

# Preparing a Program Budget: Key Considerations

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**2023-2024 Program Innovation Workshop Series**

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**The University of Calgary, located in the heart of Southern Alberta, both acknowledges and pays tribute to the traditional territories of the peoples of Treaty 7, which include the Blackfoot Confederacy (comprised of the Siksika, the Piikani, and the Kainai First Nations), the Tsuut'ina First Nation, and the Stoney Nakoda (including Chiniki, Bearspaw, and Goodstoney First Nations). The City of Calgary is also home to the Métis Nation of Alberta (Districts 5 and 6).**



# Learning Objectives

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- At the end of this workshop, attendees will understand:
  - How and in what contexts a proposed program budget fits into the University of Calgary and Ministry of Advanced Education governance and approvals processes;
  - Key budget considerations and assumptions;
  - Possible risk mitigation strategies; and
  - What governance committee members look for when reviewing proposed program budgets.

# Proposal Development & Governance

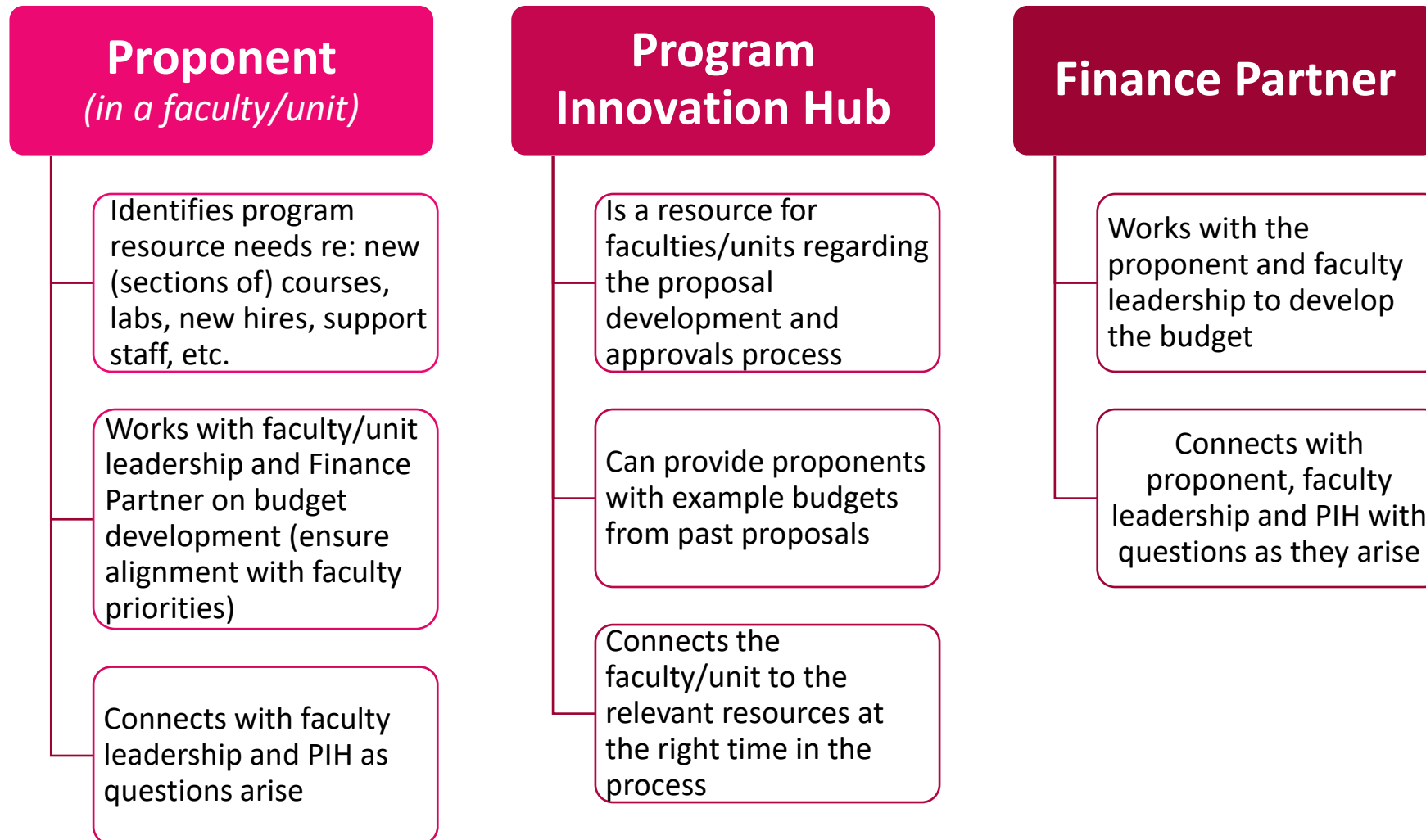
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# Budget and Proposal Development

