



2010/11 ESTIMATES OF OPERATING REQUIREMENTS

SEPTEMBER 2009



UNIVERSITY
OF MANITOBA

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PREAMBLE

“Education and training are the cornerstone of our economy. To keep moving forward and building our province’s future, we will continue to invest in our greatest resource – the people of Manitoba.”

The Honourable Gregory F. Selinger, Minister of Finance, excerpt from “Building Manitoba’s Future”, 2009 Manitoba Budget Address, March 25, 2009.

The University of Manitoba is western Canada’s first university, grown from three colleges when founded in 1877, to the largest, most recognized and most comprehensive institution of higher learning in the region. The university confers degrees in more than 80 programs with over 50 at the undergraduate level. In a typical year, enrolment levels reach up to 27,000 students of which 3,000 are graduate students. Representing 100 countries, nearly 9 per cent of our current students are international. Our university community also includes 3,400 academic staff, 4,400 support staff, and 120,000 alumni.

The legacy left by our first benefactor, Alexander Kennedy Isbister, to provide access to education to all, regardless of sex, race, creed, language or nationality, continues today. The University of Manitoba has a long and proud history of educating future leaders in our communities, building on the commitment to provide exceptional education to all who wish to learn. The University of Manitoba’s comprehensive list of programs continues to diversify with the creation of innovative programs and curricula, transcending academic boundaries. For many new to the university experience, University 1 provides a hands-on approach to first year study, designed to assist students in finding a path that best suits their interests and abilities by providing a flexible and supportive environment. In partnership with Aboriginal, First Nations, and Métis regions, the University of Manitoba offers distance education programs and inner city degree and certification programs.

For more than 100 years, the University of Manitoba has been a research intensive institution, leading innovations in science and technology. From the development of canola and the elimination of Rh disease in newborns to significant advances in functional foods and nutraceuticals and landmark discoveries in the fight against HIV/AIDS, the University of Manitoba continues to earn international acclaim in research and be at the forefront of innovation. Striving to develop solutions to global and domestic issues, researchers at the University of Manitoba endeavor to find solutions to the many challenges of our time. By sharing in the quest for an HIV/AIDS vaccine, initializing applications in nanotechnology and conducting research on climate change, our scholars and scientists are developing new methods to improve our health, advance technology, and protect the environment.

Integral to the provincial economy, the University of Manitoba stimulates in excess of \$1.5 billion annually in economic activity. By providing higher education, the University of Manitoba delivers skills and knowledge critical to the job market in the midst of a recession. By building partnerships and relationships with business and industry the university is a main vehicle in providing new market discoveries. From finding solutions to urban and Aboriginal poverty via micro-financing and economic development initiatives in the inner-city, to providing a business incubator to develop high tech start ups, the University of Manitoba maintains its impact on the provincial economy.

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A recognized provincial and global leader, the University of Manitoba is central to the vitality of many national and international communities. Our dedicated staff and students enrich the lives of rural and urban cultures, enhancing recreational education and entertainment landscapes. Contributing to communities here and abroad, whether helping Tanzanian villagers become computer literate through the “Engineers Without Borders” program, delivering oral health care to thousands of children from low income homes through the “Dental Outreach Program”, or working in El Salvador to improve access to the community’s fresh water source through the UMSU/Student Life Alternative Spring Break program, the University of Manitoba continues to have a humanitarian impact both domestically and globally.

Today more than ever before, Manitobans acknowledge that higher education is vital to the future prosperity of the province, and recognize the important role post-secondary institutions play in providing vital economical, educational, environmental, and cultural stimulus, thereby enhancing the social well being of its citizens. In Manitoba Budget 2009, the Minister’s message in building Manitoba’s future emphasizes “Moving Forward with Education and Training”, reiterating the belief that an investment in developing the skills and knowledge of our citizens through education is an investment in our economic growth and prosperity. The University of Manitoba has the potential and the ability to help the Province of Manitoba achieve its strategic plan.

Increased funding to the University of Manitoba will help us to provide access to exceptional and affordable education by offering expansive and diverse programs, increasing our visibility and attracting more national and international students. This partnered with the Manitoba tuition fee income tax rebate will help to achieve a mutual vision of building a stronger Manitoba by retaining skilled workers thereby meeting labour market demand for knowledgeable professionals.

This much appreciated financial support will allow the University of Manitoba to enrich the student experience by focusing on an enrolment and customer service management plan that supports interaction with students and encourages their participation in research programs. Continued provincial support will enable us to strengthen our connection with the Aboriginal community and increase the graduation rates of our Aboriginal students. This will be accomplished by diversifying the program offerings making it attractive for Aboriginal students to be successful in the full range of available programs.

Enhanced Provincial investment in the University of Manitoba will allow us to continue to contribute to both culture and community and offer a progressive work environment for our staff. Demonstrated by the influx of planned or in progress developments such as Project Domino, the University of Manitoba will focus on providing scholars, researchers, staff and faculty a vibrant campus community fulfilling the university common mission of teaching, research and public service. By celebrating achievements and promoting open and respectful lines of communication, the University of Manitoba will offer continued vitality in an ever changing and dynamic work environment.

Through continued investment in the University of Manitoba, the Province of Manitoba encourages socio-economic stability, empowering its citizens to succeed by challenging themselves to grow through higher education. Enhanced funding will allow the University of Manitoba to fulfill its mission in seeking greatness and enabling transformation. In the eloquent words of our President, Dr. David T. Barnard in his installation address, this means to “...commit ourselves to finding out how far we can go together, to reaching for greatness at the University of Manitoba as we enhance our capacity to make transformative contributions to individual lives and to the community.” (*Seeking Greatness, Enabling Transformation, October 28, 2008, p. 6*).

ACKNOWLEDGMENTS

The University of Manitoba respectfully acknowledges The Council on Post-Secondary Education (COPSE) and the Province of Manitoba and is grateful for their continued support in 2009/10. Noted specifically are the following:

- (a) The base operating grant for 2009/10 was increased by \$11,822,000 or 4.5%.
- (b) Tuition fee increases of up to 4.5% were permitted by the Province of Manitoba effective September 2009. This is the first tuition fee increase (except for those authorized for specific programs) since the 10% tuition reduction and freeze was implemented by the Province of Manitoba in 1999-2000.
- (c) The 10% tuition rebate program has been discontinued and the existing rebate grant of \$8,134,900 has been rolled into the base operating grant reflecting the provincial change in the tuition fee policy.
- (d) Funding of \$714,000 was allocated to the Physician Assistant Graduate Studies Program as the second and last installment of a two-year commitment to provide \$1,439,000.
- (e) Funding of \$603,000 was also allocated to support the additional intake of undergraduate medical students (100 seats). This represents the fifth installment against a five-year commitment to provide \$3.3 million in ongoing operating funding. An additional \$2,047,200 will be provided over a three year period to support a further ten seat expansion (to 110 seats) of which the second installment of \$303,000 was allocated in 2009/10.
- (f) Funding of \$111,000 was allocated to expand graduate Nursing, representing an additional 16 seats.
- (g) Funding of \$415,800 was received from the Strategic Program Envelope in support of the Internationally Educated Engineers Qualification Program (IEEQ). This represents a portion of the third installment of a \$1,039,200 base funding commitment. The University expects to receive an additional budget-only allocation of \$543,100 from other Provincial Government Departments in the current fiscal year.
- (h) Additional funds of \$149,700 were received in support of the Health Sciences Libraries funding agreement, of which \$125,000 was received for Community Funded Agencies.
- (i) The Access grants were increased by \$157,600 (or 4.5%) over 2008/09. An additional \$188,000 was also provided to reflect the requirements for the expansion of the Aboriginal cohort within the undergraduate nursing program. The total Access funding for 2009/10 is \$3,836,100.
- (j) In total, the University received an adjusted base operating grant of \$280,303,000 for fiscal year 2009/10.

