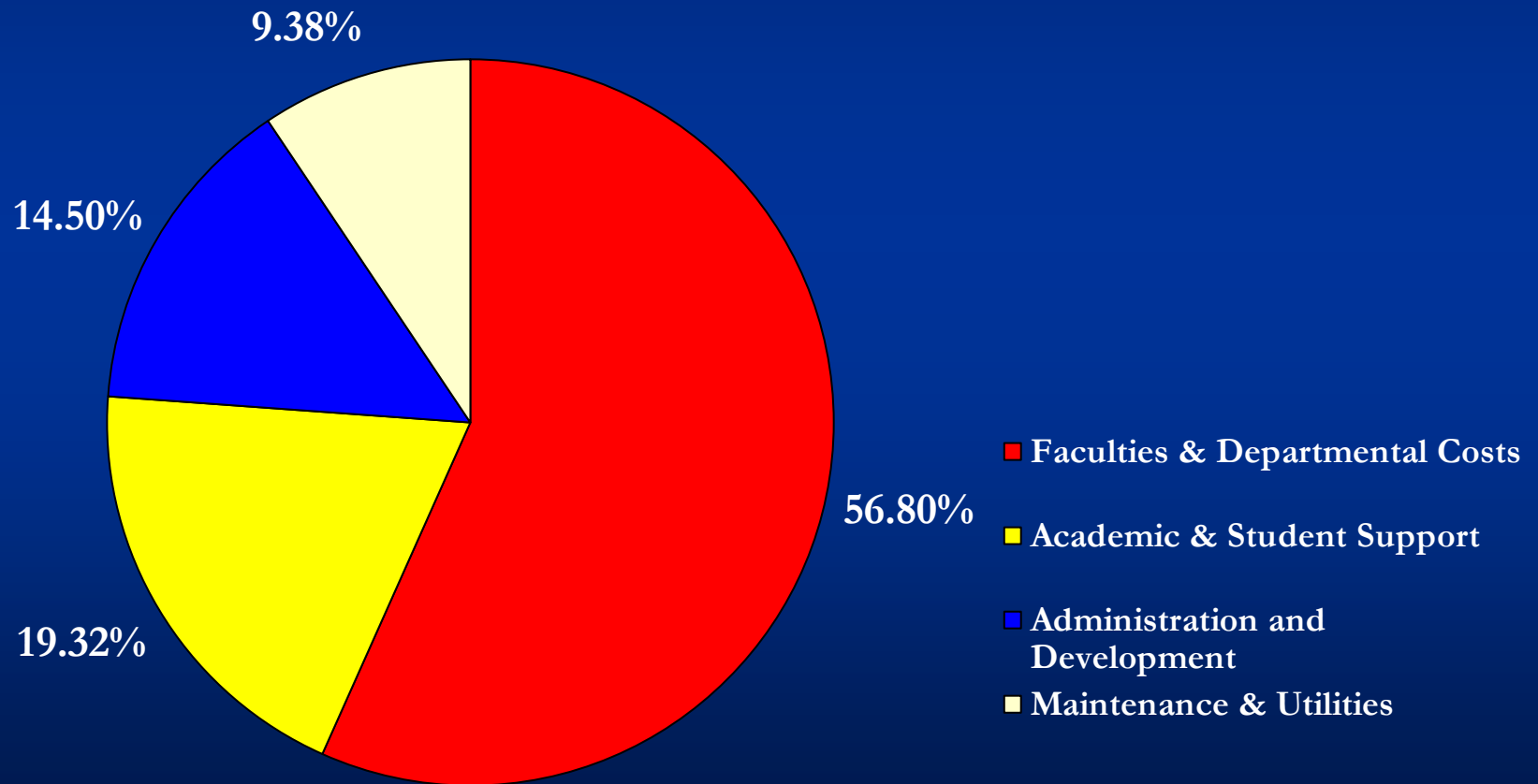
# UNB Fredericton Campus 2005-06 Budgeted Operating Revenues \$118 million



# UNB Fredericton Campus Operating Budget % Change

	Budget		
	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>
<b><u>Revenues</u></b>			
Provincial Grant	3.00%	2.04%	3.35%
Student Fee Income	11.18%	12.81%	4.99%
Other Income	.68%	74.52%	8.71%
	5.32%	8.37%	4.24%
	5.32%	8.37%	4.24%

