



University of New Brunswick

2011-12 Budget

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Context

The outlook for universities around the world continues to be challenging, particularly as governments around the world continue to struggle with significant fiscal issues. At UNB we have been dealing with these fiscal challenges, as well as the impacts stemming from a declining regional population base and the influence that this has had on overall student enrolment levels. We have also been fiscally responsible in this environment by developing balanced budgets in 2010-11 and in this proposal for the 2011-12 budget. This has been a difficult exercise as over \$18 million in budget adjustments, mainly expense reductions, have been made over the last six years, including the \$3.8 million in adjustments that are part of the 2011-12 budget.

Strategic Direction

We recently completed a strategic plan to guide our future priorities, directions and aspirations over the next five years and beyond. One of the key goals in the strategic plan is financial resilience and responsibility. As we look to the challenges ahead, we felt it was very important to propose a balanced budget for 2011-12. The strategic plan helped guide the many difficult decisions we have made related to resource allocations and priorities. Our proposal is aimed at minimizing the impact of budget reductions on the quality of our programs and the overall student experience given the parameters and constraints under which we operate.

The 2011-12 Budget in Brief

There are several key factors shaping the proposed 2011-12 budget. In the face of very difficult financial circumstances, the Province of New Brunswick provided New Brunswick universities with a 2% increase in basic operating grant funding. At \$108 million, this funding represents nearly 63% of the UNB operating budget revenues, the most significant factor in that budget. The provincial budget also called for universities to limit basic tuition fee increases to \$200 in 2011-12. For UNB, a \$200 increase in the basic tuition fee increase equates to a 3.6% increase in tuition, the second most significant factor in our operating budget.

The proposed 2011-12 budget reflects the operation of new signature buildings on each of our two campuses. The Richard J. Currie Center on the Fredericton campus and the University Commons building on the Saint John campus are in direct alignment with several of the key directions in the Strategic Plan including; provision of high quality facilities for our library, teaching and research spaces, including wellness and athletic facilities. These facilities bring some \$1.8 million in additional operating expenses that are reflected in this budget. For the Fredericton campus facility, we propose to implement a mandatory annual facility access fee of \$150 per student to offset a portion of additional operating expenses and to enable enhancement of existing services.

After reflecting all of the ongoing budget adjustments and components described above, there remained a shortfall of revenues compared to expenses of approximately \$2 million. In order to close this gap and balance the budget, we propose to utilize one-time funding by redirecting funds that had been set aside to deal with the sudden and dramatic decline in investment markets in 2008 and 2009. Because the market has recovered faster than anticipated, these funds are available to address the budget shortfall. We propose to apply \$1 million of these funds to offset one-time costs in the 2011-12 budget with the remainder being applied to fund the structural shortfall of \$1 million.

Planning for the Three Fiscal Years 2012-13 to 2014-15

There are continuing financial challenges and many uncertainties and risks lying ahead for the university sector, including UNB. Our operating costs increase annually with respect to salaries, benefits, utilities, fuel, operational supplies, laboratory equipment and supplies. This increase in costs is in conjunction with a forecasted continuing population decline and ongoing fiscal challenges in our province.

We have modeled various financial scenarios for our existing operations and possible funding and enrolment combinations. All of these scenarios project an ongoing structural shortfall between operating revenues and expenses that, if left unchecked, would compound and grow.

This summer and fall, we, along with the other three publicly-funded universities in New Brunswick, are planning for the negotiation of a multi-year funding agreement with the provincial government. Our goal is to achieve funding stability to enable UNB to move forward with implementation of its Strategic Plan.

UNB is also developing its own multi-year plan to implement the Strategic Plan. This implementation plan will deeply inform our strategies and priorities, as well as our basic financial framework going forward. We will aggressively be looking for ways to increase our future revenues, especially in regards to overall student enrolment through enhanced recruitment and retention initiatives. Accordingly, we will be making additional investments in these areas to help ensure our longer-term financial sustainability.

We will continue to find operational efficiencies and to ensure our resources are focused on our highest priorities.

Eddy Campbell
President & Vice-Chancellor

Introduction and Fiscal Context

The recent global recession has had an adverse financial impact on universities around the world. While most university endowment investments have recovered, a significant continuing impact is the pressure on public funding that many universities receive. Most states and provinces continue to deal with budget deficits and accumulated debt. This has placed tremendous challenges on their budgets from which public universities receive the majority of their operating funding. The Government of New Brunswick recently approved the 2011-12 provincial budget. This document illustrated a provincial budget shortfall of \$448 million and accumulated debt of \$9 billion. While New Brunswick universities received a 2% in base operating grants, there remains a great deal of uncertainty as to future levels of funding.

The University of New Brunswick has been managing the impact of a shrinking revenue base resulting from a decline in student enrolment. There has been an annual loss of over \$15 million in revenue resulting from less students paying tuition fees, lower occupancy in residences, declining sales in bookstores and other ancillary services over the last five years. The University has responded by streamlining operations and managing costs to balance operating budgets in seven of the last ten years. Additionally In 2009-10, there was a sudden and unexpected decline in provincial operating budget funding which was a key factor in UNB having a budgeted \$3 million shortfall that year.

The 2010-11 budget was balanced, however, each year the budget exercise has become increasingly challenging as the University strives for new ways to generate revenues, while also maintaining efficient operations and delivering a quality student experience. The University recently completed a strategic planning process to help guide the direction, priorities and resource allocations of the University over the next five years. A copy of the University Strategic Plan may be found at <http://www.unb.ca/initiatives/strategicplan/index.html>

The 2011-12 budget is balanced. It was important that this financial position be achieved in order to provide an appropriate starting point for implementation of the Strategic Plan and a return to financial health.

2011-12 Budget Challenge

UNB began the 2011-12 budget process in early fall 2010. At that time, there was a great deal of financial uncertainty with respect to many of the main components of budget revenues and expenses. As the year progressed, more clarity was received on various components of expenses, including a new four-year collective agreement for full-time faculty at the University and a first-time collective agreement for graduate student workers. Outstanding at the time of budget preparation is the first-time collective agreement for contract academic instructors.

In 2011-12, the University will finish construction and open two new signature buildings: the Richard J. Currie Center on the Fredericton campus and the University Commons building on the Saint John campus. Both significantly enhance campus services and amenities. These facilities also bring with them new operating expenses which need to be funded as part of the operating budget.

Midway through the budget process, the potential for an operating budget shortfall ranged from \$6 million to \$9 million depending on the outcome of the provincial budget and the level of budget actions possible by UNB. On March 17, 2011, the Provincial budget was approved. This provided information on the level of provincial funding that would be received in 2011-12, as well as the context for tuition fees. After reflecting the provincial budget and ongoing budget actions by UNB, the level of shortfall was reduced to just less than \$2 million (\$1 million of which is structural). After applying final one-time budget actions, the end result was a balanced operating budget.

2011-12 Budget – Basic Objectives and Strategy

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

Budget Strategy and Financial Objectives

UNB's Strategic Plan for the five years from 2011 to 2016 provides a broad framework for the 2011-12 budget:

- Achieve a balanced budget: The Strategic Plan sets clear goals for financial resilience and responsibility.
- The budget strategy was to undertake a combination of initiatives to either generate new revenues or reduce ongoing operating expenses. At the same time, investments were to be made in strategic priorities. The approach to this strategy was guided by the priorities in the Strategic Plan and was undertaken based on the specific circumstances on each campus, while ensuring overall institutional cohesion.
- Make resource allocations and expense reductions on a strategic basis rather than across the board. Decisions were informed by the Strategic Plan throughout the budget process and allocation of resources towards priorities respected the following considerations:
 - Minimize the impact on students, core academic programs and services.
 - Strategic investments should be focused on the generation of future revenues, including student recruitment and retention, as well as fundraising activities.

2011-12 Budget – Operating Budget Summary

The 2011-12 operating budget is balanced as submitted. The balanced position reflects increases in funding from the provincial government, a \$200 increase in basic tuition fees, various initiatives to generate additional revenues and expense management, including ongoing budget reductions and one-time budget actions.

Overall operating revenues are budgeted at \$172.2 million, an increase of \$4.7 million, or 2.8% over the 2010-11 budget. Overall operating expenses are budgeted at \$173.2 million, an increase of \$6.8 million, or 4.1% in comparison to 2010-11 budget levels. The

difference between ongoing revenues and expenses is slightly over \$1 million has been funded in 2011-12 from internal one-time sources, including accumulated departmental and central carry forwards.

Operating budgets for each of the Fredericton and Saint John campuses are balanced.

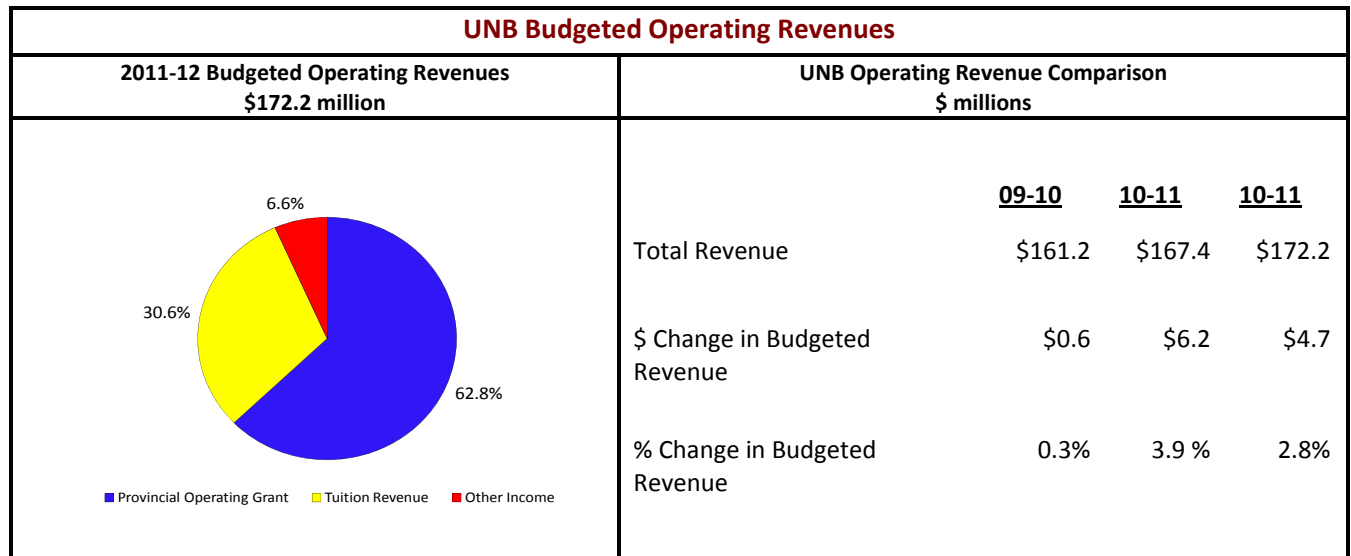
The following is a summary of some of the key figures in the 2011-12 operating budget.

UNB Key Operating Budget Figures		
Overall Budget is Balanced – Structural Shortfall is \$1 million		
- Overall operating revenues	\$172.2	million (2.8% growth)
- Provincial operating grant	\$108.1	million (1.6% increase)
- Basic increase in undergraduate tuition fees	\$200	(3.6% increase) per full-time student
- Overall budgeted student FTE enrolment	\$9,185	(2.8% decrease)
- New annual facility access fee for Richard J. Currie Center on UNB Fredericton campus	\$150	per full-time student
- Operating budget expenses	\$173.2	million (4.1% growth)
- Level of budget adjustments made	\$3.8	million (2.2%)
- Overall contingency provision in budget	\$1.5	million (or 0.9% of expense budget)
- Operational costs associated with new facilities both campuses	\$1.8	million
- Level of investments made that are focused on generating future additional revenues	\$1	million

2011-12 Operating Budget - Sources of Revenue

Total operating revenues are budgeted at \$172.2 million in 2011-12. This is a \$4.7 million, or 2.8%, 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.



