



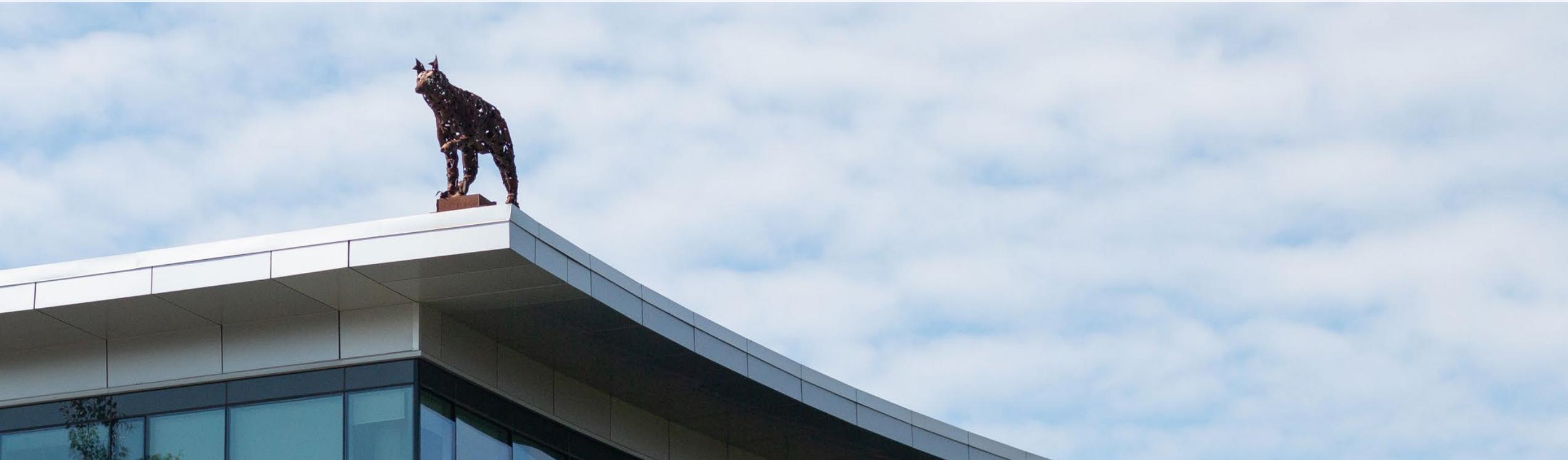
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2023/24 Budget Update

Gillian Balfour, Provost & VP Academic

Yvette Laflamme, AVP Finance & Supply Chain

We acknowledge that the Thompson Rivers University campuses are on the traditional lands of the Tk'emlúps te Secwépemc (Kamloops campus) and the T'exelc (Williams Lake campus) within Secwépemc'ulucw, the traditional and unceded territory of the Secwépemc.



2023/24 Budget Update

Presentation Outline

- Planning Environment
- Current Year Context
- Budget Process
- Draft Budget & Multi-year Projections
- Conclusions



