



BUDGET 2018/19

Consolidated Budget Board of Governors – March 23, 2018

By: Christine Bovis-Crossen, Provost & VP Academic
Matt Milovick, VP – Administration & Finance

BUDGET 2018/19

PRESENTATION OUTLINE

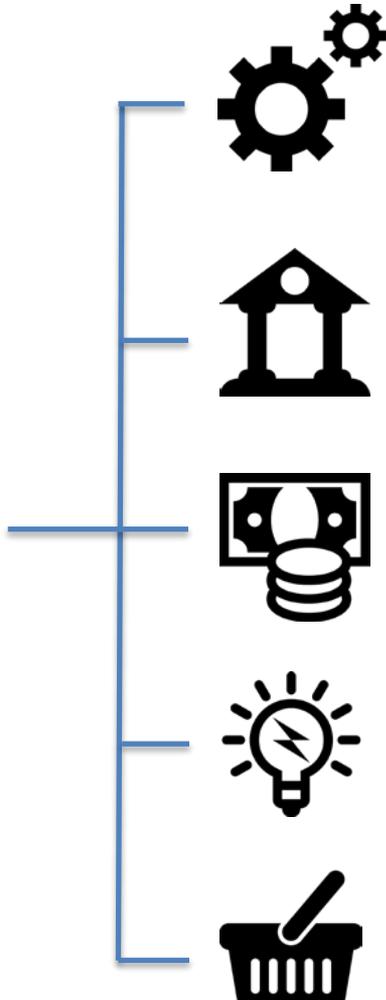


- Budget Structure
- Consolidated All-Funds
- Operating Fund Revenue & Expenditures
- Executive Portfolios
- Conclusions and Future Imperatives
- Appendices

TRU's BUDGET STRUCTURE



ALL FUNDS Budget



OPERATING FUND: Funds for the day-to-day needs of TRU to support teaching and administration. **74%** of the operating expenses are salaries & benefits (an increase of **2%** over 17/18).

CAPITAL FUND: Money used to fund campus infrastructure and major equipment purchases.

ANCILLARY FUND: This fund captures all of TRU's non-academic revenue generating activities such as the Bookstore, parking, food services, etc.

SPONSORED RESEARCH FUND: Funds restricted for externally funded research.

SPECIFIC PURPOSE FUND: Includes Faculty PD funds; specific purpose funds and bursaries.



BUDGET 18/19:

CONSOLIDATED – ALL FUNDS



2018/19 Budget Methodology Differences ('000's)

	Budget Methodology	Changes	Budget (Draft)
Grants	\$85,542		\$85,542
Tuition – Domestic	39,079	(580)	38,499
Tuition – International	45,550	7,000	52,550
Lab & Course Fees	12,033	300	12,333
Other Revenue	32,124		32,124
Total Revenue	\$214,328	\$6,720	\$221,048
Compensation & Benefits	129,177	(5,000)	124,177
Non-Compensation	75,218	(2,800)	72,418
Accounting Surplus	\$9,933	\$14,520	\$24,453



2018/19 Consolidated All-Funds Budget ('000's)

	2018/19 Budget (Draft)	2017/18 Budget (Original)	2017/18 Forecast (Q3)
Grants	\$85,542	\$78,717	\$82,694
Tuition – Domestic	38,499	39,050	37,677
Tuition – International	52,550	30,490	40,474
Lab & Course Fees	12,333	11,550	12,282
Other Revenue	32,124	29,723	33,074
Total Revenue	\$221,048	\$189,530	\$206,201
Compensation & Benefits	(124,177)	(120,567)	(118,285)
Non-Compensation	(72,418)	(66,544)	(70,620)
Accounting Surplus	\$24,453	\$2,419	\$17,296
Capital Spending	(31,113)	(8,482)	(9,100)
Increase/(Drawdown) of Reserves	(\$6,660)	(\$6,063)	\$8,196



2018/19 Capital Spending Plan ('000's)

