



2023/24 - 2025/26

Budget Plan

University of  
Lethbridge



## Table of Contents

|   |    |
|---|----|
| <b>EXECUTIVE SUMMARY</b> .....                                      | 3  |
| <b>CONSOLIDATED BUDGET COMPONENTS</b> .....                         | 4  |
| <b>BUDGET PROCESS</b> .....   | 6  |
| <b>BUDGET APPROVAL PROCESS</b> .....                                | 7  |
| <b>FINANCIAL AND BUDGET PRINCIPLES</b> .....                        | 8  |
| <b>Balanced Budget</b> .....  | 8  |
| <b>Revenue Projections</b> .....                                    | 8  |
| <b>Capital Planning and Approvals</b> .....                         | 8  |
| <b>Debt</b> .....   | 8  |
| <b>Ancillary Business Plan</b> .....                                | 8  |
| <b>Investments</b> .....  | 8  |
| <b>Operating, Capital and Contractual Reserves</b> .....            | 8  |
| <b>Sustainable Budget</b> .....                                     | 9  |
| <b>Budget Values</b> .....  | 10 |
| <b>2023/24 GENERAL OPERATING BUDGET ASSUMPTIONS</b> .....           | 11 |
| <b>Revenue Assumptions</b> .....                                    | 11 |
| <b>Expense Assumptions</b> .....                                    | 12 |
| <b>Budget Sensitivity</b> .....                                     | 13 |
| <b>2023/24 GENERAL OPERATING BUDGET</b> .....                       | 14 |
| <b>2023/24 GENERAL OPERATING BUDGET CHANGES</b> .....               | 14 |
| <b>POSITION REPLACEMENTS</b> .....                                  | 15 |
| Reinvesting in Continuing Positions.....                            | 16 |
| Investing in Non-Union Employees.....                               | 16 |
| <b>STUDENT QUALITY INITIATIVES PROGRAM (QIP)</b> .....              | 20 |
| <b>RESEARCH SUPPORT FUND (RSF)</b> .....                            | 21 |
| <b>CONSOLIDATED BUDGET</b> .....                                    | 21 |
| <b>INSTITUTIONAL BUDGET RISKS</b> .....                             | 23 |
| <b>ADDITIONAL BUDGET INFORMATION</b> .....                          | 25 |
| <b>APPENDIX A – Summary of General Operating Revenue</b> .....      | 26 |
| <b>APPENDIX B – Summary of General Operating Expenditures</b> ..... | 27 |
| <b>APPENDIX C – Budget Advisory Committee Membership</b> .....      | 29 |

## EXECUTIVE SUMMARY

The Consolidated Budget Plan for the next three years (2023/24-2025/26) outlines the expected revenue and expenses from all funding sources, the aggregate of all resources that enables the institution to deliver on our Provincial Government approved mandate of teaching and research.

The consolidated budget is prepared on a three-year horizon, consisting of the upcoming year plus subsequent two-year forecasts. As mandated by the *Post-secondary Learning Act (PSLA) Section 78(6)*, the University is required to achieve a balanced budget for approval by the Board of Governors (BOG), which is subsequently sent for approval to the Provincial Government. A consolidated three-year institutional budget is designed for long range planning and allows for critical assessment of the long-term financial viability and sustainability of the institution.

For the first time since October 2019, the University did not receive a reduction in its annual operating grant from the Province. Over the past four years the Provincial operating grant had been reduced by 24% (\$24 million) which required substantial reductions in expenditures, including eliminating over 100 employment positions which equated to approximately 10% of the University's workforce. In order to present balanced budgets, the University has focused on efficiency measures, being innovative in delivering our teaching and support for our students and looking at ways to diversify our revenue sources. It has not been an easy period, especially with the impact of the global pandemic, but the University has persevered and implemented many changes to ensure the long-term viability of the institution.

The University Budget Advisory Committee was expanded last year to include students, academic and non-academic employee representative members on the committee for more inclusive discussion of budget issues.

## CONSOLIDATED BUDGET COMPONENTS

The consolidated budget is prepared using Public Sector Accounting Standards (PSAS) which is consistent with the reporting required for the annual audited financial statements. The budget reflects the entire operations including both unrestricted and restricted funds (Figure 1).

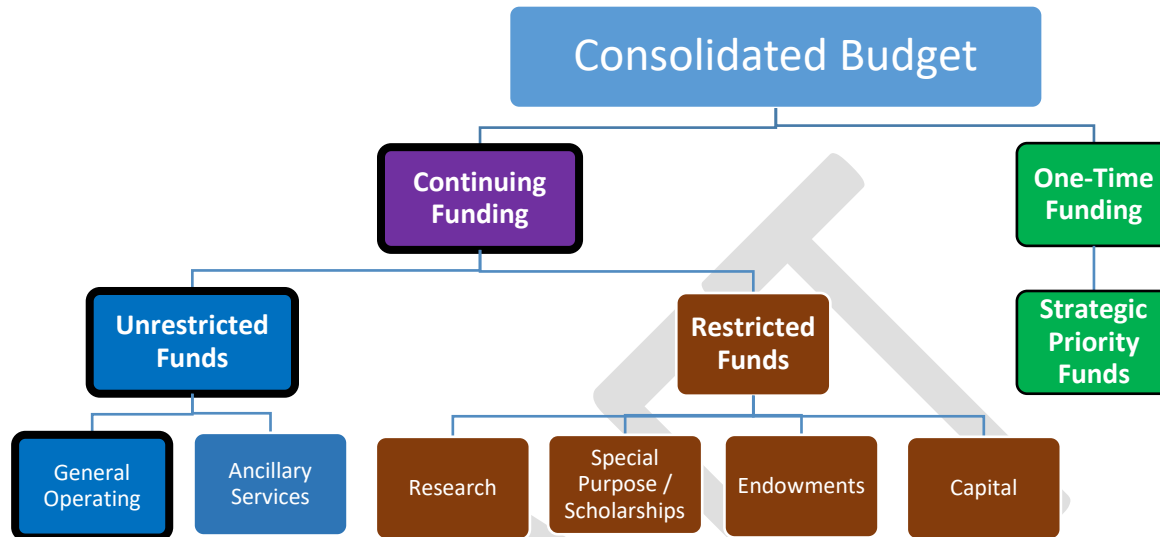


Figure 1: Consolidated Budget

The consolidated budget is comprised of two components: continuing and one-time funds.

**Continuing funds** budgets apply incremental budgeting methodology, in which assumptions for increases and decreases in revenue and expenses are applied to the previous year's budget.

**One-time funds** are generated from general operating surplus. Generally, the University's annual operating surpluses are attributable to actual revenue exceeding revenue budget assumptions and cost containment resulting in actual expenses lower than budgeted expense assumptions. The majority of the general operating budget is spent on salaries and thus one of the main sources of one-time funds is savings from when an employment position becomes vacant and the period of time when the position may be replaced. One-time funds are available to mitigate risk in cases where unexpected expenditures may occur or revenues may not materialize, as well as used for one-time expenditures, for example capital needs and the financial impact from the COVID-19 pandemic.

The difference between unrestricted and restricted funds is that the University has some flexibility in how it spends unrestricted funds but can only spend restricted funds in ways that are allowed by the external agencies, donors, and organizations that contributed the funds to the University.

### General Operating

The largest fund is the general operating fund, which is an unrestricted fund. General operating funds are used to pay for expenses needed to run of the institution. The major budget revenue line items are government operating grants, tuition fees, investment income, sales of services and products, and the major expenditure line items include compensation costs, facilities and utilities costs, scholarships, and materials and services.

Even in unrestricted funds there are "non-discretionary" costs such as tenured faculty positions, utilities, insurance, and technology service contracts, which must be accommodated for in the budget prior to allocations for other expenditures.

### **Ancillary Services**

This fund relates to the University's business enterprise that provides services and products to the internal and external University community. Ancillary Services operations include the bookstore, printing, housing, food, conference services, and Campus Mobility (parking).

Ancillary Services are required to operate financially self-sustaining operations, with no budget allocation from the general operating fund. They are also required to pay to the general operating fund for central services (finance, information technology, facilities, utilities costs, and human resources). Ancillaries are expected to fund all their capital repairs and maintenance, as well as the purchase of new capital assets required for their operations. Funding for large capital purchases is provided for by allocations from Ancillary Services capital reserves.

### **Research**

The expenses in this fund are for sponsored research activities specifically funded by restricted grants and contracts. Funding agencies providing sponsored research grants include the Natural Sciences & Engineering Research Council (NSERC), Social Sciences and Humanities Research Council (SSHRC), Canadian Institutes of Health Research (CIHR), Canada Research Chairs (CRC), Alberta Innovates, as well as many other federal and provincial funding agencies, business, and industry partners.

The research revenue and expense budget for future years is estimated based on prior year extrapolations and confirmed grant and contract agreements.

### **Special Purpose / Scholarships (Trust)**

The expenses in this fund relate to scholarship and bursary programs, and other activities involving teaching and community service specifically funded by restricted grants and donations.

The special purpose and scholarships revenue and expense budget for future years is estimated based on prior year extrapolations, and confirmed grant, contract, and donation agreements.

### **Endowments**

Endowments consist of externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity. Investment income earned on endowments must be used in accordance with the purposes established by the donors and the expenses in the fund reflect the expenditure terms of the restricted donations.

The endowments revenue and expense budget for future years is estimated based on prior year extrapolations and confirmed agreements.

## Restricted Capital

Capital expenditures for specific capital and infrastructure maintenance projects are included in the restricted capital fund. The major capital funding source for 2023/24 is the Provincial Government’s Capital Maintenance and Renewal (CMR) grant.

## BUDGET PROCESS

The University’s fiscal year is April 1 to March 31 and the institution’s budget is reported on the annual audited financial statements.

It is the Budget Advisory Committee’s (BAC) role to provide oversight of the budget process and make recommendations regarding budget priorities and resource allocations/reductions that support the long-term financial viability and sustainability of the University. Refer to Appendix C for the 2023-2024 BAC membership.

The University established 20 Budget Task Forces in 2019-20 to critically look at many aspects of our operations to examine ways in which expenditures can be reduced or revenue generated to allow the University to continue to provide the necessary instruction, research activities, and administrative processes to achieve our mandate.