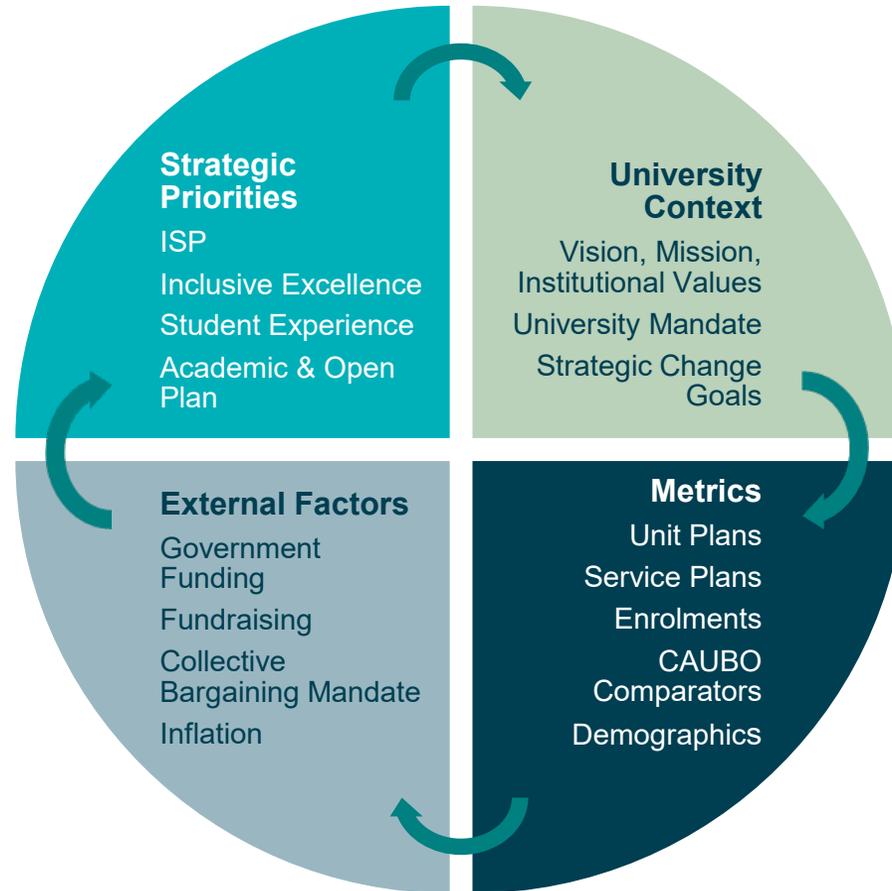


▶ Planning Environment

2023/24 Budget Update

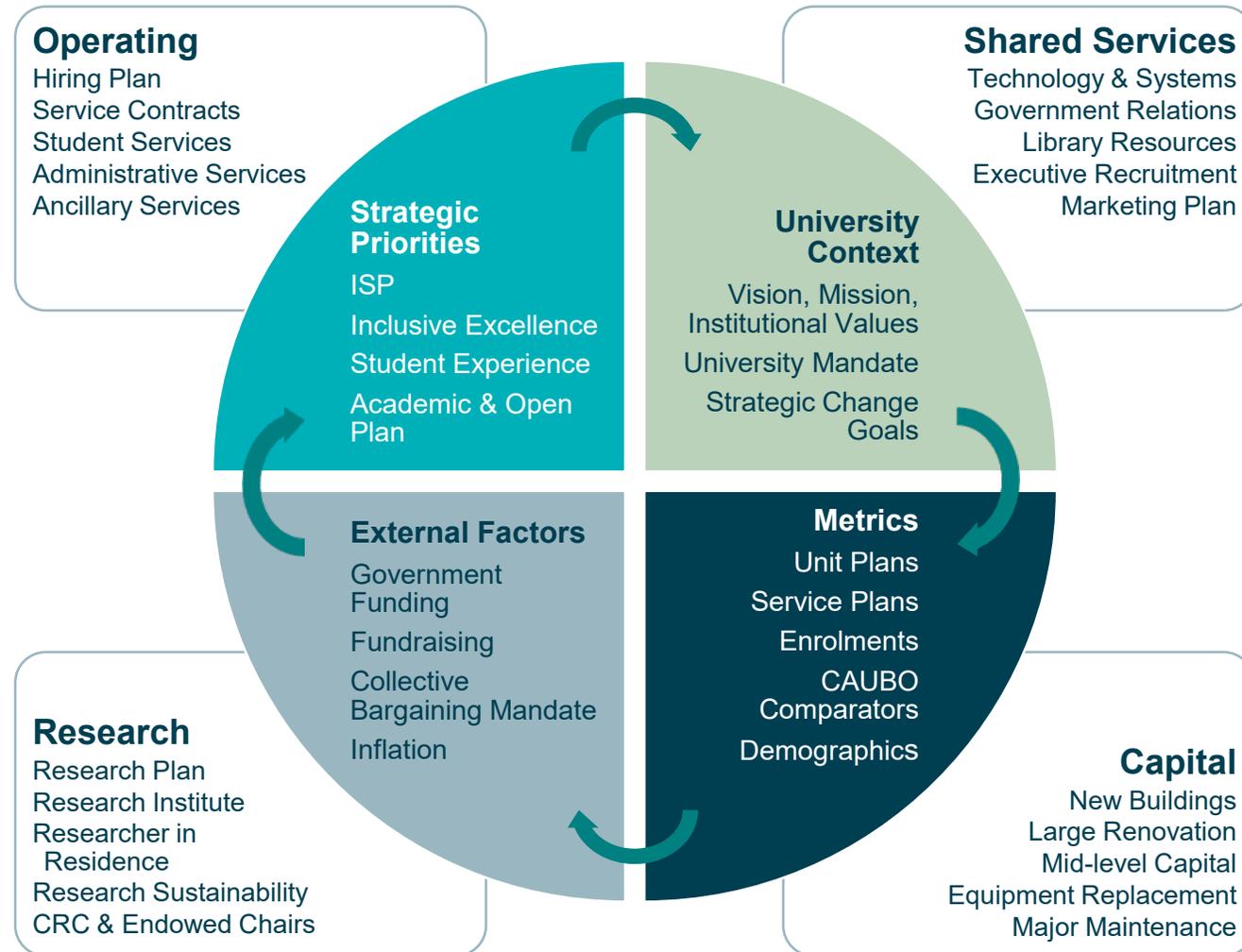
Planning Considerations

Take-away: Linking resource allocation to strategy, to mitigate budget risks.



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Take-away: Linking resource allocation to strategy, to mitigate budget risks.