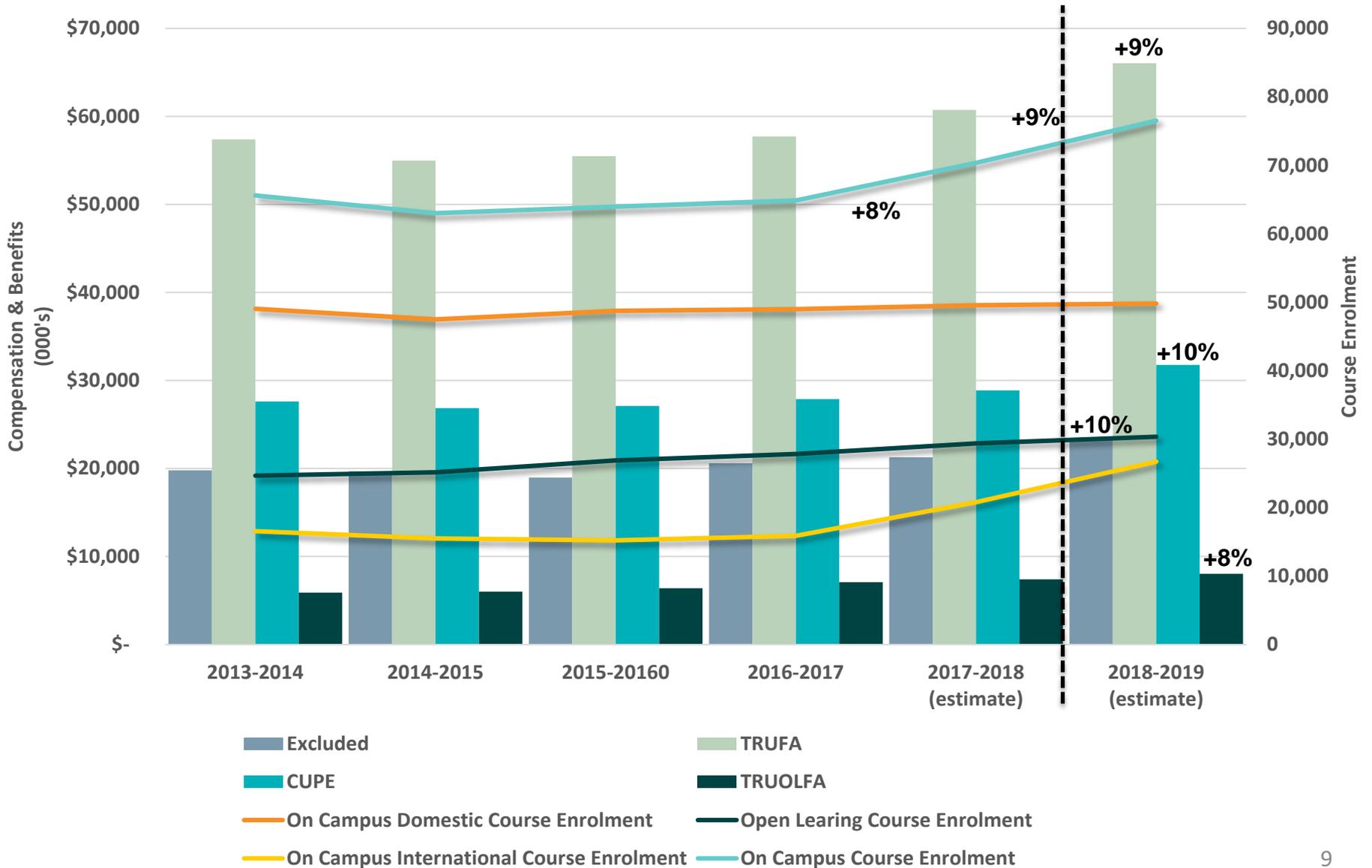
	Project Total	TRU Funded	Externally Funded
Accounting Surplus		\$24,453	
Classroom Refurbishing	\$5,000	\$5,000	\$0
Divisional Capital Spend	1,300	1,300	0
Furniture, Fixtures & Equipment	850	850	0
Books	170	170	0
Industrial Trades & Technology Centre (ITTC)	12,693	10,726	1,967
Nursing Population & Health Building (NPH)	18,816	12,887	5,929
Fortis Custom Design	180	180	0
Total Planned Capital Spending	\$39,009	\$31,113	\$7,896
Increase/(Drawdown) of Reserves		(\$6,660)	



2018/19 Revised Capital Spending Plan ('000's)

	UCH w/Debt	UCH 100% TRU
Total Planned Capital Spending (as per Budget Presentation)	\$31,113	\$31,113
Add: 1274 McGill (Ginseng)	\$4,500	\$4,500
Add: Upper College Heights	\$7,900	\$33,400
Revised Total Planned Capital Spending	\$43,513	\$69,013
Total Reserves Available (includes 2018/19 surplus)	\$76,483	\$76,483
Reserves After Total Planned Capital Spending (March 31, 2019)	\$24,370	\$1,130
Projected Cash Available (March 31, 2018)	\$81,995	\$81,995
Projected Cash Available (March 31, 2019)	\$69,882	\$44,382

5-Year Trend: Compensation & Benefits by Employee Group Relative to Course Enrolments





Overall Budget Assumptions ('000's)

2018/19 Budget (Draft) vs 2017/18 Budget (Original)