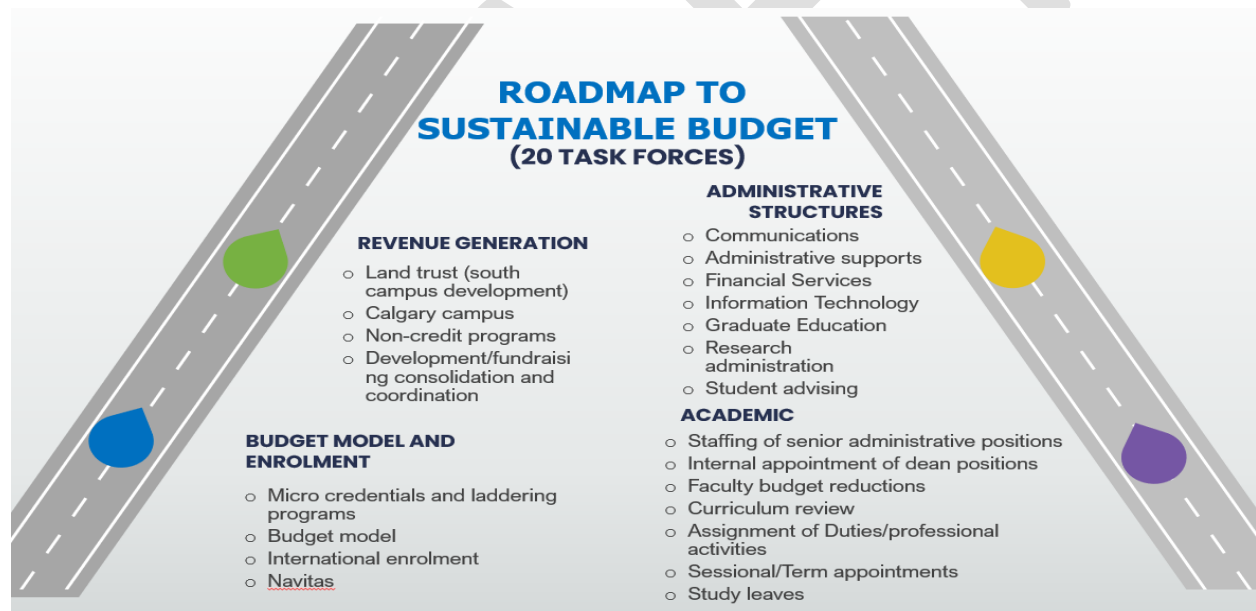


Figure 2: Roadmap to a sustainable budget

Due to the significant reduction in our workforce because of the position abolishments and non-replacement of personnel, the ongoing impacts of the COVID-19 pandemic, and the academic labour disruption, some of the anticipated task force savings have not yet been realized. Further work continues in some of the task force areas in order to realize more efficiencies and savings or revenue generation. Pending realization of further task force savings, the University continues to have a hiring restraint on vacant positions. The hiring restraint allows continuing position fund savings to balance the budget. One-time funds continue to be used to enable minimal hiring of essential positions on a term basis.

## BUDGET APPROVAL PROCESS

**The budget process is very rigorous, open, and continuous.**

Figure 3 depicts the budget consultation process at the University. The annual budget cycle generally begins with significant amounts of general and targeted consultations within the University community in the preparation of the annual budget assumptions. The BAC makes budget recommendations with input from Statutory Deans' Council, General Faculties Council (GFC) Strategic Planning Committee, Provost Council, Vice President Finance & Administration Council, and other stakeholders including students, employee groups, budget units, and the BOG. The approval of the budget entails BAC recommending the budget to President's Executive, then the President shares the budget with GFC for input, and then recommends it to the BOG' Finance Committee for approval, which is then forwarded to the BOG for final approval. Throughout the budget process the University community is kept up to date, and feedback invited, through regular budget messages to the University community, Faculty Councils/Department meetings, the [Budget website](#), and town hall meetings.

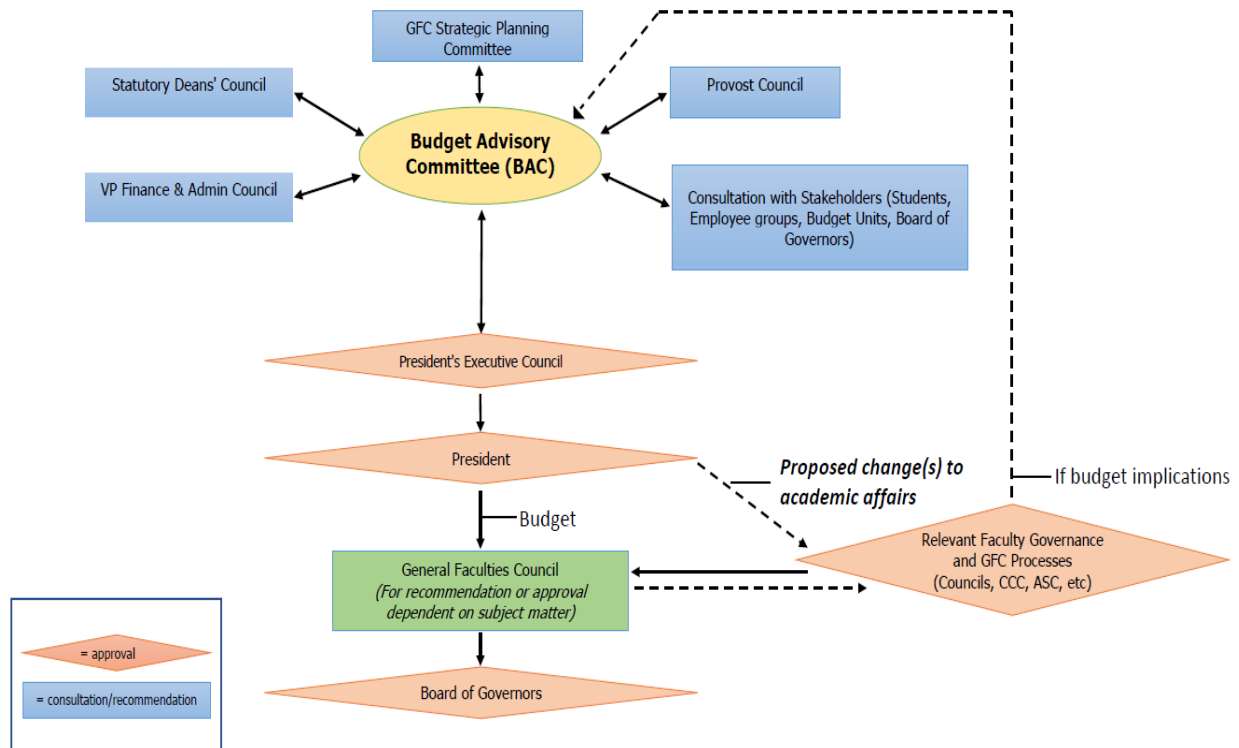


Figure 3: Established Budget Process



## FINANCIAL AND BUDGET PRINCIPLES

### Balanced Budget

The *PSLA Section 78(6)* legislation requires the BOG to submit a budget to Advanced Education in which the consolidated expenses do not exceed the consolidated revenues.

### Revenue Projections

Revenues are budgeted conservatively to ensure the projections are attainable. Refer to Figure 5 that shows the budget sensitivity if the revenue projections differ from the budget by 1%. The University continues on the road map to implement the revenue task force recommendations which will allow for diversification of revenue and less reliance on the government operating grant.

### Capital Planning and Approvals

The BOG approves on an annual basis the infrastructure renewal projects, faculty/department capital budgets, and the long-range capital plan. This long-range planning allows time to build reserves and plan for future capital and deferred maintenance funding requirements.

### Debt

Debt may only be incurred with approval from the BOG and the Lieutenant Governor in Council. Currently the University's only debt instrument is for student housing. The debt burden ratio (debt principal and interest over total expenditures) is less than 1% (.34% in 2022-23).

### Ancillary Business Plan

The BOG approves on an annual basis the business plans for Ancillary Services and Campus Mobility. The detailed business plans outline how these operations achieve financially self-sustaining operations.

### Investments

As per the *PSLA Section 75*, the Board must approve the University's investment policy and monitor compliance and investment returns. The BOG is accountable for ensuring that the University's portfolio of investments avoids undue risk of loss and obtains a reasonable return.

### Operating, Capital and Contractual Reserves

Internally Restricted Funds represent amounts set aside by the University's BOG for specific purposes and are sometimes referred to as "reserves". These funds are not available for spending on any other purposes than those specified without the approval of the BOG. Maintaining reasonable reserves is fiscally prudent in order to mitigate risk and to take advantage of opportunities that will advance the University's strategic priorities, manage financial volatility, meet legal requirements, contingencies for unexpected financial needs, capital replacement, renovations and expansions. Reserves are funded by surplus one-time dollars realised at the end of the fiscal year. Considerations for the level of reserve to be held include the University's mandate, long term strategic plans and priorities, stability of revenue sources, investment in its physical plant, and current and future commitments.

Reserves are funds that are available only on a one-time basis and therefore are not funds that would solve ongoing or continuing deficits that may exist in the University's operating budget. It would be fiscally irresponsible to use reserves as a long-term solution to cover on-going budget deficits as this would only solve the deficit problem for the short-term and not address the issue of expenditures that are higher than incoming revenue.



The following are the categories of reserves and internally restricted funds:

|                                  |                             | <b>March 31, 2023</b> |
|----------------------------------|-----------------------------|-----------------------|
| <b>Internally Restricted</b>     |                             |                       |
|                                  | Operating Reserves          | \$ 14,294,396         |
|                                  | Capital Reserves            | \$ 19,939,434         |
|                                  |                             | <b>\$ 34,233,830</b>  |
| <b>Externally Restricted</b>     |                             |                       |
|                                  | Contractual Reserves        | \$ 3,522,899          |
| <b>Self-Financing Operations</b> |                             |                       |
|                                  | Ancillary Services Reserves | \$ 4,588,832          |
|                                  |                             | <b>\$ 42,345,561</b>  |
| <b>Unrestricted Reserves</b>     |                             |                       |
|                                  | Budget Unit Carryover Funds | \$ 8,226,953          |
|                                  | Strategic Priority Funds    | \$ 19,886,846         |
|                                  |                             | <b>\$ 28,113,799</b>  |

The University targets to maintain an unrestricted balance of 10%-12% of the annual operating budget in unrestricted funds, which is comparable with other similarly sized universities in Canada.