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			
	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>
% Change in Revenue Components			
Total Provincial Operating Grant	3.1%	6.4%	1.6%
Tuition Revenue	(5.7%)	(.7%)	3.0%
Other Income	2.5%	2.5%	15.1%
Combined % Change	.3%	3.9%	2.8%

In 2008-09, 2009-10 and 2010-11, the Province of New Brunswick provided New Brunswick universities with compensation, equivalent to a tuition fee increase of 5%, in return for freezing tuition fees for domestic students. In 2011-12, tuition fee increases for domestic students were limited to \$200 and basic provincial grants increased by 1.6%. The increase in other income in 2011-12 is mainly due to a new mandatory fee of \$150 per year for Fredericton campus students to access the new Richard J. Currie Center, The Facility Access Fee will automatically make students Campus Recreation members with benefits to include free access to all recreational facilities (e.g. cardio & strength training room, recreational gymnasiums, pool, squash courts, indoor walking and jogging track, changing room with day-use lockers, noon hour skating at the Aitken University Center) as well as free participation in all non-ice intramural sports and the majority of group fitness classes. As an added benefit, members are also entitled to discounted prices for instructional programs and the services of the *Sun Life Financial Fitness Assessment Centre*.

A review of the composition of each major operating budget revenue category is included in the next pages of the report.

2011-12 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 2011-12 is \$108.1 million. The operating grant has two elements:

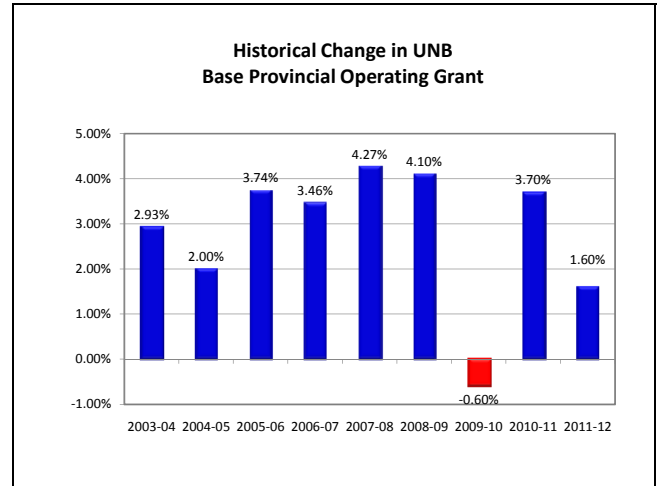
- Base unrestricted operating grant
- Grant in lieu of tuition increase for domestic students

The following table summarizes the grant funding levels to UNB in 2010-11 and 2011-12:

UNB Provincial Operating Grant \$(000's)				
	2010-11 Budget & <u>Actual</u>	2011-12 <u>Budget</u>	<u>\$ Change</u>	<u>% Change Actual to Budget</u>
Base unrestricted operating grant	\$97,731	\$99,460	\$1,729	1.8%
Grant in lieu of Tuition increase*	8,617	8,617	0	0%
	\$106,348	\$108,077	\$1,729	1.6%

*funding in return for a freeze on domestic tuition fees from 2008-09 to 2010-11.

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. 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.

No funding announcements have been made for years subsequent to 2011-12.

The University of New Brunswick utilizes the same funding allocation formula 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.

2011-12 Operating Budget - Student Enrolment

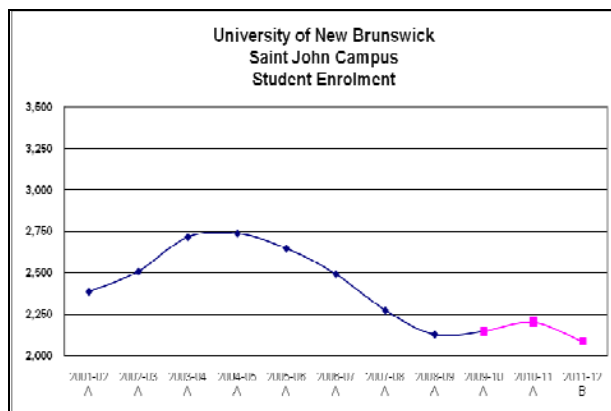
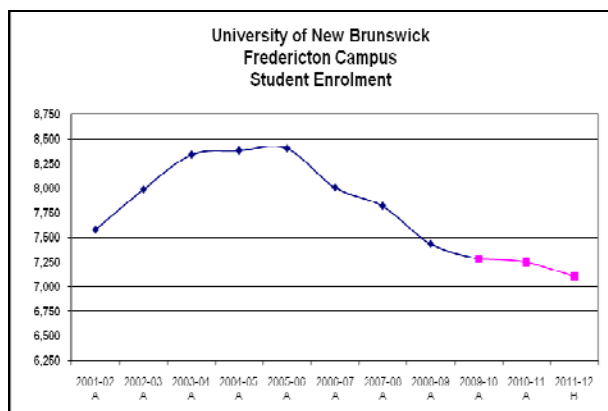
Student enrolment is an important driver of operating funding for UNB. The tuition fee income derived from student enrolment accounts for approximately 31% of total operating budget funding. As outlined in the contextual part of the budget package, student enrolment has been decreasing for Maritime-based 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 B	7,887	1,298	9,185	(264)	(2.8%)

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

The enrolment figures included in the 2011-12 operating budget are based on each campus Registrar's best estimates of UNB enrolment based on recent trends, applications and demographic indicators. Each campus will strive to exceed these baseline enrolment figures with an overall combined notional target of 9,523 FTE students. Should actual enrolment figures exceed or fall short of Registrar's best estimates, there would either be a positive or negative impact on budgeted revenue amounts.

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.

2011-12 Operating Budget - Tuition Fees

For three years from 2008-09 to 2010-11, the provincial government chose to provide New Brunswick universities with a special grant in return for freezing basic tuition fees for domestic students. In 2011-12, the provincial government implemented a limitation of a \$200 increase in basic tuition fees for domestic students.

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

Summary of Key UNB Tuition Fees				
	<u>2010-11</u>	<u>2011-12</u>	<u>\$ Change</u>	<u>% Change</u>
- Undergraduate tuition fee	\$5,482	\$5,682	\$200	3.65%
- Graduate				
- Research-based (per term)	1,854	1,920	66	3.56%
- Course-based (excluding MBA) (per course)	690	715	25	3.56%
- Faculty of Business Administration	5,482	5,782	300*	5.47%
- Faculty of Law	9,032	9,232	200	2.21%
- Faculty of Engineering	6,482	6,682	200	3.09%
- Supplemental fee for U/G visa students	6,750	6,950	200	2.96%
*includes a \$100 program enhancement fee				

The following table provides a summary of changes to the major categories of UNB tuition fees for 2011-12, as well as a six-year history:

University of New Brunswick Tuition Fee Changes 2011-12 and 6-year History							
	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>
Undergraduate Fees							
\$ change from previous year	\$238	\$238	\$236	\$0	\$0	\$0	\$200
% change from previous year	5.00%	4.75%	4.50%	0.00%	0.00%	0.00%	3.6%
Graduate Tuition Fees							
% change from previous year	5.00%	4.75%	4.50%	0.00%	0.00%	0.00%	3.6%
Undergraduate International Supplemental Fee							
\$ change from previous year	\$508	\$244	\$242	\$393	\$421	\$320	\$200
% change from previous year	11.00%	4.75%	4.50%	7.00%	7.00%	4.98%	3.0%

2011-12 Operating Budget - Tuition Fees continued.....

The table below illustrates the national context for average undergraduate tuition fees in provinces across Canada. What this table illustrates is that average tuition fees in New Brunswick were the second highest in Canada in 2010-11, second to Ontario and just ahead of Nova Scotia.

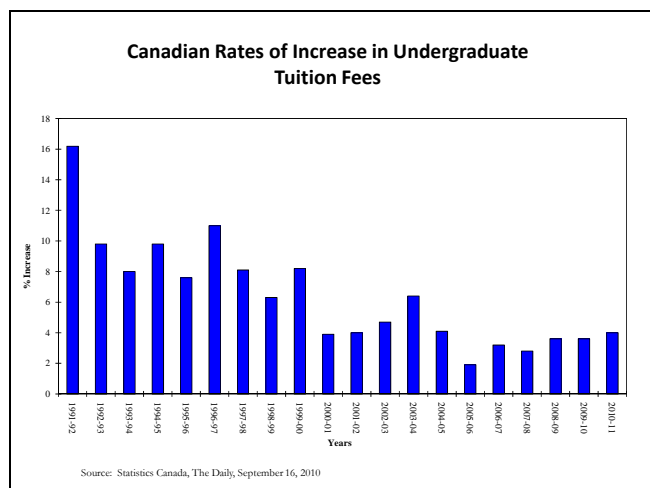
Average Undergraduate Tuition Fees for Canadian Full-time Students by Province			
	2009-10	2010-11	2009-10 to 2010-11
	Current Dollars		% Change
Canada	4,942	5,138	4.0%
Nfld & Labrador	2,624	2,624	0.0%
PEI	4,969	5,131	3.3%
Nova Scotia	5,752	5,495	-4.5%
New Brunswick	5,516	5,516	0.0%
Quebec	2,309	2,415	4.6%
Ontario	5,985	6,307	5.4%
Manitoba	3,408	3,588	5.3%
Saskatchewan	5,173	5,431	5.0%
Alberta	5,240	5,318	1.5%
British Columbia	4,706	4,802	2.0%

Source: Statistics Canada, The Daily, September 16, 2010

This is evident in 2011-12 by the following summary of tuition fee policy announcements from various provinces across Canada.

- British Columbia – tuition fee increase capped at 2%
- Nova Scotia – tuition fee increase capped at 3%
- Saskatchewan – tuition fee increase capped at 3%
- Quebec – tuition fees permitted to increase by \$325 per year for 5 years (current fees are lowest in Canada for in-province students, a \$325 increase on \$2,168 fee base is 15%).
- Alberta – tuition fee increases governed by a formula related to Alberta CPI % change.
- Newfoundland – fees to be frozen in 2011.
- New Brunswick – basic tuition fee increase limited to \$200, or roughly 3.5% on average.

The table 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.



2011-12 Operating Budget - Tuition Fees continued.....

In addition to tuition fees, universities across Canada assess a number of additional compulsory ancillary student fees. These fees can range from technology fees, capital building fees, health services, athletic and recreation fees, to student health plan fees.