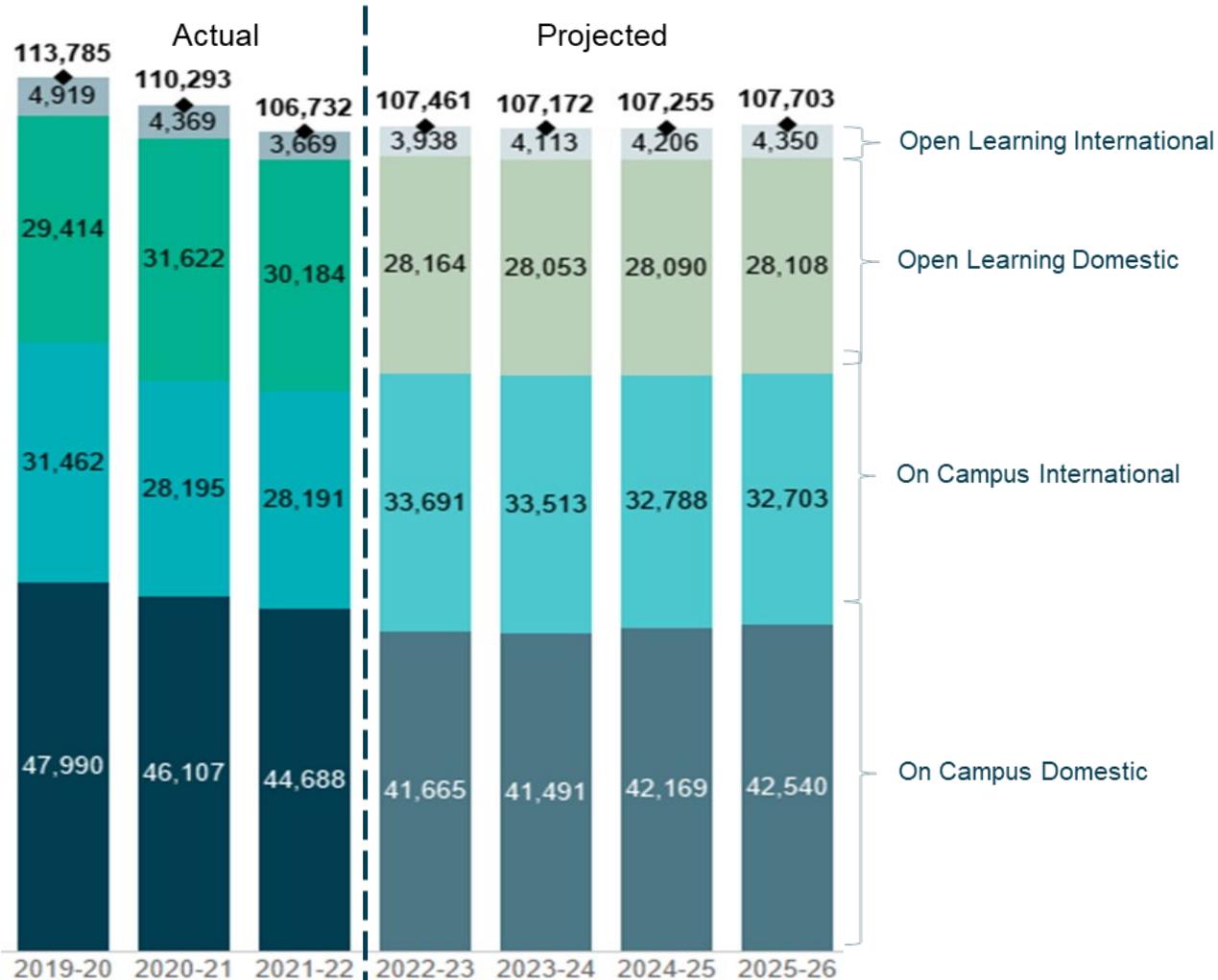
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▶ Current Year Context

2023/24 Budget Update

Enrolment Trends & Projections

Take-away: Developing strategy to address declining domestic enrolment.



