



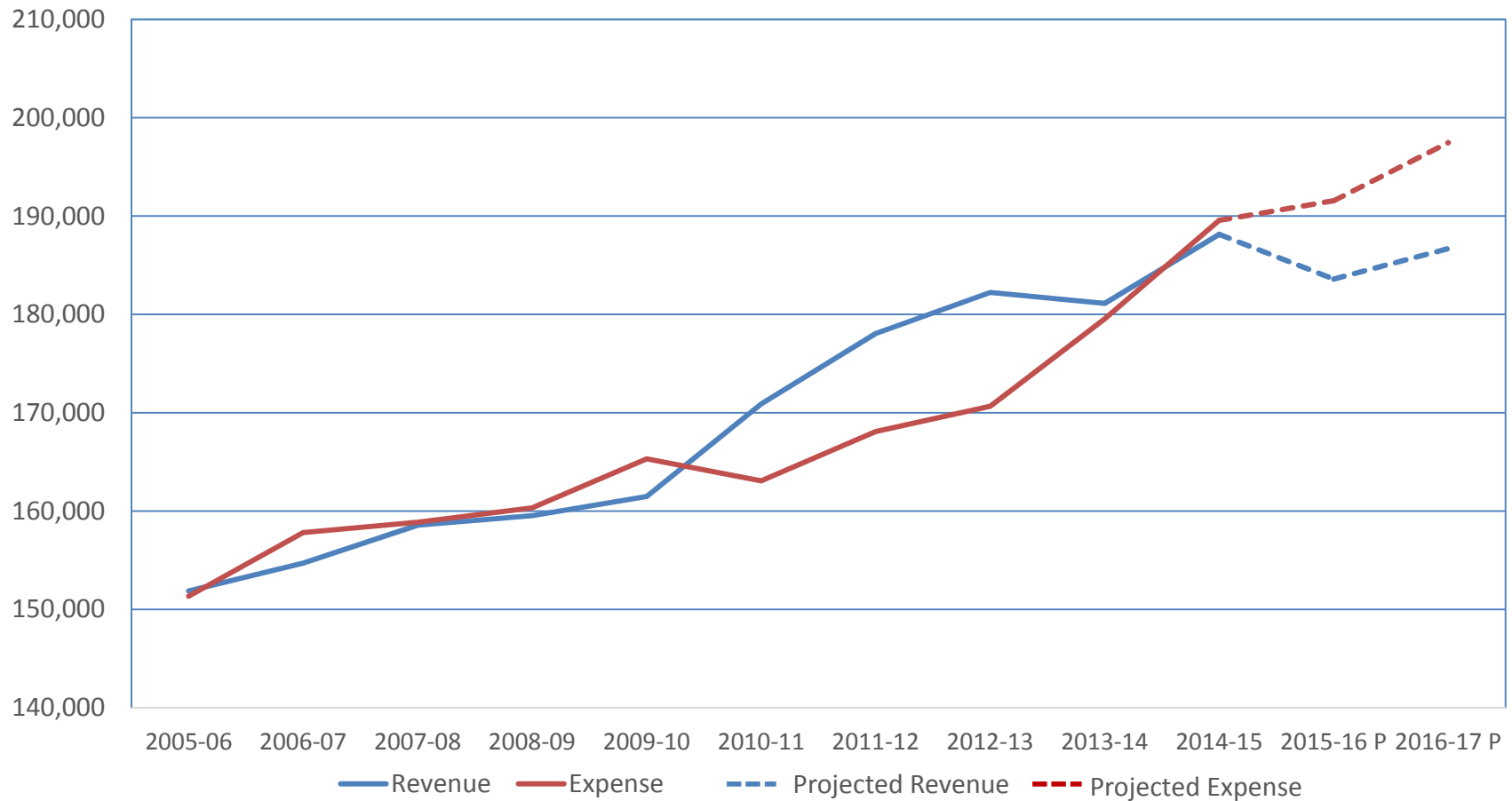
2016-17 Financial Outlook

February 2016 | 2016-17 Budget Strategy

UNB