The following two tables provide some context for the level of compulsory ancillary fees at UNB, compared to other similar universities and other Atlantic universities. These figures are compiled from the 2010 Maclean's annual university survey. UNB compulsory fees were on the lower end of each of these comparisons. After reflecting the proposed new \$150 fee for the Richard J. Currie Center, UNB compulsory ancillary fees would still remain competitive in these comparisons:

Comprehensive Group of Universities Compulsory Ancillary Fees	
	<u>Per Student Per Year</u>
Memorial University	\$498
University of New Brunswick	\$526
University of Regina	\$575
University of Victoria	\$708
University of Quebec at Montreal (out of province students)	\$719
Simon Fraser University	\$745
University of Waterloo	\$752
Carleton University	\$867
York University	\$989
University of Guelph	\$999
Concordia University (out of province students)	\$1,383

Atlantic Universities Compulsory Ancillary Fees	
	<u>Per Student Per Year</u>
Mount Allison University	\$290
Saint Mary's University	\$475
St. Thomas University	\$522
University of New Brunswick	\$526
Universite de Moncton	\$619
Mount Saint Vincent University (Arts)	\$808
Dalhousie University (Arts)	\$815
University of Prince Edward Island	\$854
St. Francis Xavier University	\$905
Acadia University	\$1,310

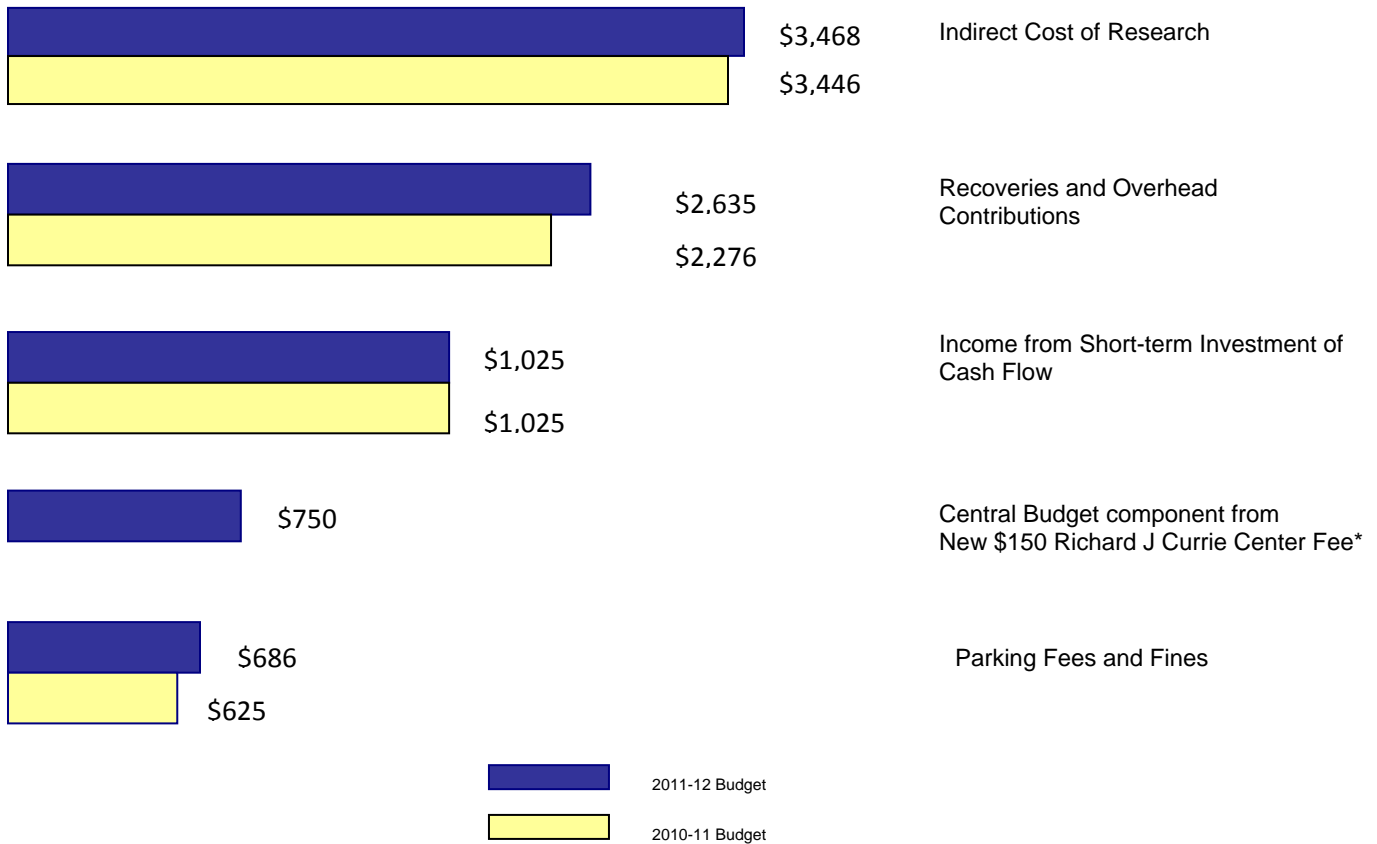
The components of compulsory student ancillary fees levied for university purposes are as follows:

UNB Compulsory Student Ancillary Fees Levied for University Purposes Per Year		
	<u>2010-11</u>	<u>2011-12</u>
Facilities Improvement Fee	\$175	\$175
Facility Access Fee (UNBF Only)	-	150
Technology Fee	50	50
Student Health Centre Fee	50	50
	\$275	\$425

2011-12 Operating Budget - Other Revenue

The 2011-12 operating budget contains over \$11.3 million in revenues from other sources, this compares to \$9.8 million that was contained in the 2010-11 budget. The major component of centrally budgeted other revenues follows:

University of New Brunswick
Other Revenue Budget
Key Items 2011-12 and 2010-11
\$000's

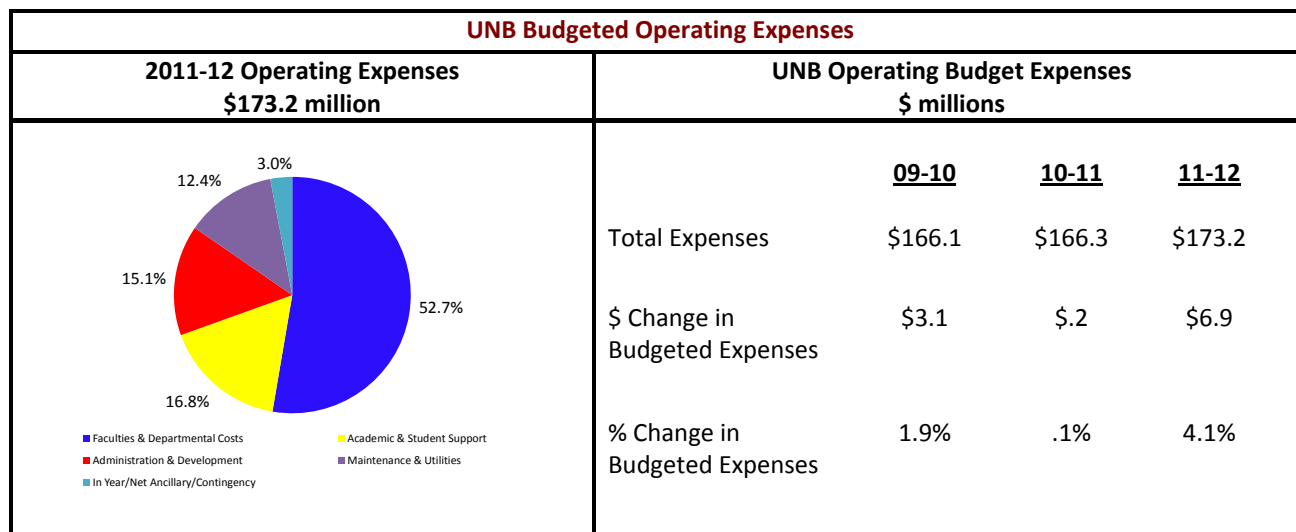


Other components of revenue within this category include, application fees, contribution to operations from land leasing activities, commissions earned and other miscellaneous amounts.

*The fee applies to UNB Fredericton students only, total gross proceeds from the fee are estimated at \$1,050 K with \$750 K shown in the central budget and \$300 K included in the campus recreation and facilities management budget in the Faculty of Kinesiology as offsets to costs in those units.

2011-12 Operating Budget - Operating Expenses

Overall operating expenses are budgeted at \$173.2 million for 2011-12. This is a \$6.9 million, or 4.1%, increase over the level of expenses budgeted for in 2010-11. In response to very low growth in revenue over the past few years, overall annual growth in budgeted expense has been restricted. Expense growth in 2011-12 includes provision for new collective agreements, as well as the operational costs of new facilities on both campuses. The following charts illustrate the allocation of operating expenses to broad categories and also provide a historical comparison to recent budgets.



The breakdown of increase in budgeted operating expenses is summarized as follows:

	<u>Change Budget to Budget</u>	<u>% of Total Increase</u>
	<u>\$(000's)</u>	<u>Increase</u>
- Provision for increase in salaries (economic adjustments, progression-through-the ranges) and benefits for faculty* and staff	\$4,463	65%
- Operating expenses for the new Richard J. Currie Center and University Commons facilities	1,865	27%
- Change in funding model for Development and Fund Raising Department moving from a high reliance on undesignated gifts to more funding from the operating budget.	417	6%
- Provision for additional net costs of operating ancillary operations	279	4%
- All other (net)	(157)	(2%)
	\$6,867	\$100%

*In 2009-10 and 2010-11, there were no economic salary adjustments made to senior administration, deans, directors and non-unionized professional staff. The budgets for those two years also did not include any provision for economic salary adjustments for full-time faculty members and professional librarians. In January of 2011, a binding report of a provincially-appointed Conciliation Board settled terms of the collective agreement for full-time faculty and professional librarians that had expired in June of 2009. The award of the Conciliation Board included a 0% economic adjustment for 2009-10, a 2.5% adjustment in 2010-11 and 3.5% in each of 2011-12 and 2012-13. The 2011-12 budget reflects the impact of the 2010-11 and 2011-12 economic adjustments on base salaries. The 2010-11 economic adjustment was not reflected in the budget for that year, the cost was over \$1 million. The amount is reflected in the 2011-12 budget.

2011-12 Operating Budget - Operating Expenses

Part of the overall budget strategy is to make current investments in areas that are highly likely to result in increases in future operating revenues. The bulk of these investments, approximately \$1 million, are being initially funded out of in-year priority allocations. If the investments prove to be successful and additional operating revenues are generated, then there will be an ongoing source of funds to sustain these activities and improve the University's overall financial position. The focus of these investments is mainly related to student recruitment and retention initiatives.

Additional expenditures were also made in employment equity and human rights functions, support for Congress 2011 and athletic scholarships. These amounts are included in the overall expense reconciliation provided above.

As part of the approach to dealing with slow growth in operating revenues, UNB has been actively engaged in expense management and control over the last five years. Over this period of time, a total of \$15 million of expenses have been managed out of the operating budget.

There were approximately \$3.8 million in ongoing budget adjustments made in the 2011-12 budget. This brings the six-year total of budget adjustments to over \$18.8 million. The composition of budget adjustments made in 2011-12 was:

UNB 2011-12 Ongoing Budget Adjustments		
	<u>\$ millions</u>	<u>% of Total</u>
- Savings from reductions in faculty positions, including salaries, benefits and other provisions.	\$1.85	49.0%
- Savings from reductions in staff positions, including salaries, benefits and other provisions	.55	14.5%
- Reductions in non-salary expense budgets	.48	12.7%
- Generation of new revenues or cost recoveries at the budget unit level.	.90	23.8%
	<u>\$3.78</u>	<u>100%</u>

Budget adjustments were made on both campuses, with the Fredericton campus (including University-wide units) contributing \$3.2 million and the Saint John campus contributing \$0.6 million.

The budget reductions resulted in an elimination of 38 FTE positions. Two-thirds of these are currently vacant while the others will be achieved through in-year attrition and operational realignments.

2011-12 Operating Budget Analysis Cont'd...

- Net Ancillary Operations
- Contingency
- In-year Priority Allocations
- One-time Source of Funds

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 the budget process on each campus. The net results from these budgets are included in the overall University operating budget to ensure completeness. The overall net result, cost, for ancillary operations is \$2.0 million, an increase of approximately \$280,000 over the 2010-11 budget. The main component of this increase is that external revenues from the newly established Turf field and dome are less than expected. A summary of the net result from ancillary operations is provided below:

UNB Summary of Net Ancillary Operating Budgets \$(000's) (Net Loss)		
	<u>2010-11</u>	<u>2011-12</u>
UNBF Residence System	\$(1,012)	\$(1,079)
UNBSJ Residence System	(191)	(191)
Aitken University Centre	(611)	(577)
Turf field & dome	(233)	(360)
Contribution from Bookstore	313	195
Contribution from Wu Centre	21	19
Net Loss < >	<u>\$(1,713)</u>	<u>\$(1,993)</u>

Contingency

The University budget contains a contingency provision of \$1.5 million (0.9%) for potential adverse deviations on both revenue and expense budget lines. The contingency has been increased from \$1 million (0.6%) due to increases in overall budget risks. An overall summary of key budget assumptions and risks is provided further into the budget document. Specific areas that are of additional concern include general inflation, heating costs and the funding model for UNB's Development and Donor Relations function.