### Sustainable Budget

The budget is developed using a long-term view of future anticipated revenues and expenses. While the University has made progress dealing with the \$24 million reduction in the operating grant since 2019/20, there remains significant work required to achieve a sustainable budget. Structural changes require significant planning horizons in order to allow for adequate consultation with the University community. The budgetary shortfall caused by the grant decrease cannot be recoverable only by other revenue sources, at least not in the short term, and therefore structural changes are required to reduce expenses. The University started this process of consultation in late 2019.

Since 2019/20, the University has implemented the following long-term strategies to balance the operating budget:

- Attrition of vacant positions
- 10% of Total Workforce Reductions (105 positions) in 2019-20
  - 49 academic positions through retirement/resignation
  - 56 non-academic position abolishments
- Increase in domestic and international enrolment
- Increase in tuition rates
- Reduction in faculty/department discretionary funding
- Elimination of the two Pronghorn hockey teams
- Establishment of general endowment scholarship
- Reduction and elimination of contingency funds
- Reduction in life cycle equipment replacement funding
- Increase in lease revenue

## Budget Values

A framework of values was developed in 2013/14 to guide the Budget Advisory Committee (BAC) in recommending how budget allocations, revenues and any necessary reductions could be made. This framework of values continues to guide the discussions on operating budget allocations. The values, reaffirmed by both the GFC and the BOG, are (Figure 4):

- i. **Our people define our University and are our greatest strength**  
People are the essential resource of our institution and as such the University will strive to preserve employment. All University employee groups will be treated with fairness and with respect in all that lies ahead in our work to maintain our student-centered focus and to ensure the continued financial sustainability of our institution.
- ii. **High quality is central to all that we do**  
Our commitment to maintaining high quality undergraduate and graduate academic programs is key to our University mission to build a better society. High quality instruction and teaching are essential to this commitment. Research and creative activity are also key to our mission and their vitality and vibrancy serve as a differentiating feature of our institution and a central part of our culture as a comprehensive academic and research institution. High quality facilities and services support our mission and best serve our students, staff, and academic staff.
- iii. **Access to our University is a foundational value**  
As a Comprehensive Academic and Research University, dedicated to liberal education that was born out of the needs and aspirations of our local communities, we are committed to providing student access to our high-quality academic programs throughout the province without creating unnecessary financial barriers. Community engagement with our University and community use of our facilities play a role in defining us as a public institution.

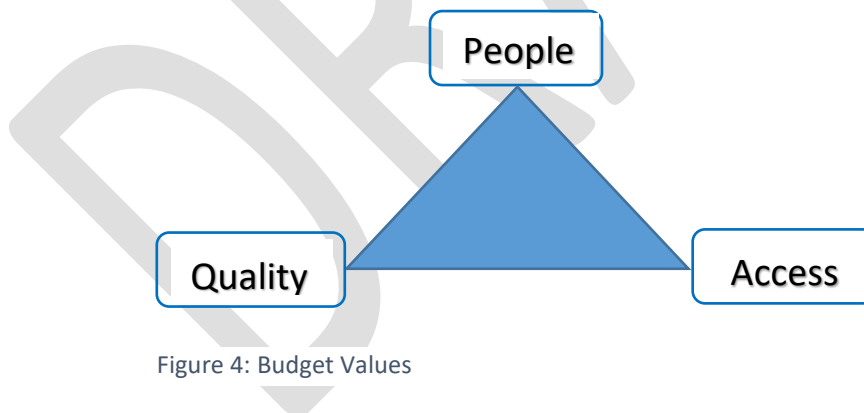


Figure 4: Budget Values

The budget values provide the direction to the BAC in developing the three-year budget with a long-term view. BAC does consider the optimization of restricted funds, wherever possible within the funding restrictions, to further the goals and values of the University; however, the main focus of BAC is on the general operating fund. Invariably as BAC focusses on one of the three corners of the budget value triangle, this may necessarily impact the other two values. These values were confronted as the University dealt with the significant grant reductions since it was not possible to achieve a balanced budget without impacting the values. Our people value has been particularly challenged with the position eliminations needed in order to achieve a balanced budget. BAC will continue to consult with

its stakeholders to maintain the right balance between our budget values in making budget recommendations.

There will be significant changes in our senior administrators over the next year, in particular with a new President, Provost, and four new Deans. With this change there will also be a review and revitalization of our strategic plan and priorities, as well as a review of our budget values. The values need to be in line with our strategic plan and priorities.

## 2023/24 GENERAL OPERATING BUDGET ASSUMPTIONS

Revenues and expenditures fluctuate year-to-year, but to start planning and formulating a budget in advance of the new budget year, certain assumptions must be made. In making these assumptions, BAC adopts a conservative approach to ensure that any deviations from these assumptions will still allow for sufficient resources to provide for a balanced budget.

### Revenue Assumptions

- i. **Operating Grant** – The operating grant was held at the 2022/23 level, therefore, 0% change for 2023/24
- ii. **Tuition Fees**
  - **Tuition Rate** - For 2023/24 academic year, the University will increase the average tuition fees per domestic student by the maximum 5.5% per year, as allowed by legislation. The University commits to allocating on an annual basis 0.5% of the domestic undergraduate instructional fee increase to student bursaries. There was a recent change in tuition fee legislation and beginning in the 2024-25 academic year, average increases for domestic students will be capped at 2% for the foreseeable future.
  - **Enrolment** - The 2023/24 undergraduate credit hour projections are conservative estimates for the purpose of projecting undergraduate tuition revenue. The projections are significantly lower than prior year due to the continued long-term impact from COVID-19 and the faculty labour disruption. The 2022/23 actuals are the final number of credit hours, which also reflects the students who withdrew after the extended drop date.

| Undergraduate Credit Hours – All Faculties/Schools |                   |                     |                     |                     |
|--|-------------------|---------------------|---------------------|---------------------|
| Budgeted<br>2022/23                                | Actual<br>2022/23 | Proposed<br>2023/24 | Proposed<br>2024/25 | Proposed<br>2025/26 |
| 189,058  | 182,526           | 187,014             | 194,361             | 200,383             |

There has been a significant increase in our international enrolment, which has substantially contributed to the projected increase in tuition revenue and compensates for the reduction in domestic credit hours. For Fall 2023 the projected increase in international enrolment is 40% over Fall 2022. There is more uncertainty in international enrolment projections as it is difficult to project due to the volatility in the international market, as

well as the uncertainty of whether international students will obtain their student visas in time for registration and attendance.

- iii. **Investment income** – The budget will remain the same at \$5 million. There is much volatility in the investment market and it is difficult to predict investment income. The budget is based on an analysis of realized investment income returns over the past 15 years and investment projections with the 2022 change in external investment managers and additional diversification of the asset mix.<sup>2</sup>
- iv. **Ancillary Services** operates on a financially self-sustaining model. Campus Mobility contributes \$700 thousand towards the operating budget. Ancillary Services also contributes annually \$1.75 million in interdepartmental charges for University services (finance, human resources, facilities and security), which includes \$350,000 to a central housing reserve for maintenance projects and \$200,000 dividend contribution to the general operating fund.

### Expense Assumptions

- i. Salary and benefit changes have been applied based on collective agreement contractual increases and other anticipated salary and benefit increases.  
  
Non-Union employee groups (Administrative Professional Officers (APO's), Excluded Professionals, Exempt Support Staff (ESS), and Senior administration employee) have been under a Provincial Government mandate of salary restraint since July 2015, which has not allowed for any cost of living, career progress or merit increases for these employee groups. The restraint was partially lifted in April 2022, which allowed up to a 3% maximum increase for these employee groups. A further lifting of the restraint was announced in March 2023 which again allows up to maximum increases for non-union employee groups in 2023. The BOG has approved the maximum allowed increases for the non-union employee groups for equity and fairness given that the union employee groups have continued to receive salary increases each year.
- ii. Information Technology (IT) maintenance and site license contracts are projected to increase by 5% in each of the next three years. The projections are based on a combination of contract price increases, and new maintenance and site licenses, offset by concerted efforts to not renew or to negotiate more favourable terms in existing site licenses.
- iii. Utilities budget will increase by 23% in 2023/24, approximately \$1.4 million and then 7% increases in the following two years. The rising gas prices are having a negative effect on the utilities budget, and are a significant risk to the institution.
- iv. Insurance premiums are projected to decrease by 13% in 2023/24, and then projected to increase 7% and 5% in the following two years. The decrease in the premiums is the favourable loss controls over the past several years, as well as the favourable insurance rates obtained by CURIE (Canadian Universities Reciprocal Insurance Exchange) which the University is a member of.

- v. Workers Compensation Board premiums are based on the prior three years' accident experience in our industry and claims volume costs, and due to the University's favourable experience ratings, the projection is to decrease by 21%, then stabilize over the next two years.
- vi. The investment manager fees are projected to increase by 8% in 2023/24 and then 5% in each of the following two years. The University transitioned three of the four investment managers in 2022 and the rates are based on the new fee structures. Investment manager fees are based on a percentage of market valuation of the account and therefore since the purpose of transitioning investment managers is to increase market valuation, there is an anticipated increase in investment manager fees along with a projected increase in investment returns.

### Budget Sensitivity

The University has adopted a conservative approach to projecting the budget assumptions however, there is a risk that the actuals will vary substantially from budget. Figure 5 demonstrates the impact of a 1% variance increase from budget.