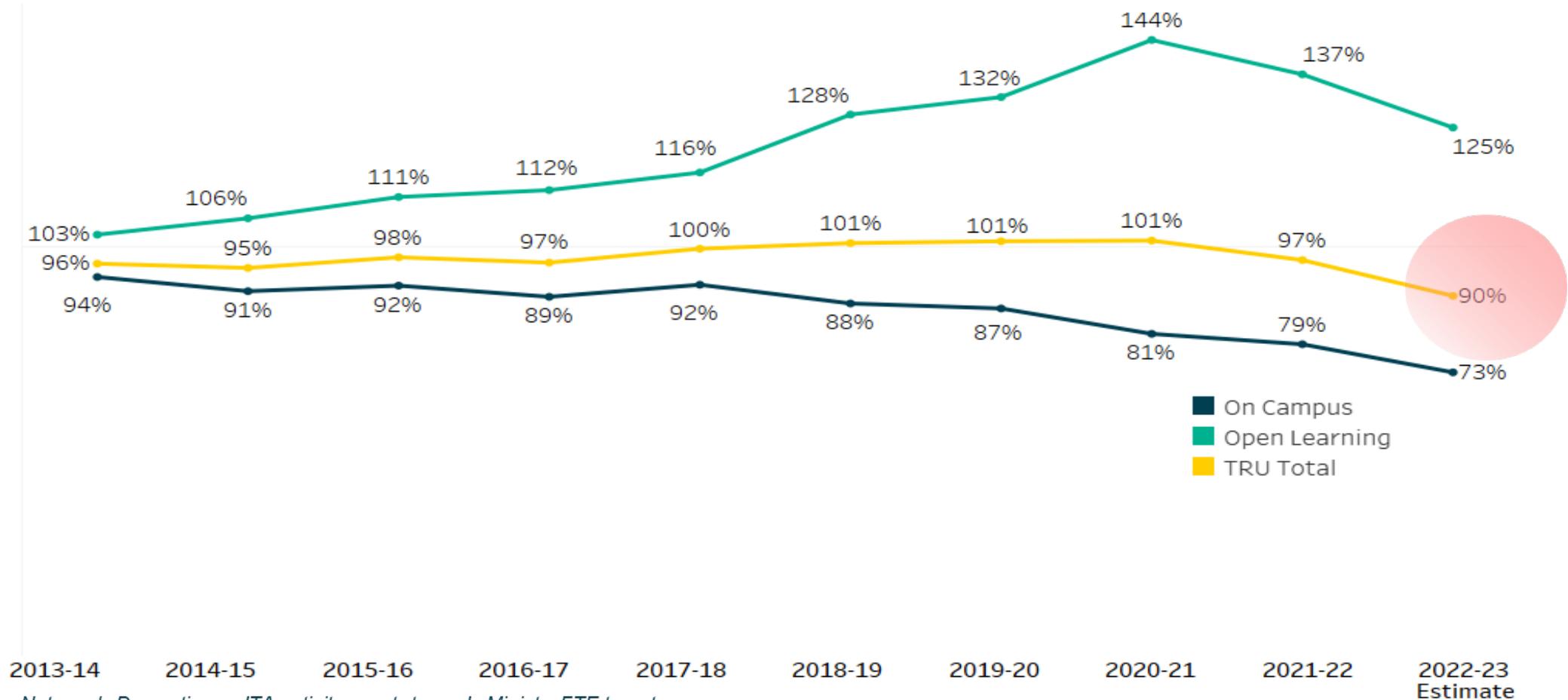
Note: Regional Centres, Continuing Education and offshore activity is not included.
Source: TRU Integrated Planning & Effectiveness enrolment reports; January 2023 Projections

Institutional Course Enrolments

- Total enrolment is projected to be relatively flat over the next three years
- On campus International headcount in winter 2023 exceeded the SEM plan target of 4,000. Projected years are planned to stay around 4,000 students
- On campus domestic enrolment declined each year during COVID. Only slight growth is projected over the next three years based on increases in local high school graduates
- OL is projected to remain at roughly the same levels as 2022-23, but is highly dependent on student behavior and other institution's post-COVID offerings

Ministry Utilization Trend

Take-away: Being below 100% utilization is risk to provincial funding.