**UNB Fredericton Campus  
2005-06 Budgeted Operating Expenses  
(excluding ancillaries and contribution to capital)  
\$118 million**



# UNB Fredericton Campus

## Operating Budget

### % Change

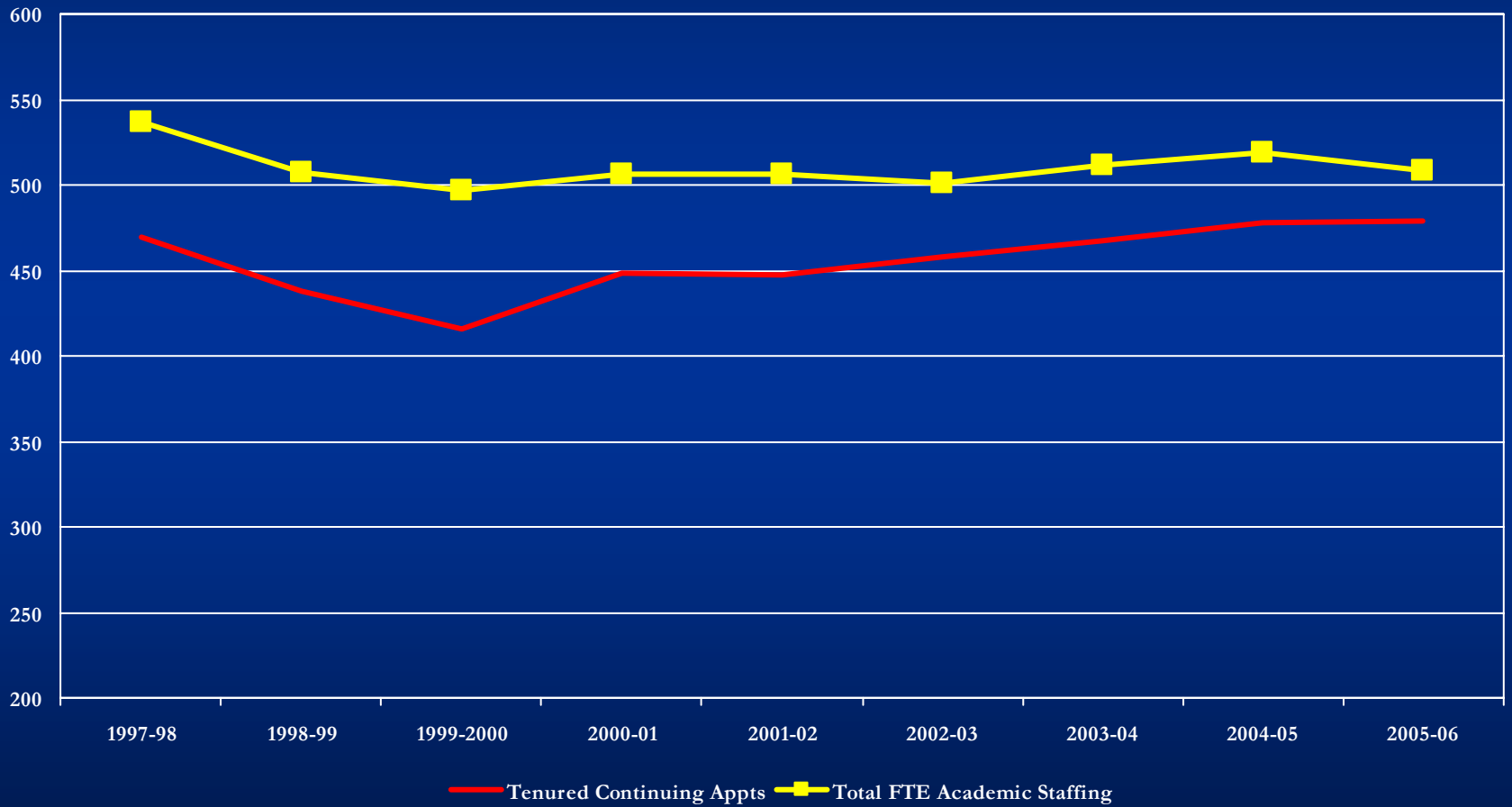
	Budget		
	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>
<b><u>Expenses</u></b>			
Faculties & Departments	5.14%	5.76%	2.89%
Academic & Student Support	7.70%	16.26%	5.87%
Administration & Development	4.11%	8.74%	4.23%
Maintenance & Utilities	3.62%	5.89%	4.38%
	<u>5.32%</u>	<u>8.37%</u>	<u>4.24%</u>

