

University of New Brunswick BUDGET SUMMARY

2006-07

2006-07 BUDGET HIGHLIGHTS

The following list is a summary of some of the highlights of the \$156.4 million 2006-07 operating budget:

Balanced Budget

The 2006-07 budget is balanced with budgeted operating expenses and revenues being equal.

There were many cost pressures on the 2006-07 budget including, utilities, fuel, insurance, pension contributions and salary increase provisions. Budgets were managed to limit baseline increases to 3.63%, 4.13% overall.

Investments in Student Services & Support

2006-07 continues to follow the strategic plan of increasing support for Student Services areas, scholarships, and graduate student support. In the last 3 years, UNB budgets have increased by:

- undergraduate scholarships	41%
- graduate student support	35%
- student services	16%

Additional investments in the 2006-07 budget include:

- undergraduate scholarships \$300,000
- graduate student support \$350,000

Faculty Collective Agreement

The 2006-07 operating budget provides for the salary and benefit costs related to the new 4-year collective agreement with the Faculty Association. These terms will support strategies to attract and retain quality faculty to the University of New Brunswick.

Student Recruitment and Marketing

The budget continues to provide funding to support enhanced student recruitment activities and provide \$125,000 in funding for University marketing programs.

Forging Our Futures Campaign

The operating budget continues to provide day-to-day funding towards the UNB Development Office. A separate financial plan supports the

successful *Forging Our Futures* campaign. The goal of the campaign is \$80 million. Proceeds will provide needed funds for enhancements to University plans, people and programs.

Payments to Students

In 2005-06, some \$19.6 million in payments were made to UNB students including scholarships, graduate student support and student employment. These amounts were funded from a number of sources including the operating budget. It is expected these payments will exceed \$20 million in 2006-07.

Competitive Basic Tuition Fees

The 2006-07 budget includes recommendations to increase the level of basic undergraduate and graduate tuition fees by 4.75%. This is the lowest basic tuition fee increase at UNB in 7 years.

Differential Tuition Fees to Support Quality

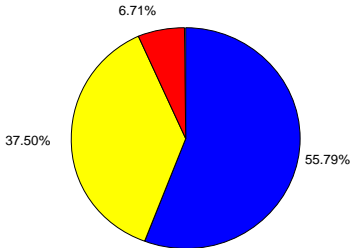
The budget includes a proposal to introduce a student differential tuition fee for Engineering of \$600 in 2006-07 rising to \$1,000 by 2008-09. A proposal to increase the current differential fee in Law by \$1,000 is also made. The funds from these changes will be invested back in the respective faculties to ensure sustained or improved program quality.

Provisions for Infrastructure Renewal

The operating budget includes \$1.9 million of funding that will be provided to the capital budget in order to support infrastructure renewal projects totaling \$8.9 million.

2006-07 Operating Budget – Revenue

Operating Revenue for the University of New Brunswick is budgeted at \$156.4 million for 2006-07, an increase of \$6.2 million, or 4.13%, in comparison to the 2005-06 budget.

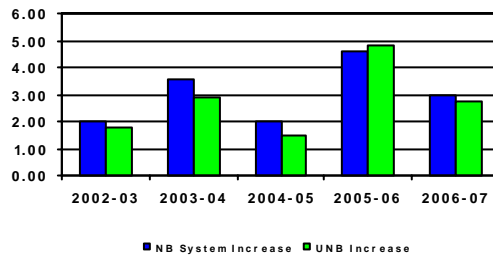
2006-07 Operating Revenue			
Operating Revenue \$156.4 million	% Change in Components		
<div style="text-align: center;"> <p>UNB 2006-07 Budgeted Operating Revenues \$156.4 million</p>  <p>■ Provincial Operating Grant ■ Tuition Revenue ■ Other</p> </div>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Provincial Grant	2.06%	3.39%	3.62%
Tuition Revenue	17.28	3.97	4.52
Other Income	61.46	8.34	6.2
	<u>9.91%</u>	<u>3.92%</u>	<u>4.13%</u>