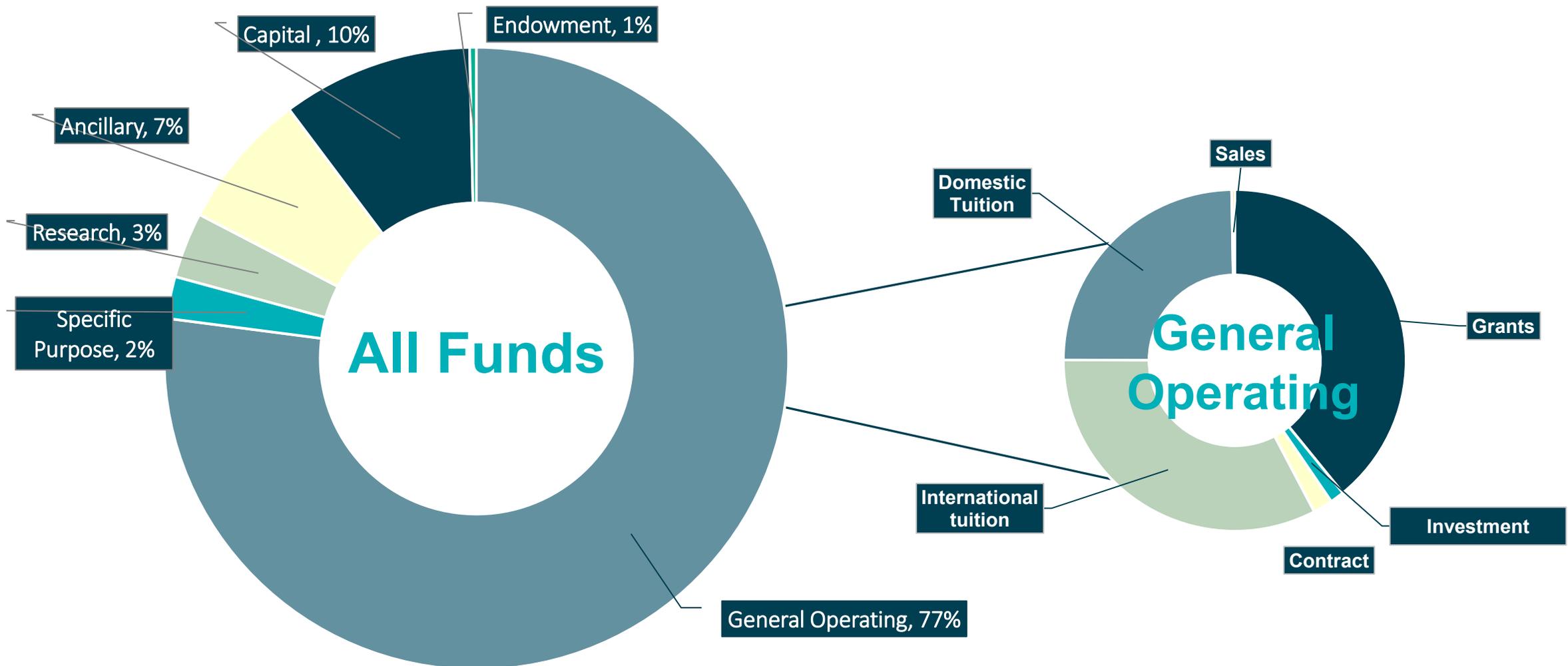


Note: only Domestic non ITA activity counts towards Ministry FTE targets

Source: TRU Integrated Planning & Effectiveness FTE Reports

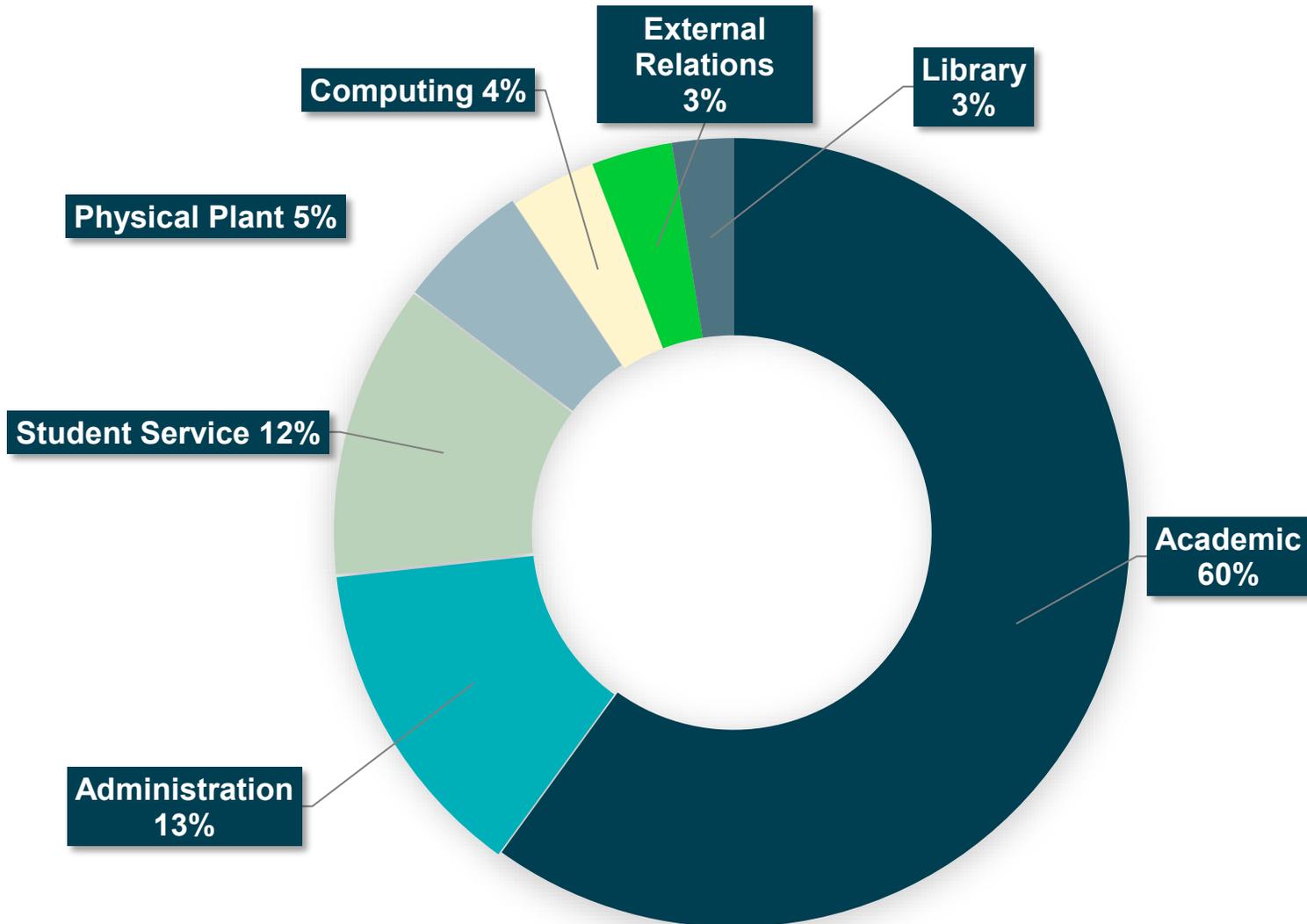
Source of Revenue

Take-away: Revenue predominately from tuition & government grants.



Expense by Function – Operating Fund

Take-away: TRU continues to rank #1 in academic spend in BC



| Area | Rank |
|--------------------|------|
| Academic | 1 |
| Administration | 4 |
| Student Services | 3 |
| Physical Plant | 10 |
| Computing | 10 |
| External Relations | 5 |
| Library | 9 |



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Budget Process

2023/24 Budget Update



Connecting to Strategy with Multi-year Budget

Take-away: The fundamental budget principles will remain consistent. We will be revising the allocation process.

Key Objectives

Greater Transparency:

FSDs will have a clearer understanding of how budgets are set

Longer Term Planning:

Divisions can plan long-term hires and avoid re-asking for vacant positions each year

Equitable:

Review of allocation of non-salary budgets using metrics



2023/24 Steady State Budget

Take away: Steady State is transition year to multi-year planning cycle.

Starting Point:

- Roll 2022/23 Budget
- Budgeted Revenue
- Committed Positions
- Budgeted Unfilled Vacancies
- Non-salary Expenses

Known Changes:

- Updated Enrolment Projections
- Collective Agreement Wage Mandate
- Updated Faculty Workload Plans
- Contract changes

Budget Allocations:

- New Funding
- VP Approved Requests
- ISP Allocation
- Non-salary Inflation Contingency



Draft Budget

2023/24 Budget Update

2023/24 Draft Budget & Projections

Take-away: Although declining surpluses, multi-year sustainable budgets.

| | 22/23 Approved Budget (000's) | 23/24 Draft Budget (000's) | 24/25 Projection (000's) | 25/26 Projection (000's) | 26/27 Projection (000's) |
|------------------------------------|--|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Revenue | \$255,382 | \$284,761 | \$290,418 | \$298,225 | \$307,340 |
| Compensation & Benefits | 163,269 | 181,032 | 189,063 | 195,831 | 202,834 |
| Expenditures | 91,255 | 96,698 | 98,346 | 100,786 | 103,271 |
| Accounting Surplus | \$858 | \$7,031 | \$3,009 | \$1,608 | \$1,235 |

Multi-year Assumptions

Revenue

- Grant increase for wage mandate
- Decreasing domestic enrolment
- Stabilized international enrolment
- Annual tuition rate increases
- Ancillary stable activity with annual rate increases

Compensation

- Increases for wage mandate
- Promotions & progressions
- No additional positions assumed

Non-compensation

- Inflation normalizing
- No additional allocations
- ISP funding

2023/24 Draft Budget

Take-away: Anticipating all revenue categories to meet or exceed 22/23.