In-Year Priority Allocations

In order to provide budget flexibility, some funds remain unallocated at the time the budget is prepared. Campus Vice-Presidents allocate those funds to strategic priorities throughout the year. In 2011-12, \$1 million of these funds have been earmarked to recruitment and retention activities.

One-time Source of Funds

In order to provide one-time funding to balance the 2011-12 operating budget, there was a reallocation from the unspent balance of a special endowment backstop fund created in a previous fiscal year. The fund had been established from central and departmental carry forward amounts in order to provide stabilized funding to University endowment accounts during the recession in 2008-09 and 2009-10. The endowment accounts have since recovered.

2011-12 Residence Budget (Including Conference Services) - Summary

As part of the overall strategy to attract and retain students, the University operates a residence system on both 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 1,465 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 \$1.0 million and the Saint John campus of \$0.2 million. 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.

A business plan is currently under development to revitalize portions of the Fredericton campus residence system in coming years. The objectives of the business plan include an improved financial position and modernized facilities to enhance student experience as outlined in UNB's Strategic Plan.

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

	2010-11 Budget	2011-12 Budget	% Change		2010-11 Budget	2011-12 Budget	% Change
Financial \$(000's)							
Revenues	\$11,872	\$11,689	(.5%)		\$1,349	\$1,371	1.6%
Expenses	12,883	12,769	(0.9%)		\$1,540	1,562	1.4%
Net shortfall	<u>(\$1,011)</u>	<u>(\$1,080)</u>	<u>(6.8%)</u>		<u>\$(191)</u>	<u>\$(191)</u>	<u>\$0</u>
Capital improvements Included in expenses	\$800	\$800	0		\$32	\$7	\$(78%)
Occupancy							
Total beds in system	1,606	1,606			238	238	
Beds budgeted to be occupied	1,332	1,305			212	212	
Budgeted Occupancy %	<u>82.9%</u>	<u>81.3%</u>			<u>90%</u>	<u>90%</u>	

2011-12 Residence Budget – Summary cont'd..

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 2.7% (attributed mainly to food costs). Apartment rates are proposed to increase by 2.0%. For the Saint John residence, the proposed rate increases amount to 3.2%.

Fredericton Campus Residence & Meal Rates:

Room – Accommodation	2010-11	2011-12	\$ Increase	% Increase
Meal Plan	\$3,561	\$3,688	\$127	3.6%
Undergrad Room Rate				
Special Room	\$5,979	\$6,099	120	2.0%
Single Room	\$5,290	\$5,396	106	2.0%
Double Room	\$3,999	\$4,079	80	2.0%
Magee House (per month)				
1 Bedroom Apt.	\$666	\$679	13	2.0%
2 Bedroom Apt.	\$788	\$804	16	2.0%
3 Bedroom Apt.	\$916	\$934	18	2.0%
New Residence (6-month lease option)				
Single Suite	\$737	\$821	16	2.0%
One Bdrm in Double Suite	\$637	\$704	14	2.0%
One Bdrm in Triple Suite	\$568	\$632	12	1.9%

Saint John Campus Residence & Meal Rates

Room - Accommodation	2010-11	2011-12	\$ Increase	% Increase
Meal Plan	\$2400	\$2400	-	0.0%
Sir James Dunn Residence				
Super Single (double bed)	\$4,574	\$4,665	\$91	2.0%
Large Single	\$4,472	\$4,561	\$89	2.0%
Single	\$4,122	\$4,266	\$144	3.5%
Double	\$3,624	\$3,805	\$181	5.0%
Dr. Colin B. Mackay Residence				
2 Bedroom Suites	\$4,646	\$4,785	\$139	3.0%
Meal Plan III	\$300	\$300	-	-
Meal Plan IV	\$800	\$800	-	-

2011-12 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 2011-12 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 2011-12 capital budget follows:

University of New Brunswick 2011-12 Capital Budget Summary \$(000's)				
	<u>Fredericton Campus</u>	<u>Saint John Campus</u>	<u>2011-12 Total</u>	<u>2010-11 Total</u>
Buildings and Space				
-Major maintenance, improvements and infrastructure renewal	\$8,635	\$2,147	\$10,782	\$14,487
-New Construction	0	0	0	50,000
Equipment and Technology				
-(including \$650K in library acquisitions)	2,251	413	2,664	\$2,600
	<u>\$10,886</u>	<u>\$2,560</u>	<u>\$13,446</u>	<u>\$67,087</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)

-Theatre upgrade (Toole)	\$879,725
-Water and Sewer (Bailey Drive)	800,000
-Re-insulation (Asbestos Abatement)	700,000
-Window replacement (Tilley)	550,000
-Tunnel Top replacement	350,000
-Roof replacement (Tilley)	290,000
-Infrastructure upgrades (ITS)	280,000

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

-Classroom rejuvenation (Ganong Hall Lecture Theatre)	\$587,500
-Roofing upgrades (Ganong Hall/Hazen Hall/Irving Hall)	315,000
-Classroom rejuvenation (Ganong Hall 13)	135,000

In addition to these amounts, there will be approximately \$2.8 million of investments made in various energy management projects in accordance with the Energy Management Program previously approved by the Board.

2011-12 Capital Budget – Summary continued.....

Infrastructure Renewal Funding

In January 2009, the Province of New Brunswick announced a special two-year Plan (the University Deferred Maintenance Plan, UDMP) whereby \$60 million would be distributed to New Brunswick public universities in order to undertake major capital renovations and improvement work. The goal of the UDMP was to improve university facilities, reduce levels of accumulated deferred maintenance and to provide stimulus-based activity that would benefit the provincial economy.

In order to extend the program over a longer time frame, the UDMP was adjusted to a three-year and then a four-year program, although the total funding allotments did not change. The current framework for the UDMP program and the allotments to UNB are summarized in the table below:

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

*pending provincial budget approval

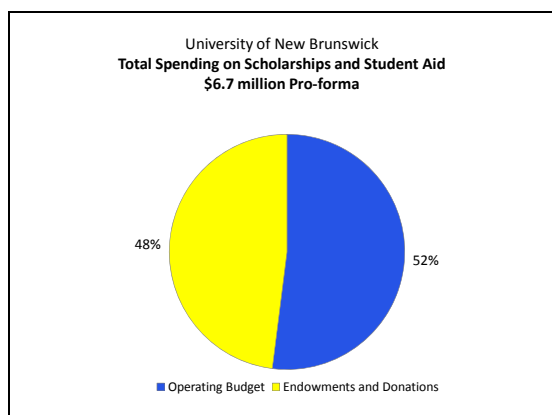
The 2011-12 capital budget for UNB reflects the \$4-million allotment from the UDMP program. While this funding is substantial and provides for many significant projects, the allotment is about one-half of what is necessary to adequately fund the required expenditures on deferred maintenance at UNB. The \$24 million that was spent over the last two years has helped to keep overall levels of deferred maintenance from growing at UNB. A process is currently underway to assess and recalibrate the level of accumulated deferred maintenance at UNB. This recalibration is necessary to reflect the recent work completed and increases in costs over the past few years. UNB deferred maintenance on academic and support buildings is estimated to be well in excess of \$100 million.

Major Capital Projects

Over the last two years, UNB has undertaken over \$100 million of capital projects including, the \$62-million Richard J. Currie Center, the \$25-million University Commons project, and the major infrastructure renewal referred to above. The Currie Center was commissioned in April of 2011 and will become fully operational throughout the summer. The University Commons project is close to completion with a fundraising campaign still in progress to ensure the full scope of the project is realized. The project scope is matched to funds raised. There currently is a funding gap of approximately \$12 million on the Currie Center project. Efforts continue to secure the additional funding. The University operating budget currently includes a provision for up to \$1 million in debt service costs that would amortize the principle and interest of \$12 million in debt over a period of 25 years should no additional funding be secured. If additional funding is secured, the provision can be redeployed.

2011-12 Endowment Budget – Pro-forma Balances and Spending

Overall spending on scholarships and student aid 2011-12 will be slightly higher than the 2010-11 budgeted amount. 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 2011-12 trust and endowment component is expected to increase by close to 3%, while the operating budget allocation is consistent with the prior year. The following chart provides a breakdown of how the overall spending will be financed. Actual amounts within 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 2011-12.

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. A long-term spending rate target of 4.5% applied to a 48-month moving average market value base has been in place since 2005. The rate was set following a study completed by a consulting actuarial firm on behalf of the University.

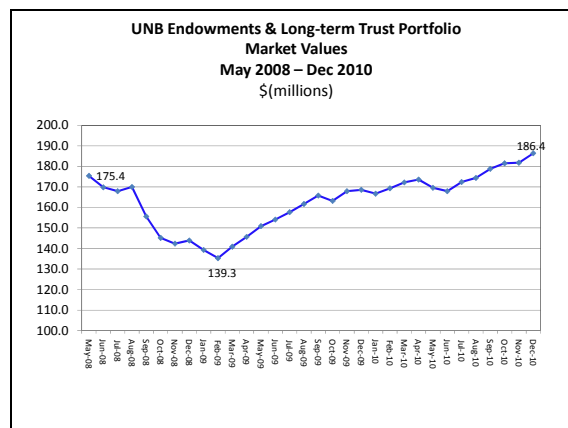
Each year, the Investments Committee examines a number of key indicators to determine whether the long-term spending rate can be maintained in the following year. Key indicators include the status of the University's endowment spending and inflation

reserves, expectations for future returns, donor expectations, and best practices at other institutions.

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

Update on Endowment Returns and Market Values

The chart below tracks the market value of University endowment and other long-term trust accounts from May 2008 until December 31, 2010.



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 late 2008 and into early 2009 the portfolio declined to \$139.3 million at the end of February 2009. Financial markets rebounded strongly in 2009, and continued to perform well in 2010. As a result, the portfolio reflected a market value of \$186.4 million as at December 31, 2010. The following chart summarizes the returns for the portfolio for the periods ended December 31, 2010.

2011-12 Endowment Budget – Pro-forma Balances and Spending continued...

University of New Brunswick Trust and Endowment Portfolio Returns Dec 31, 2010 Annualized		
	<u>1 Year</u>	<u>2 Years</u>
Actual Returns	10.60	13.81
Policy Target	9.93	12.69

As noted, UNB returns for the one and two-year periods ending December 31, 2010 were strong in absolute terms, and exceeded the policy benchmark targets.

Endowment Spending Rate 2011-12

As a result of these strong investment returns, the status of the endowment accounts as at December 31, 2010 improved significantly compared to December 31,

2009, with only a small number of the endowment accounts remaining underwater. Based on this and other factors, the Board approved an approach to endowment spending in 2011-12 that is essentially the same as the approach that was taken in each of the last two years. In short, spending will be permitted at 4.25% from individual accounts that have inflation and/or spending reserves sufficient to support this level of spending. The endowment backstop account will again be used to support spending on underwater scholarship and bursary accounts. However, based on the current status of the endowment accounts it is expected that there will be limited need to rely on backstop funding in 2011-12.

