



# BUDGET FY2016/17

Budget Committee of Senate, March 8, 2016

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Matt Milovick, VP – Administration & Finance  
Paul Manhas, AVP – Finance

# BUDGET FY2016/17:

## PRESENTATION OUTLINE

- Budget Context Presentation – January 2016
- Budget Structure
- Consolidated All-Funds Budget – FY2016/17
- FY2016/17 Operating Budget Assumptions
- Executive Portfolios
- Strategic Initiative Fund Requests
- FY2016/17 Conclusions and Future Imperatives

# TRU's Budget Structure



ALL FUNDS  
Budget



**OPERATING FUND:** Funds for the day-to-day needs of TRU to support teaching and administration. **76%** of the operating expenses are salaries & benefits (an increase of **3%** over 15/16).



**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.

# Consolidated All-Funds Budget FY2016/17 ('000's)



								Sub-Total Non-Operating Funds	Consolidated All-Funds Budget
	Operating Fund	Capital Fund	Ancillary Services	Sponsored Research	Professional Allowance	Bursaries	Specific Purpose		
<b>Total Net Revenue</b>	\$148,120	\$7,086	\$16,073	\$1,925	\$906	\$1,645	\$3,672	\$31,306	\$179,426
<b>Less: Total Expenditures</b>	\$148,311	\$5,889	\$14,659	\$1,925	\$987	\$1,640	\$3,719	\$28,818	\$177,129
<b>Excess (Deficiency) of Revenues over Expenditures before Reserves and Purchase of Capital Assets</b>	<b>\$(191)</b>	\$1,197	\$1,414	\$0	<b>\$(81)</b>	\$5	<b>\$(47)</b>	\$2,488	\$2,297
<b>Reserves/Purchase of Capital Assets</b>									
<b>Current Year Surplus Allocation/Usage</b>									
Contribution to Board Reserves	<b>\$(1,000)</b>								<b>\$(1,000)</b>
Contribution to Specific Purpose and Capital Reserve									
Contribution to Endowments									
Purchase of Fixed Assets (current year surplus)		<b>\$(1,000)</b>						<b>\$(1,000)</b>	<b>\$(1,000)</b>
<b>Prior Year Surplus Allocation/Usage</b>									
Use of Surplus (Carryforward)									
Purchase of Fixed Assets									
<b>Reserves/Purchase of Capital Assets</b>	<b>\$(1,000)</b>	<b>\$(1,000)</b>						<b>\$(1,000)</b>	<b>\$(2,000)</b>
<b>Fund Surplus (Deficiency) after Reserves</b>	<b>\$(1,191)</b>	\$197	\$1,414	\$0	<b>\$(81)</b>	\$5	<b>\$(47)</b>	\$1,488	\$297

NOTE: Details for the operating and non-operating fund are available in the budget package

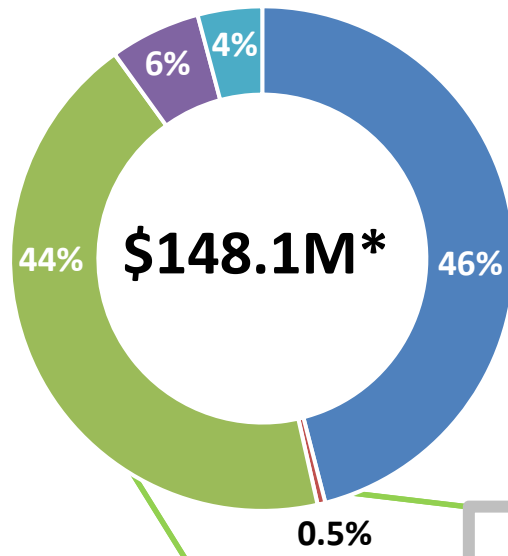
# Overall Budget Assumptions ('000's) FY2016/17 vs FY2015/16