Grants \$111.6M

- Targeted program funding
- Anticipated CA mandate

Domestic Tuition \$40.7M

- Decreased on-campus enrolments
- Annual tuition rate increase

International Tuition \$79.6M

- At SEM target
- Proposed tuition rate increase

Lab & Course Fees \$13.2M

- Trend with enrolments

Sales Revenue \$20.4M

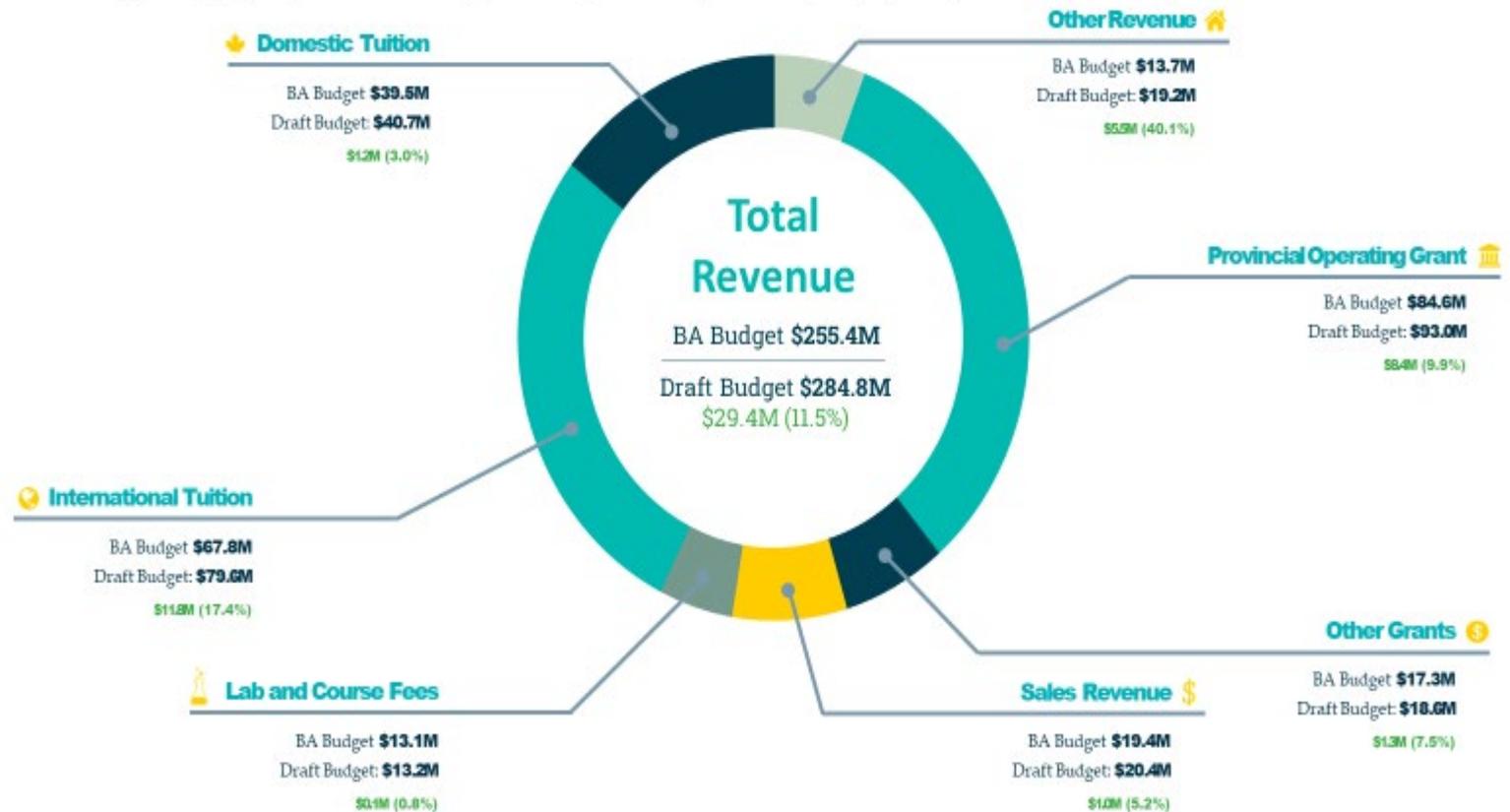
- Increased residence rates

Other Revenue \$19.2M

- Increased contract revenue
- Increased interest revenue

Revenue

Board Approved (BA) Budget - Reflects the approved budget for fiscal year 22/23 | Budget (Draft) - Reflects the draft budget for fiscal 23/24



2023/24 Draft Budget

Take-away: Anticipating all expense categories to meet or exceed 22/23.