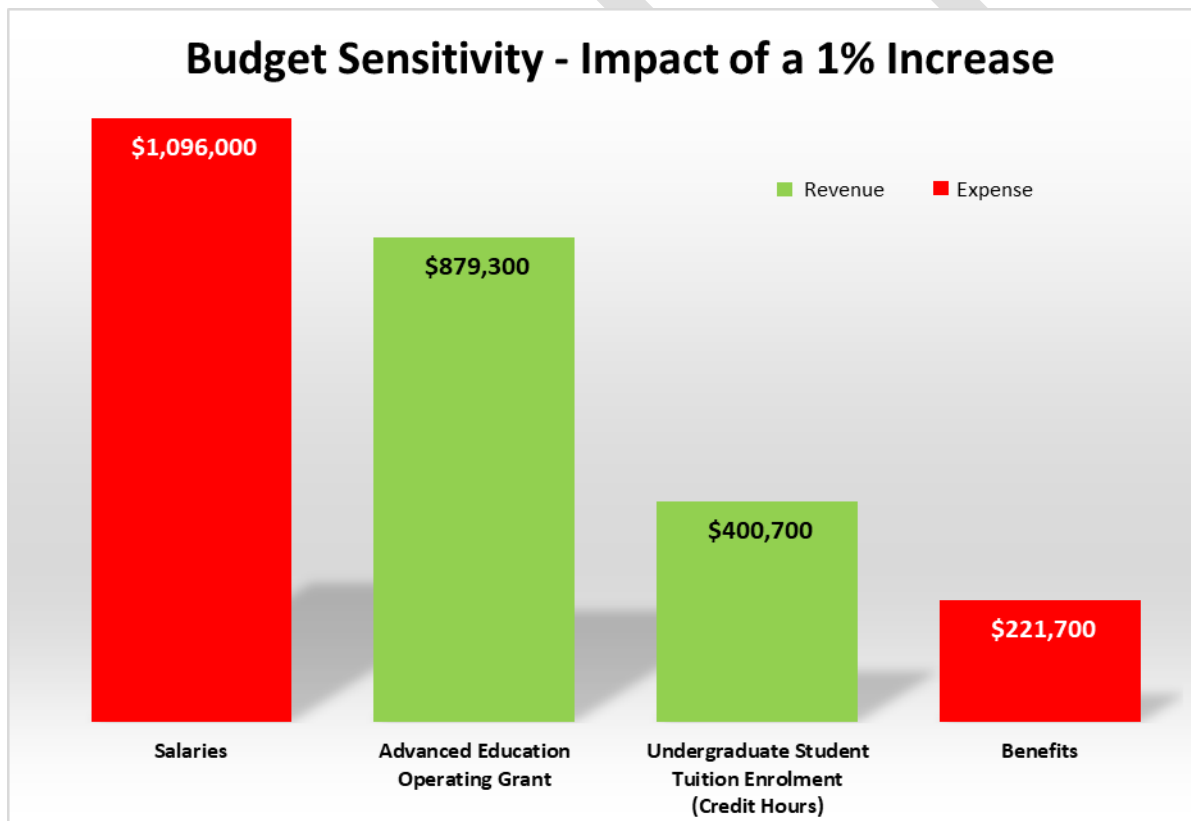


Figure 5: Budget Sensitivity

## 2023/24 GENERAL OPERATING BUDGET

Based on initial budget assumptions in September 2022 and prior to any budget mitigation strategies the overall projected deficit for the general operating fund was \$6.887 million for 2023-24.

Note – Refer to Table 2 for the 2023-24 balanced general operating fund budget, after all budget strategies have been applied.

| <b>GENERAL OPERATING FUND</b>                  |          |         |             |
|--|----------|---------|-------------|
| <b>2023-24 PRELIMINARY BUDGET PROJECTION</b>   |          |         |             |
| <b>(\$000)</b>                                 |          |         |             |
|  | 2022-23  |         | 2023-24     |
|  | Approved |         | Preliminary |
|  | Budget   | Changes | Budget      |
| <b>REVENUES</b>                                |          |         |             |
| Government of Alberta operating grant          | 87,934   | -       | 87,934      |
| Federal and other government grants            | 2,613    | (6)     | 2,607       |
| Student tuition and fees                       | 56,511   | 3,887   | 60,398      |
| Sales of services and products                 | 5,803    | (335)   | 5,468       |
| Donations and other grants                     | 176      | -       | 176         |
| Investment income                              | 5,000    | -       | 5,000       |
| Reserve  | 610      | -       | 610         |
| Amortization of deferred capital contributions | 6,860    | -       | 6,860       |
|  | 165,507  | 3,546   | 169,053     |
| <b>EXPENDITURES</b>                            |          |         |             |
| Salaries & Benefits                            | 127,755  | 9,636   | 137,391     |
| Supplies and service                           | 19,078   | (645)   | 18,433      |
| Utilities                                      | 5,977    | 1,406   | 7,383       |
| Scholarships, bursaries and awards             | 3,589    | 36      | 3,625       |
| Cost of goods sold                             | 3        | -       | 3           |
| Capital  | 2,555    | -       | 2,555       |
| Amortization of capital assets                 | 6,550    | -       | 6,550       |
|  | 165,507  | 10,433  | 175,940     |
| <b>(EXPENDITURES OVER REVENUES)</b>            | 0        | (6,887) | (6,887)     |
| <b>2023-24 BUDGET REDUCTIONS REQUIRED</b>      |          |         | (6,887)     |

Table 1 – Projected Budget Prior to Reductions

## 2023/24 GENERAL OPERATING BUDGET CHANGES

The following are key budgetary changes and strategies for 2023/24 in the development of a balanced budget and one which aligns with the University's budget values.

- i. Continued hiring restraint on position replacements. A principle-based approach was used to determine which vacant academic and non-academic positions could be replaced. In 2022/23 there was a deficit in position funding of \$4.3 million, which was addressed by using one-time funds to hire term replacements instead of continued position hires, delayed hiring of

positions or position abolishments. The term replacement positions were envisioned to be replaced with continuing positions once the task force savings or other budget savings are realized.

|  | 2022-23<br>General<br>Operating |
|--|---------------------------------|
| <b>REVENUES</b>                                |                                 |
| Government of Alberta grants                   | 87,934,020                      |
| Federal and other government grants            | 2,923,253                       |
| Student tuition and fees                       | 56,511,126                      |
| Sales of services and products                 | 5,803,457                       |
| Donations and other grants                     | 175,625                         |
| Investment income                              | 5,000,000                       |
| Reserve (Utilities)                            | 500,000                         |
| Reserve (Other)                                | 109,500                         |
| Amortization of deferred capital contributions | 6,550,000                       |
|  | 165,506,981                     |
| <b>EXPENDITURES</b>                            |                                 |
| Salaries                                       | 105,277,238                     |
| Salaries before Restraint Reductions           | 4,374,000                       |
| Benefits                                       | 22,058,028                      |
| Supplies and service                           | 20,161,281                      |
| Utilities                                      | 5,976,677                       |
| Repairs and maintenance                        | 559,939                         |
| Scholarships, bursaries and awards             | 3,588,818                       |
| Cost of goods sold                             | 3,000                           |
| Capital  | -                               |
| Interest - long term debt                      | 1,332,000                       |
| Amortization of capital assets                 | 6,550,000                       |
|  | 169,880,981                     |
| <b>EXCESS REVENUE OVER EXPENDITURES</b>        | <b>(4,374,000)</b>              |
|  |                                 |
| Delayed Position Hires                         | 1,130,492                       |
| Temporary Positions                            | 2,929,101                       |
| Position Abolishments (net)                    | 314,407                         |
|  | 4,374,000                       |
| <b>Excess Revenue over Expenses</b>            | <b>0</b>                        |

## POSITION REPLACEMENTS

Although there is a continued hiring restraint on replacement of employment positions, three factors are allowing the University to begin to replace much needed positions and increase the capacity at the institution to deliver on its mandate of teaching and research. They are:

- realised task force savings
- improvement in international student enrolment
- resignations and retirements

These factors are allowing the University to strategically invest in people. This is being done in two ways: 1) reinvesting in continuing positions in priority areas (filling vacancies, new positions, and converting a few positions from term to continuing), and 2) investing in non-bargaining employees that have been disadvantaged in relation to their salaries over the past seven years.



## Reinvesting in Continuing Positions

The University delayed filling positions on a continuing basis until confirmation of the 2023/24 operating grant and spring 2023 enrolment figures. Through discussions with budget unit heads in January and February 2023, there was identified \$11.4 million in position needs. Although it is not possible to fund all of these positions, the University will invest nearly \$5 million (in salary and benefits) to make continuing approximately 50 academic and non-academic positions in high priority areas for the institution. This includes filling vacancies, new positions, and converting a few positions from term to continuing. The funding for these positions is from vacant position funds realized from resignations and retirements.

|   |              |
|---|--------------|
| Total position needs (includes vacancies, temporarily filled , and new positions) | \$11,387,004 |
| Continuing positions approved for 2023/24   | \$4,912,099  |
| New Strategic Priority funded positions for 2023/24                               | \$973,250    |

| 2023/24 Positions Funded |            |      |
|--------------------------|------------|------|
|                          | Continuing | Term |
| Academic                 | 24         | 3    |
| Non-academic             | 26         | 9    |
| TOTAL                    | 50         | 12   |

An ongoing review of the university’s staffing priorities will continue in future budget years, including consideration of positions in strategic areas that are currently funded on a term basis.

While the University has made significant progress in reducing position vacancies and our reliance on temporary positions through the recommendations of our transformational taskforce groups, there is still work to be done in some of these areas. As additional taskforce savings are realized, they will be applied first against the ongoing cost of the 2023-24 non-bargaining employee salary increases and will then be used to support continuing positions in priority areas.

The University is still running a deficit with term positions being funded from Strategic Priority Funds (\$2.4 million) and work is ongoing, including taskforce initiatives, to address this. This work will be key to enable future investments in people.

## Investing in Non-Union Employees

Non-bargaining employees have been disproportionately affected over the past seven years due to government-imposed salary restraint on these employee groups. Non-bargaining employees play critical roles in the supports offered to our students, enabling the teaching, research and community outreach work of our faculty members, and work that supports the overall sustainability of our institution. Investments in non-bargaining employees are investments in the activities we all rely on.

On March 15, 2023 an interim approach was communicated by the Government of Alberta to allow increases to compensation for non-bargaining employees “to support an equitable approach to compensation within the public sector”. For non-bargaining employees, the University will increase to salaries by cost of living adjustments and merit that are within the regulations provided by Government.

- ii. The University maintains a utilities provisions budget to manage unexpected fluctuations in utilities expense. The current utilities provisions reserve balance is \$2.7 million. The University allocated \$500 thousand per year for 2022/23 and 2023/24 to subsidize the utilities expense from the utilities provisions reserve. It is anticipated that within the next two years the natural gas and electricity rates will stabilize and return to more normal rates.
- iii. The following targeted savings from the transformational budget task forces still under review and consideration includes:

|                                      |    |                  |
|--------------------------------------|----|------------------|
| Study Leaves                         | \$ | 420,000          |
| Sessional Lecurers/Term Appointments | \$ | 500,000          |
| Assignment of Duties                 | \$ | 500,000          |
| Information Technology Governance    | \$ | 250,000          |
| Administrative Supports              | \$ | 170,000          |
|                                      | \$ | <u>1,840,000</u> |

The changes in the revenue budget compared to the two prior years is shown in Figure 6. The major revenue changes are in the operating grant and tuition and fees, with the decrease in operating grant not being offset by the same increase in other revenue sources and therefore the only sustainable method of balancing the budget is a reduction in expenditures.

