

BUDGET PROCESS

Budget Approval Process

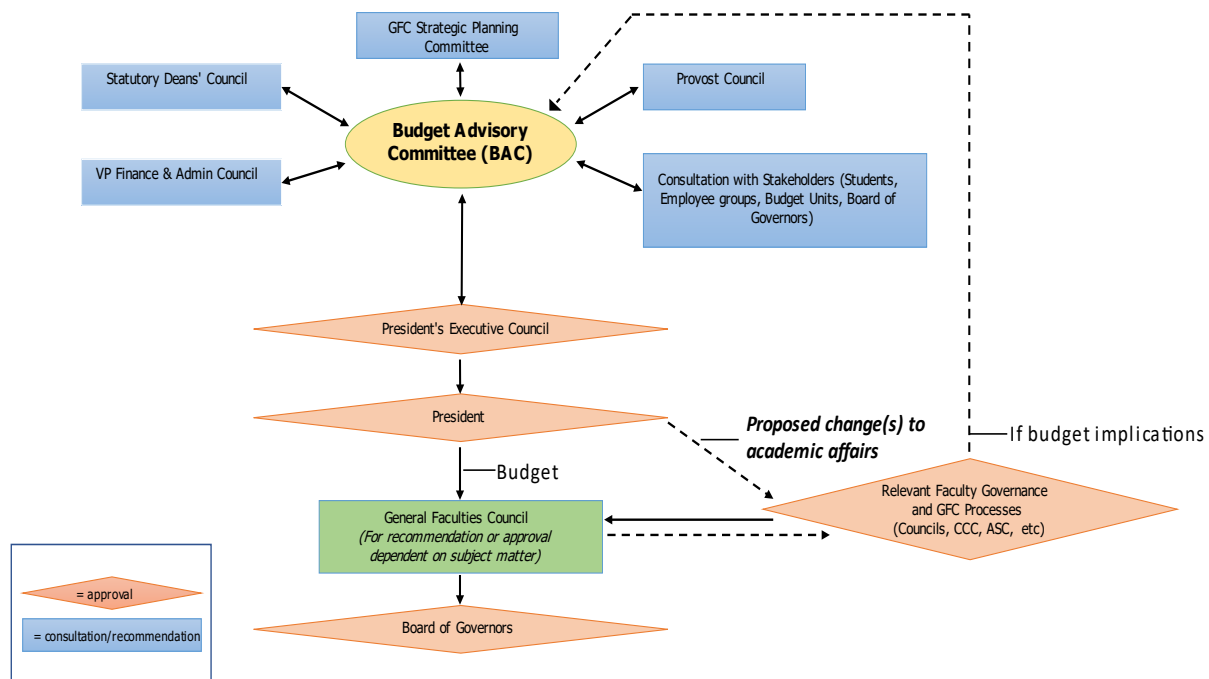
The budget process is very rigorous and open

The 2022-23 budget was approved by the Board of Governors in June 2022. The annual budget cycle begins with a significant number of general and targeted consultations within the University community in the preparation of the annual budget assumptions. The [Budget Advisory Committee](#) (BAC) makes budget recommendations with input from Statutory Deans' Council, General Faculties Council (GFC) Strategic Planning Committee, Provost's Council, Vice President Finance & Administration Council, and other stakeholders including students, employee groups, budget units, and the Board of Governors.