- The Provincial Operating grant for New Brunswick universities is forecast to increase (based on the government's fiscal year) by 3% in 2006-07. Adjusted to the University fiscal year, the grant increase for UNB is estimated to increase by 2.73%. The budget to budget increase is 3.62% as the actual grant received in 2005-06 was higher than budget.
- Tuition revenue reflects a proposed basic tuition fee increase of 4.75%, the introduction of a differential fee for Engineering, \$600 in 2006-07 rising to \$1,000 by 2008-09, and an increase in differential fees for Law of \$1,000.
- Overall enrolment is expected to decline slightly by 72 students providing an overall FTE amount of 10,971.

2006-07 Budget – Revenue Cont’d...

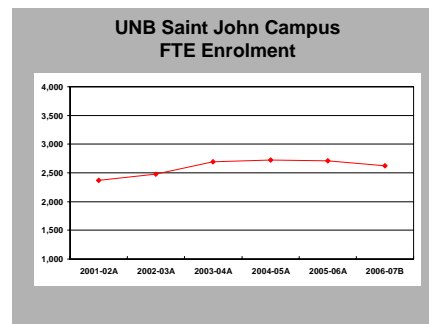
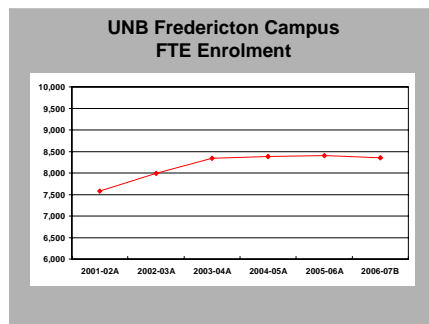
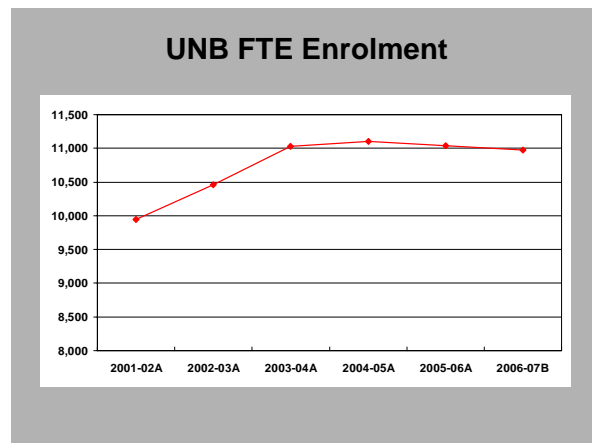
Provincial Operating Grant

The Provincial operating grant accounts for nearly 56% of UNB operating funding. The actual level of the 2006-07 grant is not known when the budget is prepared. The budget contains an assumption that the Provincial grant will increase, as previously announced, by 3% in 2006-07. After reflecting for differences in fiscal years and the expected allocation of resources amongst New Brunswick universities, it is forecast that the actual increase for UNB will be 2.73% in 2006-07.



Enrolment

UNB experienced a significant decline in student enrolment in the mid to late 90's. These enrolment levels were essentially recaptured in the last 5 years.

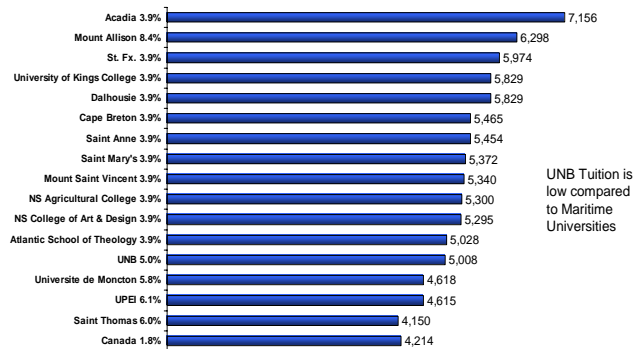


Due to Provincial demographic challenges and an increasing competitive international market, Registrars have forecasted a slight decrease in enrolment on each campus in 2006-07 and a continuation of similar declines in the near future. Many initiatives are underway to sustain enrolment levels, however, the budget reflects the Registrars' forecasts.