**UNB**  
**Faculty Information**  
**From Independent Actuaries Report**  
**2 and ½ Years**

	<u>July 01, 2002</u>	<u>Jan 01, 2005</u>	<u>% Change</u>
Full-time Faculty	600	656	9.3%
Average Salary	80,249	89,301	11.28%

# UNBF

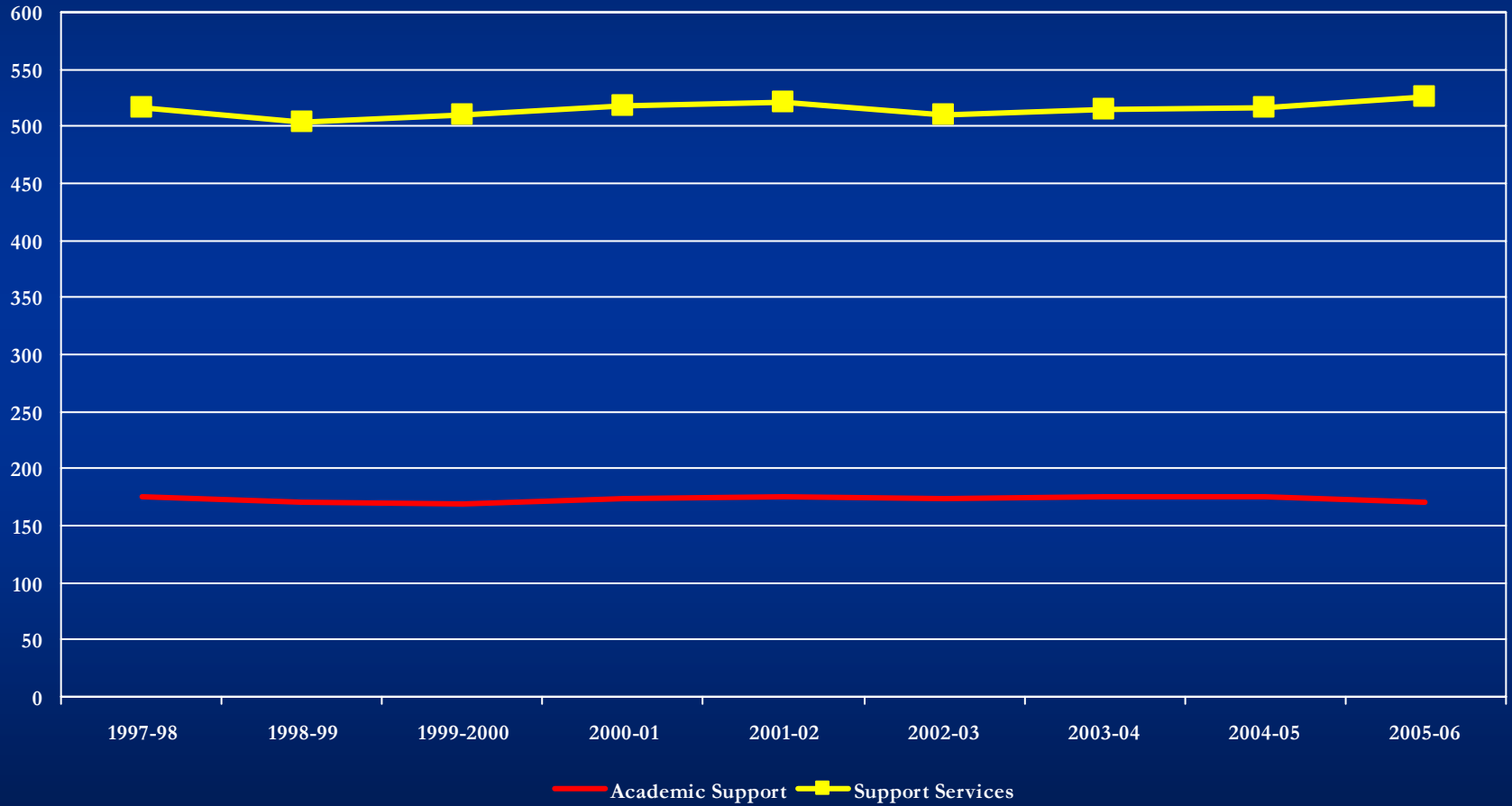
## Budgeted FTE Positions





# UNBF

## Staff FTE Positions



# Current Outlook for 2005-06 Key Variables

- Enrolment – too early to tell
- Faculty Salaries – in negotiations
- Utilities – heating cost risk
- Basic Inflation – upward pressure on 2.5%

