



# University Budgeting Process

# How large is the deficit?

Forecast budget for 2012-2013:

Earned Capital Contributions	8,299,000
Amortization	12,990,000
Non-cash difference	(4,691,000)
Deficit	(5,841,599)

- During, 2010-2011, both earned capital contributions and amortization were increased by \$3,000,000 to reflect completion of capital projects.

# Where does the excess cash go?

- In 2010-2011, the difference was \$4,450,000 and the excess of revenue over expense was \$93, for a total of \$4,450,093
- Except for the \$93, it should all be allocated to capital reserve funds such as residence renewal, recreation equipment reserve, technology, and parking and transportation
- Should any be allocated for new facilities?

# In how many ways are we going to slay the deficit?

- January 26, Budget Advisory Committee: budget managers will be asked to develop -2% and -4% scenarios on February 3
- February 9: 2% increase in operating grants announced (\$1,708,659)
- February 13: forecast tuition fee revenue reduced by 1.77% (\$870,214)
- Hoped for \$1.7M from tuition normalization not included in budget

# In how many ways are we going to slay the deficit?

- Departments asked to cut 3%
- In future years, the instructional budget will be developed on the basis of credit hours and not teaching hours. At that point if departments and Faculties want to have more teaching than credit hours in a course they will have to make other adjustments to accommodate that approach.
- If the negotiating committees would accept no salary increase, then the budget problem would be solved!

# Curriculum Change Process

- Editorial changes are non-substantive changes that do not alter or affect the substance of curriculum, programs, or policies
- Registrar is responsible for approving editorial changes and has been made responsible for preparing a list of what he will consider to be editorial
- Has included “change in delivery” on this list
- But the Registrar only approves editorial changes and it is the originator of a curriculum submission who determines whether the change is substantive or editorial
- Substantive changes go to APPC and GFC, regardless of budget

# Is this strategic budgeting?

- Why didn't they start in the fall?
- Do across the board cuts make sense? Should we not attempt to protect our core business of classroom instruction and cut it less?
- Many of the cuts proposed in academic units will only save money by reducing the number of sections taught by part-time faculty, which is where the university gets the most value per dollar spent.

# How is the U of C faring?

**uCalgary to cut back on enrolment to help balance budget:** Enrolment at the University of Calgary is expected to be reduced by as many as 500 students, the institution announced Tuesday as it posted a balanced budget and a nominal tuition fee increase. After facing a shortfall of nearly \$50 million over the past few years, uCalgary is now in the black due to a 2% increase in its operating grant. The institution has also opted to raise tuition by 1.45%, the maximum under provincial law, as tuition increases in Alberta are capped to inflation. To help keep the books in order, uCalgary will be cutting enrolment by between 300 and 500 students.



# uCalgary

The institution's VP of finance says despite the grant increase from the province, the university still faced a shortfall of over \$14 million for the coming fiscal year -- about 1% of the overall budget -- a gap that was met by making small savings, such as installing a cogeneration power plant and changing how the institution photocopies documents. Although it is increasing tuition fees, uCalgary has put off fully phasing in a \$450 mandatory non-academic fee until the 2013-14 academic year.

**Comments?**