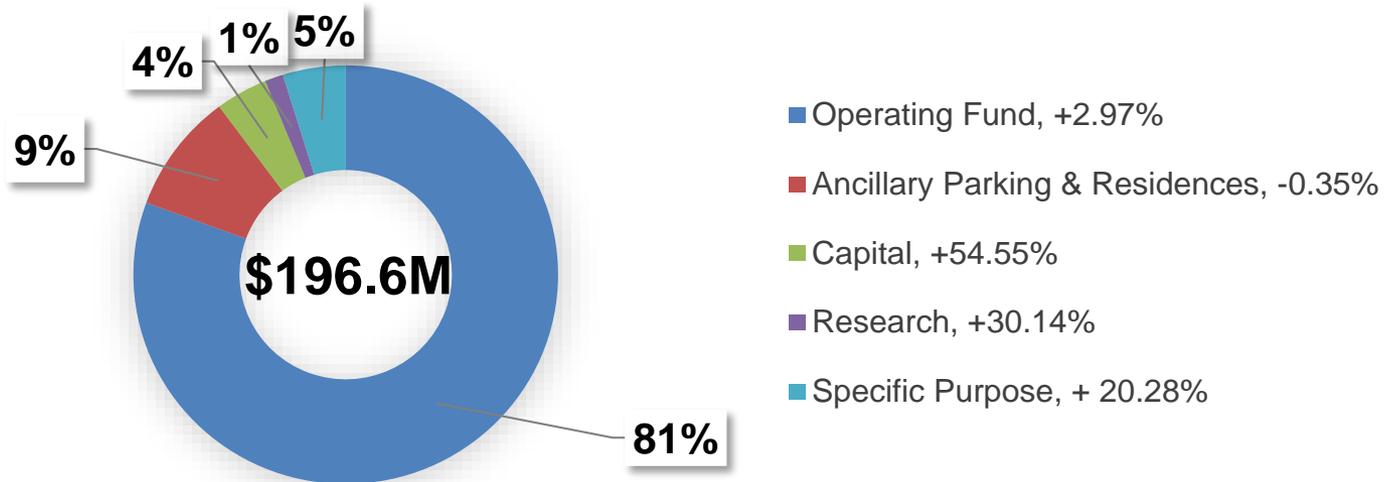
Revenues:	2018/19
ADD: Change to Operating & Other Grants	\$6,825
ADD: Change in Student Tuition and Fees – Domestic	\$477
ADD: Change in Student Tuition and Fees – International	\$21,815
ADD: Change to Other Revenues	\$2,401
Increase in Revenues	\$31,518
Expenses:	
ADD: Increase in Compensation (All Categories)	\$8,610
LESS: Unfilled Vacancies & Unspent Contingencies Assumption	(\$5,000)
ADD: Increase in Non-Salary Expenditures	\$9,674
LESS: Unspent Non-Salary Contingencies Assumption	(\$3,800)
Increase in Expenses	\$9,484
Anticipated Increase in Revenue over Expenses	\$22,034

Note: Detailed assumptions are included in the appendices to this presentation



Consolidated All-Funds Expenditure Budget FY2018/19 ('000's)

	2018/19 Budget	2017/18 Budget	% Change*	2017/18 Forecast**	2017/18 Variance***
Operating	\$158,431	\$153,864	2.97%	\$153,570	\$4,861
Ancillary Services, Parking & Residences	18,197	18,260	(0.35%)	17,806	391
Capital	7,807	5,051	54.55%	6,077	1,730
Sponsored Research	2,755	2,117	30.14%	2,780	(25)
Specific Purpose	9,405	7,820	20.28%	8,672	733
Total Expenditures	\$196,595	\$187,112	5.07%	\$188,905	\$7,690



* Comparing FY2018/19 Budget to FY2017/18 Budget

** Forecasted to March 31, 2018

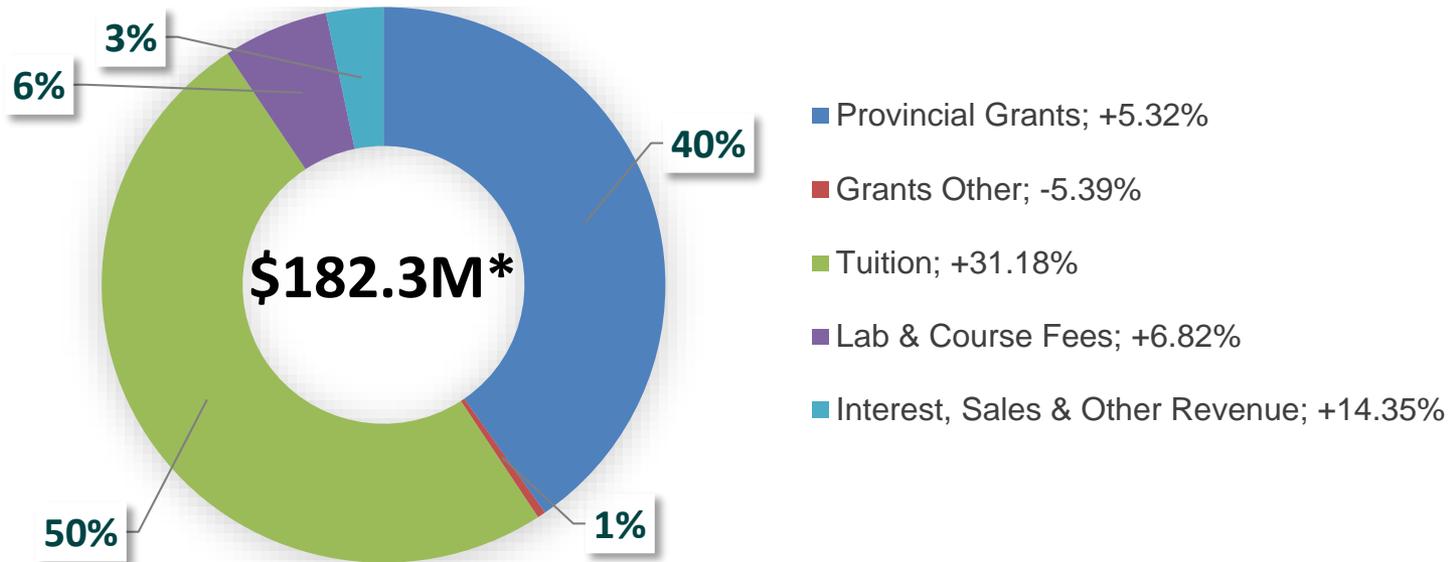
*** Variance between 2018/19 Budget and 2017/18 Forecast