# 2006-07 Financial Framework New Brunswick Provincial Operating Grant

	System <u>Increase</u>	UNB <u>Increase</u>	UNBF <u>Increase</u>
2004-05 Actual (Including Advance)	2.0%	2.0%	1.96%
2005-06 Budget	4.6%	3.39%	3.35%
<u>Planning</u>			
2006-07	3.0%	3.0%	3.0%
2007-08	3.4%	3.25%	3.25%
2008-09	3.0%	3.0%	3.0%

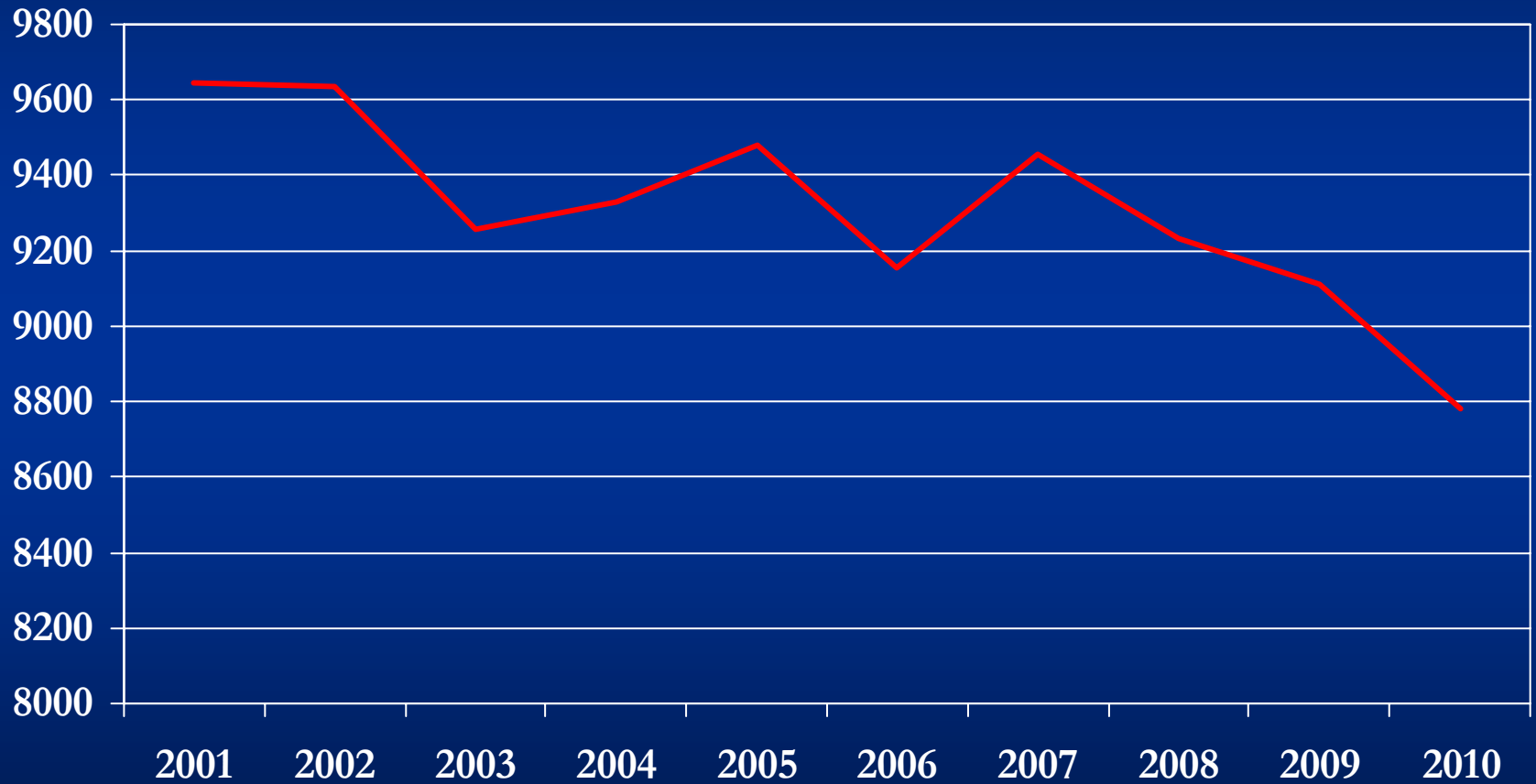