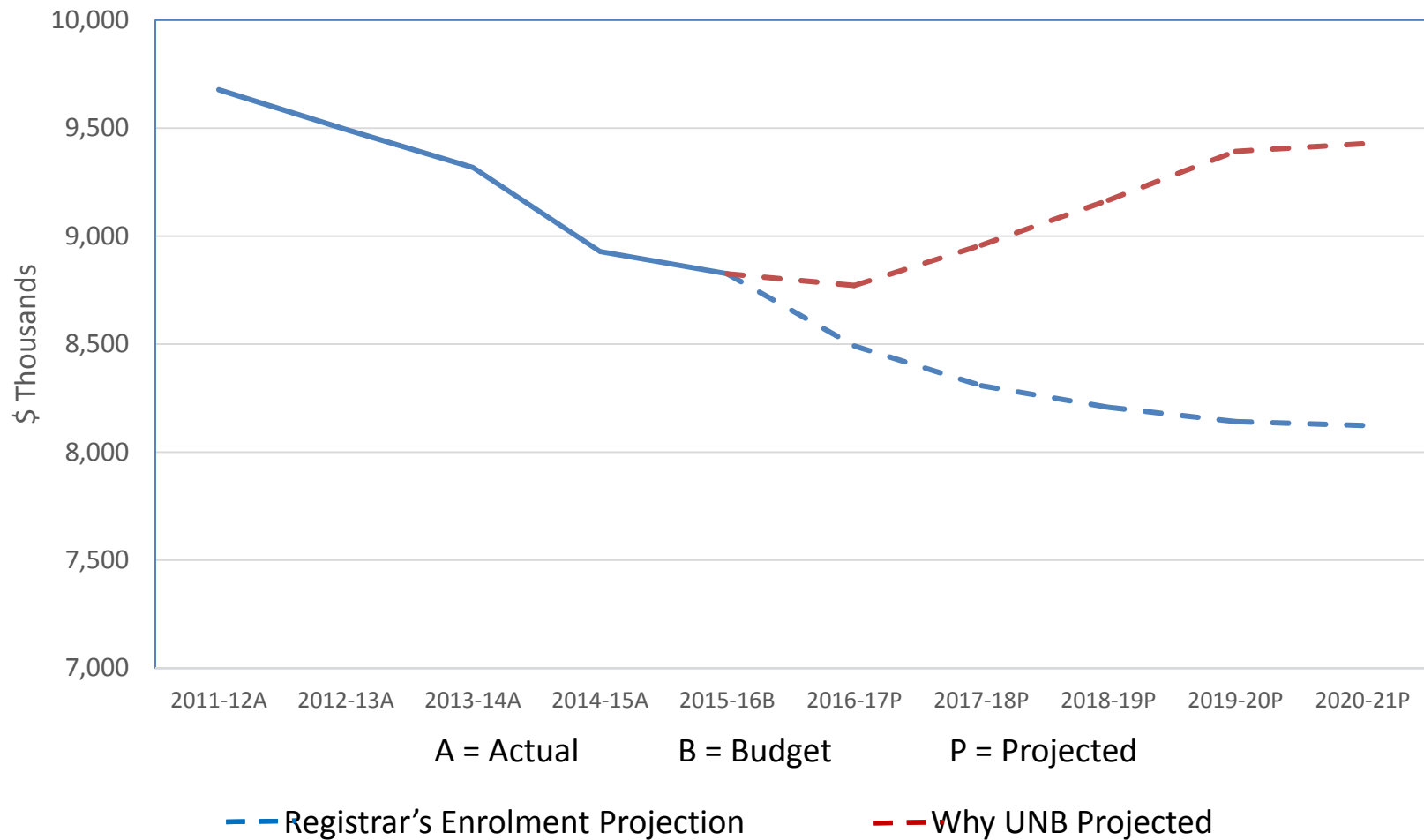
Actual Revenues and Expenses

Over the Last 10 Years with current projection for 2015-16 and pro-forma for 2016-17