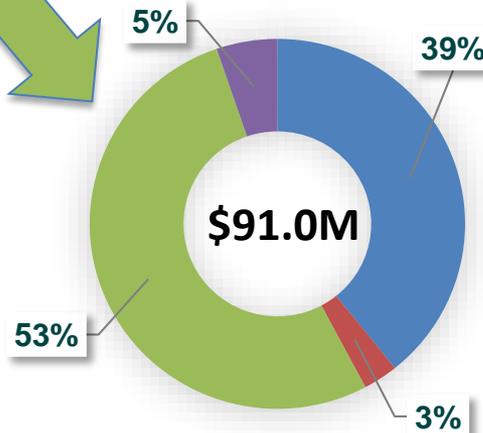
BUDGET 18/19: **OPERATING FUND**



Operating Fund Revenues (FY2018/19)



- Provincial Grants; +5.32%
- Grants Other; -5.39%
- Tuition; +31.18%
- Lab & Course Fees; +6.82%
- Interest, Sales & Other Revenue; +14.35%



Tuition Breakdown

- Tuition Domestic - Undergraduate; -1.93%
- Tuition Domestic - Graduate; +10.60%
- Tuition International - Undergraduate; +74.57%
- Tuition International - Graduate; +52.87%

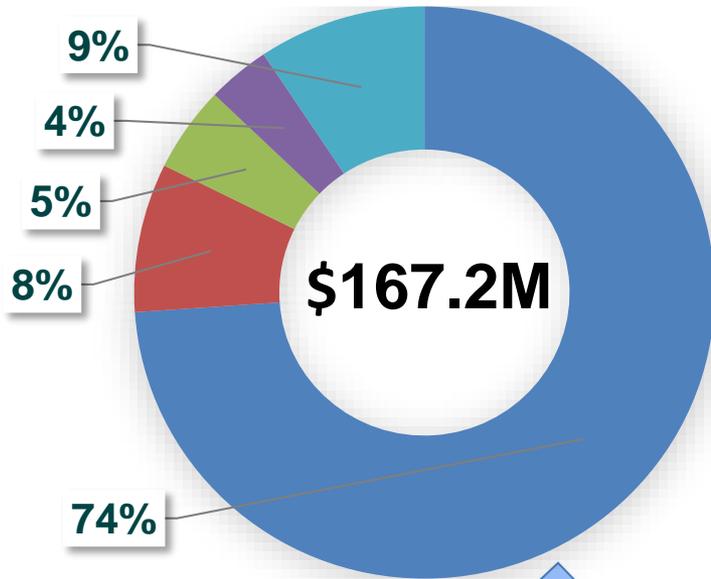
Notes:

* Operating fund revenues net of depreciation transfer

- % within the pie represents that category's percentage of all operating fund revenues
- % increase/decrease in the legend labels represent changes from 17/18 budget to 18/19 budget



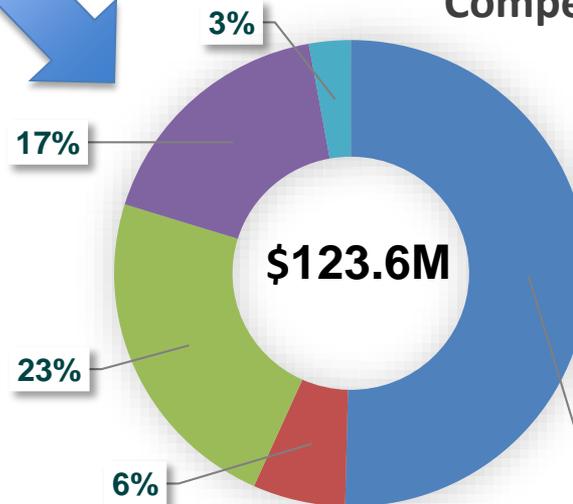
Operating Fund Expenses (FY2018/19)



- Compensation & Benefits; +6.46%
- Professional Fees, Memberships & Contracted Services; +24.62%
- Building, Equipment, Operations & Maintenance; +26.26%
- Operating Supplies; +4.41%
- Other Expenditures; +8.05%



Compensation Breakdown



- TRUFA Salaries & Benefits; +2.66%
- TRUOLFA Salaries & Benefits; +4.73%
- CUPE Salaries & Benefits; +5.18%
- Excluded Salaries & Benefits; +7.10%
- Other Compensation; +331.94%