2006-07 Budget – Revenue Cont'd....

Tuition Fees

Existing Tuition Fees Maritime Provinces – 2005-06



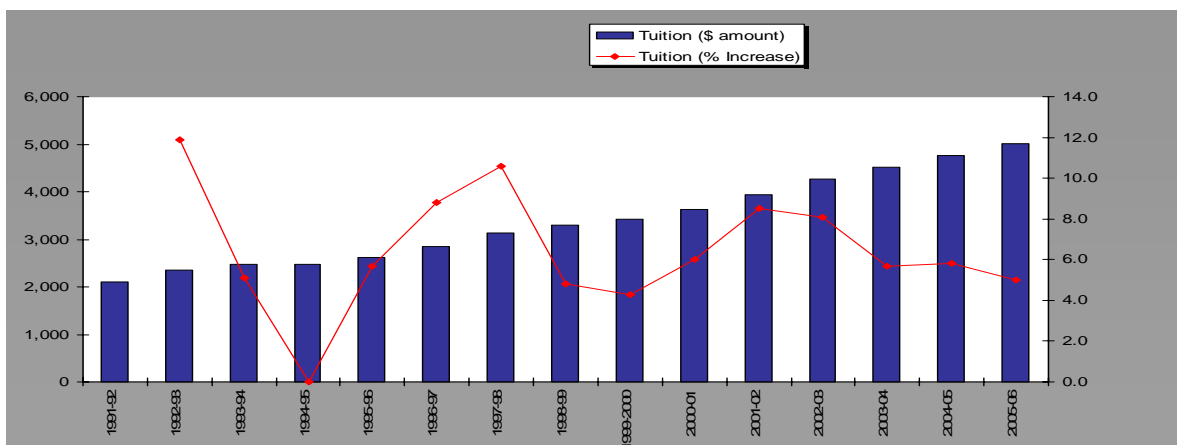
Proposed UNB tuition fees for 2006-07:

- Basic increase of +\$238, 4.75%
- Supplemental fee for undergraduate visa students +\$244, 4.75%
- Law Program +\$1,326, 18.11%
- Engineering +\$838, 16.73%

It is expected that basic UNB tuition fees will remain in a relatively favorable position in the Maritimes and the same relative position, slightly above the Canadian average.

Law and Engineering fees are expected to be competitive Regionally and Nationally after the proposed adjustments.

