

University of New Brunswick

**Multi-Year**

**Operating Budget Forecasts**

**2008-09 Budget with 2009-10, 2010-11, 2011-12 and 2012-13**

**Pro-forma Forecasts**

University of New Brunswick  
**Multi-year Operating Budget Forecasts**

In the contextual section of the main budget document, there is a brief description of many of the uncertainties that New Brunswick universities are facing. In order to provide some broad financial context for the University of New Brunswick operating budget, five year operating budget forecasts have been prepared. These forecasts include the proposed 2008-09 budget as well as pro-forma figures developed for 2009-10 to 2012-13 based on certain assumptions. The main assumptions in the pro-forma forecasts are as follows:

- annual Provincial grant increase 3%
- annual level of basic tuition fee increase 3.5%
- 2008-09 budget complement levels for faculty and staff
- increases in basic non-salary costs 2.5%
- increases in utilities and heating costs 4.5%
- salary increases per collective agreements with inflation-based estimates for increases in new agreements and for non-unionized staff members
- Undergraduate enrolment changes:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Fredericton campus	(2.09%)	(1.60%)	(0.71%)	(0.67%)	(1.09%)
Saint John campus	(7.63%)	(5.57%)	(4.16%)	(3.96%)	(3.61%)

- additional costs associated with operating new facilities – 2009-10 \$500,000

The net results of these forecasts are summarized below (the top level pages from the forecasted worksheets are attached):

University of New Brunswick <b>5-Year Operating Budget Pro-forma Forecast</b> Net Result (\$000) deficit					
	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>2010-11</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>
	<b><u>Budget</u></b>	<b><u>Pro-forma</u></b>	<b><u>Pro-forma</u></b>	<b><u>Pro-forma</u></b>	<b><u>Pro-forma</u></b>
Fredericton Campus	\$(289)	\$(1,904)	\$(2,587)	\$(4,288)	\$(3,436)
Saint John Campus	(796)	(3,166)	(3,708)	(4,502)	(5,430)
Unallocated Grant	1,085	1,133	1,167	1,202	1,238
Total Annual Shortfall	<b><u>\$0</u></b>	<b><u>\$(3,937)</u></b>	<b><u>\$(5,128)</u></b>	<b><u>\$(7,588)</u></b>	<b><u>\$(7,628)</u></b>

These figures illustrate that, based on the assumptions listed, serious changes are needed to bring UNB operating finances to a sustainable basis.