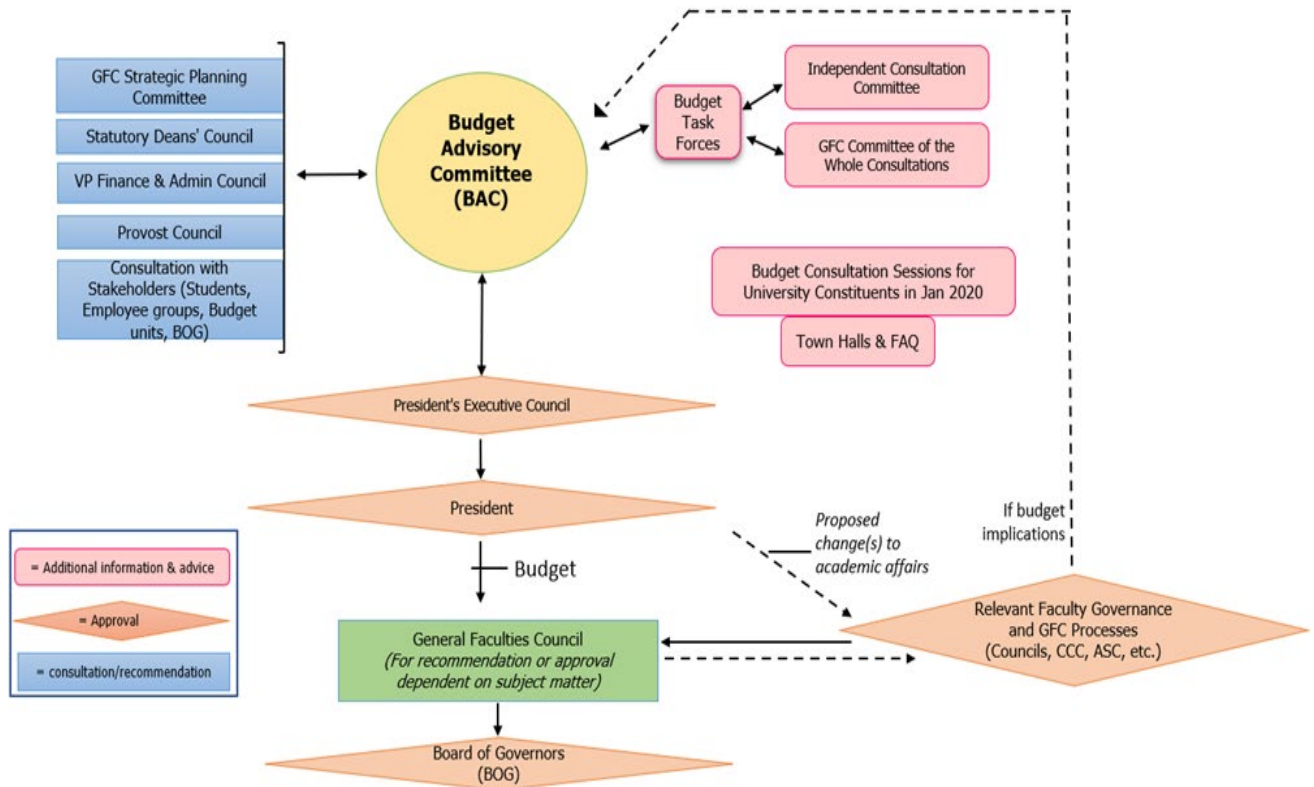
The BAC provides oversight of the budget process and makes recommendations regarding budget priorities and resources allocations that support the long-term financial viability and sustainability of the University.

The established budget process is depicted in the following chart.

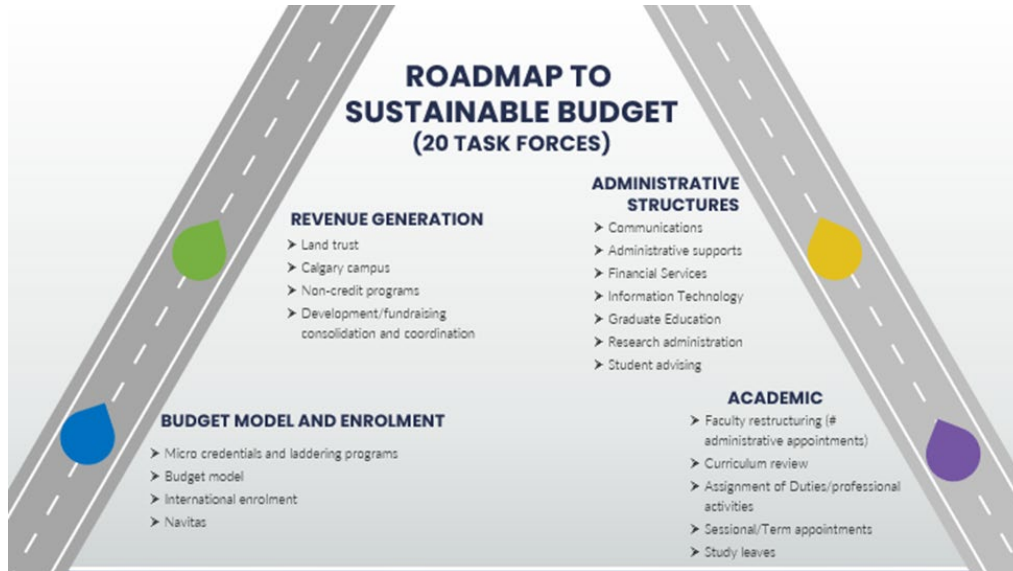
Established Budget Process



Due to the significant budget reductions required due to the reductions in the Provincial operating grant, the University also included additional information and consultation sessions with its community, as shown in red in the following chart.