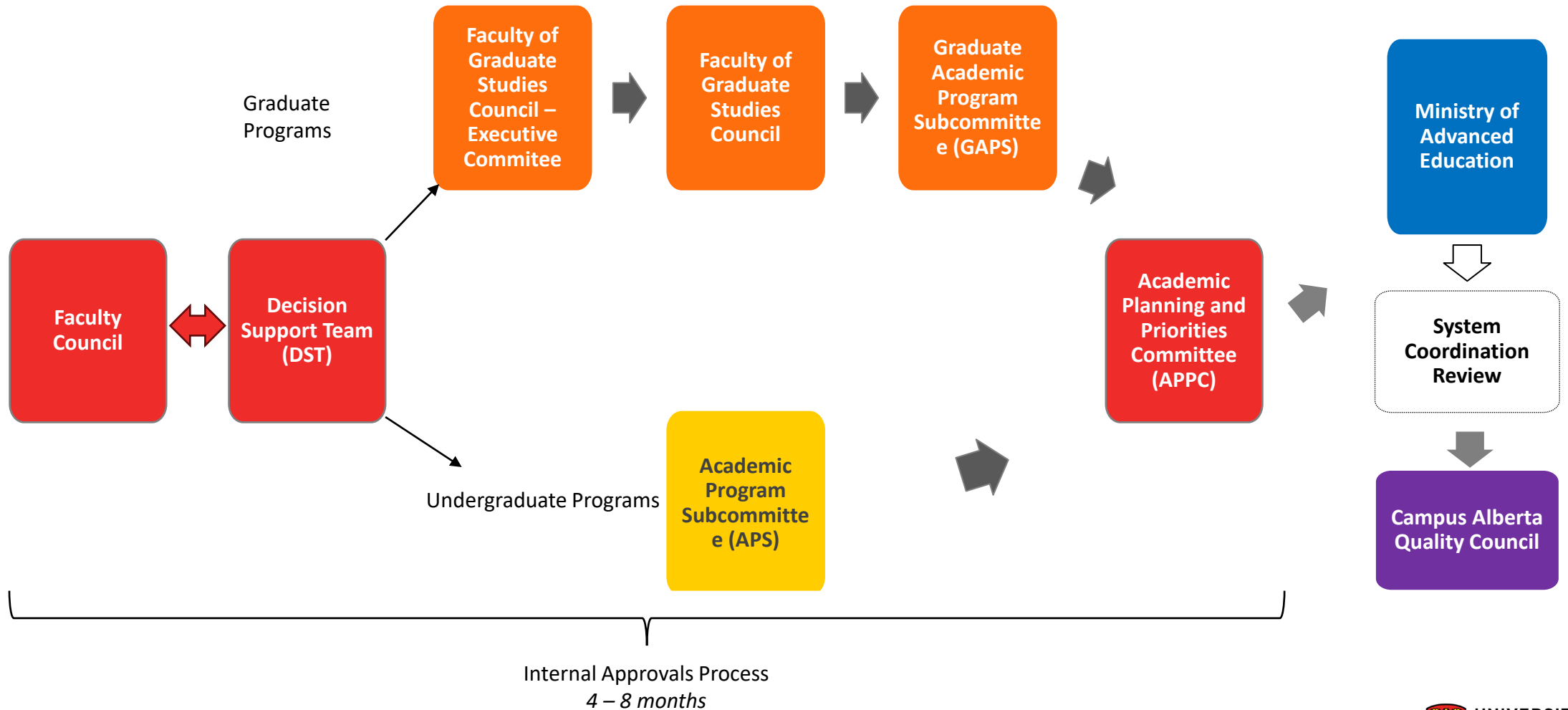
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- Planning
  - Proponents need to work with colleagues and leadership in the faculty/department identify:
    - Number of new courses required (and which faculties would be responsible for teaching them)
    - Human resources required (new academic staff, support staff, MaPS, GATs)
    - Any laboratory renovations needed
    - Expenses such as marketing, recruitment, other communications, technology etc.
    - Number of new students expected
      - Are these **net new** students to the faculty or to the institution?
  - Proponents connect with their faculty's finance partner with some (or all) of the above information to begin developing the budget
  - Goal of the budget is to demonstrate long-term sustainability of the program