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- (k) In supporting the University of Manitoba's efforts to deliver accessible programming, COPSE approved our request to supplement the attendance to a four year undergraduate program at the Faculty of Medicine by a hearing-impaired student. Total support over a four-year period is \$800,000 with \$200,000 from the Department of Family Services and Housing and the remaining \$600,000 funding from COPSE.
- (l) In July, the University of Manitoba also received \$30,000 in one-time funding from the System Restructuring Envelope in support of the Inter-Professional Education (IPE) initiative.
- (m) The COPSE major capital grant was approved by COPSE in June. Total funding for the 2009/10 Fiscal year is \$2,975,000, which includes \$600,000 for Building upgrades, \$545,000 for Asbestos Abatement, \$500,000 for Fire Safety non-compliance, and \$1,330,000 for Window Replacement. The COPSE minor capital grant allocation of \$3,020,000 for renovations and equipment was continued.
- (n) The University of Manitoba gratefully acknowledges the ongoing support received by COPSE, Advanced Education and Literacy, Finance and the Province in providing the \$150 million in capital debt financing. This funding has allowed the University of Manitoba to make significant progress in addressing the most serious health and safety issues, deferred maintenance, technology upgrades and construct revenue producing facilities.
- (o) The Manitoba Scholarship and Bursary Initiative (MSBI) matching commitment will be \$2,121,000 for 2009/10. MSBI matching funding of \$2,121,000 was received in 2009/10. These funds will be used to support scholarships and bursaries for our students in 2009/10.
- (p) We are delighted that the Province continued to fund its system-wide commitment of \$2 million in support of the Manitoba Graduate Scholarship (MGS) Program for 2009/10. In 2008/09, \$1,860,000 was received from the Province of Manitoba in support of MGS recipients attending the University of Manitoba. The University continues to receive generous contributions from its donors, increasing the value of fellowship funds available to graduate students. We must continue to work with all stakeholders in Manitoba to build upon these successes.
- (q) The University of Manitoba is extremely pleased that the Province of Manitoba has committed \$47 million in support of Project Domino; a \$150 million multiyear project which involves a dramatic redevelopment of existing facilities and new facilities benefitting 13 faculties and units. Plans are underway for the relocation of the Marcel A. Desautels Faculty of Music and the School of Art to what is now Tache Residence and the ART Lab.
- (r) We are most grateful to the Province of Manitoba for the overall allocation of \$26.25 million to address critical deferred maintenance requirements.
- (s) The Province provided financial support during fiscal 2008/09 for the University's research activities, notably funds received under the Manitoba Research Innovations Fund (\$2,200,000) in support of successful awards received from the Canada Foundation for Innovation, the Manitoba Centres of Excellence Fund (\$649,915), and the Health Research Infrastructure Initiative (\$960,000).

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The following sections correspond with the request for specific information on the University of Manitoba's Operating Budget Estimates contained in the May 15th, 2009 letter from the Secretary of COPSE.

It is important to note that the University of Manitoba recognizes that the level of grant increase reflected in this document is much larger than we expect to receive. We are also cognizant of the fact that it is not reasonable to increase tuition fees by the percentages referenced. We realize that the Province of Manitoba has been impacted by the global economic downturn and that our 2010/11 budgeting process will require larger adjustments to bring activities and costs into alignment with priorities. Through the engagement of the University of Manitoba community in a major review of systems, processes, services and programs, we will examine all possible options to address the serious budget constraints in 2010/11 and beyond within the content of our new strategic planning framework.

PART 1 - BASE BUDGET INFORMATION

1. 2010/11 BASE LEVEL BUDGET

- (a) **Attachment A - Schedule A** (2010/11 Estimates of Operating Requirements, Consolidated Schedule of Operating Expenditures) sets out a two-year historical comparison (2007/08 and 2008/09) of actual revenues and operating expenses for the University, the budgeted revenues and expenses for 2009/10 and the projected revenues and expenses for 2010/11 which provide an estimate of the University's operating budget for 2010/11. Schedule B sets out the Operating Expenditures by Faculty, School and Administrative Unit as well as General Expenditures such as utilities and library acquisitions. Schedule C sets out the inflationary and other parameters used for developing the Estimates.
- (b) The 2010/11 Estimates of Operating Requirements maintain only the 2009/10 level of programming, services, capital equipment and renovations and make no provision for additional programming. Included in the 2010/11 Estimates is the requirement for baseline funding to maintain program costs and the level of service provided by staff supported by budget-only funds. In addition, the Estimates are based on negotiated or anticipated settlements with our eight bargaining units. As a result, a scale increase plus increments, as appropriate, have been factored into the salary estimates based on anticipated and previously negotiated settlements. Collective agreements with most of our major bargaining units expire in the current fiscal year. As there is significant amount of uncertainty in the collective bargaining process, the projected deficit of \$36 million can only be our best estimate of the projected financial results for 2010/2011
- (c) **A base grant increase of 12.9% or \$36.4 million is required to sustain the 2009/10 programming levels, assuming no tuition fee increases are implemented. If a 4.5% tuition fee increase is implemented, an 11.6% base grant increase would be required to make up the shortfall. In the absence of a base operating grant increase, a 41.1 % tuition fee increase would be required to eliminate the \$36.4 million deficit in 2010/11.**

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2. BOARD-APPROVED OPERATING BUDGET FOR 2009/10

At the May 19, 2009 meeting of the Board of Governors, the Board approved the University of Manitoba's general operating budget of \$487,161,820 for fiscal year 2009/10. Through the University's rigorous resource allocation process that begins in the fall of each year, academic and support units are asked to develop three-year strategic plans which contain their strategic priorities, together with their funding requirements. The unit plans are then reviewed by the President and Vice-Presidents, strategic priorities are identified and a list of strategic resource allocations is developed. This list of strategic resource allocations is brought forward to the President's Budget Advisory Committee for comments and recommendations. Through this process, \$32.9 million in baseline and \$6.5 million of one-time only requirements were identified under the University's strategic priorities by faculties, schools and support units.

For attachment B (Operating Budget for 2009-2010) see:

http://www.umanitoba.ca/admin/vp_admin/budget_index.html

3. PROPOSED INCREASES AND INSTITUTIONAL PRIORITIES

Throughout the 2008/09 academic year and continuing into 2009/10, the University of Manitoba was focused on the development of a new strategic planning framework. Over the course of several months, many discussions took place with faculty, staff, students and members of the broader community about the kind of institution the university should aspire to be and, in pursuing this aspiration, what priorities should be paramount. These discussions culminated with the June 2009 approval by the Board of Governors and Senate, for the purposes of planning, of a new strategic planning framework for the university.

As noted in the framework, "... the university is in a significant period of change, partly in response to a global economic situation unlike anything that has occurred in our lifetimes, the ending of the previous planning period and changes in the senior administrative ranks including the installation of a new President. We have been presented with an opportunity to assess how the university has been achieving its mission and to identify desired adjustments to move into the next decade and to evolve as a learning organization that can respond and adapt to an unpredictable and turbulent external environment."

The planning framework will act as a guide to the major decisions that are made at the university, including program choices, organizational structures, and resource allocation. Recognizing that no organization can pursue all options, a means of discriminating among them is crucial. The university has developed a decision-making framework which provides a great deal of scope for members of our community to contribute to the university's priorities, yet identifies a dedicated focus in the areas described below.

The University is seeking incremental funding support from the Province of \$5.5 million, equivalent to approximately 2% of the 2009/10 operating grant, to support these strategic priorities. This will supplement the University's own efforts to allocate funds specifically to the priorities identified in the planning framework. In developing the 2009/10 budget, the university set aside some funds that would allow for the implementation of some of the initiatives that will be required to translate this plan into action. These include, based on advice received from the Senate Planning and Priorities Committee, three new academic programs which have been approved by Senate and the Board of Governors, the first of which has been approved by COPSE, and the latter two which will

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be submitted to COPSE for formal approval: an undergraduate program in Jazz Studies (\$166.9 in 2009/10, growing to \$425.7 in 2013/14) and a Master's Degree in Fine Arts (\$137.7 in 2009/10, growing to \$611.9 in 2013/14), both of which firmly connected to the university's focus on culture and creativity; and a joint Master's (with the University of Winnipeg) in Peace and Conflict Studies, linked to the university's focus on human rights (\$109.1 in 2009/10, growing to \$231.1 in 2013/14).

A small allocation was made to seed initiatives identified by faculties, schools and units that address the priorities in our planning framework. In addition, on an ongoing basis the university will be seeking to identify external partners and supporters to provide assistance in implementing the priorities identified in the framework.