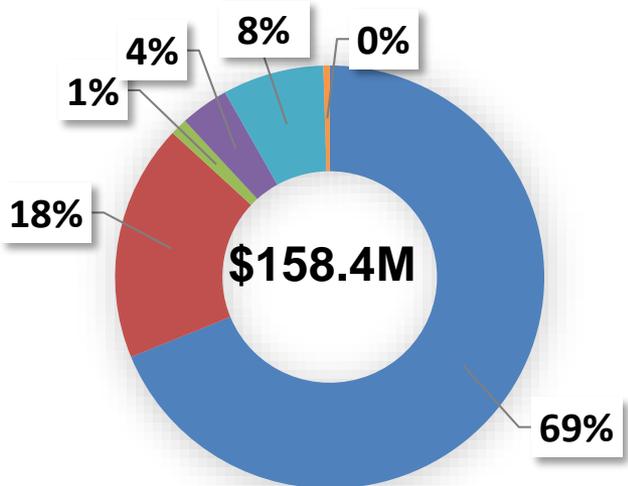
Notes:

- % within the pie represents that category's percentage of all operating expenses
- % increase/decrease in the legend labels represent changes from 17/18 budget to 18/19 budget



Operating Expense By Executive Portfolio ('000's)

	2018/19 Budget	2017/18 Budget	% Change*	2017/18 Forecast**	2017/18 Variance****
VP Academic and Provost Total	\$109,046	\$103,920	4.93%	\$104,290	\$4,755
VP Administration and Finance Total	28,668	26,088	9.89%	27,513	1,155
VP Advancement Total	2,051	1,955	4.94%	1,873	178
President Portfolio Total	5,814	5,559	4.57%	5,927	(113)
TRU World	12,098	10,023	20.70%	11,310	788
Institutional***	9,554	6,319	51.19%	2,657	6,897
Unfilled Positions & Unspent Contingencies Assumption	(8,800)				(8,800)
Total Operating Expenditures	\$158,431	\$153,864	2.97%	\$153,570	\$4,860



- VP Academic and Provost (Portfolio Total) - 69%
- VP Administration & Finance (Portfolio Total) - 18%
- VP Advancement (Portfolio Total) - 1%
- President (Portfolio Total) - 4%
- TRU World - 8%
- Institution - <1%

* Comparing FY2018/19 Budget to FY2017/18 Budget
 ** Forecasted to March 31, 2018
 *** Institutional – Majority of institutional is in SIF and gets transferred to Faculties, Schools & Departments upon reward
 **** Variance between 2018/19 Budget and 2017/18 Forecast

Provost and Vice-President Academic Operating Expenses ('000's)



	2018/19 Budget	2017/18 Budget	% Change*	2017/18 Forecast**	2017/18 Variance***
Provost and VP Academic Portfolio					
Faculty of Science	\$15,511	\$14,877	4.26%	\$15,176	\$335
School of Business and Economics	9,257	9,150	1.17%	9,793	(536)
Faculty of Education and Social Work	9,758	9,686	0.75%	9,965	(207)
School of Nursing	6,148	5,873	4.67%	5,700	448
Faculty of Adventure, Culinary Arts and Tourism	5,126	5,502	(6.84%)	5,735	(609)
Faculty of Arts	11,455	11,394	0.56%	11,439	16
Faculty of Law	4,103	4,210	(2.54%)	4,035	68
School of Trades and Technology	7,070	6,461	9.41%	6,438	632
University Library	3,820	3,663	4.25%	3,778	42
Strategic Enrolment and Registrar	7,049	7,402	(4.75%)	7,061	(12)
Faculty of Student Development	4,596	3,936	16.77%	4,294	302
Centre for Excellence in Learning and Teaching	567	658	(13.61%)	485	82
Research and Graduate Studies	1,897	1,797	5.53%	1,692	205
Open Learning	14,344	13,740	4.42%	13,378	966
Williams Lake - Academic	3,203	3,082	3.93%	3,089	114
Regional	591	577	2.34%	696	(105)
VP Academic and Provost	4,551	1,912	137.97%	1,536	3,015
Provost and VP Academic Portfolio Total	\$109,046	\$103,920	4.93%	\$104,290	\$4,756

* Comparing FY2018/19 Budget to FY2017/18 Budget

** Forecasted to March 31, 2018

*** Variance between 2018/19 Budget and 2017/18 Forecast



Vice-President Administration & Finance

Operating Expenses ('000's)

	2018/19 Budget	2017/18 Budget	% Change*	2017/18 Forecast**	2017/18 Variance***
VP Administration & Finance Portfolio					
Environmental and Sustainability	\$2,244	\$2,032	10.44%	\$2,925	(\$681)
Facilities	4,952	4,453	11.21%	4,656	296
Athletics and Recreation	2,533	2,531	0.06%	2,894	(361)
IT Services	6,374	5,919	7.72%	6,062	313
Human Resources and Planning	4,850	4,621	4.97%	4,654	196
Finance and Procurement Services	4,388	4,018	9.18%	3,955	433
Internal Audit	198	179	10.88%	190	8
Williams Lake - Operations	1,386	1,358	2.13%	1,321	65
VP Administration and Finance	1,743	977	78.72%	856	887
VP Administration & Finance Total	\$28,668	\$26,088	9.89%	\$27,513	\$1,155