In addition, the Board approved the target long-term spending rate be reduced from 4.5% to 4.25%, considered to be a more sustainable level. This is consistent with trends at other Canadian universities and is a reflection of the current economic outlook. This is evidenced by recent actuarial valuations of pension plans where actuaries are reducing many of the key economic assumptions including inflation, discounts rates and expected rates of return, and are signaling that further reductions may be required in future valuations.

2011-12 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 2011-12.

- 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. Earnings are based on an average earning rate of 1.2%.

- Heating and Utility Costs

- The operating budget contains electricity costs of \$3.0 million and heating costs of \$4.3 million. Estimates have been made for future utilization and prices. Electricity costs are assumed to increase by 4.5%. Fuel prices for the Central Heating Plant on the Fredericton campus are budgeted to increase from between 3% to 8% above April 2011 prices, depending on the fuel type. Each one cent change in fuel prices translates into a budget impact of approximately \$19,000.

- 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.

- **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 a signed collective agreement with support workers on the Saint John campus. This group is represented by the Canadian Union of Public Employees (CUPE). The collective agreement runs from July 1, 2008 to June 30, 2012.
 - - The University is negotiating a first-time collective agreement with contract academic instructors. This group is represented by the AUNBT. Individuals within this group teach UNB courses on a term basis with an annual operating budget cost of approximately \$6 million. The University budget contains stipend amounts based on 2009-10 rates. At the time of preparation of the budget, several matters, including stipend rates, remain outstanding and are being determined by a binding Conciliation Board process.
 - - The collective agreement between the University of New Brunswick and unionized support workers on the Fredericton campus expires on June 30, 2011. This group is represented by the University of New Brunswick Employees Association (UNBEA).

2011-12 Budget - Summary of Key Budget Assumptions and Risks

- **Student Enrolment**

- Operating budget revenue is based on overall student FTE enrolment of 9,185 students. This represents a 264 FTE decrease in the number of students from 2010-11 actual amounts. Actual enrolments in 2010-11 were 21 below 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 2011-12 budget reflect current best estimates of what the University will receive in funding from the provincial government based on budget announcements and estimates of what the allocations from the Maritime Provinces Higher Education formula will be. 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 has commenced a process with the Government of New Brunswick to establish a multi-year funding memorandum of understanding.

- **Other**

- The operating budget is based on an assumption of a continuation of existing contribution rates, 10.05% of pensionable earnings, for the Academic Pension Plan. An actuarial valuation of the plan was performed as of July 1, 2010 and

indicated a shortfall in the plan of \$69.9 million. Although the valuation indicated a requirement for member and University contribution rates to increase to 11.63%, there is currently a funding stabilization reserve within the plan which offsets the required rate increase. It should be noted, however, that the plan actuary has projected that the rate stabilization reserve will be depleted by the end of the 2011-12 fiscal year. In this case, a significant rate increase would be required in 2012-13. The plan is jointly funded and administered by the University and the AUNBT. Beginning later this year, the parties will be undertaking a review process with the assistance of the Pension Plan Board of Trustees, to consider options for maintaining rates and improving the financial position of the plan.

- University non-pension benefit plans are cost shared between the University and members of the benefit plans. Certain parts of these plans contain elements of self insurance (with partial stop loss insurance coverage). The assumption in the budget is that the utilization and costs will follow that of recent years.
- University fundraising activities are funded through a combination of up front fees, undesignated gifts and operating budget contributions. Due to recent experience on the level of fees and designated funds, proportionately more of the overall funding will be sourced from the operating budget in 2011-12. There still remains a risk that if fees or undesignated funds are not sufficient, then the University operating budget will be exposed to funding shortfalls.

2011-12 Budget - Multi-year Financial Outlook Scenarios – Operating Budget

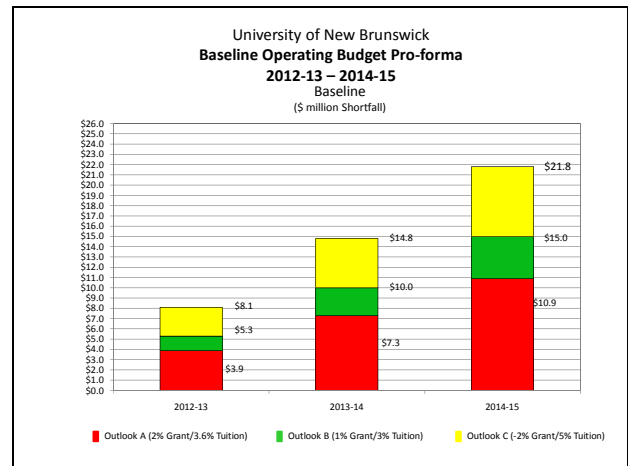
When the University's annual operating budget is prepared, it is within the context of a multi-year budget outlook. The multi-year outlook (or pro-forma) is a current best estimate of future revenues and expenses for existing programs, operations and activities (the baseline). Many of the financial aspects of the revenues and costs for these items are not certain so a series of assumptions must be made. The application of these assumptions illustrates potential future revenue and expenses as well as the net budget position on an annual basis.

There currently is no commitment by the province regarding levels of future provincial grant funding or potential provincial tuition fee restrictions beyond 2011-12. Therefore, for the three-year period after the 2011-12 budget, from 2012-13 to 2014-15, a series of options were modeled:

- A 2% increase in provincial operating grant funding
3.6% increase in basic tuition fees
- B 1% increase in provincial operating grant funding
3% increase in basic tuition fees
- C 2% decrease in provincial operating grant funding
5% increase in basic tuition fees

These scenarios were matched against a consistent set of best estimate assumptions for operating expenses and student enrolment.

The result of these baseline pro-forma scenarios is illustrated below:



The reason for the annual shortfall modeled is that overall revenues would increase between 0.4% and 2.5% annually, in comparison to expense growth of approximately 3.8% to 4.0%. The expense growth relates to inflationary increases for compensation and other operational expenses. This difference between revenue and expense results is a structural shortfall which, if left unchecked, would compound each year.

The University of New Brunswick currently has an accumulated deficit of \$6 million. If the modeled shortfalls materialize, then the accumulated shortfall would rapidly escalate. For example, for baseline scenario A (2% grant increase and 3.6% tuition fee increase), the accumulated shortfall at the end of 2014-15 would be \$28.1 million. This would not be a sustainable financial position. The University is currently financing the accumulated deficit from working capital funds. The annual cost of this is lost interest that would have been earned on these funds. However, if the operating deficit were to increase significantly, the University would be forced to look to more costly and possibly external sources of financing which might involve some form of operational restriction or control.

The Maritime Provinces Higher Education Commission (MPHEC) currently has an operating deficit policy. This policy states that institutions that incur accumulated deficits in excess of 2% of annual operating grants will be required to reduce such deficits by a minimum of 2% of the next year's operating grant. In 2010-11, the MPHEC advised New Brunswick universities that a certain level of flexibility would be exercised in the application of this policy, given the current economic situation. No new information has been provided for 2011-12 and beyond.

2011-12 Budget - Multi-year Financial Framework – Operating Budget

Background

Over the last five years, UNB student enrolment has experienced a demographic-based decline, resulting in an annual loss of ongoing operating revenues of over \$15 million. In 2009-10, the operating grant from the province was suddenly and unexpectedly reduced. These two factors placed additional stress on University finances. In order to mitigate the impact of these factors, UNB implemented approximately \$15 million in budget adjustments (mainly expense based) over the same five year period.

Budget models at that time also illustrated funding challenges were likely to continue and, if left unchecked, structural budget shortfalls would grow. Accordingly, in 2010-11, the University established a three-year financial framework to guide University operating budgets. One of the objectives of the framework was to lessen and then eliminate the structural budget shortfall. As part of the 2010-11 budget, in addition to freezes on salary economic adjustments for most university employees, some \$2.4 million in budget adjustments were made which helped to bring about a balanced budget. During 2010-11, the result of a binding conciliation report in respect to compensation for full-time faculty was released. This report called for levels of adjustments to faculty salaries that were in excess of amounts included in University budget models. This factor, along with ongoing concerns over revenue levels, caused the University to reassess and modify the operating budget multi-year framework developed in 2010-11.

An updated revised multi-year financial framework is included in the 2011-12 budget package. The first step in this framework is to balance the 2011-12 operating budget and lessen the level of structural shortfall to approximately \$1 million. This has been accomplished through \$3.8 million of additional budget actions.

Objectives

The updated financial framework provides broad direction and parameters for the University operating budget over a multi-year period. Within this framework, proactive steps will be taken to align operations and priorities to resource levels and allocations in order to achieve financial sustainability.

While the Strategic Plan provides the broad directional strategy for the University, the financial framework provides the financial parameters from within which the Plan is executed.

The financial framework includes the following components:

- The framework is informed by the University Strategic Plan.
- The overall financial objective is to eliminate the structural shortfall in the operating budget while minimizing the level of accumulated deficit.
- The timeframe extends until April 30, 2015. This provides for three fiscal years beyond 2011-12.
- The overall target is to implement approximately \$15 million, or 8% to 9%, in additional budget adjustments (increased revenues or decreased expenses) over the three-year time frame.
- The budget adjustments must be ongoing in order to bring sustainable changes to budget models.
- A balanced approach will be taken to budget adjustments, while new revenues will feature prominently, there will also be continued expense management.
- Revenue growth will be founded on increasing student enrolment and improved retention of domestic and international students, at both undergraduate and graduate levels on both campuses.
- There will also be other sources of revenue from such areas as continuing education and other non-traditional sources.
- There will be strategic investments made focused on initiatives that help to improve University finances.
- The approach will be specific to the circumstances of each campus but coordinated from an overall University perspective.

Assumptions

The framework is based upon university funding being within the ranges modeled in Scenario A and B in the multi-year outlook. These ranges are:

- A) 2% increase in annual provincial operating funding and a 3.6% annual increase in tuition fees.
- B) 1% increase in annual provincial operating funding and a 3% annual increase in tuition fees.

Scope

The financial framework is primarily focused on the University operating budget, however, it also reflects other strategic directions for other aspects of overall University finances. The University will:

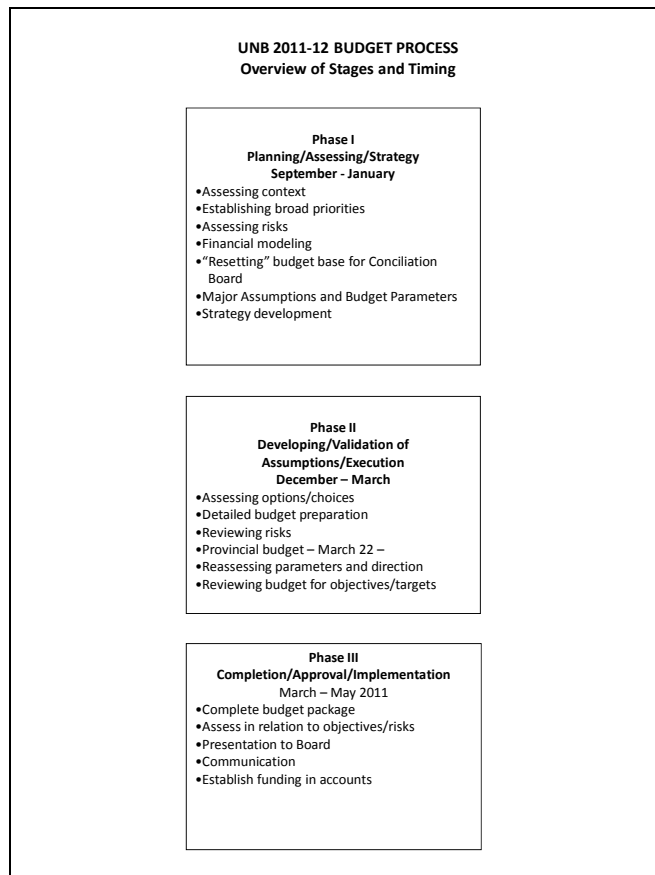
- Engage in an ambitious and focused fund raising campaign over this timeframe. The campaign will be directed towards priorities included in the Strategic Plan.
- Continue work with the provincial government and other universities to develop a continued funding program for university deferred maintenance.
- 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.