The strategic priorities included in the new planning framework, for which additional funding support from the Province is being requested, are as follows:

- (a) Providing an outstanding student experience: the university will be focusing its efforts on improvements across the full spectrum of interaction that our students have with and within the university from the time they consider attending, throughout their academic lives and beyond. This will include enrolment management, a quality service orientation in all contact with students; greater opportunity for undergraduate students to participate in research programs; and engagement in the Bologna process in concert with providing international opportunities for our own students and focused international student recruitment.
- (b) Improving Aboriginal Achievement: Creating opportunities for First Nations, Métis and Inuit students and improving levels of attainment has been a long-standing commitment for the University of Manitoba. We have sought to remove barriers to success and, as a result, the university continues to be a leading educator of Aboriginal people in Canada. We know, however, that there is much more that can and should be done. Aboriginal students are consistently under-represented within the overall student body, and have a disproportionately high drop-out rate. These factors suggest that the University of Manitoba needs either to change or supplement its current approaches, in order to better meet students' needs. We are pursuing a long-term goal that would make Winnipeg the national centre of excellence in Aboriginal education, a goal that will require dedicated partnership with other educational institutions, Aboriginal leadership, governments, and communities. As a first step, we have secured sponsorship from TD Bank Financial for a study to identify where our efforts are best-placed.
- (c) Being an outstanding employer: Like all organizations, our ability to fulfill our mandate and achieve our goals is dependent on our people. The University of Manitoba is fortunate to have a wealth of bright and engaged faculty and staff, but our continued ability to function depends on our ability to recruit, retain and develop our people. This, and ensuring that faculty and staff have the appropriate tools in place to do their jobs, is a priority for the university.
- (d) Enhancing academic excellence: Teaching and research are at the core of the university's mandate and the incredible diversity of these endeavors speaks to the value placed upon them both within and outside the university environment. This diversity will continue to be celebrated and supported. At the same time, the university has an opportunity to focus on areas of particular relevance in today's world; to devote specific attention to activities that are unique, draw on strengths from across the university; combine teaching, research and public

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service activities; and connect to provincial imperatives. The University recognizes that, as Manitoba's university, there are disciplines in which we excel which are of vital interest to the province. The following six themes will be of particular importance:

- (i) Healthy, safe, secure and sustainable food and bioproducts;
- (ii) Sustainable Prairie and Northern Communities;
- (iii) Human Rights;
- (iv) Innovations in Public and Population Health;
- (v) Innovative Materials and Technologies; and
- (vi) Culture and Creativity.

In addition to the three academic programs for which the University has been able to allocate funding, COPSE and Senate have approved another four programs for which no funding has yet been identified. We are seeking incremental funding support for these programs, which have estimated full-year costs as follows:

Ph.D Native Studies	\$106.9
B.H.E. (Indigenous Wellness)	\$198.4
B.Sc. (Hon) Forensic Science	\$504.2
B.E.D. (Aboriginal Design & Planning)	\$379.3

Now that the planning framework has been endorsed by the Board of Governors and by Senate, work has been initiated to convert its broad directions into specific action. Over the coming months, the university will be specifying how it plans to proceed with the implementation of initiatives to address its priorities. The university's ability to pursue the priorities outlined in the framework already is constrained by budgetary challenges related to the economic slowdown, minimal growth in revenue, and extraordinary pension costs. Recognizing that the range of potential action could far outpace the availability of resources, the framework provides an opportunity to make judgements related to how available resources should be allocated.

For example, the university's highest current priority in research is the successful attainment of a Canada Excellence Research Chair (CERC) in arctic system science, for which we have been short-listed. One element which will be of paramount importance to the selection committee in considering the university's proposal is the ability to identify local sources of funding to augment the CERC and sustain the CERC program beyond the term of the award. Accordingly, the university has requested, through Science, Technology, Energy and Mines, support of \$500,000 per year for seven years. We are also approaching other potential supporters to solicit their assistance with the CERC.

If the university is successful, the Chair will provide an unprecedented level of federal support for research in an area of provincial, national and international importance. It is also an area which links to our existing expertise, and the priority area of sustainable northern communities identified in the framework. To secure the CERC would affirm the position of the University and, in turn, the province as a key player in the national Science and Technology strategy. As competition for top-level academic staff, research funding and students continues to grow among Canada's universities, the University of Manitoba's ability to earn a CERC and solidify its presence among Canada's leading research-intensive universities is becoming ever more crucial.

The level of competition nationally for the CERCs highlights a growing debate occurring more broadly within the post-secondary sector. The University of Manitoba operates within a national community, or system, of post-secondary institutions. Within this system, there is an ongoing

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discussion about how universities and colleges should be funded and how the programs and services they offer should be structured. The effective implementation of the priorities identified in the University of Manitoba planning framework will provide an opportunity for the university and the province to ensure the continued strength of the Manitoba perspective.

We have purposely not articulated the specific initiatives that will be undertaken in support of these four areas of dedicated focus as much more work must be done before we are able to do so. Suffice it to say that we will be internally redirecting funds as they become available, but in order to make substantive progress a significant provincial investment is required. As projects unfold and ideas emerge, a targeted funding plan will be developed and communicated.

4. IMPACT OF HOLDING 2010/11 GRANTS AT THE 2009/10 LEVELS

If the University's operating grant and tuition fee rates were held to the 2009/10 levels, the funding shortfall during 2010/11 would be approximately \$36.4 million. Included in this figure is \$12.5 million to meet the pension obligation in 2010. Also included are inflationary increases on fuel, hydro and water, library acquisitions, a 20% increase in our insurance premium resulting from the Duff Roblin fire, and anticipated modest increases in salaries for academic and support staff.

Maintaining funding at the 2009/10 level would have a devastating effect on the ability of the University of Manitoba to continue its core activities of teaching and learning, basic and applied research and outreach activities, and to meet its legal obligations with respect to pensions.

To illustrate the magnitude of the problem, a shortfall of \$36.4 million is equivalent to the combined budgets of four faculties (Law, Engineering, Nursing and the Asper School of Business). Or, it is equivalent to the budgets of the Faculties of Arts and Education combined. Obviously, the elimination of entire faculties is not realistic given tenure and collective agreements so the reductions would have to be achieved by a combination of across the board cuts and hiring freezes.

The impact can be summarized as follows:

- (a) The annual pension payments of \$12.5 million, negotiated salary increases, and increases on utilities and insurance premiums are not discretionary expenses and would have to be offset through budget reductions. An across the board cut in the operating budget of 12.1% would be required to generate savings of \$36.4 million. Since most academic and administrative units have over 90% of their budget dedicated to salaries and benefits, significant layoffs would be required as well as cuts in funding for teaching assistants, sessional instructors, graders and markers, supplies for laboratories, etc. Clearly a budget cut of this magnitude could not be achieved in one year and would have to be combined with hiring freezes as detailed below.
- (b) A freeze on all academic hiring would generate savings of approximately \$7-8 million per year. However it could only be achieved with major reductions in courses, laboratories and reductions in student intake especially in professional programs. A major concern would be that we would not meet the standards set by the accrediting bodies which would jeopardize our ability to offer these professional programs. Freezing academic hiring would also have a negative impact on the University's overall research productivity and level of research funding. This, in turn, would result in lower levels of graduate student support and declining graduate student enrolment.

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- (c) A freeze on all support staff hiring would also generate savings of approximately \$5-8 million per year. However, this would impact our ability to sustain the level of support services required in areas such as information technology, physical plant, human resources, security, environmental health and safety, financial services, and libraries. This would have a negative impact on the quality of the educational experience such as reduced library hours of operation or closing of libraries, restricted access and/or closing of computer labs, cleanliness of facilities, and inadequate instructional lab support.
- (d) Cutbacks in technicians, information technology, financial and support services, libraries and laboratory resources would also severely impact our ability to provide a modern, internationally competitive research infrastructure. This would negatively impact our ability to attract and retain top researchers and graduate students, and our ability to compete successfully for external research funding. Put simply, top performers won't come and seldom stay at an institution with a non-competitive research environment.
- (e) Reductions in security and environmental health and safety would expose students and staff to health and safety risks, would compromise our ability to comply with legislative requirements related to Workplace, Safety and Health and animal care. Furthermore, we would not have the manpower required to manage the numerous construction projects currently underway and funded by the Province, the Federal Government (Knowledge Infrastructure Program) and our donors.
- (f) The University would not be able to support the academic areas of excellence identified in the strategic planning framework. In short, a financial shortfall of this order would severely threaten our ability to serve students with innovative academic programs.
- (g) Making budget reductions through freezes on hiring would make it difficult to plan or manage the process. Savings would be achieved in those areas experiencing vacancies which may also be the high demand or priority areas.
- (h) All of the budget cutting strategies detailed above would adversely impact Manitoba's social and economic development, especially the knowledge driven sectors of the Provincial economy.