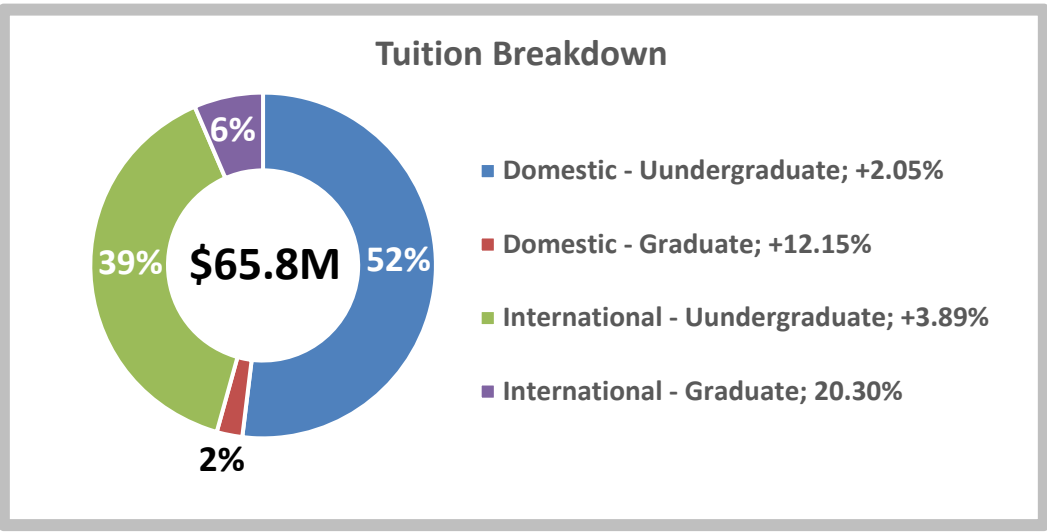
<b>Revenues:</b>	<b>Jan 2016</b>
ADD: Change to Operating Grants	\$782
ADD: Change in Student Tuition and Fees	\$2,668
<b>REDUCE:</b> Change to Other Revenues	<b>\$(1,795)</b>
<b>Increase in Revenues</b>	<b>\$1,655</b>
<b>Expenses:</b>	
ADD: Increase in Compensation (All Categories)	\$3,338
ADD: Increase in Non-Salary Expenditures	\$279
<b>Increase in Expenses</b>	<b>\$3,617</b>
<b>Anticipated Increase in Expenses over Revenues</b>	<b>\$(1,751)</b>

*Note: Detailed assumptions were presented in the FY2016/17 Budget Context Presentation*

# Operating Fund Revenues (FY2016/17)



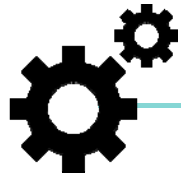
- Provincial Grants, +1.42%
- Grants Other, +111.05%
- Tuition, +4.02%
- Lab and Course Fees, +18.75%
- Interest, Sales and Other Revenue, -11.83%



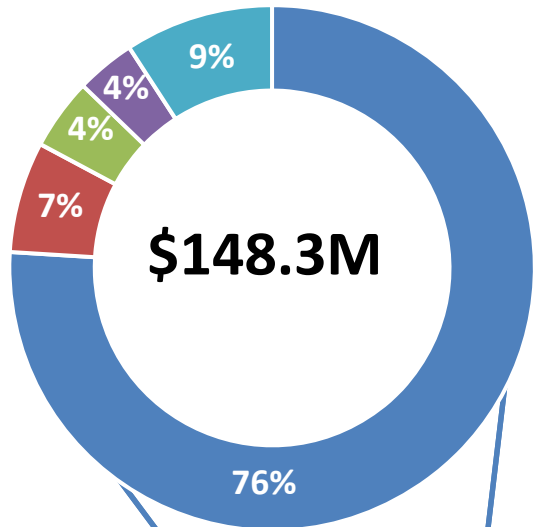
- Domestic - Undergraduate; +2.05%
- Domestic - Graduate; +12.15%
- International - Undergraduate; +3.89%
- International - Graduate; 20.30%

Notes:  
 \* Operating fund revenues net of depreciation transfer

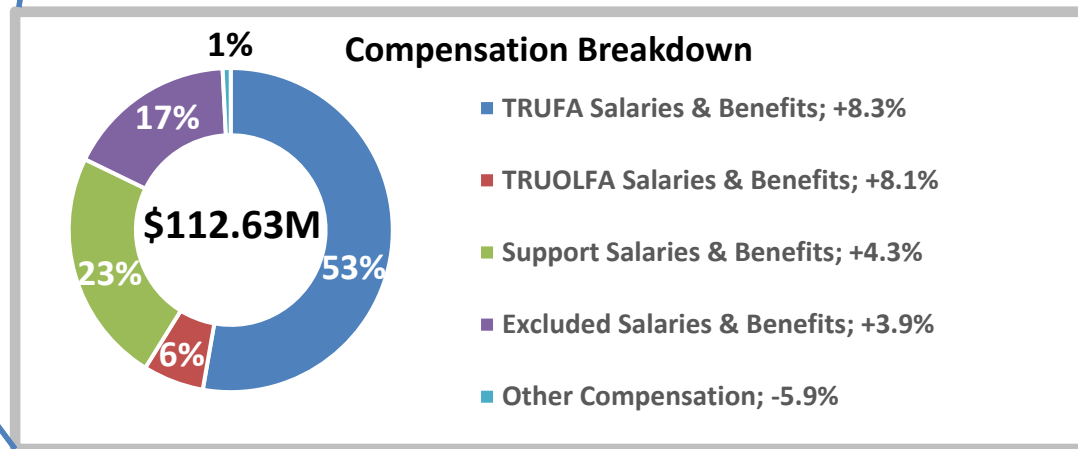
- % within the pie represents that category's percentage of all operating fund revenues
- % increase/decrease in the legend labels represent changes from 15/16 budget to 16/17 budget