**University of New Brunswick  
University-side (Consolidation)**

	Approved Budget 2007-2008 (Restated \$)	Proposed Budget 2008-2009		Proforma 2009-2010		Proforma 2010-2011		Proforma 2011-2012		Proforma 2012-2013	
		%	\$	%	\$	%	\$	%	\$	%	\$
Provincial Operating Grant *	\$90,718.8	6.73%	96,820.2	2.72%	\$99,453.0	3.03%	\$102,466.2	3.00%	\$105,541.1	3.00%	\$108,707.2
Tuition Revenue	57,505.5	(4.91%)	54,680.1	1.83%	55,680.4	2.75%	57,213.8	0.91%	57,736.8	3.46%	59,734.8
Other Revenue	8,263.2	16.58%	9,633.3	(1.08%)	9,528.8	(0.78%)	9,454.9	(0.77%)	9,381.9	(0.77%)	9,309.9
<b>Total Revenues</b>	<b>156,487.6</b>	<b>2.97%</b>	<b>161,133.6</b>	<b>2.19%</b>	<b>164,662.2</b>	<b>2.72%</b>	<b>169,134.9</b>	<b>2.08%</b>	<b>172,659.8</b>	<b>2.95%</b>	<b>177,751.9</b>
<b>Academic and Research</b>											
Faculties and Departmental Costs	87,615.3	1.10%	88,577.0	3.23%	91,441.4	3.43%	94,580.4	3.94%	98,306.2	3.00%	101,256.1
Academic and Student Support	28,858.1	3.18%	29,774.4	2.97%	30,659.5	4.59%	32,065.8	3.15%	33,077.3	2.89%	34,034.3
Sub-total	116,473.4	1.61%	118,351.4	3.17%	122,100.9	3.72%	126,646.2	3.74%	131,383.5	2.97%	135,290.4
<b>Administration and Support Services</b>											
Administration and Development	22,882.4	3.73%	23,735.0	2.05%	24,220.5	2.41%	24,804.6	2.84%	25,508.5	2.59%	26,169.5
Maintenance and Utilities	17,099.4	4.40%	17,851.4	6.32%	18,980.1	2.81%	19,513.6	2.79%	20,057.9	2.81%	20,621.5
Sub-total	39,981.8	4.01%	41,586.4	3.88%	43,200.6	2.59%	44,318.2	2.82%	45,566.4	2.69%	46,791.0
<b>Total Operating Expense</b>	<b>156,455.2</b>	<b>2.23%</b>	<b>159,937.8</b>	<b>3.35%</b>	<b>165,301.5</b>	<b>3.43%</b>	<b>170,964.4</b>	<b>3.50%</b>	<b>176,949.9</b>	<b>2.90%</b>	<b>182,081.4</b>
<b>Net Ancillary Operations</b>	<b>1,106.3</b>	<b>58.00%</b>	<b>1,748.0</b>	<b>(0.01%)</b>	<b>1,747.9</b>	<b>0.00%</b>	<b>1,747.9</b>	<b>0.00%</b>	<b>1,747.9</b>	<b>0.00%</b>	<b>1,747.9</b>
<b>In-Year Priority Allocations</b>	<b>1,749.0</b>	<b>(11.37%)</b>	<b>1,550.1</b>	<b>(0.01%)</b>	<b>1,550.0</b>	<b>0.00%</b>	<b>1,550.0</b>	<b>0.00%</b>	<b>1,550.0</b>	<b>0.00%</b>	<b>1,550.0</b>
<b>Total Expenses</b>	<b>159,310.5</b>	<b>2.46%</b>	<b>163,235.9</b>	<b>3.29%</b>	<b>168,599.4</b>	<b>3.36%</b>	<b>174,262.3</b>	<b>3.43%</b>	<b>180,247.8</b>	<b>2.85%</b>	<b>185,379.3</b>
<b>(Deficit) before One-Time Items</b>	<b>(2,823.0)</b>		<b>(2,102.3)</b>		<b>(3,937.2)</b>		<b>(5,127.4)</b>		<b>(7,588.0)</b>		<b>(7,627.4)</b>
<b>One Time Items</b>	<b>\$300.0</b>		<b>\$2,102.3</b>		<b>\$0.0</b>		<b>\$0.0</b>		<b>\$0.0</b>		<b>\$0.0</b>
<b>(Deficit)</b>	<b><u>(\$2,523.0)</u></b>		<b><u>\$0.0</u></b>		<b><u>(\$3,937.2)</u></b>		<b><u>(\$5,127.4)</u></b>		<b><u>(\$7,588.0)</u></b>		<b><u>(\$7,627.4)</u></b>

\* 2008-09 Budget and subsequent years includes \$1.1 M that has not yet been allocated to campus budgets.