Contingency Planning

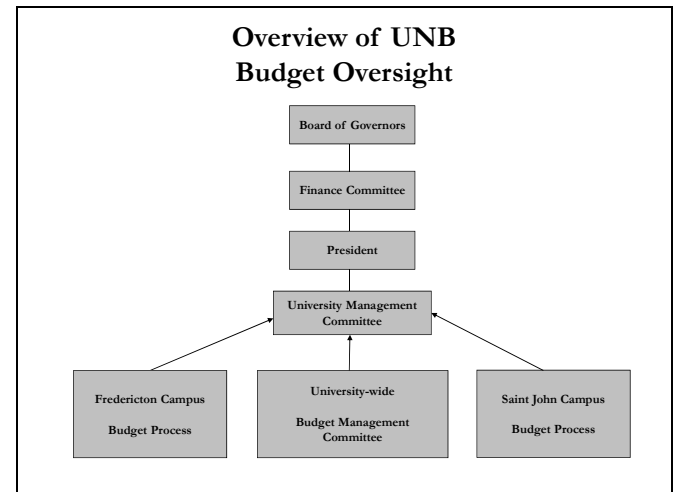
If there are more revenues or less expenses than modeled, then the University can, either choose to reduce the level of accumulated deficit, or invest in priorities established in the Strategic Plan. If there are significantly less revenues or higher expenses than modeled, then there would either need to be a further reduction in expenses or a re-evaluation of the framework.

2011-12 Budget - 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 2011-12 budget process as outlined below:



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.

2011-12 Budget - Budget Process cont'd.....

The following individuals were members of the University and campus budget committees for the 2011-12 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
Shannon Carmont-McKinley, Undergraduate Student Representative, Fredericton
Krista Amolins, Graduate Student Representative
Vacant - Undergraduate Student Representative, Saint John
Dale Roach, Faculty Representative, Saint John
Kevin Bonner, Staff Representative, Saint John
Ali Ghorbani, Faculty Representative, Fredericton
Bruce Rogerson, Directors Plus Representative, Fredericton
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
Jack Terhune, Faculty Representative, SASE
Obed Nkuzimana, Faculty Representative, Arts
Keith Dewer, Faculty Representative, Business
Kevin Bonner, Director, Student Services
Mark Bishop, Registrar
Karen Keiller, Director, Information Services & Systems
Wayne Hanson, Staff Representative
Tracey Chiasson, Staff Representative

Fredericton Campus Budget Process

During the 2011-12 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.

2011-12 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/rpb/policies/index.html>
- Preparation and disclosure of annual independently audited financial statements, available on the University open website <http://www.unb.ca/financialservices/>
- 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/vpfin/reports.html>.
- The 2011-12 and previous years' budgets are available on the open University website at <http://www.unb.ca/vpfin/budget.html>



University of New Brunswick

Budget Schedules

Schedule A: Summary Statement of Operating Revenues & Expenses

Schedule B: Provincial Operating Grants

Schedule C: Recommended Tuition and Related Fee Changes

Schedule D: Recommended Student Organization Fee Changes

Schedule E: Recommended Parking Fee Changes

University of New Brunswick
University-wide Consolidated Operating Budget
(\$000's)

Schedule A

	Approved Budget 2010-2011	Proposed Budget 2011-2012	Increase(Decrease)	
			Dollars	Percent
Revenue				
Provincial Operating Grant	\$106,348.1	\$108,066.7	\$1,718.6	1.6%
Tuition Revenue	51,282.5	52,803.3	1,520.7	3.0%
Other Revenue	9,826.0	11,309.8	1,483.8	15.1%
Total Revenue	<u>167,456.7</u>	<u>172,179.8</u>	<u>4,723.1</u>	<u>2.8%</u>
Expense				
Academic and Research				
Faculties and Departmental Costs	88,934.5	91,401.6	2,467.1	2.8%
Academic and Student Support	29,007.4	29,227.0	219.6	0.8%
Sub-total	<u>117,941.9</u>	<u>120,628.6</u>	<u>2,686.7</u>	<u>2.3%</u>
Administration and Support Services				
Administration and Development	24,745.7	26,006.4	1,260.8	5.1%
Maintenance and Utilities	19,354.5	21,493.4	2,138.9	11.1%
Sub-total	<u>44,100.2</u>	<u>47,499.8</u>	<u>3,399.6</u>	<u>7.7%</u>
Total Operating Expense	162,042.0	168,128.4	6,086.4	3.8%
Ancillary Operations (Net)	1,713.2	1,993.0	279.8	16.3%
In-Year Contingency	1,000.0	1,500.0	500.0	50.0%
In-Year Priority Allocations	1,633.3	1,633.3	0.0	0.0%
Total Expense	166,388.6	173,254.7	6,866.2	4.1%
(Deficit) before One-Time Funds	1,068.1	(1,074.9)	(2,143.0)	
One-Time Sources (Uses) of Funds				
Sub-total	<u>(1,068.1)</u>	<u>1,074.9</u>	<u>2,143.0</u>	
Net Position	<u>(\$0.0)</u>	<u>(\$0.0)</u>	<u>(\$0.0)</u>	

Row No.	Col.	A	B	C	D
		Actual 2010/11	Proposed Budget 2011/12	Increase(Decrease)	
				(\$000)	Percent
University-wide					
Unrestricted Operating Grants					
1		\$71,135	\$72,452	\$1,317	1.9%
2		\$24,747	\$25,124	\$378	1.5%
3		\$1,849	\$1,883	\$34	1.9%
4		\$97,731	\$99,460	\$1,729	1.8%
5		\$8,617	\$8,617	\$0	0.0%
7		\$106,348	\$108,077	\$1,729	1.6%
Restricted Capital Grants					
8		\$2,129	\$2,164	\$35	1.6%
9		\$2,396	\$2,435	\$39	1.6%
10		\$4,525	\$4,599	\$74	1.6%
11	Grants Total	\$110,873	\$112,676	\$1,802	1.6%
Fredericton Campus					
Unrestricted Operating Grants					
12		\$59,590	\$60,693	\$1,103	1.9%
13		\$20,687	\$21,041	\$354	1.7%
14		\$1,849	\$1,883	\$34	1.9%
15		\$82,127	\$83,618	\$1,491	1.8%
16		\$6,827	\$6,827	\$0	0.0%
17		\$88,954	\$90,445	\$1,491	1.7%
Restricted Capital Grants					
18		\$1,823	\$1,853	\$31	1.7%
19		\$2,068	\$2,102	\$35	1.7%
20		\$3,890	\$3,955	\$65	1.7%
21	Grants Total	\$92,844	\$94,400	\$1,556	1.7%
Saint John Campus (2)					
Unrestricted Operating Grants					
22		\$11,545	\$11,758	\$214	1.9%
23		4,059	4,083	\$24	0.6%
24		\$0	\$0	\$0	
25		\$15,604	\$15,842	\$238	1.5%
26		\$1,790	\$1,790	\$0	0.0%
27		\$17,394	\$17,632	\$238	1.4%
Restricted Capital Grants					
28		\$307	\$311	\$4	1.4%
29		\$328	\$333	\$4	1.4%
30		\$635	\$643	\$9	1.4%
31	Grants Total	\$18,029	\$18,275	\$246	1.4%

Note

- 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 2011-12

Schedule C

	2006-07	2007-08	2008-09	2009-10	2010-11	Recomm. 2011-12	Change from 2010-11 \$	%
Undergraduate Tuition Fee - (including students in a qualifying year)								
Full-time students								
Per course (0 - 5 credit hours)	5,246	5,482	5,482	5,482	5,482	5,682	200	3.65%
Per course (6 - 11 credit hours)	524	548	548	548	548	568	20	3.69%
	1,048	1,096	1,096	1,096	1,096	1,136	40	3.69%
Faculty of Business Administration *Schedule C1								
Full-time students (includes a \$100 Program Fee) ²	5,246	5,482	5,482	5,482	5,482	5,782	300	5.47%
Per course (0 - 5 credit hours) (includes a \$10 Program Fee) ²	524	548	548	548	548	578	30	5.51%
Per course (6 - 11 credit hours) (includes a \$20 Program Fee) ²	1,048	1,096	1,096	1,096	1,096	1,156	60	5.51%
Faculty of Engineering								
Full-time students (includes a \$1,000 Program Fee) ²	5,846	6,282	6,482	6,482	6,482	6,682	200	3.09%
Per course (0 - 5 credit hours) (includes a \$100 Program Fee) ²	584	628	648	648	648	668	20	3.12%
Per course (6 - 11 credit hours) (includes a \$200 Program Fee) ²	1,168	1,256	1,296	1,296	1,296	1,336	40	3.12%
Faculty of Law								
Full-time students (includes a \$3,550 Program Fee)	8,646	9,032	9,032	9,032	9,032	9,232	200	2.21%
Per course (0 - 5 credit hours) (includes a \$355 Program Fee)	864	903	903	903	903	923	20	2.21%
Per course (6 - 11 credit hours) (includes a \$710 Program Fee)	1,728	1,806	1,806	1,806	1,806	1,846	40	2.21%
Graduate Tuition Fees Per Term for Research Based Programs								
Full Time Program Fee	1,774	1,854	1,854	1,854	1,854	1,920	66	3.56%
Part time or Continuing Fee	887	927	927	927	927	960	33	3.56%
Visiting CR Students Registered at Canadian Universities	887	-	-	-	-	-	-	-
Visiting CR Students Registered at Non-Canadian Universities	887	927	927	927	927	960	33	3.56%
Graduate Tuition Fees Per Course for Course Based Programs								
All Programs (except MBA) Per course (0 - 5 credit hours)	660	690	690	690	690	715	25	3.56%
MEd On-line program Administration Fee Per 3 credit hour course	-	-	100	100	100	100	0	0.00%
Masters of Business Administration - Per 3 credit hour course	706	738	738	838	838	858	20	2.39%
MBA in Engineering Mgt. - Compressed Courses (includes a \$462 Program Fee)	-	-	1,200	1,300	1,300	1,320	20	1.54%
MBA in Engineering Mgt. - Independent Study (includes a \$1,662 Program Fee)	-	-	2,400	2,500	2,500	2,520	20	0.80%

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 *Schedule C1

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 Per Term for Research Based Programs

Full Time Program Fee

Part time or Continuing Fee

Visiting CR Students Registered at Canadian Universities

Visiting CR Students Registered at Non-Canadian Universities

Graduate Tuition Fees Per Course for Course Based Programs

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

MEd 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 2011-12 will take effect as of September 1, 2011.

2 \$1,000 maximum per Academic Year (September 1, 2011 to August 31, 2012).