* Comparing FY2018/19 Budget to FY2017/18 Budget

** Forecasted to March 31, 2018

*** Variance between 2018/19 Budget and 2017/18 Forecast



President and Vice Chancellor Operating Expenses ('000's)

	2018/19 Budget	2017/18 Budget	% Change*	2017/18 Forecast**	2017/18 Variance***
President and Vice Chancellor Portfolio					
TRU Secretariat	\$1,237	\$1,154	7.23%	\$1,242	(\$5)
Marketing and Communications	3,272	3,228	1.37%	3,446	(174)
Office of the President	573	579	(0.99%)	523	50
Aboriginal Affairs	732	598	22.51%	716	16
President and Vice Chancellor Total	\$5,814	\$5,559	4.57%	\$5,927	(\$113)

* Comparing FY2018/19 Budget to FY2017/18 Budget

** Forecasted to March 31, 2018

*** Variance between 2018/19 Budget and 2017/18 Forecast



BUDGET 18/19:

CONCLUSIONS & FUTURE IMPERATIVES



2019/20 and 2020/21 Global Assumptions (%)

Assumption	2019/20	2020/21
Grants	Wage Mandate & NPH DCC's	NPH DCC's
Tuition – Domestic (enrolment)	0.9%	0.3%
Tuition – Domestic (fee increase)	2.0%	2.0%
Tuition – International (enrolment)	10.0%	7.9%
Tuition – International (fee increase)	3.0%	3.0%
Lab & Course Fees (enrolment)	3.7%	2.8%
Lab & Course Fees (fee increase)	2.0%	2.0%
Other Revenue	0.0%	0.0%
Compensation & Benefits	2.0%	2.0%
Non-Compensation – Inflation	2.1%	2.1%



2018/19 through 2020/21 Budget Projections ('000's)

	2018/19 Budget (Draft)	2019/20 Projection	2020/21 Projection
Grants	\$85,542	\$86,397	\$86,507
Tuition – Domestic	38,499	40,278	41,698
Tuition – International	52,550	59,086	65,323
Lab & Course Fees	12,333	13,032	13,708
Other Revenue	32,124	31,537	31,550
Total Revenue	\$221,048	\$230,330	\$238,786
Compensation & Benefits	(124,177)	(127,594)	(131,129)
Non-Compensation	(72,418)	(74,969)	(76,989)
Accounting Surplus	\$24,453	\$27,767	\$30,668
Capital Spending & Reserves	(32,936)	(16,614)	(7,697)
Replenishment/(Drawdown) of Reserves	(\$8,483)	\$11,153	\$22,971

- Surplus budget achieved as a result of significant international (i.e. India) enrolment growth.
- Surpluses become reserves that can only be used for capital projects. There is significant capital spending anticipated for 2018/19 that will use all of the 2018/19 surplus.
- A significant portion of the reserve (\$5M in 2018/19) will be used to refresh classrooms and labs on campus over the next few years.
- Financial sustainability exercise to prepare for a potential “correction” to international enrolment numbers.
- Align international enrolments to Strategic Enrolment Plan
- Unfilled vacancies expected to contribute significantly to 18/19 anticipated surplus (and beyond).
- Domestic on-campus enrolment remains a challenge.



BUDGET 18/19:

Q&A



BUDGET 18/19:

APPENDICES

- **A: FY2018/19 Assumptions**
- **B: FY2017/18 Operating Expense by Portfolio**



BUDGET 18/19:
APPENDIX A:
FY2018/19 Assumptions

2018/19 Revenue Assumptions ('000's)



ASSUMPTION	18/19 CHANGE	PROBABILITY
Provincial & Other Grants		
Funding for Wage Settlements	1,454	High
ABE/ESL Funding	1,015	High
Increase ITA Grant (new programs)	351	Medium
DCC increase due from ITTC	400	High
Research and Other Grants	3,605	Medium
Total Projected Change to Grants	6,825	
Domestic Tuition & Fees		
Current Year (17/18) Impact of Enrolments	(652)	High
Reduction for ABE/ESL moved to Grant	(1,015)	High
On-Campus Undergraduate Enrolments remain stable	0	Medium
Graduate Enrolments increase (13.5%)	192	Medium
Open Learning Enrolments increase (3.9%)	220	Medium
Tuition and Fees increase (2%) ~ as per AEST	704	High
Lab & Course Fee increase	1,028	Medium
Total Projected Change to Domestic Tuition & Fees	477	

2018/19 Revenue Assumptions ('000's)