**University of New Brunswick  
Fredericton Campus**

	Approved Budget 2007-2008	Proposed Budget 2008-2009		Proforma 2009-2010		Proforma 2010-2011		Proforma 2011-2012		Proforma 2012-2013	
	(Restated \$)	% Change	\$	% Change	\$	% Change	\$	% Change	\$	% Change	\$
Provincial Operating Grant	\$76,853.2	5.30%	\$80,925.7	3.17%	\$83,491.7	3.04%	\$86,026.0	3.00%	\$88,607.7	3.00%	\$91,265.8
Tuition Revenue	41,232.2	(2.06%)	40,381.9	2.31%	41,312.7	3.35%	42,695.2	1.05%	43,144.6	5.10%	45,345.3
Other Revenue	6,366.6	19.16%	7,586.7	(1.38%)	7,482.2	(0.99%)	7,408.3	(0.99%)	7,335.3	(0.98%)	7,263.3
<b>Total Revenues</b>	<b>124,452.1</b>	<b>3.57%</b>	<b>128,894.2</b>	<b>2.63%</b>	<b>132,286.6</b>	<b>2.90%</b>	<b>136,129.5</b>	<b>2.17%</b>	<b>139,087.6</b>	<b>3.44%</b>	<b>143,874.4</b>
<b>Academic and Research</b>											
Faculties and Departmental Costs	69,667.9	1.36%	70,617.7	2.88%	72,653.2	3.23%	75,003.0	3.71%	77,785.0	2.75%	79,926.7
Academic and Student Support	23,772.6	3.61%	24,630.2	3.00%	25,369.3	4.98%	26,633.1	3.26%	27,502.6	2.97%	28,319.8
Sub-total	93,440.5	1.93%	95,247.9	2.91%	98,022.5	3.69%	101,636.1	3.59%	105,287.6	2.81%	108,246.5
<b>Administration and Support Services</b>											
Administration and Development	18,083.0	3.90%	18,788.8	2.86%	19,325.7	2.68%	19,843.1	3.07%	20,452.0	2.75%	21,014.3
Maintenance and Utilities	12,769.4	4.95%	13,402.2	7.42%	14,396.3	2.74%	14,790.6	2.70%	15,189.9	2.72%	15,602.7
Sub-total	30,852.4	4.34%	32,191.0	4.76%	33,722.0	2.70%	34,633.7	2.91%	35,641.9	2.74%	36,617.0
<b>Total Operating Expenses</b>	<b>124,292.9</b>	<b>2.53%</b>	<b>127,438.9</b>	<b>3.38%</b>	<b>131,744.5</b>	<b>3.43%</b>	<b>136,269.8</b>	<b>3.42%</b>	<b>140,929.5</b>	<b>2.79%</b>	<b>144,863.5</b>
<b>Net Ancillary Operations</b>	<b>914.9</b>	<b>70.14%</b>	<b>1,556.6</b>	<b>(0.01%)</b>	<b>1,556.5</b>	<b>0.00%</b>	<b>1,556.5</b>	<b>0.00%</b>	<b>1,556.5</b>	<b>0.00%</b>	<b>1,556.5</b>
<b>In-Year Priority Allocations</b>	<b>987.0</b>	<b>(9.82%)</b>	<b>890.1</b>	<b>(0.01%)</b>	<b>890.0</b>	<b>0.00%</b>	<b>890.0</b>	<b>0.00%</b>	<b>890.0</b>	<b>0.00%</b>	<b>890.0</b>
<b>Total Expenses</b>	<b>126,194.8</b>	<b>2.92%</b>	<b>129,885.6</b>	<b>3.31%</b>	<b>134,191.0</b>	<b>3.37%</b>	<b>138,716.3</b>	<b>3.36%</b>	<b>143,376.0</b>	<b>2.74%</b>	<b>147,310.0</b>
<b>(Deficit) before One-Time Items</b>	<b>(1,742.8)</b>		<b>(991.3)</b>		<b>(1,904.4)</b>		<b>(2,586.8)</b>		<b>(4,288.4)</b>		<b>(3,435.6)</b>
<b>One Time Items</b>	<b>0.0</b>		<b>702.3</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>
<b>(Deficit)</b>	<b>(\$1,742.8)</b>		<b>(\$289.0)</b>		<b>(\$1,904.4)</b>		<b>(\$2,586.8)</b>		<b>(\$4,288.4)</b>		<b>(\$3,435.6)</b>