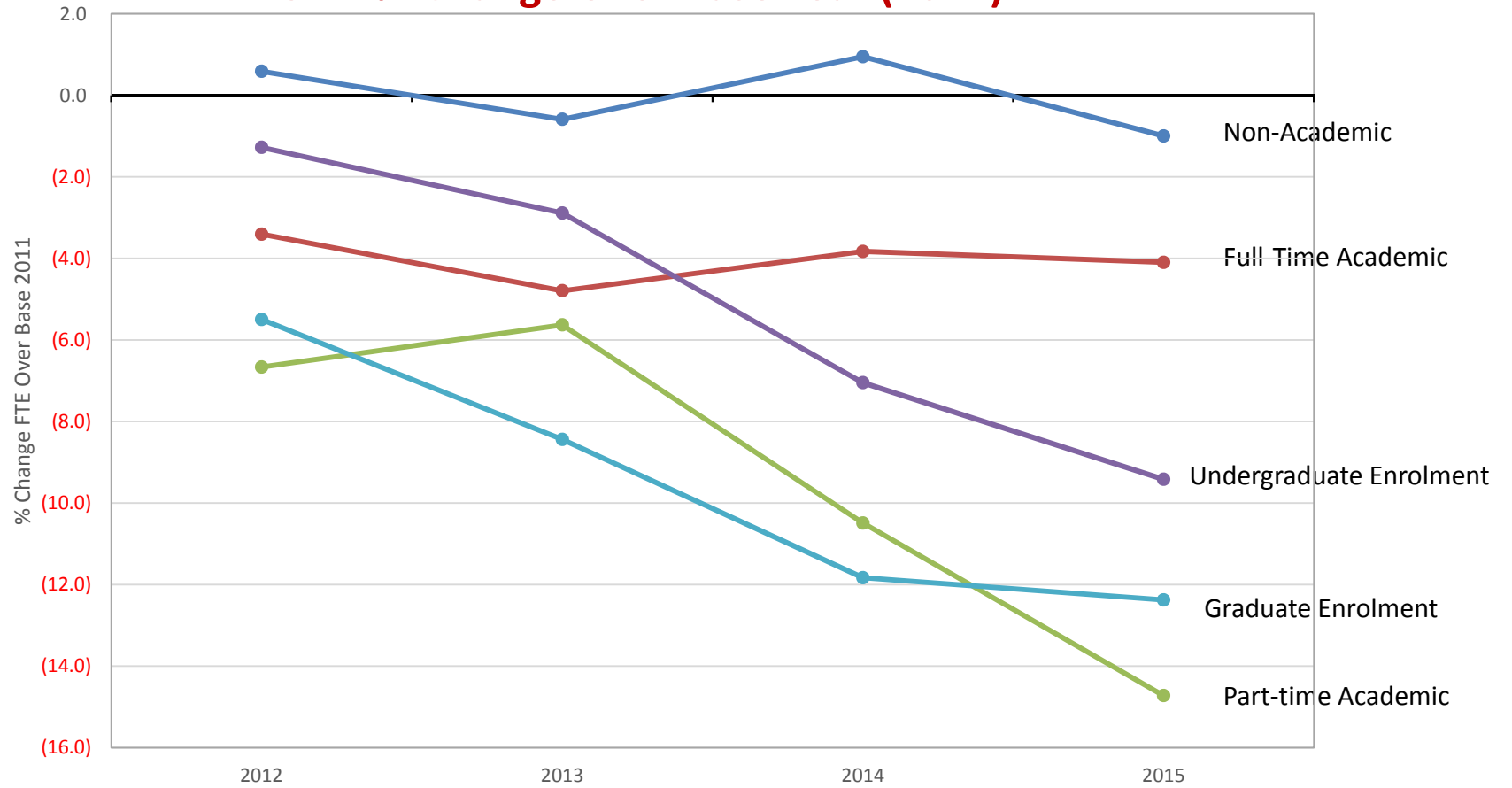


Note: assumes Why UNB campaign is approved for another year

Enrolment - Trends since 2011 (actual) and Projections to 2020

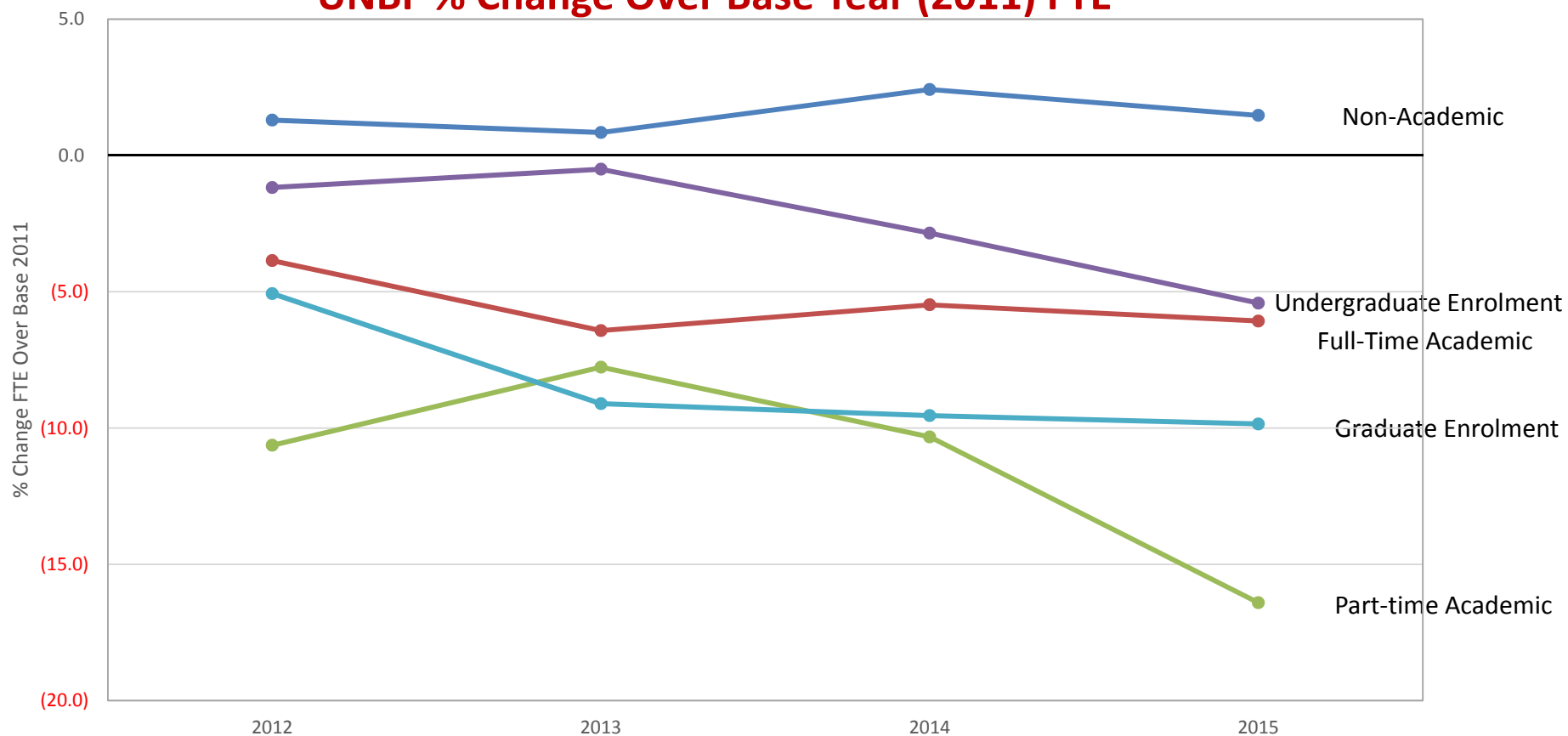


UNB % Change Over Base Year (2011) FTE



	2011	2012	2013	2014	2015
Non-Academic	1221	1228	1214	1233	1209
FT Academic	654	632	623	629	627
PT Academic	141	131	133	126	120
UG Enrolment	8279	8173	8040	7695	7499
Graduate Enrolment	1397	1320	1279	1232	1224