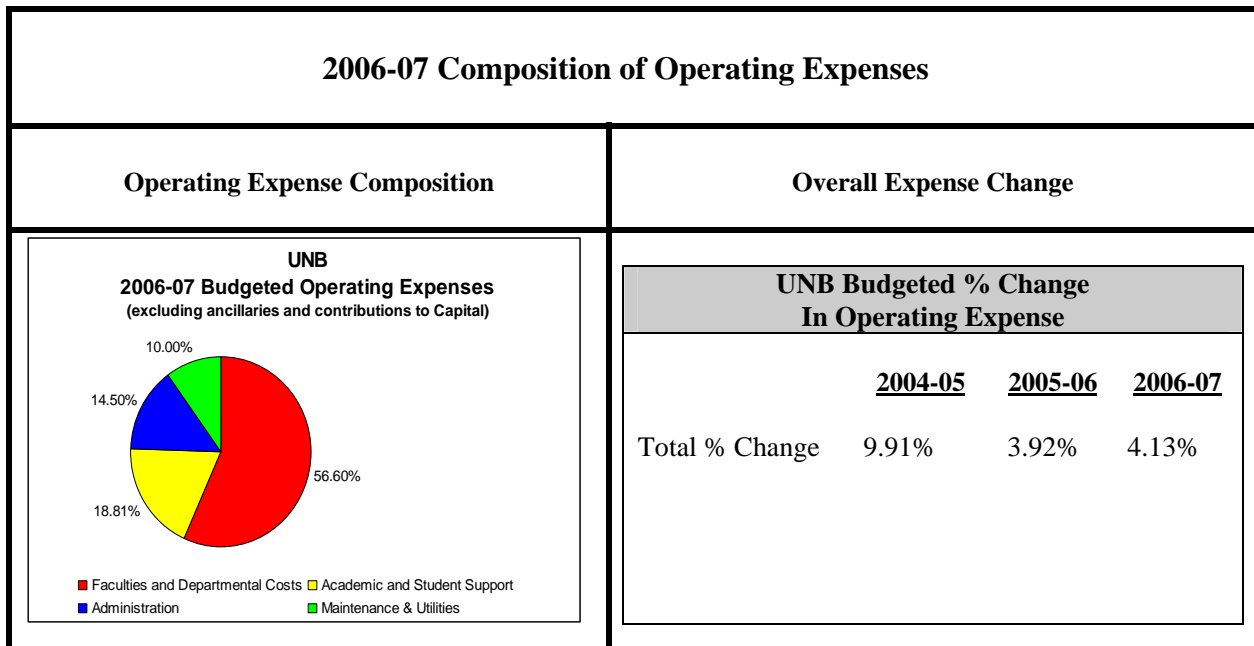
UNB – History of Tuition Last 15 years



2006-07 Operating Budget - Expenses

Total University operating expenses are budgeted at \$156.4 million in 2006-07, an increase of \$6.2 million, or 4.13%, in comparison to the 2005-06 budget. After adjusting for new expenses resulting from the changes to differential fees in 2006-07, baseline expenses growth was 3.63%.

Due to increases in non-discretionary items such as utilities and fuel costs amounting to over \$750,000 and other items such as insurance and legal, combined \$135,000, there was a great deal of pressure on operating expenses in 2006-07. Additional expense pressures came from the recently signed collective agreement with the UNB Faculty Association and the resulting salary increases aimed at improving the relative competitiveness of average UNB faculty salaries in comparison to other National universities. Effective July 01, 2006, UNB will be increasing its matching contributions to the Academic Pension Plan by 12%, resulting in additional annual contributions of \$750,000 and a new contribution level of 11.44% of pensionable earnings. These expense pressures resulted in the need for expenditure reductions on each campus, with a combined total of approximately \$3 million, in order for overall budgeted expenses to match revenues.



The 2006-07 operating budget includes \$1.9 million in funding to be transferred to the capital budget for major maintenance, infrastructure renewal and improvements (\$450,000 of this is included in the Maintenance & Utilities category)

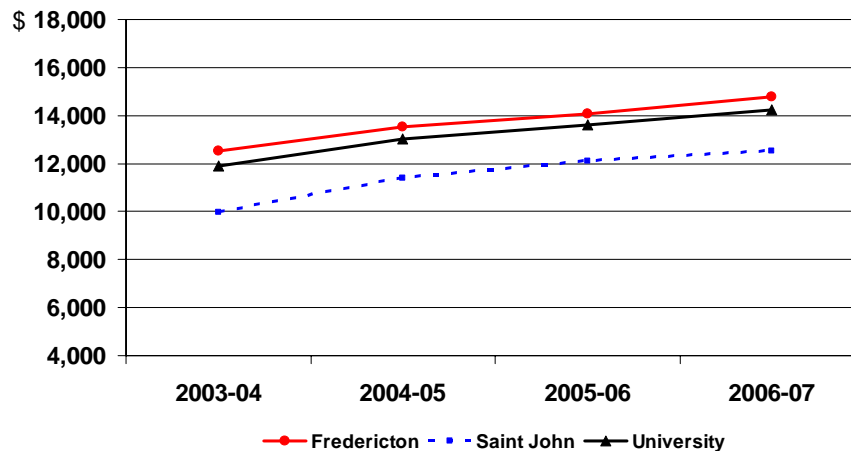
2006-07 Operating Budget – Expenses cont'd.....