ASSUMPTION	18/19 CHANGE	PROBABILITY
International Tuition & Fees		
Current Year (17/18) Impact of Enrolments	9,983	High
On-Campus Undergraduate Enrolments increase (28%)	10,219	Medium
Graduate Enrolments increase (43%)	1,650	Medium
Open Learning Enrolments increase (8.8%)	208	Medium
Lab & Course Fee increase	802	Medium
Lab & Course Fee decrease (Int'l MSP Fees)	(1,047)	High
Total Projected Change to International Tuition & Fees	21,815	
Other Revenues		
Interest on Investments	(168)	Medium
Ancillary Revenues	422	Medium
Contract Revenues	488	High
Specific Purpose and Other Revenues	1,659	Medium
Projected Change in Other Revenues	2,401	
Total Projected Changes to Revenues	31,518	

2018/19 Compensation Assumptions ('000's)



ASSUMPTION	18/19 CHANGE	PROBABILITY
Compensation		
General Wage Increases – Union Settlements & Excluded	1,429	High
Progression Through Steps and Promotion (TRUFA & Excluded)	1,000	High
New Positions in Faculty, OLFM & Other	3,162	Medium
Program Development & Enrolment Contingency	3,019	Medium
Vacancies and Unspent Contingencies	(5,000)	Medium
<i>Total Projected Change to Compensation</i>	3,610	

2018/19 Non-Compensation Assumptions (‘000’s)

ASSUMPTION	18/19 CHANGE	PROBABILITY
Non-Compensation		
Effect of Inflation on non-salary	750	Medium
Increase in Professional Fees & Contracted Services (NPH)	1,000	Medium
Increase in Building & Equipment (ITTC)	1,100	Medium
Increased Amortization	130	High
Enrolment Driven Changes	335	High
Permanent Allocation of SIF Funding in 17/18 to be recovered in 18/19	1,141	High
International MSP Expense Decrease	(1,007)	High
Program Development & Enrolment Contingency	6,225	Medium
Unspent Contingencies	(3,800)	Medium
Total Projected Change to Non-Compensation	5,874	
Total Projected Change to Expenditures	9,484	

2018/19 Surplus Allocation/Usage ('000's)



ASSUMPTION	18/19 CHANGE	PROBABILITY
Change to Accounting Surplus/(Deficit)	22,034	
Surplus Allocation/Usage		
Contribution to Board Reserves	267	High
Institutional Capital Equipment & Buildings	29,813	High
<i>Total Projected Surplus Allocation/Usage</i>	30,080	
Total Excess (Deficiency) of Revenues over Expenditures	(8,046)	

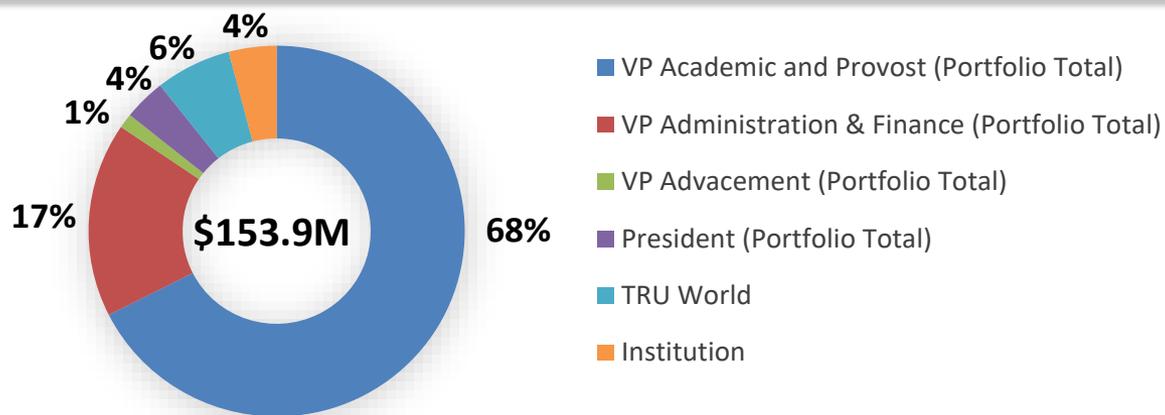


BUDGET 18/19:
APPENDIX B:
FY2017/18 Operating Expense
By Portfolio



FY2017/18 Operating Expense Change By Executive Portfolio ('000's)

	2017/18 Budget	2016/17 Budget	% Change*	2016/17 Forecast**	2016/17 Variance****
VP Academic and Provost Total	\$103,920	\$103,646	0.26%	\$102,338	\$1,582
VP Administration and Finance Total	\$26,088	\$25,402	2.70%	\$26,000	\$88
VP Advancement Total	\$1,955	\$1,938	0.88%	\$1,944	\$11
President Portfolio Total	\$5,559	\$4,476	24.20%	\$4,448	\$1,111
TRU World	\$10,023	\$9,908	1.16%	\$10,778	-\$755
Institutional***	\$6,319	\$3,056	106.77%	-\$27	\$6,346
Total Operating Expenditures	\$153,864	\$148,426	3.66%	\$145,481	\$8,383