UNBF % Change Over Base Year (2011) FTE



	2011	2012	2013	2014	2015
Full Time Academic	517	497	484	489	486
Part Time Academic	109	97	100	97	91
UG Enrolment	6080	6009	6049	5907	5751
GR Enrolment	1212	1150	1101	1096	1092
Non-Academic	1020	1033	1029	1045	1035

University of New Brunswick 2016-17 Outlook

	November 2015 Pro-formas used in planning 7% grant decrease			February 2016 Pro-forma before actions No grant decrease Domestic Tuition Cap		
	UNB	UNBF&UW	UNBSJ	UNB	UNBF&UW	UNBSJ
Operating Grant	\$ 104.5	\$ 87.3	\$ 17.2	\$ 112.0	\$ 93.6	\$ 18.4
Fees	59.2	45.0	14.2	57.7	43.8	13.9
Other	15.5	11.7	3.8	15.5	11.7	3.8
	<u>179.2</u>	<u>144.0</u>	<u>35.2</u>	<u>185.2</u>	<u>149.1</u>	<u>36.1</u>
Expense	(195.8)	(156.3)	(39.5)	(195.8)	(156.3)	(39.5)
One-time Outreach (CEL)	1.5	1.5	0.0	1.5	1.5	0.0
One-time Why UNB (net)	<u>(1.7)</u>	<u>(1.3)</u>	<u>(0.4)</u>	<u>(1.7)</u>	<u>(1.3)</u>	<u>(0.4)</u>
Net Pro-forma Operating Deficit	<u><u>\$ (16.8)</u></u>	<u><u>\$ (12.1)</u></u>	<u><u>\$ (4.7)</u></u>	<u><u>\$ (10.8)</u></u>	<u><u>\$ (7.0)</u></u>	<u><u>\$ (3.8)</u></u>

Note: The Why UNB campaign has not been approved for future years. The net costs have been included here for illustrative purposes only. The campaign is forecasted to result in incremental tuition revenue that exceeds incremental costs in later years.

Structural Deficit

Ongoing revenues < Ongoing costs

Budget deficit that results from a fundamental imbalance in receipts and expenditures as opposed to one based on one-off or short-term factors.

Budget Strategy - December

➤ December 2015 Board of Governors

- Reduce deficit in 2016-17 by 1/3
- Use prior reserves to cover 1/3
- 2016-17 net operation deficit of 1/3
- Return to balanced budget in 3 years

➤ Process

- \$4 million deficit reduction for Fredericton
- Assigned budget targets to each unit
- Units to respond with plans to meet target by February 1
- Less than half of budget units have responded with plans

What We Know Now

- Provincial Budget Announced
 - Operating grant freeze 2016-17
 - 2% tuition cap for NB students
 - Future grant increases possible once performance funding measures in place.

The Situation

- **Still have a structural deficit**
 - Our Costs are growing faster than our revenues
 - Need to ensure long-term sustainability → balanced in 3 years

- **External pressures and unknowns**
 - Future operating grant levels
 - Impact of performance based funding
 - Collective agreements
 - Enrolment levels

- **Internal influences**
 - Academic planning
 - Administrative review

- **Options to change 2016-17 budget**
 - Defer some reductions for a year
 - Gives time to complete academic plans and administrative review
 - Use results to be strategic
 - Some reductions still required in 2016-17

Creative solutions are required



Discussion/Questions