5. PLANS TO REALLOCATE RESOURCES WITHIN THE INSTITUTION TO HIGHER PRIORITY PROGRAMS AND/OR SERVICES

The Strategic Initiatives Process ("SIP"), established in the spring of 2000, continues to be the principal means by which the University annually realigns its financial resources to advance learning and research in the face of changing academic priorities and institutional initiatives. Whenever an academic vacancy occurs a portion of the baseline salary turnover "savings" are removed from the unit, pooled and redirected by the University to meet strategic objectives and if necessary, to balance the operating budget. To date, approximately \$12.2 million of academic baseline salary "savings" have been reallocated through the SIP to support strategic initiatives and/or to balance the operating budget. The pooled academic salary turnover savings in 2008/09 totaled \$2.9 million.

As referenced in the 2009/10 operating budget materials, a 1% basic budget reduction was applied to most academic and administrative units. The Extended Education Division's baseline was reduced by \$500,000; the baseline subsidies for both the Centre for Higher Education, Research and Development and the Fort Garry/Bannatyne shuttle bus were eliminated. These reductions were pooled and used in the first instance to balance the operating budget. The remaining funds combined with the 2008/2009 SIP turnover savings and additional tuition revenues created a total

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pool of \$4.7 million which was reallocated to address the University's most critical needs and strategic priorities.

The University of Manitoba is on the verge of launching a number of exciting initiatives which will help guide the reallocation of resources to higher priority programs and services. In June, 2009 a facilitated retreat was held with deans and directors of academic units, senior heads of administrative units and members of the executive team. The objectives of the retreat were to:

- Foster a common understanding of the main objectives and priorities of the University, including the need to address serious budget constraints in 2010/11 and beyond;
- Agree on options to pursue in adjusting how the University needs to operate and/or organize itself in order to achieve its objectives.

The retreat commenced with a review of the University's financial situation. Several possible financial models were presented with varying assumptions of the level of grant increases, tuition increases, salary increases, enrolment and pension obligations anticipated for 2010 through 2014. Even with the most optimistic model, the University will be facing a significant budget challenge.

Faced with this information and the desire to avoid further across the board budget cuts, the group then explored and agreed upon a number of both short term and longer term options that could help to address this budget challenge and at the same time enhance service. One of the shorter term solutions was to engage a consultant to lead us through a project similar to one that is currently underway at the University of Calgary. The project is looking at ways to improve service delivery and reduce costs of these functions by eliminating duplication, sharing resources, assessing appropriateness of controls, leveraging technology and application of industry best practices.

Over the summer, the Executive Team has more fully developed the idea for a similar project at the University of Manitoba which is being called the Resource Optimization and Service Enhancement (ROSE) Project. A Request for Proposals has been developed and sent out mid August to consultants asking them to submit proposals by September 4, 2009 commenting on the following deliverables:

- (a) Conduct a thorough review of the current administrative and academic support services across and within all units and faculties.
- (b) Recommend effective and efficient strategies in order to improve services and reduce costs of support functions provided both centrally and in faculties and units.
- (c) Based on observed data, identify, analyze and bring forth feasible recommendations and an action plan for an operating model (decentralized/centralized/other) that is driven to improving service and reducing costs in the short and long term in an efficient and achievable manner.
- (d) Articulate current administrative and academic support processes to key stakeholders and identify a methodology for undertaking this assignment effectively including the use, if possible of benchmarks from the university sector and industry.

In September, a ROSE Project steering committee will be struck co-chaired by the Vice President (Academic) and Provost and the Vice-President (Administration).

Several other initiatives that will target optimizing academic resources and revenue generation opportunities will be launched in the fall. Through these initiatives, we are confident that we can partially address the University's financial challenges and at the same time make the University a

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more efficient and service oriented institution. We do not anticipate, however, being able to fully bridge any funding gap in 2010/11 as many of these initiatives will take time to implement.

6. ACCESS FINANCIAL REPORT BY PROGRAM, IDENTIFYING PRIOR YEAR'S ACTUAL COSTS AND BUDGET PROJECTIONS

For more than thirty years, the University's Access programs have afforded opportunities for many who otherwise would not have been able to participate in post-secondary education. The University takes great pride in these programs. As indicated in Section 3 above, with additional funding from COPSE, we would be able to implement a systematic renewal and expansion of those programs as well as increase our intake of Aboriginal students in undergraduate and graduate programs through focused recruitment initiatives. Attachment C contains financial information on actual expenditures for the fiscal year 2008/09, budget projections for the fiscal year 2009/10 and preliminary budgets for 2010/11 for each of the following Access programs:

- (a) Engineering Access Program;
- (b) Inner-City Social Work Program;
- (c) Northern Bachelor of Social Work Program (Thompson);
- (d) Special Pre-Medical Studies Program;
- (e) University of Manitoba Access Program; and,
- (f) Professional Health Program; and,
- (g) Nursing Access Program.

7. PROJECTED TUITION FEE LEVELS NECESSARY TO ADDRESS RESOURCE REQUIREMENTS

As noted, to maintain only the 2009/10 level of programming, services, capital equipment and renovations and make no provision for additional programming, a tuition fee increase of 41.1% is required. Should the University of Manitoba receive a base operating grant increase of 4.5% (09/10 level), a tuition fee increase of 26.8% would be required to balance the 2009/10 operating budget. While the University has always strived to keep tuition fee increases as low as possible, the gap between the cost of maintaining competitive, high-quality academic programs and the related revenue sources to fund university operations must be reconciled.

In past years, the gap between the grant increase and the resources required to continue a steady-state operation has been addressed through a variety of strategies including those related to the property tax phase-out, revenues related to increased enrolments and general savings in areas such as utilities. In 2009/10, enrolments are expected to decrease slightly or remain flat over 2008/09. As discussed earlier in this submission, for 2010/11, the University anticipates that the challenge of bridging any gap between the 12.9% operating resources required and those received through the operating grant will be difficult to achieve. It is also evident that the gap is widening between the cost of offering undergraduate and graduate programs and the core funding available to support those programs.

8. OTHER STUDENT REVENUE CHARGE INCREASES PROJECTED FOR 2009/10

We are continuing to investigate the possibility of increasing tuition fees for professional programs at the University of Manitoba. We will also work with students with respect to the Levin recommendation for an additional 1% increase in each of the next three years to improve accessibility and success for under-represented groups.

9. STATUS REPORT ON THE PROGRESS ACHIEVED ON THE DEVELOPMENT AND/OR IMPLEMENTATION OF PROGRAMS APPROVED AND/OR FUNDED UNDER THE STRATEGIC PROGRAM ENVELOPE AND THE SYSTEMS RESTRUCTURING ENVELOPE DURING 2007/08 AND 2008/09

The University gratefully acknowledges the financial support of COPSE through its Strategic Program Envelope and Systems Restructuring Envelope during the past two fiscal years. Below is a summary of the development and implementation of those initiatives. Additional information is available upon request.

- (a) Aboriginal Focus Programs (AFP): Aboriginal Child and Family Services (ACFS) Diploma. A part-time delivery of the ACFS Diploma is scheduled to be delivered in The Pas commencing September 2009 for 30 applicants. Twenty-nine of these are current employees of northern Aboriginal child welfare agencies. AFP has contracted with University College of the North (UCN) to provide onsite coordination for the delivery of this program at The Pas.

This cohort has been delayed several times due to students' inability to access tuition funding. With the assistance of UCN, the applicants have been able to access funding from their respective agencies and Manitoba Competitiveness, Training and Trade. This cohort is scheduled to graduate in July 2012. Upon completion of the delivery of this cohort, the COPSE support for the ACFS diploma will be exhausted.

Nametwaawin: Integrating Indigenous Knowledge into Curriculum and Teaching Methodologies. The Nametwaawin instruction video and workbook have been completed. AFP staff has presented workshops to several audiences within the University and an international conference in Australia. AFP staff is tentatively scheduled to facilitate a workshop for Lakehead University staff in the spring of 2010. All COPSE funds allocated to this project have now been utilized.

Aboriginal Environmental Stewardship (AES) Diploma: A delivery of the AES Diploma began in Tataskweyak Cree Nation in February 2009. Negotiations are underway for a delivery in Nisichawayasihk Cree Nation in September 2009.

Transition Year Programs: Children of the Earth High School (COTE-TYP) General Transition Year Program and Health Careers Transition Year Program. The 2008/09 cohort of the COTE-TYP was delivered at the Aboriginal Education Centre. The cohort began with twelve students, nine of whom completed or partially completed the program requirements. As any future offerings of this program will be delivered at the UM Aboriginal Education Centre, the name has been changed to General Transition Year Program.

COPSE funding allocated to the final 2009/10 cohort is not sufficient to cover all delivery costs. Moreover, in March 2009 AFP was advised that funding from Aboriginal Health Human Resource Initiative (AHHRI) for our Health Career Transition Year Program had been reduced by half.