Compensation \$181.1M

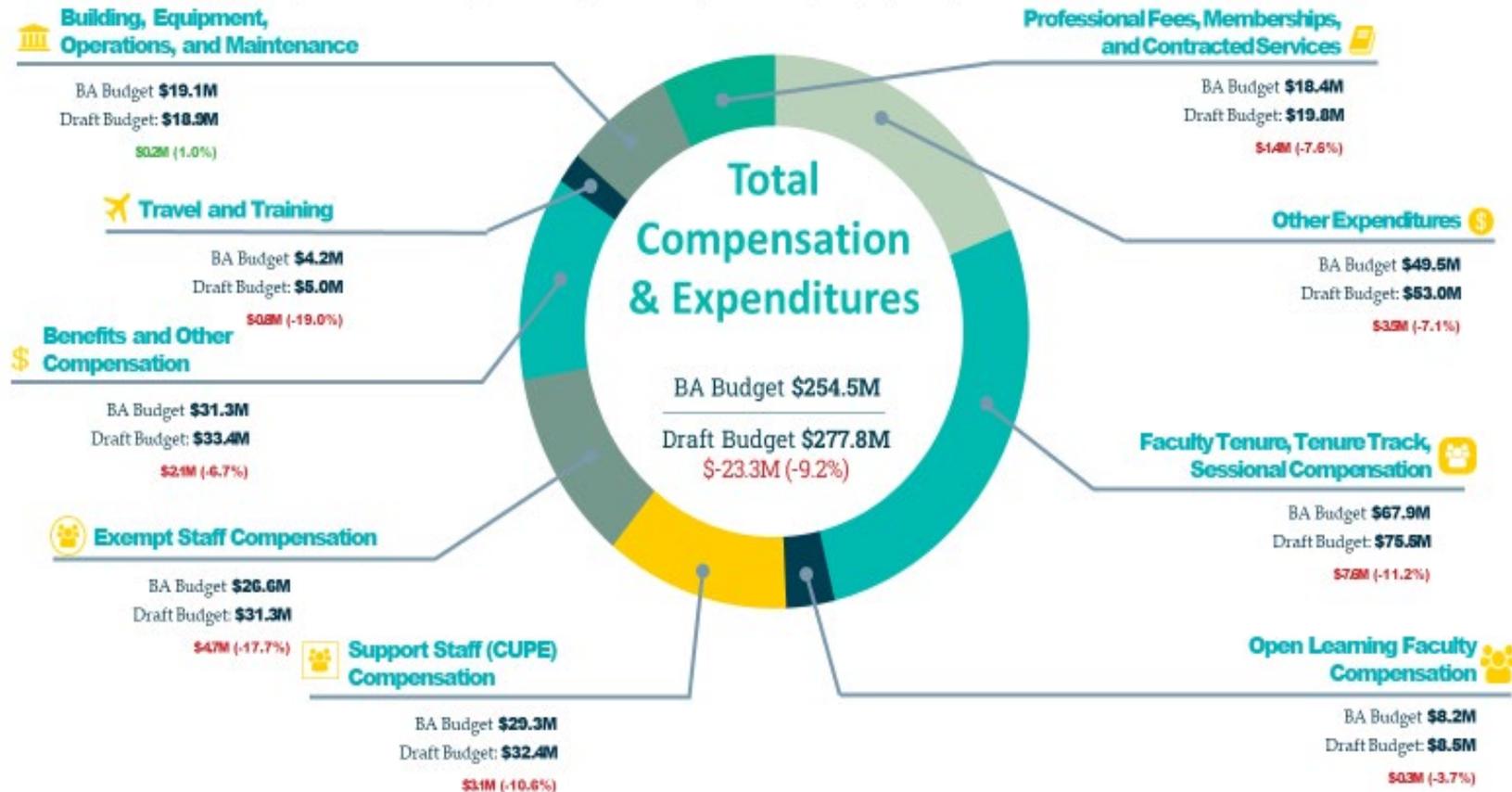
- 10.9% higher than prior year
- 98 vacancies
- Anticipated CA mandate
- Promotions & progressions

Non-salary \$96.7M

- 5.6% higher than prior year
- Utilities costs
- Agent commissions
- Travel
- Software maintenance agreements

Expenditures

Board Approved (BA) Budget - Reflects the approved budget for fiscal year 22/23 | Budget (Draft) - Reflects the draft budget for fiscal 23/24



2023/24 Capital Expenditures

Take-away: Capital requirements far exceed available reserves of \$39M.

| Project | Institution / Total Spending |
|--|------------------------------|
| Low Carbon District Energy System Building | \$4M (\$6M total) |
| I-STEM Building | \$30M (\$60M total) |
| Gaglardi SoBE | \$38M (\$76M total) |
| Indigenous Education Centre | \$15M (\$15M total) |
| East Village Phase II | \$18M (\$36M total) |
| Total | \$105M (\$175 total) |

+ approximately \$50M more in IT renewal, deferred maintenance projects, & strategic infrastructure projects (bridge, new transit exchange)

Capital Investment is Critical

- Need to have projects “shovel ready” for federal or provincial programs which means planning investments now
- We have notional approval for I-STEM (need \$30M available to support that project)
- Other projects require additional grant funding, loans, surplus savings and fundraising



▶ Conclusions

2023/24 Budget Update

2023/24 Budget Update

Key Take-aways

- 2023/24 is transition year to multi-year planning cycle.
- Linking resource allocation to TRU's strategy.
- Developing strategy to address declining domestic enrolment.
- Being below 100% utilization is risk to provincial funding.
- Anticipating all revenue & expense categories to meet or exceed current year.
- Capital requirements exceed available reserves.
- Although declining surpluses, projecting multi-year sustainable budgets.



Questions