The Provincial Government has indicated that institutions should have less reliance on operating grants and Figure 6 shows that the operating grant has been declining as a % of total revenues, with it being displaced by tuition revenue.

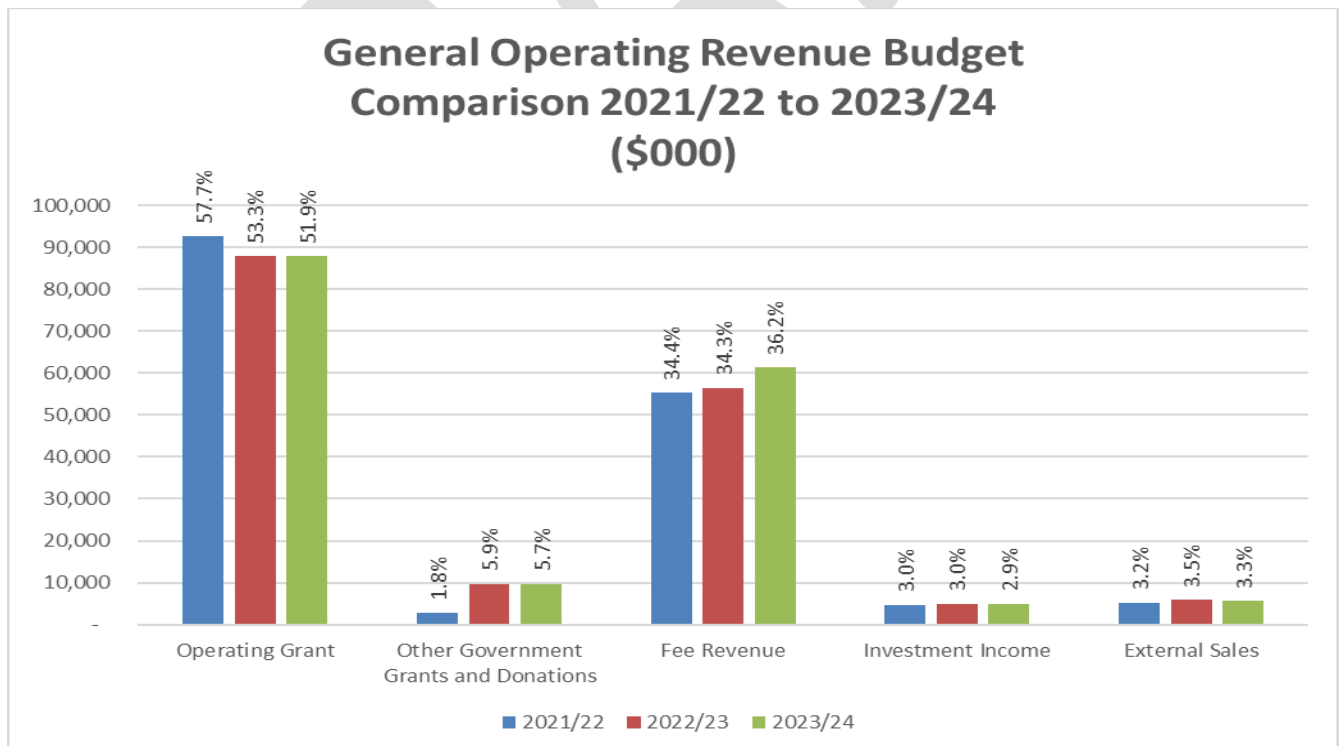


Figure 6: General Operating Revenue Budget

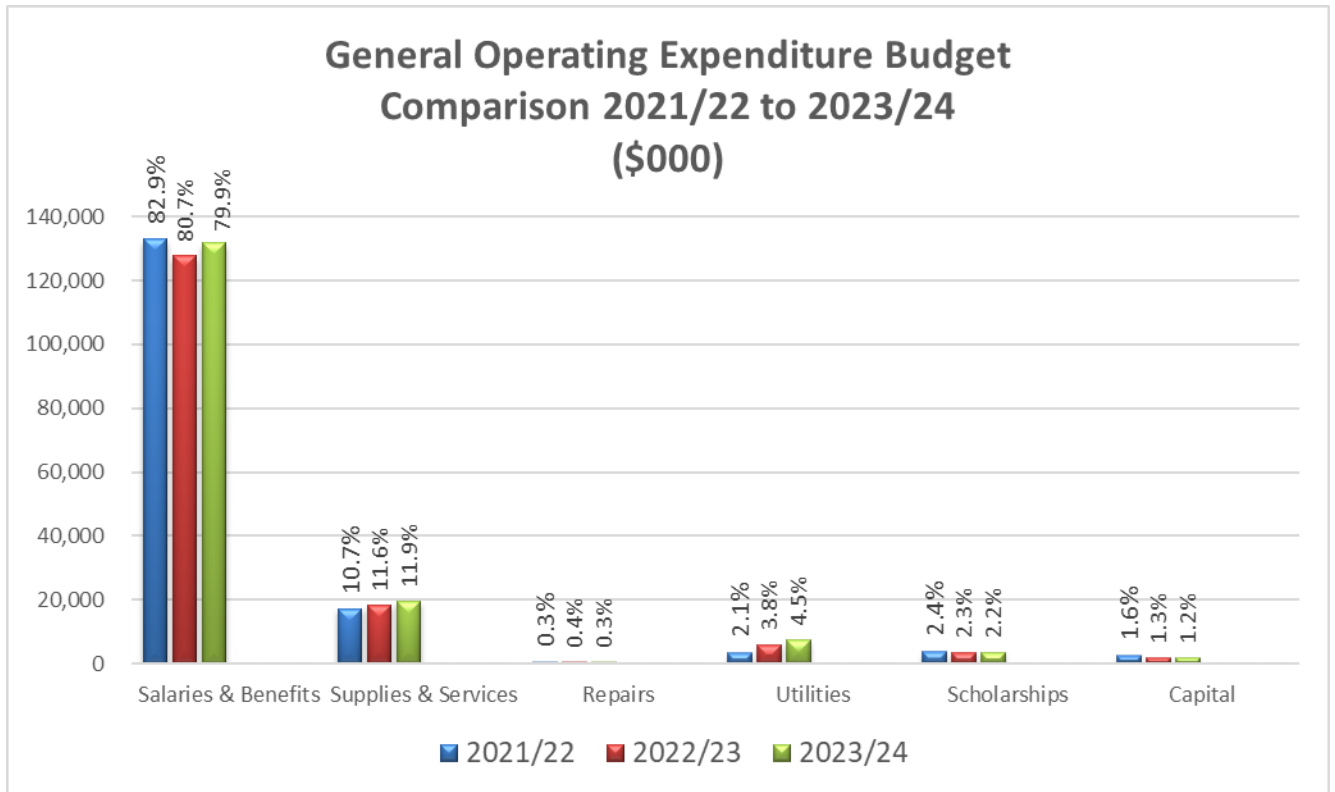


Figure 7: General Operating Expense Budget

**GENERAL OPERATING FUND**  
**For Budget Years 2023-2024 to 2025-2026**  
**(\$000)**

|  | 2022-2023       | Changes      | 2023-2024       | Changes      | 2024-2025       | Changes      | 2025-2026       |
|--|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
|  | Approved        |              | Proposed        |              | Proposed        |              | Proposed        |
|  | Original Budget |              | Original Budget |              | Original Budget |              | Original Budget |
| <b>Revenue</b>                                 |                 |              |                 |              |                 |              |                 |
| Operating Grant                                | 87,934          | -            | 87,934          | -            | 87,934          | -            | 87,934          |
| Federal & Other Government Grants              | 2,923           | -            | 2,923           | -            | 2,923           | -            | 2,923           |
| Tuition & Related Fees                         | 56,511          | 4,887        | 61,398          | 1,302        | 62,700          | 1,435        | 64,135          |
| Investment Income                              | 5,000           | -            | 5,000           | -            | 5,000           | -            | 5,000           |
| Sales of Services and Products                 | 5,803           | (249)        | 5,554           |              | 5,554           | -            | 5,554           |
| Donations                                      | 176             | (33)         | 144             |              | 144             | -            | 144             |
| Reserves                                       | 610             | (230)        | 380             | -            | 380             |              | 380             |
| Amortization of Deferred Capital Contributions | 6,550           | 310          | 6,860           |              | 6,860           |              | 6,860           |
| <b>Total Revenue</b>                           | <b>165,507</b>  | <b>4,685</b> | <b>170,192</b>  | <b>1,302</b> | <b>171,494</b>  | <b>1,435</b> | <b>172,929</b>  |
| <b>Expenditures</b>                            |                 |              |                 |              |                 |              |                 |
| Compensation                                   | 127,755         | 4,022        | 131,777         | 6,588        | 138,366         | 7,094        | 145,460         |
| Scholarships                                   | 3,589           | 37           | 3,625           | 37           | 3,662           | 37           | 3,698           |
| Supplies & Service                             | 19,081          | (1,151)      | 17,926          | 160          | 18,086          | 145          | 18,231          |
| Utilities                                      | 5,977           | 1,406        | 7,383           | 520          | 7,903           | 420          | 8,323           |
| Capital & Equipment                            | 2,555           | 62           | 2,620           | 187          | 2,807           | 197          | 3,004           |
| Amortization of Capital Assets                 | 6,550           | 310          | 6,860           |              | 6,860           | -            | 6,860           |
| <b>Total Expenditures</b>                      | <b>165,507</b>  | <b>4,685</b> | <b>170,192</b>  | <b>7,492</b> | <b>177,684</b>  | <b>7,893</b> | <b>185,576</b>  |
| <b>Budget Reductions Required</b>              | -               | -            | -               | (6,190)      |                 | (6,458)      |                 |
| <b>Cumulative Budget Reductions Required</b>   | -               | -            | -               |              | (6,190)         |              | (12,647)        |