In response, AFP combined the common course offerings in these two transition year programs to save instructional costs. Further funding was successfully sought from the Indian Student Support Program (ISSP) and Indian and Northern Affairs Canada (INAC). The transition year programs have been redesigned to include an enhanced orientation, dedicated on-site counseling support, Elder support, a life skills program, a peer monitoring program,

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and a revised tutorial program that includes student incentives. All COPSE support for these initiatives will be expended by July 2010.

- (b) Aboriginal Child Welfare MSW Cohort: There are 14 students registered for the fourth year of this program. Students are actively working with their advisors and are at various stages of working through the program requirements. Students were appreciative for the opportunity to participate in a two-day proposal writing workshop held at Gimli in January 2009.
- (c) M.A. in School Psychology: Funding for this program began in 2005/06, with a three-year phase in period. By July 2006, the full complement of three new academic staff members had been appointed. Six regular program students began their course of studies in 2005, along with an occasional student who required a subset of courses for certification as a School Psychologist. Of 22 applicants (several from outside Manitoba), 11 were selected to begin their studies in September 2006. Of 33 applicants for September 2007, 10 were selected as regular students and 2 as pre-masters students. For September 2008, 29 applications were received and 10 students admitted of which 8 accepted. For September 2009, 27 applications were received and 10 students were admitted and began studies, and one student was admitted to a pre-masters program.

The first graduates convocated in October 2007. Six of these began working in September 2007 and the seventh in January 2008. The program also has provided upgrading for four Psychologists with specific certification deficiencies thus allowing them to work in the field. Of the nine students expected to graduate in October 2008 and another who graduated in February 2009, six have secured employment in Winnipeg, one in rural Manitoba, and one with the Division Scolaire Franco-Manitobaine (DSFM). The remaining student will be working in British Columbia. Nine of the ten students who will graduate in October 2009 have secured employment, six in Winnipeg and three in rural Manitoba. One was enrolled in the Northern and Rural Bursary Program for Clinicians. Of the students admitted in 2008, three have declared the intention of embarking on a rural career, three claim Aboriginal heritage and one has received a bursary from DSFM. One of the students admitted for September 2009 has secured a Northern and Rural Bursary for Clinicians and will be working in Flin Flon.

The program put significant resources into supporting its philosophy of training students in real work environments by partnering with all the school divisions in Winnipeg that provide cooperating psychologist-mentors. Negotiations are in place with additional community based training resources including MATC and independent schools. An agreement has been reached with Healthy Child Manitoba to cover training of two students. An on-campus training component in the Psychological Service Centre will be added in 2009. As well, a program website is in development that will function as a teaching aid and as a resource to the community. Program staff expanded course offerings by including an elective on evidence-based interventions in the Winter 2008 term. Additional staff time was allocated to the practicum component in 2008/09 and that commitment will continue. Academic staff has made colloquium presentations at national conferences, have taken executive positions on local and national association boards, have several active research projects in progress and have secured several research grants, all of which include as research assistants graduate students in the program.

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- (d) Improved Access to Historical Resources: With the completion of digitization of the Winnipeg Free Press (1939 to 1945) in 2007/08, the University's contract with its digitization supplier expired. The newly awarded funds were designated for digitization of the Brandon Sun, La Liberté, and several smaller Manitoba publications. The new contract was finalized in April 2009, and work on the digitization of Manitoba newspapers continues.
- (e) Faculty of Music, Major Practical Studies: All students in the Marcel A. Desautels Faculty of Music are required to complete a 6-credit hour, performance-based course each year (Major Practical Studies). The most cost-effective way to deliver these courses is with sessional instructors and, from the standpoint of program quality; this approach is particularly beneficial in a vibrant artistic community with a symphony orchestra. The many accomplished performers in the city often come from great teaching/performance traditions and are able to offer high quality instruction. Each year, over 50% of the Major Practical Studies courses are taught by sessional instructors who are employed on an hourly basis for the 26-week academic year and, in most cases, work with students in a one-on-one studio setting. The Faculty was faced with an annual shortfall of approximately \$200,000 as a result of the difference between course delivery costs and the tuition revenues generated by Major Practical Studies courses. The commitment of ongoing funds from COPSE has enabled us to maintain the level of outstanding instruction necessary to attract students into the various vocal and instrumental areas of its programs. The Faculty will benefit on an annual basis from this support – a funding initiative allowing existing programs to continue a tradition of excellence.

At most universities, it is standard practice for Major Practical Studies courses to have a masterclass component whereby students in the same instrumental or vocal area meet as a group on a weekly or bi-weekly basis to perform and receive critiques from the instructor and fellow students. This is an important aspect of performance training for young artists. Until this past year, masterclasses with sessional instructors were sporadic. The additional COPSE funding has provided the resources to offer a more uniform approach to masterclasses across the Faculty through additional contractual support for sessional instructors.

- (f) Internationally Educated Engineers Qualification Program (IEEQ): The IEEQ Program in the Faculty of Engineering began in September 2003, and consists of senior-level engineering courses, a co-op work term in industry, cultural training, and professional networking. IEEQ is intended to be a one-year full-time program. The outcome of IEEQ is a post-baccalaureate diploma in engineering and formal recognition by the Association of Professional Engineers and Geoscientists of Manitoba (APEGM) for professional licensure in Manitoba.

In 2008/09, IEEQ enrolled 18 students. For the 2009/10 cohort, IEEQ has admitted 27 students who will begin in September 2009. All past participants completed the paid industry work placement (co-op work term), and all IEEQ graduates have been subsequently registered as Engineers-in-Training with APEGM. Approximately 85% of IEEQ graduates have secured ongoing employment in engineering through contacts developed during the IEEQ work term.

Since its transition from a pilot program to a permanent program in late 2007, activities continue to focus on ramping up student enrolment over a three-year period aiming at 35-40 students in 2010/11, and hiring six new academic staff of which two have now been appointed.

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- (g) Bachelor of Health Science and Bachelor of Health Studies: These two programs began in 2007/08. All six program-specific courses were offered in 2008/09 and will be offered annually in future years. Judging by student responses, the delivery of these degree programs has been successful. The first two graduates completed their degrees in 2008/09, one in each of these programs. The number of graduates is expected to increase significantly in coming years.

These programs are managed by an Interdisciplinary Program Council with representatives from Human Ecology, Arts, Science, Medicine, Nursing, and Kinesiology and Recreation Management. The teaching staff has a wide and varied background related to health promotion and services. Students come from a variety of disciplines. As enrolment increases over time, the contributions from many different disciplines to the learning experience are expected to increase.

- (h) Inner City Social Work Program Expansion: In December 2007, COPSE approved a proposal to expand the number of students in this program from 18-22 admits per year to 35-40. The revised recruitment goal is to achieve a student intake that includes some 70% of the new student group to be of Aboriginal heritage, and another 10-20% to be "Newcomers" to Canada. In an effort to enhance both the recruitment and retention rate of Aboriginal students, a new staff position was created, an "Aboriginal Academic Advisor and Counsellor" (AAAC), and this post was filled in January 2009.

For the 2009/10 academic year, 70 applications were received and 27 were selected for admission. Of these new students, 70% are individuals of Aboriginal ancestry and 11% are Newcomers. While the program did not achieve the desired admission goal, a significant outreach program designed by the AAAC has been implemented for the 2010/11 student recruitment campaign and we are optimistic about the potential for success in the coming year.

- (i) Disability Services, Student Affairs: In July 2008 COPSE approved one-time funding for Disability Services and facility upgrades at the University of Manitoba. A portion of these funds was used to purchase computer software and hardware upgrades. These funds were also used for targeted professional development activities, equipment, and supplies. In the summer of 2009, the reception area of the Test Centre is being renovated so as to sound-proof the test rooms and to make the space more inviting and professional.

We also acknowledge COPSE's and the Department of Family Services and Housing's substantial funding allocation that will contribute to the accommodations for a hearing impaired student entering the 4-year undergraduate program in Medicine in 2009/10. There have been regular meetings of Disability Services staff with the Faculty of Medicine and the student to discuss and implement the accommodation plan. Recruitment of interpreters is well underway with recent hiring of three interpreters who commence work the week of July 27, 2009.

- (j) Digitization of Graduate Theses: During 2008/09, the University began digitization of its graduate theses of relevance to Manitoba. Using a grant from the Province's Heritage Grants Advisory Council, 508 theses related to Manitoba were digitized. The one-time funds provided by COPSE in early 2009 are being used to continue this initiative.