The following figures illustrate (in \$000's) the main operational components of the 2006-07 expense budget:

	<u>2006-07</u> <u>Budget</u>	<u>\$</u> <u>Change</u>	<u>%</u> <u>Change</u>
Faculties & Departments	\$87,661.2	\$3,476.9	4.13%
Academic & Student Support	\$29,073.2	\$1,469.1	5.32%
Administration & Development	\$22,423.1	\$608.0	2.79%
Maintenance & Utilities	\$15,466.2	\$1,055.3	7.32%

Expenses expressed on a per FTE student basis are illustrated below:

Budget Costs Per Student



These figures illustrate the different cost structures on each campus relating to the differences in programs and operations.

2006-07 Capital Budget

The 2006-07 capital budget is for approximately \$20 million in comparison to the 2005-06 budget of \$15.6 million. All funding sources have been identified to support the proposed budget. The budget includes \$1.7 million in funding to be derived from the \$175 per student facilities renewal fee that was implemented in 2005-06.

2006-07 Capital Budget		
	\$(millions)	
	<u>2005-06</u>	<u>2006-07</u>
<u>Buildings & Space</u>		
- Major Maintenance, Infrastructure Renewal & Improvements	\$8.4	\$8.9
- New Construction	4.8	8.6
	13.2	17.5
<u>Equipment & Technology</u>		
- Technology	1.2	1.6
- Library acquisitions, equipment, furniture	1.2	.9
	2.4	2.5
	\$15.6	\$20.0

Buildings & Space

The budget includes major maintenance and infrastructure renewal projects totaling nearly \$9 million, including \$450,000 designated for accessibility and \$50,000 to Campus Safety.

This level of spending is expected to sustain the overall condition index of buildings and retain the accumulated deferred maintenance level at approximately \$106 million.

Benchmark Comparison			
	<u>Fredericton</u>	Saint <u>John</u>	<u>Total</u>
Ratio of Expenditures/Building Value	1.77%	3.25%	2.05%
AUCC Recommended Change	1.5% - 3.0%		

The budget includes the previously approved \$8.6 million, 177-bed apartment-style residence on the Fredericton campus to open in September 2006.

Equipment & Technology

The budget includes \$1.6 million of expenditures on IT, hardware and software, the majority of which is for renewal of equipment, networks, data communications, etc.

New investments include supporting enhanced teaching and learning through an upgrade to UNB course management software, WebCT.

Funding for wireless initiatives on the Fredericton campus is also provided for.

2006-07 Residence Budget

Residence, summer conference and food services operations are significant with a \$12.8 million budget on the Fredericton campus and \$1.4 million on the Saint John campus. The residence systems are run as self-sustaining operations.

UNB Fredericton Campus Residence Fees (Summary)	
	<u>2006-07</u>
On Campus	
- Single	\$4,985
- Double	3,756
Meal Plans	
- 19 meal plan plus 140 cash	\$2,695
- 12 meal plan plus 375 cash	2,695

The Fredericton campus rates are recommended to increase 4% for rooms and 1.6% for food for an overall combined increase of 3%.

UNB Saint John Campus Residence Fees (Summary)	
	<u>2006-07</u>
On Campus	
- Single	\$3,924
- Double	3,449 & 4,401
Meal Plans	
- Meal Plan I	\$2,100
- Meal Plan II	2,400

The Saint John campus 2006-07 residence rates are recommended to increase by 2.5%. Meal Plans are increasing from \$1,995 to \$2,100 and from \$2,205 to \$2,400.

- The rates for the new apartment residence in Fredericton are per month, per bed based on a 12-month lease: single suite \$695, double suite \$600, triple suite \$535
- The Fredericton campus residence budget includes \$725,000 in capital reinvestment for infrastructure renewal and \$610,000 in food services renewal.
- The Saint John campus residence budget includes \$98,000 in capital reinvestment.