# Tuition Fee Environment

- Provinces with Tuition Freezes
  - Saskatchewan
  - Manitoba
  - Quebec
  - Newfoundland
- Provinces with Limits
  - British Columbia
  - Alberta
  - Nova Scotia
- Freezes or limits are subsidized by Provinces
- 05-06 National average, 1.8%, UNB 5%, NS 3.9%

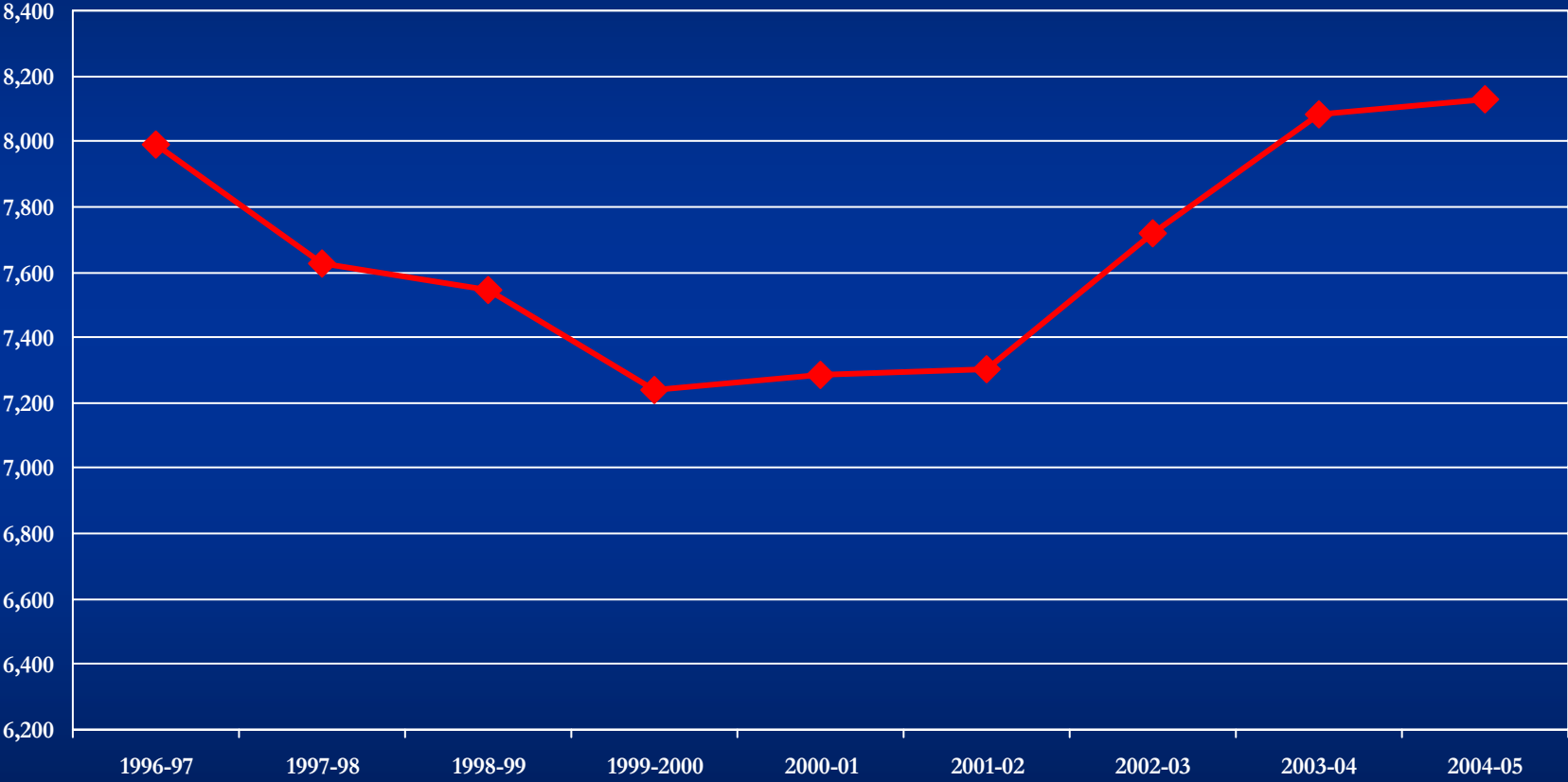
# UNB Fredericton Campus Tuition Revenue Budgeted Changes