# Operating Fund Expenses (FY2016/17)



- Compensation & Benefits; +6.4%
- Professional Fees, Memberships & Contracted Services; -7.2%
- Building, Equipment, Operations & Maintenance; -9.5%
- Operating Supplies; -8.2%
- Other Expenditures; +7.6%



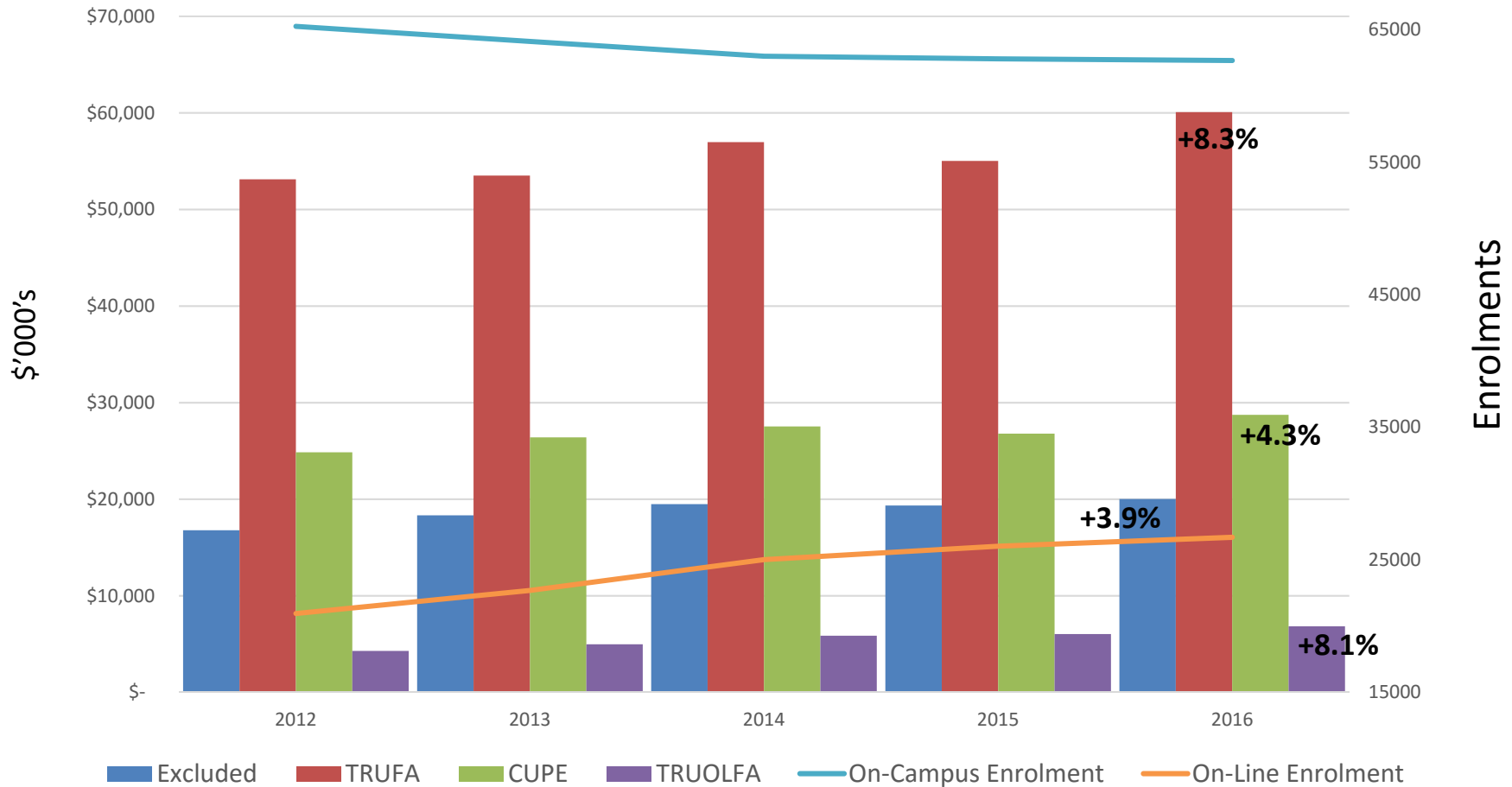
- TRUFA Salaries & Benefits; +8.3%
- TRUOLFA Salaries & Benefits; +8.1%
- Support Salaries & Benefits; +4.3%
- Excluded Salaries & Benefits; +3.9%
- Other Compensation; -5.9%