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- (k) Aboriginal Nursing Cohort Program: COPSE provided funding for this initiative in May 2008. While the original application followed and supported students entering the BN program, due to the late date of funding we had to change focus and develop and support students in University 1 who intended to apply to Nursing. In retrospect this has been a good change.

Our intent in the revised program was to create a team of professors in Science and Nursing who would not only teach but provide academic teaching supports. Most students had been registered by May 2008 in University 1 courses and assigned to different sections and labs for Science courses. We also hired a counsellor/advisor for the group and teaching assistants. All tutoring was done in the cohort as planned.

In 2009/10 we are instituting a more planned approach in the Science courses following the now existing model of teacher/teaching assistant combination. We have one course instructor for four Science courses for the cohort, which will reduce redundancy and create a student learning community. We continue to meet as a faculty/advisor group and have made significant strides in improving our marketing and recruiting of students.

In 2008/09 our initial cohort was 23 students in University 1 interested in pursuing Nursing. Of these, approximately 10 will enter the Faculty of Nursing in September 2009.

- (l) Master of Physician Assistants Studies: In the spring of 2008, COPSE agreed to fund this new program, to be phased in over two fiscal years. This is a two-year program which admits a dozen students each September. The first students were admitted in September 2008 and another dozen students were admitted in September 2009. The first graduates are expected in the autumn of 2010.
- (m) Expansion of Undergraduate Medicine Cohort: In 2008, COPSE agreed to fund an increase to 110 in the number of students admitted to our undergraduate medical program, to be phased in over four fiscal years. In the autumn of 2008, the first cohort of 110 students began medical studies, and this admission level has continued thereafter.

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

PART 3 - APPENDICES

Attachment A – Schedule A - 2010/11 Estimates of Operating Requirements- Consolidated Schedule of Operating Expenditures

	<i>Estimated Budget</i>			
	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>2010-11 Maintenance Of Existing Programs</i>
	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	
INCOME:				
<i>General Income</i>				
Student Fees				
-Regular Session	\$ 85,235,412	\$ 84,115,559	\$ 88,639,037	\$ 88,674,403
-Summer Session	8,829,116	8,202,977	7,963,824	8,842,876
-Non-Degree	5,605,680	6,146,261	6,104,612	6,104,612
Overhead Recoveries	3,327,509	3,371,843	3,125,000	3,115,000
Transfers from Endowment & Other Funds	5,995,466	7,205,739	2,510,298	2,518,298
Transfer from Other Specific Provisions	3,181,034	2,197,694		
Sales of Goods & Services	26,403,207	29,499,539	28,790,448	29,773,478
Cost Recoveries - Internal	15,347,695	16,966,216	14,807,817	15,000,000
Miscellaneous Income	10,182,216	9,902,924	4,390,285	5,010,285
Subtotal	164,107,335	167,608,752	156,331,320	159,038,952
<i>Government Grants</i>				
COPSE				
General Operating	234,945,500	255,409,000	277,010,000	277,971,800
Access Programs	3,005,200	3,490,500	3,836,100	3,836,100
Tuition Fee Rebate Program	8,020,888	7,945,793		
Other Province of Manitoba	9,830,132	12,406,349	9,923,113	9,923,113
Government of Canada	9,129,439	9,213,167	8,873,236	8,873,236
Subtotal	264,931,159	288,464,809	299,642,449	300,604,249
<i>Ancillary Services</i>	30,546,351	32,061,944	31,188,051	31,915,278
TOTAL REVENUES	459,584,845	488,135,505	487,161,820	491,558,479
EXPENDITURES:				
General Operating - Page 2	430,490,512	456,056,569	455,973,769	496,074,491
Ancillary Services - Page 2	29,057,252	32,061,944	31,188,051	31,915,278
TOTAL EXPENDITURES (Schedule B)	459,547,764	488,118,513	487,161,820	527,989,769
Net Operating Income (Funding Shortfall)	\$ 37,081	\$ 16,992	\$ 0	\$ (36,431,290)

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

Attachment A – Schedule A - 2010/11 Estimates of Operating Requirements - Consolidated Schedule of Operating Expenditures con't...

Estimated Budget

	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>2010-11 Maintenance Of Existing Programs</i>
	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	
EXPENDITURE:				
Academic Salaries	\$ 149,162,323	\$ 150,779,668	\$ 163,746,381	\$ 174,099,764
Support Staff Salaries	99,288,673	113,409,616	114,669,075	122,266,747
Scholarships, Bursaries, Prizes & Awards	4,380,724	6,935,363	7,673,061	7,873,061
Staff Benefits	37,547,149	40,571,197	43,649,570	59,430,005
Payroll Levy	5,356,048	5,715,575	6,099,016	6,485,145
	295,734,917	317,411,419	335,837,103	370,154,723
Insurance	1,558,947	1,719,549	2,175,000	2,936,250
Library Acquisitions	8,328,113	8,998,479	8,494,181	9,088,774
Academic Travel and Negotiated Expenses	2,432,810	2,109,588	2,250,000	2,335,538
Supplies and Expenses	70,549,589	79,673,886	82,057,774	85,106,352
Utilities	15,272,532	15,293,497	17,977,148	19,117,148
Property Taxes	396,146	409,737	600,000	600,000
Transfer to Other Funds	36,217,458	30,440,414	6,582,563	6,735,707
	430,490,512	456,056,569	455,973,769	496,074,491
GENERAL OPERATING EXPENSES				
Ancillary Services				
Salaries	\$ 4,980,793	\$ 5,266,960	\$ 5,667,319	\$ 5,852,153
Staff Benefits & Pay Levy	902,070	969,209	1,062,946	1,098,341
Supplies and Expense	20,912,302	21,963,860	21,710,787	22,217,784
Transfer to Other Funds	2,262,087	3,861,915	2,747,000	2,747,000
	29,057,252	32,061,944	31,188,051	31,915,278
ANCILLARY SERVICES				

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

Attachment A – Schedule B – Schedule of Operating Expenses

	Actual		Budget
	2007-08	2008-09	2009-10
<u>Faculties, Schools and Colleges:</u>			
Agricultural & Food Sciences	\$ 15,232,309	15,786,281	\$ 14,108,153
Architecture	6,082,032	6,961,659	6,549,015
Art, School of	2,880,076	3,309,330	3,093,736
Arts	32,834,383	34,319,591	31,276,581
Clayton H. Riddell Faculty of Environment, Earth, and Resources	7,061,099	8,019,609	6,801,714
Colleges	1,476,707	1,484,669	1,215,788
Dentistry	15,055,126	17,672,902	17,387,350
Education	7,762,728	7,930,399	7,212,100
Engineering	15,180,713	16,590,901	15,824,482
Extended Education	14,176,147	13,334,305	16,367,630
Graduate Studies	4,996,240	7,025,542	8,063,972
Human Ecology	4,007,595	4,317,228	3,617,313
I. H. Asper School of Business	13,070,909	14,111,314	11,830,421
Kinesiology & Recreation Management	3,301,576	3,330,878	2,720,918
Law	4,520,221	4,879,484	3,938,988
Medical Rehabilitation	4,528,408	4,795,370	4,690,821
Medicine	40,455,819	45,563,588	45,867,441
Music	4,071,491	4,638,833	4,036,017
Nursing	9,063,637	10,326,869	9,967,745
Pharmacy	3,164,465	3,490,814	3,354,856
Science	28,306,839	29,625,218	27,112,079
Social Work	6,629,934	7,130,321	6,204,976
University 1	1,456,067	1,617,362	1,770,130
<u>Other:</u>			
Administration	26,417,349	30,068,901	38,690,063
Ancillary Enterprises	26,795,165	32,061,944	31,188,051
Centre on Aging	230,997	222,089	239,729
CHERD & UTS	1,556,278	1,183,018	1,775,565
General	6,749,035	7,255,849	5,274,757
Information Services & Technology	16,456,924	17,502,854	16,071,020
Interfund Transfers	38,479,545	30,440,414	6,582,563
Libraries	15,797,634	16,552,043	16,294,484
Library Acquisitions	8,325,113	9,108,202	8,494,181
Physical Plant	34,032,965	35,717,752	34,107,766
Property Taxes	396,268	409,737	600,000
Recreation and Athletics	7,174,790	7,323,388	7,333,189
Research Development	2,280,334	2,649,627	2,794,443
RESOLVE	114,344	156,538	124,050
Student Affairs	12,182,242	13,490,829	12,166,674
Utilities	17,244,260	17,712,861	18,560,163
Undistributed Operating Funds			33,852,898
Total Expenditures	\$ 459,547,764	\$ 488,118,513	\$ 487,161,822

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

Attachment A – Schedule C – Inflationary and Other Parameters for Developing Operating Budget Estimates for 2010/2011 – Summary of Assumptions

REVENUE PROJECTION ASSUMPTIONS:

STUDENT TUITION FEES:

Degree Programs, Regular Session and Summer Session:

No Increase in Credit Hours/Enrolments in 2010/2011 Summer and Regular Session.