	Components			
	<u>Overall Change</u>	<u>Tuition Fees</u>	<u>International Differential</u>	<u>Enrolment Increase/ Decrease</u>
2003-04 B	11.18%	5.75%	9.0%	5.0%
2004-05 B	12.81%	5.75%	9.0%	6.0%
2005-06 B	4.99%	5.0%	11.0%	<.7%>
2006-07 Planning	4.0%	4.0%	4.0%	-

# Province of New Brunswick Projected Enrolment for Grade 12 2001-2010



# Fredericton Campus Undergraduate & Graduate Enrolment (FT) Actual

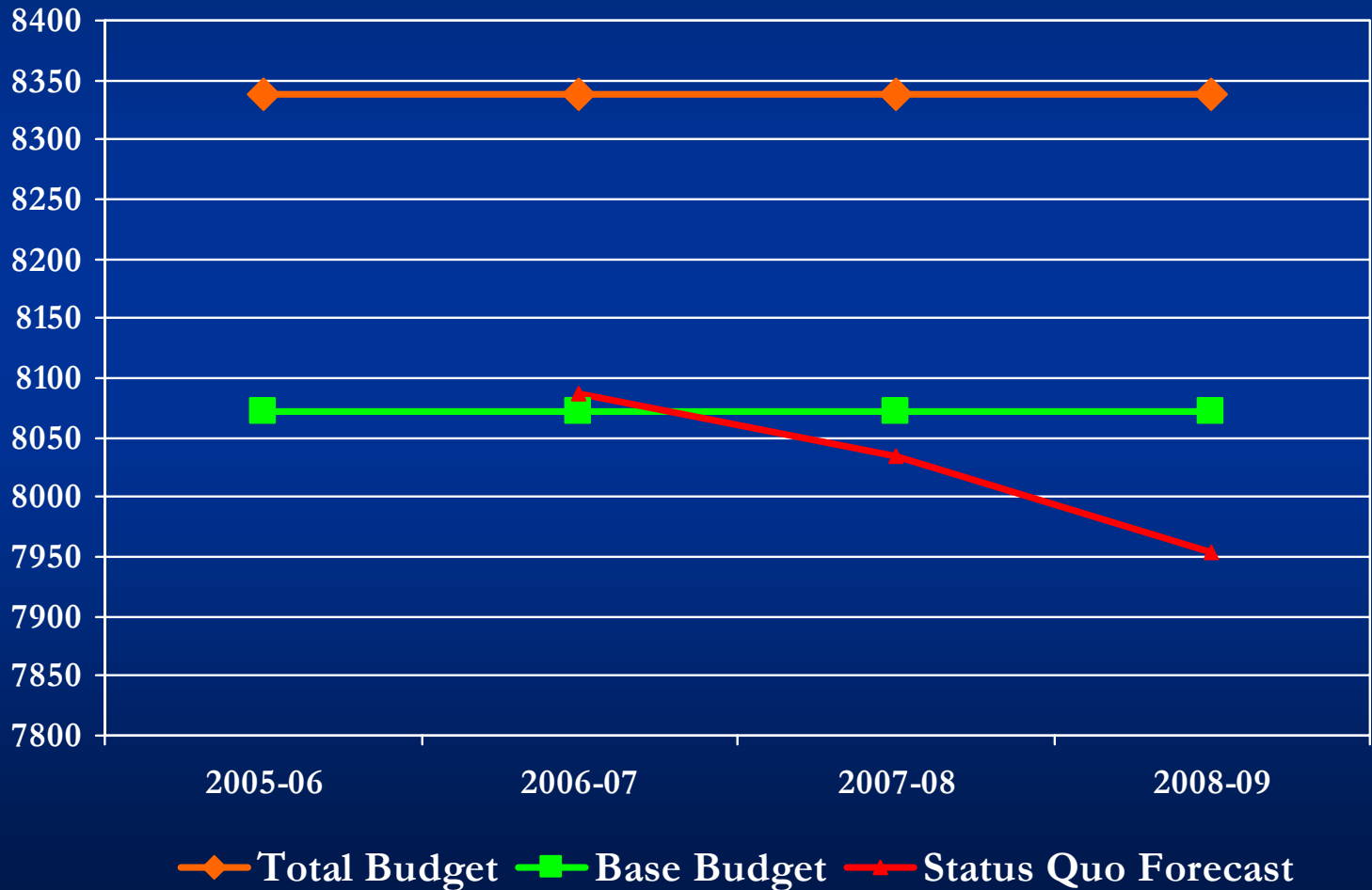


**UNBF**  
**2005-06 Operating Budget**  
**Tuition Revenue Budget**  
**\$(000's)**

	<u>FTE Enrolment</u>		<u>\$</u>
Base	8,072	↔	\$37,535
Above Base	266	↔	1,323
Total	<u>8,338</u>		<u>\$38,858</u>