Table 2: 2023/24 to 2025/26 Budget and Forecast

## STUDENT QUALITY INITIATIVES PROGRAM (QIP)

This program was established in 2006/07 based on a proposal from the University of Lethbridge Students' Union (ULSU) to allocate 12% of the 2006/07 tuition increase to student initiatives that were chosen by the students. The program has evolved over the years to include a proportionate budget allocation to the Graduate Students' Association (GSA). The budget allocated to this program was reduced proportionately during the years when all faculties and departments experienced budget reductions and in 2018/19 a further \$29,378 reduction was proposed by ULSU and GSA and accepted by BAC.

| 2023-24 Quality Initiatives Budget   |   |  | 2023-24 Budget Allocation | \$ 417,122              |
|--|---|--|---------------------------|-------------------------|
|  | Budget Category   | Definition   | 2022-23 Budget            | 2023-24 Proposed Budget |
| ULSU   | Scholarships, Grants and Bursaries                                | Awards administered by Scholarship and Student Finance   | \$ 210,000                | \$ 210,000              |
| ULSU   | Undergraduate Research Awards <sup>(2/3)</sup>                    | Awards administered by VP Research office. Established for the Faculties to hire undergraduate research assistants in humanities and social sciences.            | \$ 75,000                 | \$ 75,000               |
| ULSU   | Emergency Assistance Awards <sup>(1)</sup>                        | Awards administered by ULSU however assistance should be coordinated with Scholarship and Student Finance to ensure students are not receiving multiple payments | \$ -                      | \$ -                    |
| ULSU   | Students Union Food Bank <sup>(1)</sup>                           | Funding administered by ULSU   | \$ -                      | \$ -                    |
| ULSU   | Tutoring Program  | Funding administered by AVP Student office   | \$ 5,000                  | \$ 5,000                |
| ULSU   | Capital Projects <sup>(2)</sup>                                   | Renovation projects managed by Facilities – Capital Projects team  | \$ 5,000                  | \$ 5,000                |
| ULSU   | Student Experience Initiatives <sup>(3/5)</sup>                   | Events such as Fresh Fest, Last Class Bash, etc.   | \$ 46,561                 | \$ 41,391               |
| ULSU   | Academic Speaker Series <sup>(3)</sup>                            | Costs associated with hosting a workshop or speaker  | \$ 11,000                 | \$ 11,000               |
| ULSU   | Student Clubs and Organizations <sup>(3)</sup>                    | Grant amounts administered by ULSU for student organizations   | \$ 11,000                 | \$ 11,000               |
| ULSU   | Conference grants <sup>(3)</sup>                                  | Grant amounts administered by ULSU for students to attend a conference   | \$ 11,000                 | \$ 11,000               |
| GSA  | Scholarships, Grants and Bursaries <sup>(4/5)</sup>               | Awards administered by Scholarship and Student Finance   | \$ 20,318                 | \$ 23,866               |
| GSA  | Academic Events and Student Experience Initiatives <sup>(4)</sup> | Events such as speakers, events, orientation and thesis needs  | \$ 22,243                 | \$ 23,865               |
| <b>TOTAL BUDGET</b>  |   |  | <b>\$ 417,122</b>         | <b>\$ 417,122</b>       |
| Notes:   |   |  |                           |                         |
| <sup>(1)</sup> Emergency Assistance Awards, and Students' Union Food Bank: The ULSU has an internally funded Emergency Student Assistance budget line that is currently self sustaining, however, in future years this may need to be re-examined. The ULSU Food Bank is currently funded through donations and fundraising/food drive events. |   |  |                           |                         |
| <sup>(2)</sup> ULSU agreed to reallocate the Capital Project funding to Undergraduate Research Awards for 2 years (2017/18 and 2018/19) to help address the immediate shortfall in funding for the Chinook Awards. This has been reallocated partially back to Capital Projects and as part of the 2019-20 reduction                           |   |  |                           |                         |
| <sup>(3)</sup> ULSU agreed to budget reductions in the amount of \$27,778 for 2019-20  |   |  |                           |                         |
| <sup>(4)</sup> GSA agreed to budget reductions of \$1,600 for 2019-20  |   |  |                           |                         |
| <sup>(5)</sup> The methodology used to allocate funding between ULSU and GSA was changed effective 2017-18. The distribution is based on annualized (calendar) headcount.  |   |  |                           |                         |

Table 3: Quality Initiatives Program

## RESEARCH SUPPORT FUND (RSF)

The General Operating fund includes a \$2.2 million Research Support Fund program federal grant that provides support to Canadian post-secondary institutions to cover a portion of the indirect expenses associated with managing the research funded by Canadian Institutes of Health Research (CHIR), Natural Sciences and Engineering Research Council (NSERC) and Social Sciences and Humanities Research Council (SSHRC). The grant award amount is dependent on the funding received by researchers from CIHR, SSHRC and NSERC in the three most recent years.

RSF funds may be used by the institution to cover indirect costs to maintain the current level of research services, or to support the institution's research environment and improve its management. Each year the University must re-apply for this grant and meet all reporting timelines and requirements.

Expenditures are permitted in the following areas:

| Eligible Funding Category   | 2023-2024<br>Budget (\$000) |
|---|-----------------------------|
| Regulatory requirements and accreditation                             | \$ 916                      |
| Management and administration on an institution's research enterprise | \$ 986                      |
| Research resources  | \$ 110                      |
| Intellectual property and knowledge mobilization                      | \$ 122                      |
| Research facilities   | \$ 26                       |
| <b>Research Support Fund Budget</b>                                   | <b>\$ 2,160</b>             |

Table 4: Research Support Fund Budget

## CONSOLIDATED BUDGET

The consolidated budget for 2023/24 reflects an excess of revenue over expenditures of \$2.442 million based on budgeted revenue of \$227 million, budgeted expenditures of \$225 million. The surplus is comprised of \$1.6 million from Ancillary Services.

The projected budgeted surplus of \$1.6 million in 2023/24 is attributed to Ancillary Services which is required to be financial self-sustaining, including funding for capital maintenance and improvements. Ancillary Services surpluses cannot be redirected to other operating costs as it must be held internally for equipment, roads, facility maintenance, or other Ancillary infrastructure requirements. The University does not contribute to Ancillary capital purchases from the General Operating fund.

| CONSOLIDATED BUDGET                            |           |             |            |         |                 |           |           |           |
|--|-----------|-------------|------------|---------|-----------------|-----------|-----------|-----------|
| \$000  |           |             |            |         |                 |           |           |           |
|  |           |             |            |         | Special Purpose | 2023-2024 | 2024-2025 | 2025-2026 |
|  | General   | Ancillary   | Restricted | Capital | & Trust         | Proposed  | Proposed  | Proposed  |
|  | Operating | Enterprises | Funds      | Funds   | Funds           | Budget    | Budget    | Budget    |
| <b>REVENUES</b>                                |           |             |            |         |                 |           |           |           |
| Government of Alberta grant                    | 87,934    |             | 2,627      | 13,562  | 5,138           | 109,261   | 109,984   | 109,984   |
| Federal and other government grants            | 2,923     |             | 9,653      | 1,447   | 645             | 14,668    | 13,945    | 13,945    |
| Student tuition and fees                       | 61,398    |             | -          | -       | -               | 61,398    | 62,700    | 64,135    |
| Sales of services and products                 | 5,554     | 12,650      | -          |         | 505             | 18,709    | 17,204    | 17,416    |
| Donations and other grants                     | 144       |             | 3,005      | 649     | 1,631           | 5,429     | 5,429     | 5,429     |
| Investment income                              | 5,000     | 27          | -          | 22      | 5,196           | 10,245    | 10,271    | 10,242    |
| Reserve  | 380       |             | -          | -       | -               | 380       | 380       | 380       |
| Amortization of deferred capital contributions | 6,860     |             | -          | -       | -               | 6,860     | 6,860     | 6,860     |
|  | 170,192   | 12,677      | 15,285     | 15,680  | 13,115          | 226,949   | 226,773   | 228,390   |
| <b>EXPENDITURES</b>                            |           |             |            |         |                 |           |           |           |
| Salaries                                       | 109,604   | 3,531       | 8,300      | -       | 4,215           | 125,650   | 130,844   | 136,681   |
| Benefits                                       | 22,173    | 566         | 650        | -       | 911             | 24,300    | 25,188    | 26,179    |
| Supplies and service                           | 17,923    | 4,553       | 4,785      | -       | 2,255           | 29,516    | 29,294    | 29,503    |
| Utilities                                      | 7,383     | 738         | -          | -       | -               | 8,120     | 8,676     | 9,238     |
| Repairs and maintenance                        | 568       | 72          | -          | 1,980   | 104             | 2,725     | 2,720     | 2,726     |
| Scholarships, bursaries and awards             | 3,625     | -           | 1,550      | -       | 5,630           | 10,805    | 10,842    | 10,878    |
| Cost of goods sold                             | 3         | 1,555       | -          | -       | -               | 1,558     | 388       | 402       |
| Capital  | 2,052     | 10          | -          | -       | -               | 2,062     | 2,249     | 2,446     |
| Amortization of capital assets                 | 6,860     | 60          | -          | 13,700  | -               | 20,620    | 20,614    | 20,616    |
| <b>TOTAL EXPENDITURES</b>                      | 170,192   | 11,084      | 15,285     | 15,680  | 13,115          | 225,356   | 230,815   | 238,669   |
| <b>EXCESS REVENUE OVER EXPENDITURES</b>        | -         | 1,593       | -          | -       | -               | 1,593     | (4,042)   | (10,279)  |