4.50% Tuition Fee Rate increase in 2010/2011 for Summer Session.

No increase in Tuition Fee Rates and no new Tuition Fees in 2010/2011 for Regular Session.

Enrolment/credit hour projections are based on current trends in high school enrolment and graduation, participation rates in university study, population changes in the youth cohort, the impact of youth immigration to Manitoba and international student enrolment. The Office of Institutional Analysis (“OIA”) also reviews current political, economic, and social and technological factors that might impact on University attendance.

OIA believes that the main factors influencing enrolment will be a continued drop in the international student cohort, the declining participation rate of the youth cohort and a further drop in the number of sequential students coming from high school. This will result in a decrease in credit hours in 2009-2010.

While the percentage of graduates continuing directly into university study has been slowly dropping since 2003, Manitoba Grade 12 graduate numbers are expected to peak in 2012. The long range view is for the higher number of high school graduates, buoyed by immigration, to produce a small increase in credit hours by 2012-2013. Steady state enrolment/credit hour projections are anticipated for 2010-2011.

Historically, recessions have had a positive influence on university enrolment. The increase in university enrolment in recessionary times is attributed to high youth unemployment. Any significant increase in the youth unemployment rate will have a positive influence on credit hours.

Non-Degree Programs:

No increase in Credit Hours/Enrolment in 2010/2011 over the 2009/2010 Budget.

Non-degree programs are offered by Extended Education and Student Affairs’ English Language Program. Non-degree fees are tied to offerings that are market driven, making it difficult to project expected future enrolments. Historically, fee revenues in non-degree programs have fluctuated up and down from year to year. Based on recent experience, these fees have been projected to remain consistent with the 2009/2010 Budget.

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OVERHEAD RECOVERIES:

No increase over the 2009/2010 Baseline Budget.

Overhead recoveries are received on research and non-research contracts between the University and external parties. Based on existing contracts no revenue increase is expected over the 2009/2010 Budget.

TRANSFERS FROM ENDOWMENT AND OTHER FUNDS:

Transfers from Endowment and other Funds in 2010/2011 of about \$2.5 million include only those transfers which may be made centrally in support of the general operating budget from internally restricted trust funds. Actual transfers were much higher in each of 2007/2008 and 2008/2009; however, these are transfers initiated by faculties, schools and beneficiary units such as Financial Aid and Awards from externally restricted trust funds that may be used for operating purposes, minor capital or student scholarships, bursaries and awards. These externally restricted trust funds are not available to balance the University's general operating budget and hence, are not included as income in the budget projections.

TRANSFERS FROM OTHER SPECIFIC PROVISIONS:

No transfers are projected as these provisions are not available for use in balancing the University's general operating budget.

SALES OF GOODS & SERVICES:

\$29.8 Million in 2010/2011 based on the 2009/2010 Baseline Budget.

Sales of goods and services were approximately \$29.5 million in 2008/2009. The 2009/2010 budget was set at \$28.8 million based on estimates provided from faculties and support units. This revenue is market driven and relates primarily to goods and services otherwise not available locally such as testing services involving specialized equipment. These revenues are offset by expenses that are incurred in the provision of the goods and services, such as salaries and related costs, costs of goods sold, general expenses and equipment. The increase for 2010/2011 is mainly based on anticipated higher selling prices.

INTERNAL COST RECOVERIES:

\$15.0 Million in 2010/2011 based on the 2009/2010 Baseline Budget.

This revenue is unit specific and is offset by expenses in the various academic and administrative units. Internal cost recoveries include, for example, revenues earned by the Telephone Office which are offset by allocations of the telephone expenses to various academic and administrative units to reflect actual usage. Hence, these internal cost recoveries have no impact on the overall operating budget, only on individual unit budgets that must bear the costs of these services.

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MISCELLANEOUS INCOME:

\$5.0 Million in 2010/2011 based on Estimates of Investment Income and Other Miscellaneous Income.

The major component of miscellaneous income is investment income earned on general cash balances on hand during the year. It is assumed that interest rates for 2010/2011 will average at 2.1%, and the average principal invested will be \$140 million. Other miscellaneous income sources are only budgeted at April 1st if they are of a recurring nature, such as interest income, rental income or gifts for operating purposes where a multi year commitment exists from a donor. Gifts for operating purpose for the most part, fluctuate from year to year, and as a result, budgeted amounts are not allocated to units for spending until they are confirmed by a commitment from a donor.

COPSE BASE GENERAL OPERATING GRANT:

0% Increase in 2010/2011 over the 2009/2010 Baseline Budget.

Targeted program grant increases based on prior year COPSE approvals have been incorporated into the projections for 2010/2011. No increases have been incorporated into the projections for base operating grant increases for 2010/2011, as requested by COPSE in their May 14, 2009 letter.

COPSE ACCESS PROGRAM GRANTS:

0% Increase in 2010/2011 over the 2009/2010 Baseline Budget.

As above for the base operating grant, no increases have been incorporated into the projections for ACCESS grant increases for 2010/2011.

COPSE TUITION FEE REBATE PROGRAM:

The tuition fee rebate has been eliminated. The 10% tuition rebate grant was transferred to the base operating grant in 2009/2010.

OTHER PROVINCE OF MANITOBA:

0% Increase in 2010/2011 over the 2009/2010 Budget.

This includes targeted grants of \$7.0 million from Manitoba Health in support of increased enrolment, Emergency Medicine, Northern Remote Physician Initiative and Medical Licensure Programs; \$0.6 million from Manitoba Family Services in support of the Men's Resource Centre and Play Care; and \$0.2 million from Manitoba Education in support of the Technology Program. Also included in this category are funds from the Manitoba Graduate Scholarship Program of \$1.9 million.

GOVERNMENT OF CANADA – INDIRECT COSTS OF RESEARCH PROGRAM GRANT:

0% Increase in 2010/2011 over the 2009/2010 Baseline Budget.

Government of Canada grants is mainly comprised of \$8.4 million from the Indirect Costs of Research Program, which is restricted for specific purposes in support of research. Projected income from this source is based on the 2009/2010 approved federal Government funding envelope of \$325 million, as disclosed on the Government's Website.

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

EXPENSE PROJECTION ASSUMPTIONS:

SALARIES, BENEFITS AND PAY LEVY:

Regular Full-Time, Part-Time and Other Academic Salaries:

Scale Increments plus Performance Increments for UMFA for 2010/2011 based on expected results of collective bargaining.

Support Staff Salaries:

- (i) Scale plus Increments for AESES for 2010/2011 based on the existing collective agreement.
- (ii) Scale for CAW for 2010/2011 based on expected results of collective bargaining.
- (iii) Scale plus Increments for Excluded Management, Administrative and Professional Staff Group for 2010/2011.

Benefits and Pay Levy:

Benefits proportional to Salary & Wage Costs for 2010/2011 at 17.0% Based on Prior Years Actual Rates adjusted for an additional \$12.5 million in projected mandatory pension contributions. Pay levy at 2.15% of Salaries & Wage Costs for 2010/2011.

The University operates a single staff benefits plan which is applicable to all full-time and part-time permanent employees. As a result, staff benefits for all employee groups are calculated at the same rates and on the same basis. Similarly, the health and education payroll tax levy is calculated based on Provincial regulation and is the same for all employee groups and is assessed regardless of full-time, part-time or casual status.

We expect our December 2009 pension valuation to result in additional mandatory employer contributions to the pension plan of \$12.5 million.

INSURANCE (includes CURIE, MPIC and other miscellaneous policies): Increase of 35% in 2010/2011 over the 2009/2010 Baseline Budget.

As a direct result of the Duff Roblin fire we expect to incur increased insurance premiums (including a premium surcharge) in 2010/11.

LIBRARY ACQUISITIONS:

7% Increase in 2010/2011 over the 2009/2010 Baseline Budget.