# Budget and Proposal Development



# Approvals Process



# Types of Proposals and Routing

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- **Internal Routing (no Ministry approval)**

- New minor, concentration, embedded certificate, specialization
- New non-credit programs
- Suspension, extension of suspension and termination of all of the above
- Non-credit program name changes or other administrative changes to non-credit programs

- **External Routing (Ministry approval)**

- New degree (undergrad or grad)
- New certificate
- Load change
- Program name change, suspension, extension of suspension, termination, and reactivation

\*Yellow-highlighted items require budgets

\*Blue-highlighted item may require a budget



# Credential Nomenclature

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## Degree

- ✓ Can be undergraduate (bachelor's), master's (thesis-based or course-based), or doctoral
- ✓ New degree program requires Ministry approval

## Diploma

- ✓ Graduate, Post-Masters, or Post-Doctoral
- ✓ Minimum of 18 units
- ✓ May ladder into another graduate credential (e.g., graduate diploma laddered into a Master's degree)
- ✓ New diploma program requires Ministry approval

## Certificate

- ✓ Graduate, Post-Master's, or Post-Doctoral
- ✓ Minimum of 12 units
- ✓ May ladder into another graduate credential (e.g., post-masters certificate laddered into a doctoral degree)
- ✓ New certificate program requires Ministry approval

# Undergraduate Sub-degree Nomenclature

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## Major

- ❖ Normally 42-48 units within a bachelor's degree
- ❖ New majors require Ministry approval

## Minor

- ❖ Minimum of 30 units
- ❖ Normally completed within units required for a bachelor's degree
- ❖ Usually not associated with the student's major field of study
- ❖ New minors are institutionally approved

## Concentration

- ❖ Minimum of 18 units
- ❖ Represents area of focus within a degree or major
- ❖ New concentrations are institutionally approved

## Embedded Certificate

- 12-24 units
- Normally taken concurrently with eligible degree program and prior to graduation from degree program
- New embedded certificates are institutionally approved

# Graduate Sub-degree Nomenclature

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## Area of Study

- ❖ The area of study (or discipline of the program) when it is not evident in the degree title (e.g., in the MSc in Chemistry, the Area of Study is Chemistry)
- ❖ New Areas of Study require Ministry approval

## Specialization

- ❖ Specific focus within a graduate degree identified by course requirements
- ❖ Specializations can be specific to an Area of Study, or Interdisciplinary
- ❖ New Specializations are institutionally approved



# Why No Proposal Budget for Minor, Concentration, Embedded Certificate, Specialization?

Proposal budgets should be prepared from the Institutional perspective (i.e., new revenue and expenses at the institutional level).

New minors, concentrations, embedded certificates and specializations typically do not result in new revenue to the institution.

If there are budget implications (i.e., new costs will be incurred), they can be explained in bullet points in the budget section of the proposal.

# Minor/Concentration/Embedded Certificate /Specialization

## Section 4 Budget

*Identify annual and one-time expenditures and annual revenue for the program in the budget tables below. If program implementation will take place over more than one year, provide estimates for each year until full implementation. Provide explanatory notes for all budget assumptions, such as inflation and per student tuition.*

*For proposals without significant impacts on institutional costs, revenues or enrolment, a detailed budget presentation will not normally be required (please confirm with your department's administrative manager and/or your faculty's finance partner and the Provost's Office). Such proposals will satisfy all of the following tests:*

- *The proposal is for a new minor, concentration, or specialization in an existing program, consisting of an innovative combination of existing curricula.*
- *Overall enrolment capacity in the corresponding degree program is maintained.*
- *Excepting incidental administrative and promotional costs, no start-up or incremental operations costs are incurred.*

*If the proposal meets the above tests, explain any budgetary implications in bullet points, below.*

# Budget Considerations for Proposals

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- Proposal budgets should be prepared from the Institutional perspective (ie: new revenue and expenses at the institutional level).
- Faculties can (and should) also prepare budgets from their perspective (ie: budgets would include only the faculty share of revenue and faculty-specific expenses), but they would not be part of the proposal. Faculty-perspective budgets would differ from Institutional-perspective budgets if service teaching is involved.
- All proposed programs should be at least break-even. If there are deficits during the ramp-up period, commentary is required to explain how the deficits will be funded.
- The break-even point with respect to enrolment should be determined and there should be documentation of what the faculty would do should break-even enrolment not be achieved.