University of New Brunswick
Recommended Tuition and Related Fee Changes for 2011-12

Schedule C

	2006-07	2007-08	2008-09	2009-10	2010-11	Recomm. 2011-12	Change from 2010-11 \$	%
Supplementary Tuition Fee for International Students								
Undergraduate (for Academic Year)	5,374	5,616	6,009	6,430	6,750	6,950	200	2.96%
Undergraduate Per course (0 - 5 credit hours)	537	561	600	643	675	695	20	2.96%
Undergraduate Per course (6 - 11 credit hours)	1,074	1,122	1,200	1,286	1,350	1,390	40	2.96%
Graduate (per term)	1,296	1,296	1,296	1,296	1,296	1,296	0	0.00%
Graduate (per course)	388	388	388	388	388	388	0	0.00%
Visiting GR Students Registered at Canadian Universities (per term)	1,296	-	-	-	-	-	-	-
Visiting GR Students Registered at Non-Canadian Universities (per term)	1,296	1,296	1,296	1,296	1,296	1,296	0	0.00%
Program for Academic English Preparation (PAEP)								
Full time students in SP/IN/SU (May to August term)	-	-	-	1,305	1,145	1,229	84	7.30%
Other Fees:								
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)	28,000	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	0	0.00%
Per 2.5 credit hour course	1,110	975	975	975	975	975	0	0.00%
Faculty of Education								
Practicum Fee for one-year consecutive B.Ed (UNBFR)	-	-	500	500	500	500	0	0.00%
Prior Learning Assessment Fee	-	-	-	400	400	400	0	0.00%
Diploma in University Teaching	200	200	300	300	300	300	0	0.00%
Distance Education Fees								
Toronto	50	50	50	50	50	50	0	0.00%
Maritimes	-	-	-	50	50	50	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)
Visiting GR Students Registered at Canadian Universities (per term)
Visiting GR Students Registered at Non-Canadian Universities (per term)

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 (UNBFR)

Prior Learning Assessment Fee

Diploma in University Teaching

Distance Education Fees
Toronto
Maritimes

1 All fee changes for 2011-12 will take effect as of September 1, 2011.

University of New Brunswick
Recommended Tuition and Related Fee Changes for 2011-12

Schedule C

	2006-07		2007-08		2008-09		2009-10		2010-11		Recomm. 2011-12		Change from 2010-11	
											\$	%		
On-Line Administrative & Technical Fees														
Open Access Learning Program(OALP)														
MED On-line program-Administration Fee Per 3 credit hour course														
Web-Based	40	40	40	40	100	100	100	100	100	100	100	100	0	0.00%
	-	-	-	-	100	100	100	100	100	100	100	100	0	0.00%
	-	-	-	-	-	-	-	-	-	-	-	-	0	0.00%
Technology Fee ³														
Full-time Undergraduate programs per termfor 2 terms	25	25	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 termfor 3 terms	17	17	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 termfor 3 terms	8	8	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	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 termfor 2 terms	88	88	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 termfor 3 terms	58	58	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 termfor 3 terms	29	29	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	18	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 termfor 2 terms	-	-	-	-	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 termfor 3 terms	-	-	-	-	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	0	0.00%
Facility Access Fee ^{3, & 5} #Schedule C2														
Full-time Undergraduate programs per termfor 2 terms	-	-	-	-	-	-	-	-	-	-	-	-	75	NEW
Full-time & Cont. Research Based Graduate programs per termfor 3 terms	-	-	-	-	-	-	-	-	-	-	-	-	50	NEW
Full-time Course Based Graduate Programs - students may opt in per term	-	-	-	-	-	-	-	-	-	-	-	-	50	NEW
Undergraduate or Graduate part time students may opt in per term	-	-	-	-	-	-	-	-	-	-	-	-	50	NEW

- 1 All fee changes for 2011-12 will take effect as of September 1, 2011.
- 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 for 2011-12

Schedule C

	2006-07 2007-08 2008-09 2009-10 2010-11				Recomm. 2011-12	Change from 2010-11	
						\$	%
Application Fee							
Undergraduate - Canadian	45	45	45	45	45	0	0.00%
Undergraduate - International	45	45	45	60	60	0	0.00%
Graduate	50	50	50	50	50	0	0.00%
Faculty of Law	50	50	50	50	50	0	0.00%
Intensive One-year MBA Program(Saint John Campus) * Schedule C3	-	-	-	-	100	100	NEW
Registration Confirmation Deposit ⁷							
Undergraduate - Canadian	100	100	100	100	100	0	0.00%
Undergraduate - Canadian Faculty of Nursing	100	100	100	250	250	0	0.00%
Masters of Business Administration (Fredericton Campus) * Schedule C4	-	-	-	-	500	100	NEW
MBA in Engineering Management (Fredericton Campus) * Schedule C4	-	-	-	-	500	100	NEW
Intensive One-year MBA Program(Saint John Campus) * Schedule C4	-	-	-	-	1,000	1,000	NEW
Faculty of Law	300	300	300	300	300	0	0.00%

Application Fee
 Undergraduate - Canadian
 Undergraduate - International
 Graduate
 Faculty of Law
 Intensive One-year MBA Program(Saint John Campus) ***Schedule C3**
 Registration Confirmation Deposit⁷
 Undergraduate - Canadian
 Undergraduate - Canadian Faculty of Nursing
 Masters of Business Administration (Fredericton Campus) ***Schedule C4**
 MBA in Engineering Management (Fredericton Campus) ***Schedule C4**
 Intensive One-year MBA Program(Saint John Campus) ***Schedule C4**
 Faculty of Law

Business Administration Program Fee

Applicability:

- Fredericton Campus

Recommendation:

Effective September 1, 2011, it is recommended that the Board approve the implementation of a Business Administration Program Fee of:

- \$100 per full-time undergraduate student¹;
- \$10 per (0-5 credit hours) course for part-time undergraduate students; and,
- \$20 per (6-11 credit hours) course for part-time undergraduate students.

Background:

The Business Administration Program Fee will be used to enhance the educational experience by providing support to students (e.g. travelling to conferences) as well as by providing supplementary operating budget to the Business Administration Undergraduate Society (BAUS).

The fee will remain in effect for 30 years, and will be reset every 5 years in consultation with the serving BAUS President and the Dean of the Faculty of Business Administration.

Revenue Potential and Allocation

This proposal is expected to generate \$85 K to the University and will be allocated as outlined below for the first five years. During the reset of the fee undertaken prior to the sixth year, a contribution to central revenues consistent with other Fredericton Campus program fees will be given consideration and negotiated by both the Dean and the Vice-President (Fredericton-Academic)². Faculty funds will be allocated as follows:

Student Educational Enhancement Fund (50% of revenue retained by the Faculty)

The purpose of the Student Educational Enhancement Fund (SEEF) is to improve the overall educational experience of Business Administration students. Resources from this fund can be used for, but are not limited to: the improvement of facilities, and purchasing academic software.

The SEEF Board shall consist of:

- The Dean of Business Administration will serve as Chair;
- Three voting representatives (usually including the current president) of the BAUS; and,
- Three voting representatives from the Faculty of Business Administration.

Appointed board members must serve a 3 year term providing no extenuating circumstances forces their dismissal. The board must meet at least once per academic year.

SEEF funding can be accumulated over an extended period for use on large projects, and therefore does not need to be used annually.

¹ To a maximum of \$100 per Academic Year (September 1st to August 31st). Full-time Program Fee will be billed 50% in each of the Fall and Winter terms. Students will not pay the fee during any academic terms while on co-op placement.

² The current model for program fees includes a 25% contribution to central beginning in the sixth year.

Business Administration Program Fee (continued)

The hiring and compensating of full and part-time instructors with resources from the SEEF is explicitly prohibited.

Student Conference and Competition Fund (25% of revenue retained by the Faculty)

The purpose of the Student Conference and Competition Fund (SCCF) is to provide a pool of funding to which Business Administration students can apply when travelling to academic conferences and competitions. The BAUS will appoint a representative (usually the VP External) to bring forward applications for funding to the Dean for approval.

Student applications must be submitted to the BAUS and include a demonstrated need for funding and a summary of projected expenses at least 3 weeks prior the date of travel. Exceptions may be granted at the Dean's discretion.

In the instance the SCCF retains a positive balance at the end of the Academic Year, funds will carry into the following year.

Student Undergraduate Society Fund (25% of revenue retained by the Faculty)

The purpose of the Student Undergraduate Society Fund (SUSF) is to provide an operating budget for the BAUS. The BAUS is responsible for submitting quarterly financial statements to a Faculty-administered auditing board, appointed by the Dean.

In the instance the SUSF retains a positive balance at the end of the Academic Year, funds will carry into the following year.

Competitive Position

The implementation of these fees will not materially impact the University's competitive position with regard to ancillary and other fees as compared to other universities in Canada.

Student Consultation

Undertaken in 2011-12 budget process:

- Dean consultation with Faculty student leadership: Based on the \$100 per full-time, undergraduate program fee and the allocation of funds (which excluded any contribution to central revenues), a student referendum passed by a margin of 62 positive against 30 negative votes.
- Dean consultation with UNBSJ's Faculty of Business: While UNBSJ may consider a program fee in the future, they are not considering implementation of such at this time.

Facility Access Fee³**Applicability:**

- Fredericton Campus

Recommendation:

Effective September 1, 2011, it is recommended that the Board approve the implementation of a Facility Access Fee consisting of:

- \$150 per full-time undergraduate student (\$75 per term for two terms);
- \$150 per full-time and full-time, continuing research-based graduate student (\$50 per term for three terms); and,
- \$50 per term for full-time course-based graduate, part-time graduate and part-time undergraduate students as elected by the student to access the Facility.

Background:

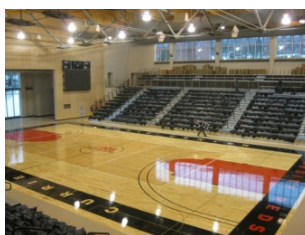
The Richard J. CURRIE CENTER is a 12,927-square-metre (139,145-square-foot), five-story building that will become a central part of Fredericton's skyline. The CURRIE CENTER will enhance our teaching, research and learning environment and serve as the anchor for the new Healthy Living Village, a wellness initiative that includes UNB, healthcare organizations, NGOs and the private sector through innovative facilities such as: the the Sun Life Financial Fitness and Lifestyle Assessment Centre, the Quartermain Sport Medicine Centre, the Nancy Webster McFadyen Track, the Hatheway Family Fitness Studio, the Andrew and Marjorie McCain Performance Laboratory, Reilly Family Spinning Room, JT Clark Family Foundation Seminar Room, Elizabeth A. Currie Boardroom and the Alberta Alumni Recreation Centre.

³ Name to be finalized.



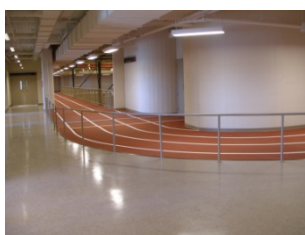
It will be a health and wellness focal point that addresses some of our nation's most pressing health concerns. A multidisciplinary team of researchers and partners will focus their efforts on fitness and lifestyle assessment and evaluation, pediatric weight management, cardiac rehabilitation, orthopedic surgery rehabilitation, clinical gait analysis and enhancement, workplace wellness, healthy aging and more.

The CURRIE CENTER will provide a venue for UNB students, faculty, staff and friends who are pursuing personal fitness and athletic goals through our Campus Recreation program.



The Varsity Reds basketball and volleyball teams will call the centre home and UNB will celebrate the achievements of its graduates in this landmark facility.

The Facility Access Fee will provide both a student contribution towards the \$2.9 M annual operating cost of the facility itself (comprised of \$0.9 M Campus Recreation and \$2.0 M facility operation, utilities, regular maintenance with provision for special maintenance) as well as a student contribution towards the expanded Campus Recreation program with an annual operating cost of \$0.9 M. (See attached for more information.)



The Facility Access Fee will automatically make students Campus Recreation members with benefits to include free access to all recreational facilities (e.g. cardio & strength training room, recreational gymnasiums, pool, squash courts, indoor walking and jogging track, changing room with day-use lockers, noon hour skating at the Aitken University Center) as well as free participation in all non-ice intramural sports and the majority of group fitness classes. As an added benefit, members are also entitled to discounted prices for instructional programs and the services of the *Sun Life Financial* Fitness Assessment Centre.