Table 5: Consolidated Budget



## INSTITUTIONAL BUDGET RISKS

Although the University has adopted a conservative approach to building the consolidated budget there are still some inherent risks:

| Description    | High/Medium | Description of Risk   |
|----------------|-------------|---|
| One-Time Funds | High        | <p>The University used \$2.4 million in one-time funding to fund term positions in the 2023/24 operating budget. The term positions being funded were considered necessary to deliver our programs and support students. The use of one-time funds is not sustainable for future budgets as once the funds are spent they are gone forever.</p> <p>The University needs to make structural changes as identified in the transformational task force reports. This change management process will be tough, and the University does not have the luxury of time to stage these changes over the long-term horizon.</p> <p>If the transformational task force budget savings or revenue generated are not realized, then further budget reductions will be required which are not strategic and could result in the reduction of essential services.</p>                      |
| Enrolment      | High        | <p>Domestic enrolment is a significant risk for the University. The impact of the COVID-19 pandemic and the faculty labour disruption has resulted in enrolment decline back to 2014-15 levels. To counteract this decline, considerable focus by the entire University community is required to promote the University since any enrolment declines will have a multi-year impact on the budget as the students move through the years to their degree completion.</p> <p>International enrolment has increased significantly over the past several years and this is a bright spot in relation to enrolment numbers and tuition revenues. Increasing international enrolment has been a strategic priority. In Fall 2022 international students comprised 9% of the student population. The average international enrolment at other Canadian universities is 15-20%.</p> |
| COVID-19       | High        | <p>COVID-19 pandemic continues to have an impact on university operations. The University is a destination university so the decline in enrolment from 2020 to 2022 will have a multi-year impact.</p> <p>It is still unknown if student housing, parking, Horns Recreation and many other revenue sources will return to pre-pandemic levels.</p>  |

| Description                             | High/Medium | Description of Risk  |
|---|-------------|--|
| Non-Bargaining Employee Groups          | High        | <p>As a result of the salary restraints imposed by the Provincial Government for non-union employee groups since April 2016, there are significant challenges in recruiting and retaining employees in this group due to compensation salary ranges that are not competitive within the market.</p> <p>The University is embarking on a compensation review project to determine how to achieve fair and equitable compensation levels for employees.</p>  |
| Life cycle                              | High        | <p>Deferred maintenance on teaching and administrative support equipment is a concern due to the aging life of this equipment and risks regarding the availability of funds required to purchase the required replacement equipment. Due to the limited funding available to replace essential equipment, the funding has been pooled and only critical infrastructure is replaced.</p>  |
| Supply Chain and inflation              | High        | <p>Global supply chain challenges started during the pandemic and continues to have a significant impact. The global shortages are creating delays for equipment purchases and capital projects. Product cost escalations have resulted because of lack of supplies and inflationary pressures, which started to rise during the pandemic but are anticipated to continue to escalate in 2023/24.</p>  |
| Investment Management Agreement metrics | Medium      | <p>The Provincial Government introduced at-risk-funding metrics in 2021/22. If the University does not achieve the targets for the established metrics, additional reductions to the institutional operating grant may result. Two new at-risk-funding metrics are included in the 2023/24 Investment Management Agreement (IMA); administrative expense ratio and research commercialization funding. The following are the at-risk-funding metrics in the 2023/24 IMA:</p> <ul style="list-style-type: none"> <li>• Work integrated learning</li> <li>• Domestic enrolment</li> <li>• Employment of graduates in program related jobs</li> <li>• Administrative expense ratio</li> <li>• Research commercialization</li> </ul> <p>Mitigation strategies include negotiating with the Government realistic and achievable metric targets.</p> |

| Description                | High/Medium | Description of Risk   |
|----------------------------|-------------|---|
| Information Technology(IT) | High        | <p>Information technology risks include significant business interruptions that may prohibit the University from continuing normal operations for some period of time, IT contract expenses increasing due to exchange rates and increasing cost of “software as a service”, risk of a significant cybersecurity event is increased as attacks increase, and lack of IT resources to handle the day to day operations and risk mitigation strategies.</p> <p>These risks are growing every year as the institution continues to implement technology that has long term maintenance, hardware costs, and ongoing licensing components. There has been a significant increase in the number of vendors charging based on subscription licenses and licensing costs per computer. This results in a substantial increase in costs over the life of the contract.</p> <p>Risk mitigation strategies include updating business continuity plans, monitoring and control of expenses and IT investments, increased compliance with security training, and the possibility of contracting IT resources to ensure have adequate resources available.</p> |
| Campus infrastructure      | Medium      | <p>The financial ability to maintain and replace critical campus infrastructure with limited funds available may put the institution at risk if a major system fails, thus prohibiting the University from continuing normal operations.</p> <p>Continuous campus maintenance planning and monitoring of essential systems is crucial in managing this risk. Capital maintenance funding is received from the Provincial Government and keeping the Government informed of our critical needs is essential.</p>   |

To mitigate these institutional budget risks the University continues to investigate alternative revenue sources.

## ADDITIONAL BUDGET INFORMATION

Recognizing the development and preparation of the University's operating budget is a very complex process, "Budget Briefs" have been created and are updated annually to explain different aspects of the University's operating budget. The website link to the “Budget Briefs” is: <https://www.uleth.ca/budget-finance/budget-briefs-0>.

## APPENDIX A – Summary of General Operating Revenue

| SUMMARY OF UNIVERSITY OPERATING REVENUES<br>2023-2024 Operating Budget |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2021-2022          | 2021-2022          | 2022-2023          | 2022-2023          | 2023-2024          |
|  | Original Budget    | Actuals            | Original Budget    | Actuals            | Original Budget    |
| <b>REVENUES</b>  |                    |                    |                    |                    |                    |
| <b>Student Tuition and Fees</b>  |                    |                    |                    |                    |                    |
| Student Tuition  | 42,379,660         | 37,293,914         | 44,815,797         | 48,079,751         | 49,247,196         |
| <b>Subtotal Tuition</b>  | <b>42,379,660</b>  | <b>37,293,914</b>  | <b>44,815,797</b>  | <b>48,079,751</b>  | <b>49,247,196</b>  |
| <b>Special Program Fees</b>  |                    |                    |                    |                    |                    |
| Graduate Certificate/Graduate Diploma Fees                             | -                  | 93,842             | 180,405            | 115,834            | 118,674            |
| Master of Arts Fees  | 1,731,979          | 1,077,257          | 302,470            | 472,879            | 493,762            |
| Master of Science Fees   | -                  | -                  | 1,011,880          | 836,479            | 854,489            |
| Master of Education Fees   | 635,840            | 530,248            | 265,835            | 670,897            | 636,981            |
| Master of Science Management Fees                                      | 200,000            | 82,913             | 228,880            | 117,610            | 121,214            |
| Master of Counselling Fees   | 335,600            | 228,263            | 77,600             | 231,190            | 248,669            |
| Master of Nursing Fees   | 229,276            | 72,655             | 51,960             | 96,464             | 72,633             |
| Master of Health Services Management Fees                              | -                  | 165,271            | 226,745            | 142,963            | 185,634            |
| Master of Music Fees   | -                  | -                  | 22,260             | 15,099             | 27,915             |
| Master of Fine Arts Fees   | -                  | -                  | 45,610             | 58,808             | 87,998             |
| Doctor of Philosophy (Ph.D.) Fees                                      | 860,000            | 770,928            | 974,100            | 849,150            | 943,111            |
| Doctor of Philosophy (Ph.D.) - Education Fees                          | -                  | 7,239              | 18,750             | 6,145              | 6,594              |
| <b>Subtotal Special Program Fees</b>                                   | <b>3,992,695</b>   | <b>3,028,617</b>   | <b>3,406,495</b>   | <b>3,613,518</b>   | <b>3,797,674</b>   |
| <b>Incidental Fees</b>   |                    |                    |                    |                    |                    |
| Student Administration Fees  | 3,381,200          | 2,938,770          | 3,397,620          | 3,894,564          | 3,797,620          |
| Music Conservatory Fees  | 815,518            | 375,362            | 646,768            | 438,741            | 446,768            |
| Music Studio Differential Fees   | 110,860            |                    | 115,775            | 76,207             | 115,775            |
| Coop Fees  | 207,818            |                    | 241,447            | 175,577            | 241,447            |
| Athletic & Recreation Services Fees                                    | 1,939,664          | 1,070,277          | 1,547,000          | 1,333,646          | 1,347,000          |
| English Language Fees  | 658,865            | 550,265            | 657,627            | 555,574            | 657,627            |
| Other Miscellaneous Fees   | 1,859,785          | 1,523,936          | 1,682,597          | 1,878,516          | 1,746,595          |
| <b>Subtotal Incidental Fees</b>  | <b>8,973,710</b>   | <b>6,458,610</b>   | <b>8,288,834</b>   | <b>8,352,825</b>   | <b>8,352,832</b>   |
| <b>Total Tuition and Fees Revenues</b>                                 | <b>55,346,065</b>  | <b>46,781,141</b>  | <b>56,511,126</b>  | <b>60,046,094</b>  | <b>61,397,702</b>  |
| <b>Other Revenues</b>  |                    |                    |                    |                    |                    |
| Government of Alberta Grants   | 100,291,374        | 104,913,973        | 95,207,453         | 100,135,114        | 95,517,453         |
| Federal and Other Government Grants                                    | 2,665,914          | 4,101,112          | 2,199,842          | 3,547,001          | 2,199,842          |
| Donations and Other Grants   | 175,625            | 980,117            | 175,625            | 1,051,180          | 143,500            |
| Investment Income  | 4,750,000          | 28,571,527         | 5,000,000          | 8,153,813          | 5,000,000          |
| External Cost Recoveries   | 5,119,896          | 4,624,862          | 5,803,457          | 5,551,977          | 5,552,919          |
| <b>Total Other Revenues</b>  | <b>113,002,809</b> | <b>143,191,592</b> | <b>108,386,377</b> | <b>118,439,086</b> | <b>108,413,714</b> |
| <b>Total Tuition and Other Revenues</b>                                | <b>168,348,874</b> | <b>189,972,733</b> | <b>164,897,503</b> | <b>178,485,180</b> | <b>169,811,416</b> |
| <b>Budgeted reserve transfers</b>                                      | <b>-337,500</b>    |                    | <b>609,500</b>     |                    | <b>380,000</b>     |
|  | <b>168,011,374</b> | <b>189,972,733</b> | <b>165,507,003</b> | <b>178,485,180</b> | <b>170,191,416</b> |