The 2022/23 budget planning cycle differed from previous year processes as well since there was relative certainty regarding the operating grant reduction for 2022/23 prior to the Budget 2022 announcement. The University had not realized continuing budget savings to balance the 2021/22 budget, but instead balanced the budget using \$3 million in one-time funds. The budgetary road map anticipated that the revenue generation and expenditure savings that would be realized by 2022/23 from the transformational task forces would provide a balanced budget.

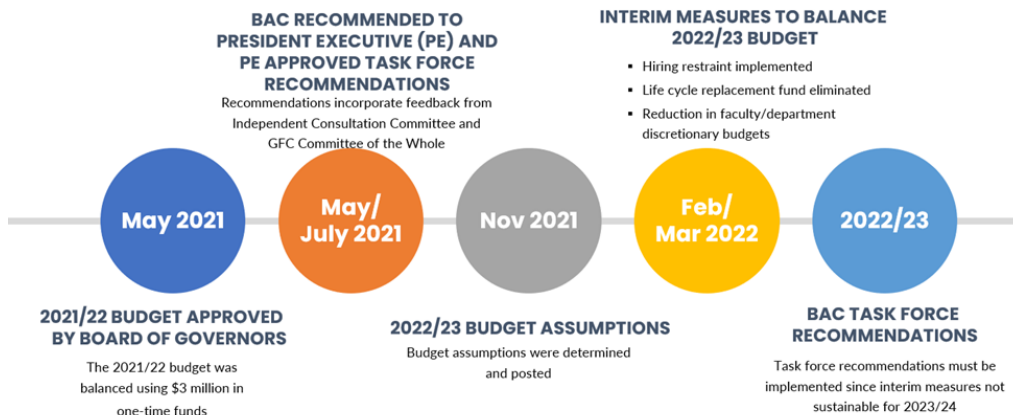


Roadmap to a sustainable budget

Due to the extensive budget consultation processes in 2020 to 2022, and the ongoing challenges due to the COVID-19 pandemic and the academic labour disruption, the task force savings were not realized in the 2022/23 planning cycle. The pandemic resulted in substantial resources devoted to managing the changing health restrictions. In February 2022, the academic staff strike/lockout was also disruptive to the process of implementing the structural changes recommended by the budget task forces which were established in 2020.

To counter these delays interim measures were implemented once again in 2022/23 pending realization of the task force savings. The key measure was a hiring restraint until the task force savings are realized. The hiring restraint resulted in continuing position fund savings with one-time funds only being used to enable minimal hiring of operationally required positions on a term basis. Refer to the [Budget website](#) for more detailed information on the task force recommendations.

2022/23 BUDGET PLANNING TIMELINE



Budget Consultation and Approval Process

Budget Assumptions

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

The University is required by the *Post-secondary Learning Act (PSLA)* to achieve a balanced budget in the upcoming fiscal year and therefore cannot present or approve a budget deficit. Given this, budget reductions or increases in revenue are required whenever expenditure projections of the University exceed revenue projections.

One-Time Strategic Priorities Allocations

Strategic priority allocations are allocations made from accumulated operating surpluses. Annual operating surpluses are generally not on-going since they are the result of events or circumstances which occur in a particular fiscal year which are not anticipated to happen in future years. Typically, annual operating surpluses are attributable to savings in employee position funds as a result of the length of time required to fill budgeted positions, fluctuations in investment income beyond anticipated returns, fluctuations in the US dollar exchange rate and cost controls in the areas of materials and services.

In the Fall of each year, faculties/departments may be requested to submit strategic priority requests if it is anticipated that there may be one-time funds available for allocation to specific projects that align with the University's strategic plan. The submitted requests are to include detailed rationale, budget and an indication of the return on investment (e.g. projected cost savings, additional revenue generation). The following outlines the process for review and prioritization of the strategic priority requests.



Due to the current significant fiscal restraints in Alberta and the anticipation that there will be little to no one-time funds available for allocation in the fiscal year 2022-23, there were no requests to the budget units for submission of strategic priorities for the 2022-23 fiscal year.