Revenue Potential and Allocation

The Facility Access Fee (of \$150 per full-time student) is expected to generate \$1.1 M of revenue to the University on the Fredericton Campus. It will be allocated in the following manner:

- Approximately \$29 per student (or 19.1%) to the Faculty of Kinesiology's Campus Recreation in support of their expanded program to students;
- Approximately \$14 per student (or 9.7%) to the Faculty of Kinesiology's Facility Operations in support of their management of the facility; and,
- Approximately \$107 per student (or 71.2%) to central revenue in support of the \$2.6 M in annual maintenance and debt service costs associated with the facility.

It should be noted that Campus Recreation membership fees have also increased significantly in support of the Facility and related programs. Faculty and staff memberships have increased by at least 140% and community memberships have increased by at least 60%. These rates remain competitive in the local market for similar services.

St. Thomas University has not yet indicated their plan to implement our Facility Access Fee so that their students may access the Facility and related programs. Once confirmed, the Vice-President (Fredericton-Academic) will allocate those revenues to the costs of operating, repairs & maintenance, major capital investment in the Facility and programming subject to the needs and experience gained during the interim.

Competitive Position

The following regional universities have implemented an athletics/campus recreation fee including both access to facility and membership in programs:

- Memorial University: \$104 per full-time student per academic year;
- Dalhousie University: \$174 per full-time student per academic year; and,
- Acadia University: \$274 per full-time student per academic year.

Other Canadian universities have implemented similar programs:

- Queens University: \$250 per full-time student per academic year (staged implementation planned) from existing \$127 fee (\$127 Athletics Fee plus \$123 Queen's Centre fee);
- University of Western Ontario: \$149 per full-time student per academic year (i.e. \$85 Campus Recreation fee and \$64 Student Recreation Centre building fee);
- University of Guelph: \$130 per full-time student per academic year (i.e. \$91 Activity Fee and \$39 building fee); and,
- University of Saskatchewan: \$55 per full-time student per academic year.

Student Consultation

Student consultations were initiated as early as January 30th 2004, during the early stages of planning for the facility which eventually came to be known as the Richard J. Currie Center. Those consultations included a project team which included the President and Treasurer of the Student Union. The project team of that time concluded that a mandatory fee was preferable to a user-based fee since our Campus values wellness and all students stand to benefit equally should they wish to avail themselves of the resources available. The project team also concluded that a potential mandatory fee was reasonable if the university could raise a minimum of \$25 Million of the (then) proposed \$40 Million cost (or 63%) of the facility. The actual cost of the Facility is expected to be \$62.5 Million. It is important to note that the project team also identified the rolling of the Student Union Building (SUB) Fee of \$25 per year, originally put in place to recover capital costs of the latest building expansion, into the new required fee when it was terminated in 2008-09.

Further consultations were held with the President of the Student Union in 2006, at which time their executive recommended a mandatory student fee, rather than a user fee, so as to eliminate any unintended exclusionary impacts for those who could not afford a larger fee.

MBA program (Saint John)

Application Fee

Applicability:

- Saint John Campus

Recommendation:

Effective September 1, 2011, it is recommended that the Board approve an increase in the Application Fee for the Intensive One-year MBA Program of:

- \$50 (from \$50 to \$100 per Applicant).

Background:

In the past few years, the Saint John Campus has experienced a significant increase in the number of offers of admission to international, graduate students to this program. As compared to domestic students, the processing, assessment and follow-up of applications from international students require considerably more resources.

Candidates' applications are often incomplete and late, requiring iterative communications during an extremely tight timeline. In addition, Canadian Consulates require original documents for student visas requiring additional document production and courier services (rather than regular mail) to ensure documents are received as quickly as possible as well as by the intended individual.

Revenue Potential and Allocation

Based on 2010-11 enrolment, it is estimated that this fee would generate approximately \$10 K of additional revenues to the Saint John Campus. These revenues would be allocated to the Faculty of Business (Saint John Campus).

Competitive Position

This increase is not expected to negatively impact recruitment of students to this program.

Student Consultation

None performed.

MBA Registration Confirmation Deposit

Applicability:

- Fredericton and Saint John Campuses

Recommendation:

Effective September 1, 2011, it is recommended that the Board approve a new Registration Confirmation Deposit of:

- \$500 for Masters of Business Administration (including MBA in Engineering Management) on the Fredericton Campus; and,
- \$1,000 for Intensive One-year MBA Program on the Saint John Campus.

Background:

There is currently no Registration Confirmation Deposit on graduate students on either Campus.

The proposed non-refundable deposit is payable by each student once offer of admission has been made to each program in order to guarantee their place in the upcoming academic year. The deposit is only payable once per student admitted to each program. This fee is essentially a deposit against tuition and is credited to the student account pending registration at the beginning of the Term. Students who do not register forfeit their Registration Confirmation Deposit.

This deposit is being proposed to provide an incentive to students who are offered admission to attend. The number of graduate students who apply (and are not currently subject to a confirmation fee) but then do not attend when the program begins is increasingly problematic. Candidates often apply to a number of schools and deliberate for some time before accepting any offer. Notice of intent to attend is rare, and non-binding in any event. Without incentive and process to encourage confirmation, it is difficult to predict the number of attendees- and therefore the resources required to teach- in advance.

Revenue Potential and Allocation

Traditionally, only forfeited confirmation deposits are credited to the central revenue of each Campus. This change will provide no significant incremental revenue to the University.

Competitive Position

This increase is not expected to negatively impact recruitment of students to this program.

Student Consultation

None performed.

University of New Brunswick
Recommended Student Organization Fee Changes for 2011-12

Schedule D

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Recomm. 2011-12	Change from 2010-11 \$	%
FREDERICTON Campus									
Full Time Undergraduates									
UNB Student Union									
Full-time fee (per term)	44.50	44.50	44.50	44.50	44.50	44.50	47.50	3.00	6.74%
SUB Expansion Fee (per term)	12.50	12.50	12.50	-	-	-	-	-	0.00%
First year orientation fee (Fall term only)	60.00	60.00	60.00	60.00	60.00	60.00	60.00	-	0.00%
CHSR Broadcasting Inc. (per term)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	-	0.00%
Brunswickan Publishing Inc. (per term)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	-	0.00%
Part Time Undergraduates									
Adult Learners Part time Students (per 0-5 credit hour course) ¹	10.00	10.00	10.00	10.00	10.00	10.00	10.00	-	0.00%
CHSR Broadcasting Inc. (per 0-5 credit hour course) ¹	-	-	-	1.50	1.50	1.50	1.50	-	0.00%
Brunswickan Publishing Inc. (per 0-5 credit hour course) ¹	-	-	-	1.00	1.00	1.00	1.00	-	0.00%
Graduates (applicable to three terms)									
Graduate Student Assoc.									
Full time	18.33	30.50	30.50	36.50	36.50	37.50	40.50	3.00	8.00%
Part time	5.50	10.25	10.25	12.25	12.25	12.50	13.50	1.00	8.00%
U-Pass (Fall Term Fee only)	-	-	-	-	100.00	100.00	100.00	-	0.00%

55.00	55.00	67.50	67.50	67.50	67.50	67.50	67.50	-	0.00%
-	-	-	40.00	40.00	40.00	40.00	40.00	-	0.00%
7.50	7.50	7.50	10.00	10.00	10.00	10.00	10.00	-	0.00%
7.50	7.50	7.50	10.00	10.00	10.00	10.00	10.00	-	0.00%
12.50	12.50	12.50	13.00	13.00	13.00	13.00	13.00	-	0.00%
-	-	-	2.00	2.00	2.00	2.00	2.00	-	0.00%
-	-	-	2.00	2.00	2.00	2.00	2.00	-	0.00%
18.33	22.25	22.25	26.75	26.75	26.75	26.75	26.75	-	0.00%
5.50	6.75	6.75	9.00	9.00	9.00	9.00	9.00	-	0.00%

FREDERICTON Campus

Full Time Undergraduates

UNB Student Union

 Full-time fee (per term)

 SUB Expansion Fee (per term)

 First year orientation fee (Fall term only)

CHSR Broadcasting Inc. (per term)

Brunswickan Publishing Inc. (per term)

Part Time Undergraduates

Adult Learners Part time Students (per 0-5 credit hour course)¹

CHSR Broadcasting Inc. (per 0-5 credit hour course)¹

Brunswickan Publishing Inc. (per 0-5 credit hour course)¹

Graduates (applicable to three terms)

Graduate Student Assoc.

 Full time

 Part time

U-Pass (Fall Term Fee only)

SAINT JOHN Campus

Full Time Undergraduates

UNB Student Rep Council

 Full-time fee (per term)

 First year orientation fee (Fall term only)

CRSJ Inc. (per term)

Baron (per term)

Part Time Undergraduates

UNB Student Rep Council (per 0-5 credit hour course)¹

CRSJ Inc. (per 0-5 credit hour course)¹

Baron (per 0-5 credit hour course)¹

Graduates (applicable to three terms)

Graduate Student Assoc.

 Full time

 Part time

Notes:

1 Part-time fees for 6-11 credit hour courses are double the 0-5 credit hour rate.

2 To a maximum of \$30 per Academic Term

Students

12 month permit
 10 month permit at UNBF Only
 8 month permit
 4 month permit
 1 month permit
 Daily Visitor Pass
 Hourly at UNBSJ Only
 Replacement of Decal Type Permit
Fines
 Tier 1
 Tier 2
 Tier 3

	2007-08	2008-09	2009-10	2010-11	2011-12	Change from 2010-11 \$ %
12 month permit	190.00	196.00	200.00	205.00	138.00	(67.00) -32.68%
10 month permit at UNBF Only	-	-	-	-	115.00	115.00 NEW
8 month permit	75.00	77.00	79.00	81.00	94.00	13.00 16.05%
4 month permit	54.00	56.00	57.00	58.00	64.00	6.00 10.34%
1 month permit	25.00	26.00	27.00	28.00	28.00	- 0.00%
Daily Visitor Pass	4.00	4.00	4.00	4.00	4.00	- 0.00%
Hourly at UNBSJ Only	-	-	1.25	1.25	1.25	- 0.00%
Replacement of Decal Type Permit	10.00	10.00	10.00	10.00	10.00	- 0.00%
<u>Fines</u>						
Tier 1	15.00	15.00	15.00	15.00	15.00	- 0.00%
Tier 2	30.00	30.00	30.00	30.00	30.00	- 0.00%
Tier 3	-	-	-	-	50.00	50.00 NEW

Faculty and Staff

12 month permit
 10 month permit at UNBF Only
 8 month permit
 4 month permit (full-time)
 4 month permit (part-time)
 1 month permit
 Daily Visitor Pass
 Hourly at UNBSJ Only
 Replacement of Decal Type Permit
Fines
 Tier 1
 Tier 2
 Tier 3

12 month permit	190.00	196.00	200.00	205.00	211.00	6.00 2.93%
10 month permit at UNBF Only	-	-	-	-	176.00	176.00 NEW
8 month permit	129.00	133.00	136.00	140.00	144.00	4.00 2.86%
4 month permit (full-time)	90.00	92.00	94.00	96.00	98.00	2.00 2.08%
4 month permit (part-time)	90.00	92.00	65.00	66.00	67.00	1.00 1.52%
1 month permit	25.00	26.00	27.00	28.00	28.00	- 0.00%
Daily Visitor Pass	4.00	4.00	4.00	4.00	4.00	- 0.00%
Hourly at UNBSJ Only	-	-	-	1.25	1.25	- 0.00%
Replacement of Decal Type Permit	10.00	10.00	10.00	10.00	10.00	- 0.00%
<u>Fines</u>						
Tier 1	15.00	15.00	15.00	15.00	15.00	- 0.00%
Tier 2	30.00	30.00	30.00	30.00	30.00	- 0.00%
Tier 3	-	-	-	-	50.00	50.00 NEW

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.
 Replacement of transferable (mirror hanging) type permit is full cost.