**University of New Brunswick  
Saint John Campus**

	Approved Budget 2007-2008	Proposed Budget 2008-2009		Proforma 2009-2010		Proforma 2010-2011		Proforma 2011-2012		Proforma 2012-2013	
	(Restated \$)	%	\$	%	\$	%	\$	%	\$	%	\$
		Change		Change			Change		Change		Change
Provincial Operating Grant	\$13,865.6	6.81%	\$14,809.4	0.13%	\$14,828.3	3.00%	\$15,273.2	3.00%	\$15,731.4	3.00%	\$16,203.3
Tuition Revenue	16,273.3	(12.14%)	14,298.2	0.49%	14,367.7	1.05%	14,518.6	0.51%	14,592.2	(1.39%)	14,389.5
Other Revenue	1,896.6	7.91%	2,046.6	(0.00%)	2,046.6	0.00%	2,046.6	0.00%	2,046.6	0.00%	2,046.6
<b>Total Revenues</b>	<b>32,035.5</b>	<b>(2.75%)</b>	<b>31,154.2</b>	<b>0.28%</b>	<b>31,242.6</b>	<b>1.91%</b>	<b>31,838.4</b>	<b>1.67%</b>	<b>32,370.2</b>	<b>0.83%</b>	<b>32,639.4</b>
<b>Academic and Research</b>											
Faculties and Departmental Costs	17,947.4	0.07%	17,959.3	4.62%	18,788.2	4.20%	19,577.4	4.82%	20,521.2	3.94%	21,329.4
Academic and Student Support	5,085.5	1.15%	5,144.2	2.84%	5,290.2	2.69%	5,432.7	2.61%	5,574.7	2.51%	5,714.5
Sub-total	23,032.9	0.31%	23,103.5	4.22%	24,078.4	3.87%	25,010.1	4.34%	26,095.9	3.63%	27,043.9
<b>Administration and Support Services</b>											
Administration and Development	4,799.4	3.06%	4,946.2	(1.04%)	4,894.8	1.36%	4,961.5	1.91%	5,056.5	1.95%	5,155.2
Maintenance and Utilities	4,330.0	2.75%	4,449.2	3.03%	4,583.8	3.04%	4,723.0	3.07%	4,868.0	3.10%	5,018.8
Sub-total	9,129.4	2.91%	9,395.4	0.89%	9,478.6	2.17%	9,684.5	2.48%	9,924.5	2.51%	10,174.0
<b>Total Operating Expense</b>	<b>32,162.3</b>	<b>1.05%</b>	<b>32,498.9</b>	<b>3.26%</b>	<b>33,557.0</b>	<b>3.39%</b>	<b>34,694.6</b>	<b>3.82%</b>	<b>36,020.4</b>	<b>3.32%</b>	<b>37,217.9</b>
<b>Net Ancillary Operations</b>	<b>191.4</b>	<b>0.00%</b>	<b>191.4</b>	<b>0.00%</b>	<b>191.4</b>	<b>0.00%</b>	<b>191.4</b>	<b>0.00%</b>	<b>191.4</b>	<b>0.00%</b>	<b>191.4</b>
<b>In-Year Priority Allocations</b>	<b>762.0</b>	<b>(13.39%)</b>	<b>660.0</b>	<b>0.00%</b>	<b>660.0</b>	<b>0.00%</b>	<b>660.0</b>	<b>0.00%</b>	<b>660.0</b>	<b>0.00%</b>	<b>660.0</b>
<b>Total Expenses</b>	<b>33,115.7</b>	<b>0.71%</b>	<b>33,350.3</b>	<b>3.17%</b>	<b>34,408.4</b>	<b>3.31%</b>	<b>35,546.0</b>	<b>3.73%</b>	<b>36,871.8</b>	<b>3.25%</b>	<b>38,069.3</b>
<b>(Deficit) before One-Time Items</b>	<b>(1,080.2)</b>		<b>(2,196.1)</b>		<b>(3,165.8)</b>		<b>(3,707.6)</b>		<b>(4,501.6)</b>		<b>(5,429.9)</b>
<b>One Time Items</b>	<b>300.0</b>		<b>1,400.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>
<b>(Deficit)</b>	<b>(780.2)</b>		<b>(796.1)</b>		<b>(3,165.8)</b>		<b>(3,707.6)</b>		<b>(4,501.6)</b>		<b>(5,429.9)</b>