# UNB Fredericton Campus Student Enrolment Corridor (draft)



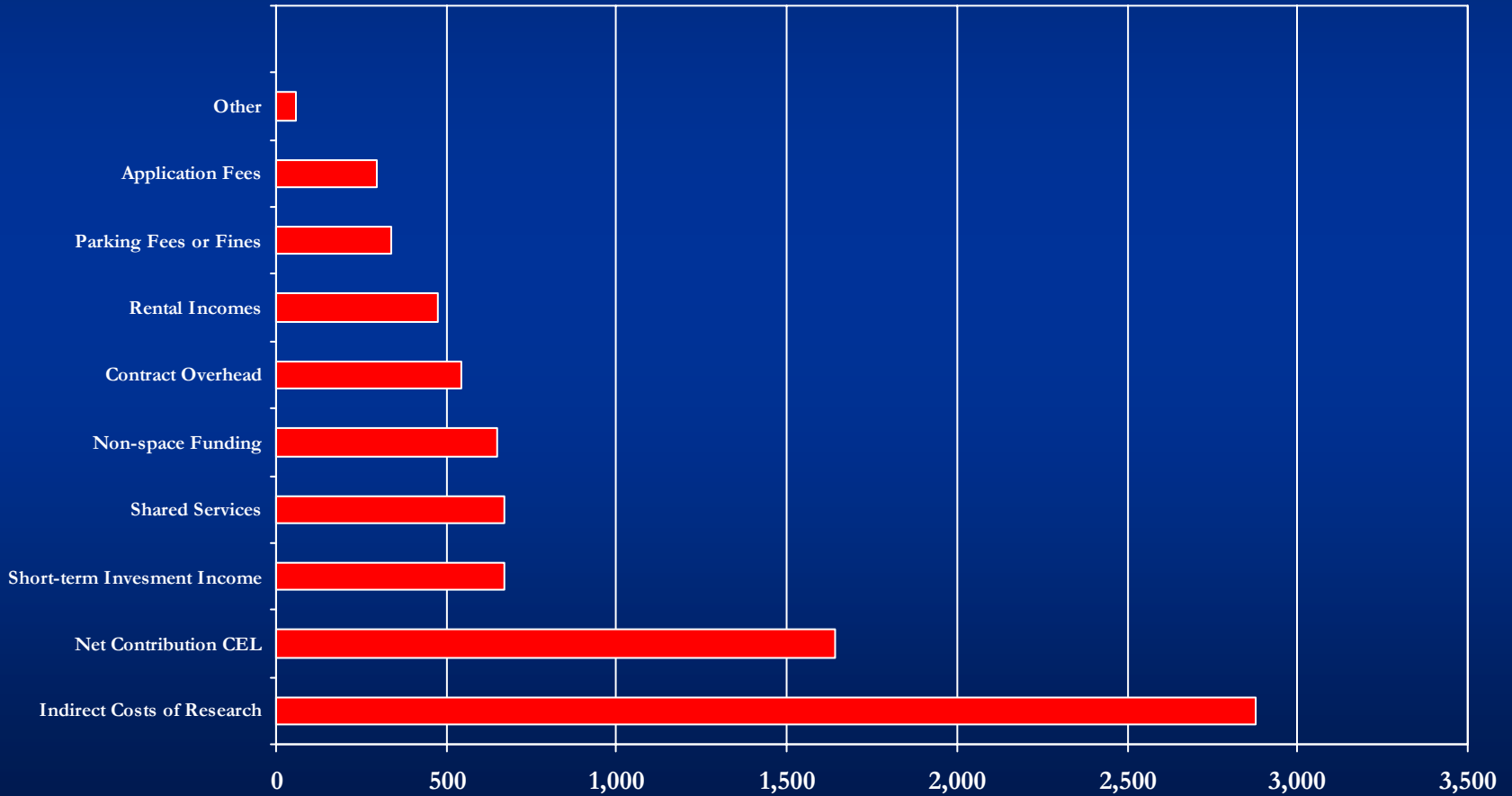
# UNB Fredericton Campus

## Other Income

Budget

2005-06

\$(000's)



# UNB Fredericton Campus Operating Budget % Change

Actual

Planning

2006-07

03-04

04-05

05-06

## Revenues

Provincial Grant	3.00%	2.04%	3.35%	<b>3.0%</b>
Student Fee Income	11.18%	12.81%	4.99%	<b>4.0%</b>
Other Income	.68%	74.52%	8.71%	<b>2.0%</b>
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	5.32%	8.37%	4.24%	<b>3.25%</b>
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# UNB Fredericton Campus

## Operating Budget

### % Change

	Actual			Planning <u>2006-07</u>
	<u>03-04</u>	<u>04-05</u>	<u>05-06</u>	
<u>Expenses</u>				
Faculties & Departments	5.14%	5.76%	2.89%	<b>TBD</b>
Academic & Student Support	7.70%	16.26%	5.87%	<b>TBD</b>
Administration & Development	4.11%	8.74%	4.23%	<b>TBD</b>
Maintenance & Utilities	3.62%	5.89%	4.38%	<b>TBD</b>
	<u>5.32%</u>	<u>8.37%</u>	<u>4.24%</u>	<u><b>3.25%</b></u>

# UNBF

## Annual Net Operating Budget Heating Costs

- Total Budget 2005-06 \$2.4 million
  - 60% of costs is Fuels
- Based on oil/natural gas of 83% and wood of 17%
- Oil/natural gas in budget .30¢/L and \$15/GJ
- Current position oil/natural gas from .35¢/L and \$13 GJ
- Anticipated future annual cost between \$2.6 million and \$2.7 million

# Academic Pension Plan

■ Current Costs	