## APPENDIX B – Summary of General Operating Expenditures

| SUMMARY OF UNIVERSITY OPERATING EXPENSES<br>2023-2024 Operating Budget, by Object |                 |             |                 |             |                 |
|---|-----------------|-------------|-----------------|-------------|-----------------|
|   | 2021-2022       | 2021-2022   | 2022-2023       | 2022-2023   | 2023-2024       |
|   | Original Budget | Actual      | Original Budget | Actuals     | Original Budget |
| Salaries  | 110,498,099     | 99,008,580  | 106,002,133     | 102,367,542 | 110,108,553     |
| Employee benefits   | 22,375,681      | 19,821,501  | 21,752,822      | 19,318,373  | 21,788,084      |
| Scholarships and Bursaries  | 3,820,671       | 7,778,063   | 3,588,818       | 2,945,575   | 3,505,261       |
| Supplies and service  | 9,873,049       | 7,455,509   | 10,421,371      | 8,425,960   | 9,958,154       |
| Maintenance and repairs   | 535,439         | 1,145,134   | 559,939         | 780,889     | 568,174         |
| Cost of goods sold  | 3,000           | 481,885     | 3,000           | 515,310     | 3,000           |
| Equipment   | 836,015         | 1,478,065   | 526,933         | 1,722,205   | 564,823         |
| Travel  | 1,529,534       | 674,870     | 1,847,813       | 2,199,624   | 1,988,785       |
| External contracted services  | 5,774,407       | 6,244,155   | 6,290,245       | 6,146,170   | 6,566,875       |
| Utilities   | 3,441,496       | 4,639,075   | 5,976,677       | 5,863,431   | 7,382,952       |
| Professional fees   | 1,824,644       | 2,198,257   | 2,005,431       | 3,130,696   | 2,099,581       |
| Interest on long term obligations   | 1,152,000       | -541,021    | -962,000        | -357,769    | -846,128        |
| Loss (gain) on disposal of capital assets   | 0               | 14,853      | 0               | -50,086     | 0               |
| Insurance   | 1,304,493       | 1,300,055   | 1,535,111       | 1,261,645   | 1,322,097       |
| Property taxes  | 1,500           | 2,632       | 1,500           | 2,220       | 1,500           |
| Amortization of tangible capital assets   | 7,600,000       | 20,156,991  | 6,550,000       | 19,808,310  | 6,860,000       |
| Internal cost recoveries  | -1,985,780      | -3,226,771  | -1,872,780      | -3,874,109  | -1,775,265      |
|   | 168,584,248     | 168,631,833 | 164,227,013     | 170,205,986 | 170,096,446     |
| Total net budget in capital projects and  | -572,875        |             | 1,279,990       |             | 94,970          |
| Total operating budget  | 168,011,373     |             | 165,507,003     |             | 170,191,416     |

| SUMMARY OF UNIVERSITY OPERATING EXPENSES<br>2023-2024 Operating Budget, by Function |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2021-2022          | 2021-2022          | 2022-2023          | 2022-2023          | 2023-2024          |
|   | Original Budget    | Actuals            | Original Budget    | Actuals            | Original Budget    |
| <b>EXPENDITURES</b>   |                    |                    |                    |                    |                    |
| <b>Academic Units</b>   |                    |                    |                    |                    |                    |
| Arts & Science  | 40,638,802         | 36,081,253         | 38,983,838         | 38,967,653         | 38,217,550         |
| Education   | 8,587,776          | 7,614,430          | 7,715,086          | 7,494,958          | 7,125,641          |
| Dhillon School of Business  | 11,642,328         | 10,533,712         | 10,954,889         | 11,112,352         | 10,838,188         |
| Fine Arts   | 11,836,034         | 10,205,781         | 10,976,069         | 11,200,127         | 10,400,190         |
| Health Sciences   | 7,455,334          | 7,172,608          | 7,974,349          | 8,082,782          | 7,566,019          |
| School of Liberal Education   | 568,434            | 602,579            | 638,102            | 697,199            | 756,224            |
| Calgary Campus  | 582,284            | 650,630            | 450,180            | 376,638            | 511,842            |
| Graduate Studies  | 5,064,272          | 4,401,609          | 5,125,178          | 4,781,431          | 5,124,772          |
| Library   | 3,387,496          | 3,326,235          | 3,200,398          | 3,361,575          | 3,312,193          |
| Library - Acquisitions  | 2,301,085          | 2,382,847          | 2,301,085          | 2,396,858          | 2,252,885          |
| Faculty Travel  | 152,600            | 7,964              | 152,600            | 94,409             | 152,600            |
| Study Leave Removal Fund  | 35,000             | 19,152             | 35,000             | 43,598             | 35,000             |
| Research Grants   | 203,700            | 10,790             | 203,700            |                    | 203,700            |
| Faculty Retention - Board Chairs  | 337,750            | 28,985             | 337,750            | 31,500             | 337,750            |
| Faculty Retention - Course Relief   |                    |                    |                    |                    |                    |
| <b>Total Academic Units</b>   | <b>92,792,895</b>  | <b>83,038,575</b>  | <b>89,048,224</b>  | <b>88,641,080</b>  | <b>86,834,554</b>  |
| <b>Support Units</b>  |                    |                    |                    |                    |                    |
| Office of the President   | 759,840            | 859,467            | 944,091            | 1,027,556          | 988,130            |
| Board of Governors  | 253,114            | 204,334            | 268,390            | 269,336            | 279,948            |
| Development & Alumni Relations  | 842,854            | 1,209,588          | 971,074            | 1,218,382          | 1,175,131          |
| Communications & PR & Government Relations  | 1,744,340          | 1,811,864          | 1,683,589          | 1,986,570          | 1,968,123          |
| Vice President (Academic)   | 1,288,348          | 1,310,667          | 1,407,285          | 1,619,627          | 1,513,539          |
| Teaching Centre   | 915,418            | 1,003,692          | 1,043,046          | 1,083,884          | 1,140,017          |
| Institutional Analysis  | 430,696            | 423,472            | 437,423            | 444,311            | 456,617            |
| Scholarships  | 1,960,041          | 1,829,372          | 1,729,318          | 1,432,212          | 1,645,761          |
| Student Affairs   | 7,706,451          | 7,907,970          | 8,117,002          | 8,662,647          | 8,528,056          |
| International   | 2,365,719          | 1,638,872          | 2,591,496          | 1,823,325          | 2,624,612          |
| Vice President (Research)   | 2,218,425          | 2,516,420          | 2,435,332          | 2,388,819          | 2,431,484          |
| Vice President (Administration & Finance)   | 568,797            | 562,791            | 587,576            | 565,145            | 615,972            |
| Sports & Recreation Services  | 4,476,792          | 3,861,690          | 4,481,338          | 3,701,323          | 4,449,159          |
| In House Legal Counsel  | 544,740            | 498,390            | 549,302            | 380,496            | 382,548            |
| Internal Audit  | 210,193            | 201,892            | 218,377            | 217,025            | 227,885            |
| Information Technology  | 8,719,832          | 10,553,174         | 10,100,361         | 9,523,209          | 9,911,433          |
| Financial Services  | 3,744,065          | 3,709,147          | 3,516,209          | 3,857,336          | 3,625,142          |
| Facilities  | 12,245,932         | 13,329,682         | 14,980,756         | 14,521,355         | 16,915,063         |
| Campus Security   | 1,985,803          | 2,059,340          | 1,986,167          | 1,941,062          | 1,905,148          |
| Human Resources   | 1,702,906          | 1,837,444          | 1,560,574          | 1,950,923          | 1,740,535          |
| Interdepartmental - Ancillary   | -2,056,070         | -2,433,001         | -2,432,970         | -2,449,921         | -2,867,098         |
| Position Funds  | 6,429,753          |                    | 5,818,973          |                    | 9,035,908          |
| Salary Contingency  |                    |                    |                    |                    |                    |
| General Contingency   | 1,134,754          | -1,019             | 500,000            | 29,472             | 1,786,512          |
| Central Administration  | 14,925,732         | 32,136,387         | 12,864,069         | 25,736,947         | 12,777,235         |
| Strategic Priorities  | 1                  | 1,843,709          |                    | 3,796,495          | 1                  |
| Non-Recurring/Carry Forward   | 2                  | 1,018,043          | 1                  | 828,751            | 1                  |
| <b>Total Support Units</b>  | <b>75,118,478</b>  | <b>89,893,387</b>  | <b>76,358,779</b>  | <b>86,556,287</b>  | <b>83,256,862</b>  |
| Appropriations: Capital Projects  | 100,000            | 505,638            | 100,000            | -676,926           | 100,000            |
| <b>Gain (loss) on disposal of capital assets</b>                                    |                    | <b>14,853</b>      |                    | <b>-50,086</b>     |                    |
| <b>Total Operating Expenditures Including Capital</b>                               | <b>168,011,373</b> | <b>173,452,453</b> | <b>165,507,003</b> | <b>174,470,355</b> | <b>170,191,416</b> |
| Net capital projects and Internal transfers   |                    | 4,820,620          |                    | 4,264,369          |                    |
| <b>Total Operating Expenses</b>   |                    | <b>168,631,833</b> |                    | <b>170,205,986</b> |                    |

## APPENDIX C – Budget Advisory Committee Membership

### 2023/24 Budget Planning

|                             |  |   |
|-----------------------------|--|---|
| <b>Co-Chairs:</b>           | Provost & Vice-President (Academic)                                | Erasmus Okine   |
|                             | Vice-President (Finance & Administration)                          | Nancy Walker  |
| <b>Membership:</b>          |  |   |
|                             | Vice-President (Research)  | Dena McMartin   |
|                             | Vice-President (External Relations)                                | Kathy Greenwood                                       |
|                             | Deputy Provost   | Michelle Helstein                                     |
|                             | Associate Vice-President (Finance)                                 | Cathy Kanashiro<br>Carrie Takeyasu (to December 2022) |
|                             | Dean (appointed by the President)                                  | Kerry Godfrey   |
|                             | Associate VP or Executive Director<br>(appointed by the President) | Kathleen Massey                                       |
|                             | Associate VP or Executive Director<br>(appointed by the President) | TJ Hanson   |
|                             | Undergraduate Student  | Karivee Bhatt   |
|                             | Graduate Student   | Lauren Zink   |
|                             | Academic Staff Member  | Shawn Bubel   |
|                             | Non-Academic Staff Member  | Mandy Moser   |
| <b>Resource:</b>            |  |   |
|                             | Associate Vice-President (Human Resources)                         | Vacant  |
|                             | Executive Director, Communications,<br>Marketing & Gov't Relations | Richard Westlund                                      |
|                             | Director, Resource Planning  | Marnie Sawa   |
| <b>Recording Secretary:</b> |  | Joey Grace-Sutton                                     |