Library acquisitions are impacted by inflation and the U.S./Canadian dollar exchange rate. CIBC World Markets is projecting the dollar to strengthen slowly into the 90 to 95 cent range through to the end of 2010. Because a high portion of library acquisitions are denominated in US currency, this will moderately improve our spending power compared to the current environment. However, the Library Acquisitions budget continues to be a challenge mainly because it has not kept up to inflation due to limited resources available for distribution through the Strategic Resource Allocation process.

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

ACADEMIC TRAVEL & NEGOTIATED EXPENSES:

Increase over the 2009/2010 Baseline Budget based on expected results of collective bargaining.

GENERAL SUPPLIES & EXPENSE:

2.0% General Inflationary Increase in 2010/2011.

The CPI estimate increase is 2.0% for 2010 and 2011. These estimates are based primarily on forecasts from the Bank of Canada, but also take into consideration analyses from the major Canadian banks. General supplies and expenses also include additional amounts where needed to support increased revenue assumptions like Sales of Goods and Services.

UTILITIES (Increased by projected rate increases plus additional costs related to newly constructed buildings net of efficiency improvements):

Utility projections are based on: rates approved by the Public Utilities Board; rate applications and forecasts by utility companies; energy related news; world events; and historical rate increases. Projections for 2010/2011 are \$1.1 million over the 2009/2010 budget. Also taken into account is the demolition and construction of buildings, which comprises \$0.1 million of the \$1.1 million total projected increase.

For 2010/2011 we are projecting fuel cost increases of 7.0%; electricity rate increases of 5.0% and water rate increases of 5.0%.

PROPERTY TAXES:

No Change in 2010/2011 over the 2009/2010 Baseline Budget.

ANCILLARY SERVICES PROJECTION ASSUMPTIONS:

REVENUE AND EXPENSES:

2.0% General Inflationary Increase in 2010/2011.

Scale and Performance Increments for Salaries plus proportional Benefits and 2.15% Pay Levy.

These revenues are budgeted so that the Ancillary operations will break even, after covering all direct and indirect costs and a reasonable amount has been set aside to fund future maintenance and upgrade of the facilities. The Ancillary Services' operating budget is not subsidized by the University's general operating budget and as a result, the operations must be fully self sustaining.

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

Attachment C – Schedule 1 – ACCESS Financial Report by Program

	Engineering	Inner-City Social Work	Northern Bachelor of Social Work	Special Pre- Medical Studies	University of Manitoba	Professional Health	Nursing	Total
Revenue	\$ 448,100	\$ 1,601,196	\$ 1,072,910	\$ 312,200	\$ 490,400	\$ 130,000	\$ 417,800	\$ 4,472,606
Direct Expenditures								
Salaries	276,000	1,357,452	743,624	249,600	286,000	86,165	148,635	3,147,476
Benefits and Pay Levy	52,854	259,952	142,404	47,798	54,769	2,839	28,464	589,080
Supplies and Expenses	135,489	164,096	206,741	20,400	149,073	30,600	111,566	817,965
Travel	-	-	52,411	6,732	17,340	2,373	-	78,856
	<u>464,343</u>	<u>1,781,500</u>	<u>1,145,180</u>	<u>324,530</u>	<u>507,182</u>	<u>121,977</u>	<u>288,665</u>	<u>4,633,377</u>
Surplus (Deficit)	\$ (16,243)	\$ (180,304)	\$ (72,270)	\$ (12,330)	\$ (16,782)	\$ 8,023	\$ 129,135	\$ (160,771)
Current COPSE funding	<u>447,100</u>	<u>1,097,800</u>	<u>940,800</u>	<u>319,900</u>	<u>482,700</u>	<u>130,000</u>	<u>417,800</u>	<u>\$ 3,836,100</u>
Requested COPSE funding for 2010/11	<u>\$ 463,343</u>	<u>\$ 1,278,104</u>	<u>\$ 1,013,070</u>	<u>\$ 332,230</u>	<u>\$ 499,482</u>	<u>\$ 121,977</u>	<u>\$ 288,665</u>	<u>\$ 3,996,871</u>
							Requested Increase	<u>\$ 160,771</u>
							Requested Increase	<u>4.19%</u>

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

Attachment C – Schedule 1-1 – ACCESS Programs – Prior Year Actual Costs & Budget Projection

	2008-09 Actual	2009-10 Budget	2010-11 Estimate
Engineering			
Revenue	\$ 503,253	\$ 448,100	\$ 448,100
Direct Expenditures			
Salaries	285,596	270,164	276,000
Benefits and Pay Levy	47,834	45,104	52,854
Supplies and Expenses	32,068	132,832	135,489
Travel	6,445		
	371,943	448,100	464,343
Surplus (Deficit)	\$ 131,310	\$ -	\$ (16,243)
 Inner-City Social Work			
Revenue	\$ 1,484,861	\$ 1,601,196	\$ 1,601,196
Direct Expenditures			
Salaries	1,093,153	1,194,665	1,357,452
Benefits and Pay Levy	175,628	180,555	259,952
Supplies and Expenses	282,467	160,878	164,096
Travel	4,747		-
	1,555,995	1,536,098	1,781,499
Surplus (Deficit)	\$ (71,134)	\$ 65,098	\$ (180,303)
 Northern Bachelor of Social Work			
Revenue	\$ 980,888	\$ 1,072,910	\$ 1,072,910
Direct Expenditures			
Salaries	649,151	715,023	743,624
Benefits and Pay Levy	107,314	114,702	142,404
Supplies and Expenses	144,302	202,687	206,741
Travel	39,705	51,383	52,411
	940,472	1,083,795	1,145,179
Surplus (Deficit)	\$ 40,416	\$ (10,885)	\$ (72,269)

Direct Expenditures include only those costs directly related to these Access Programs. They do not include indirect costs incurred in the Faculty or any central administration costs. Tuition Revenue is determined based on fees generated in the year. Any collection shortfalls are charged back to the program.

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

ACCESS Programs – Prior Year Actual Costs & Budget Projection con't...

	2008-09 Actual	2009-10 Budget	2010-11 Estimate
Special Pre-Medical Studies			
Revenue	\$ 298,700	\$ 312,200	\$ 312,200
Direct Expenditures			
Salaries	264,064	240,000	249,600
Benefits and Pay Levy	46,881	45,600	47,798
Supplies and Expenses	33,816	20,000	20,400
Travel	940	6,600	6,732
	<u>345,701</u>	<u>312,200</u>	<u>324,530</u>
Surplus (Deficit)	<u>\$ (47,001)</u>	<u>\$ -</u>	<u>\$ (12,330)</u>
University of Manitoba			
Revenue	\$ 469,200	\$ 490,400	\$ 490,400
Direct Expenditures			
Salaries	243,677	275,000	286,000
Benefits and Pay Levy	44,847	52,250	54,769
Supplies and Expenses	26,113	146,150	149,073
Travel	245	17,000	17,340
	<u>314,882</u>	<u>490,400</u>	<u>507,182</u>
Surplus (Deficit)	<u>\$ 154,318</u>	<u>\$ -</u>	<u>\$ (16,782)</u>
Professional Health			
Revenue	\$ 124,400	\$ 130,000	\$ 130,000
Direct Expenditures			
Salaries	15,115	82,851	86,165
Benefits and Pay Levy	2,927	14,823	2,839
Supplies and Expenses	14,319	30,000	30,600
Travel		2,326	2,373
	<u>32,361</u>	<u>130,000</u>	<u>121,976</u>
Surplus (Deficit)	<u>\$ 92,039</u>	<u>\$ -</u>	<u>\$ 8,024</u>

Direct Expenditures include only those costs directly related to these Access Programs. They do not include indirect costs incurred in the Faculty or any central administration costs. Tuition Revenue is determined based on fees generated in the year. Any collection shortfalls are charged back to the program.

2010/11 ESTIMATES OF OPERATING REQUIREMENTS

ACCESS Programs – Prior Year Actual Costs & Budget Projection con't...

	2008-09 Actual	2009-10 Budget	2010-11 Estimate
Nursing			
Revenue	\$ 219,800	\$ 417,800	\$ 417,800
Direct Expenditures			
Salaries	13,231	150,000	148,635
Benefits and Pay Levy	1,381	27,225	28,464
Supplies and Expenses	63,612	240,575	111,566
	<u>78,224</u>	<u>417,800</u>	<u>288,665</u>
Surplus (Deficit)	<u>\$ 141,576</u>	<u>\$ -</u>	<u>\$ 129,135</u>

Direct Expenditures include only those costs directly related to these Access Programs. They do not include indirect costs incurred in the Faculty or any central administration costs. Tuition Revenue is determined based on fees generated in the year. Any collection shortfalls are charged back to the program.