* Comparing FY2017/18 Budget to FY2016/17 Budget

** Forecasted to March 31, 2017

*** Institutional – Majority of institutional is in SIF and gets transferred to Faculties, Schools and Departments upon award

**** Variance between 2017/18 Budget and 2016/17 Forecast





BUDGET 18/19:

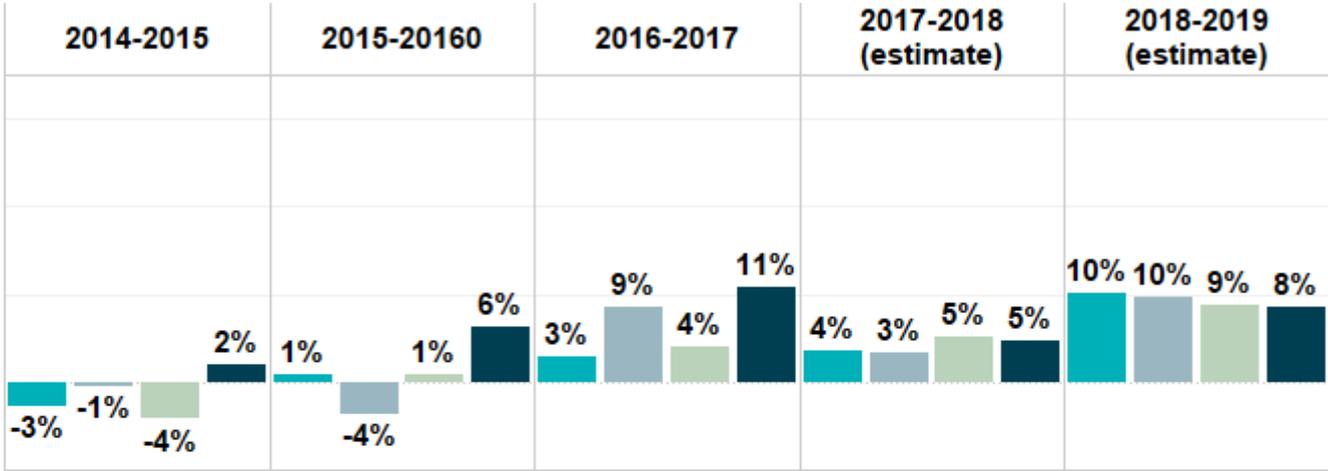
APPENDIX C:

5YR Trend – C&B vs Enrolment

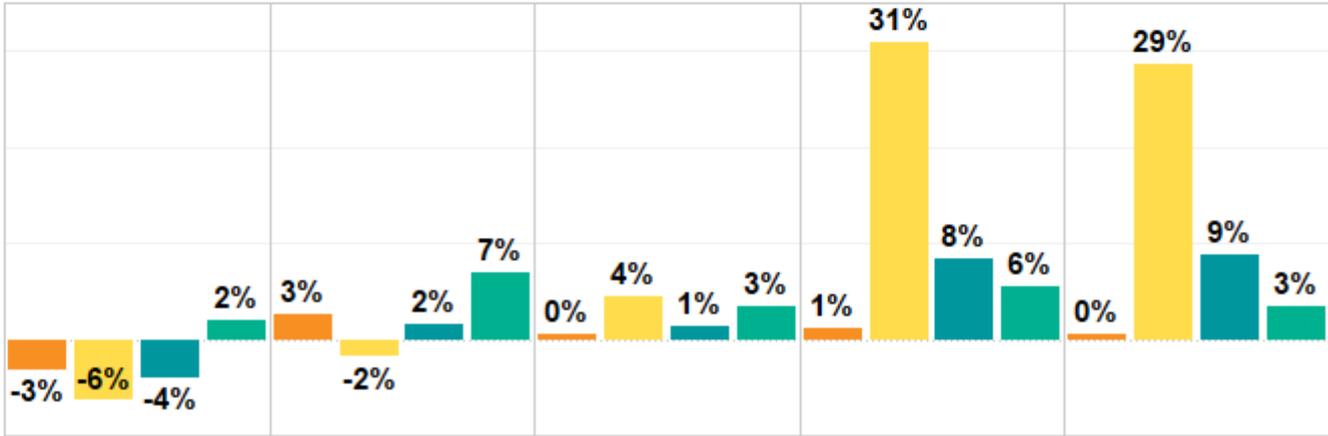
5-Year Trend: Compensation & Benefits by Employee Group Relative to Course Enrolments

Year to Year Change: Compensation & Benefits compared to Course Enrolment

- Compensation & Benefits**
- CUPE
 - Excluded
 - TRUFA
 - TRUOLFA



- Course Enrolment**
- On Campus Domestic
 - On Campus International
 - On Campus Total
 - Open Learning



5-Year Trend: Compensation & Benefits by Employee Group Relative to Course Enrolments

Overall Change from 2013-2014:
Compensation & Benefits compared to Course Enrolment

Compensation & Benefits

- CUPE
- Excluded
- TRUFA
- TRUOLFA

Course Enrolment

- On Campus Domestic
- On Campus International
- On Campus Total
- Open Learning