# Budget Considerations for Proposals (cont'd)

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- Any assumptions should be clearly noted following the budget tables
- Programs proposing a laddering option should consider:
  - what the most likely student pathway will be (i.e.: laddering, or direct-entry to Masters)
  - timing of offering the credentials

If direct-entry to Masters is most likely, proposals submitted for the certificate and diploma may want to show the budget as a whole for the Certificate/Diploma/Masters, noting this approach in each proposal and speaking to any program-specific costs and related funding source to cover those costs.

If the programs will be rolled independently over a number of years (and possibly with proposals submitted separately), budgets may need to be stand-alone for each credential.

Budgets for laddered proposals can be complex. Discussions between proponent, Program Innovation Hub and Finance Partner will help to determine best approach.

# New non-credit/degree/certificate budget template

- Appendix 6 of the proposals includes a template for showing the determination of tuition revenue for the program:

## Appendix 6: Budget Calculations and Assumptions

Sample annual budget tables (revise as appropriate to the proposal)

Tuition Revenue Calculation						
	Year 1	Year 2	Year 3	Year 4	Year 5	Annual Ongoing
Tuition (per 3-unit course): Domestic Students						
Tuition (per 3-unit course): International Students						
Program fee (if applicable)						
Number of 3-unit courses per student per year						
Number of domestic students enrolled per year						
Number of international students enrolled per year						
<b>Total tuition revenue per year</b>						



# New non-credit/degree/certificate budget template (2)

- Appendix 6 of the proposals also includes an income statement:

	Year 1	Year 2	Year 3	Year 4	Year 5	Annual Ongoing
<b>Revenue</b>						
Total Revenue Tuition and Related Fees	\$0	\$0	\$0	\$0	\$0	\$0
Re-allocation from Existing Programs	\$0	\$0	\$0	\$0	\$0	\$0
Other Internal Sources	\$0	\$0	\$0	\$0	\$0	\$0
Other (specify)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Operational Costs</b>						
Salaries, Wages and Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Materials and Contracted Services	\$0	\$0	\$0	\$0	\$0	\$0
Other Direct Costs	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Costs	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Operational Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Income/ (Shortfall)</b>						

# New non-credit/degree/certificate budget template (3)

- Appendix 6 of the proposals includes also includes a table to provide details of any one-time expenditures:

One-time expenditures	Amount	Revenue Source	Details
Facilities	\$		
Equipment and IT	\$		
Curriculum Development	\$		
Marketing and Promotion	\$		
Faculty Recruitment and Establishment	\$		
Library Enhancements	\$		
Other	\$		

# Standard Budget Assumptions

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Assumptions used in the budget should be outlined following the budget tables. Standard assumptions include:

- Annual inflation % increase in tuition as well as in expenses (suggest 2% tuition, 3% salary)
- Indirect costs = Central's share of tuition/government revenue (currently 40%) to cover overhead costs
- # and type (i.e.: academic staff (full-time or sessional), AUPE, MaPS,) of hires and hiring salary
- Rationale for hiring sessionals vs.. full-time academic staff, if applicable
- If new AUPE staff are not being hired to support this program, identify the impacts on the existing AUPE support staff in your unit, and how this program will fit in their existing workload.

# Risk Mitigation - Scenarios

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- It is important for faculties to understand implications of not meeting planned enrolment (including domestic/international splits), and how costs might have to be adjusted given changes in enrolment.
  - What will the faculty do should break-even enrolment not be achieved?
  - What if the proposed domestic/international enrolment split is not achieved – can the program function solely on domestic enrolment?
  - What are the 'must have' positions and costs and what budgeted costs are 'nice to have' - where is the flex in the budget?

# What committees look for

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- Note: APPC does not have budgetary authority
  - Resides with Faculty Council to ensure funds are appropriately allocated
- Committee members often flag sustainability
  - “Can we as an institution/faculty/department afford to run the program with this budget over the long term?”
  - “These are really tight margins...”
  - Also look at:
    - Salaries
    - Revenue coming in
    - Risk mitigation plans
    - Impacts on AUPE and MaPS staff
    - Alignment with TUCFA Collective agreement (i.e., rationale for hiring sessionals)

# Discussion and Questions

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- What experiences have you had building budgets for programs that you would like to share?
- What questions do you have?



# Upcoming workshops:

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## Indigenous Ways of Knowing & Program Design

May 30<sup>th</sup>, 2024, 1:00pm

Featuring: Dr. Christine Martineau, Educational Development Consultant  
(Indigenous Ways of Knowing), Taylor Institute for Teaching and  
Learning