■ University	10.20%
■ Employees	<u>10.20%</u>
	20.40%
■ Actuarial Outlook (based on salary increases of 3.25%)	
■ University	11.20%
■ Employees	<u>11.20%</u>
	22.40%
(Salary Mass UNB \$58 million)	
■ Additional Annual Costs (12 years)	
■ UNB (Both Campuses)	\$ 580,000
■ Employees	<u>580,000</u>
	<u>\$ 1,160,000</u>

(Normal Cost Expectation 7-8% each party)

UNB Fredericton Campus  
Operating Budget  
2006-07  
Expenses  
AS OF SEPTEMBER 27, 2005

- Status Quo Forecast 3.87%
  - Fiscal Environment to Balance Budget 3.25%
- Current Forecast Shortfall < .62%>

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\$750,000 shortfall

# UNBF

## Annual Funding Challenge

### (\$ millions)

#### Operations

	\$	%
- To balance status quo budget	.75 to \$1	.62 – 1%
- To provide for priorities/improvements	2.0	1.5%
	\$2.75 - \$3	2.12 – 2.5%

#### Capital

- To hold current Infrastructure position	2.6	70%
- Improvements/modernize facilities	4.0	n/a
- Equipment Technology	<u>.80</u>	40%
	7.4	

Additional annual long-term requirements	\$10.15 - \$10.4	
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# Funding Per WFTE

UNB	\$7,905
Macleans' Comprehensive Group Average	\$8,417
GAP	6%

The outlook is that this GAP may continue to grow as many universities in other Provinces are experiencing increased funding due to Provincial wealth increase.