**Notes:**

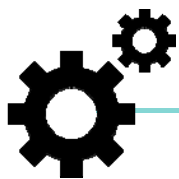
- % within the pie represents that category's percentage of all operating expenses
- % increase/decrease in the legend labels represent changes from 15/16 budget to 16/17 budget



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



**Notes:**  
 2015 – Updated for FY15/16 Forecasted Actuals (all funds)  
 2016 – Forecasted based on proposed budget (all funds)

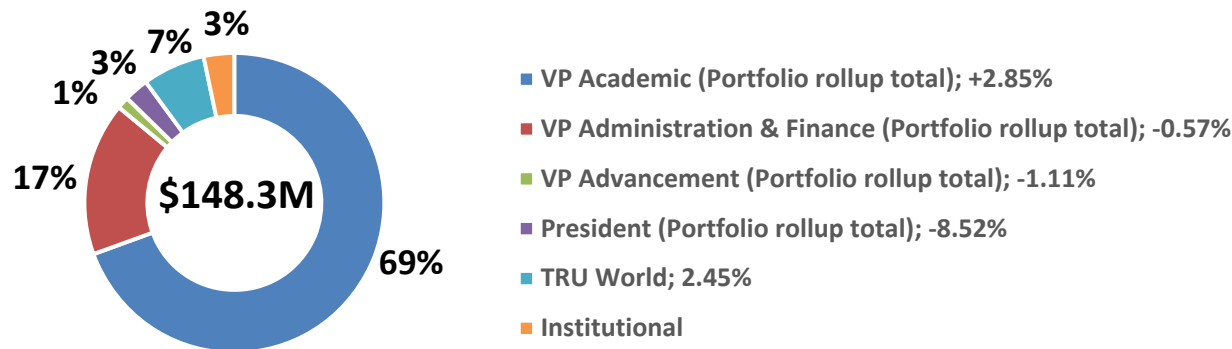




# Operating Expense By Executive Portfolio ('000's)



	2016/17 Budget	2015/16 Budget	% Change*	2015/16 Forecast**	2015/16 Variance****
VP Academic and Provost Total	\$103,000	\$100,149	2.86%	\$98,503	\$1,646
VP Administration and Finance Total	\$24,557	\$24,699	-0.57%	\$24,338	\$361
VP Advancement Total	\$1,921	\$1,942	-1.11%	\$1,817	\$125
President Portfolio Total	\$3,918	\$4,283	-8.52%	\$4,260	23
TRU World	\$10,017	\$9,778	2.45%	\$9,556	222
Institutional***	\$4,898	\$1,689	n/a	\$1,996	n/a
<b>Total Operating Expenditures</b>	<b>\$148,311</b>	<b>\$142,540</b>	<b>4%</b>	<b>\$138,474</b>	<b>\$2,377</b>



\* Comparing FY2016/17 Budget to FY2015/16 Budget

\*\* Forecasted to March 31, 2016

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

\*\*\*\* Variance between 2015/16 Budget and 2015/16 Forecast



# Provost and Vice-President Academic ('000's)



	2016/17 Budget	2015/16 Budget	% Change*	2015/16 Forecast**	2015/16 Variance***
<b>Provost and VP-Academic Roll-Up</b>					
Faculty of Science	\$14,059	\$13,655	2.96%	\$13,752	\$(97)
School of Business and Economics	\$9,256	\$7,505	23.33%	\$8,021	\$(515)
Faculty of Education & Social Work	\$9,358	\$9,125	2.56%	\$9,254	\$(129)
School of Nursing	\$5,592	\$5,602	-0.18%	\$5,338	\$264
Faculty of Adventure, Culinary Arts & Tourism	\$5,145	\$4,985	3.22%	\$4,956	\$28
Faculty of Arts	\$10,760	\$10,491	2.57%	\$10,439	\$52
Faculty of Law	\$4,047	\$3,562	13.59%	\$3,375	\$187
School of Trades & Technology	\$6,900	\$7,032	-1.87%	\$6,851	\$181
University Library	\$3,662	\$3,787	-3.29%	\$3,364	\$423
AVP Strategic Enrolment & Registrar	\$7,049	\$7,356	-4.17%	\$7,008	\$349
Faculty of Student Development	\$3,365	\$3,415	-1.48%	\$3,368	47
Centre for Student Engagement & Learning Innovation	\$1,162	\$1,666	-30.23%	\$1,374	\$292
AVP Research and Graduate Studies	\$1,742	\$1,773	-1.73%	\$1,676	\$97
Open Learning	\$15,059	\$14,881	1.19%	\$14,879	\$2
Provost & VP Academic	\$1,917	\$1,926	-0.46%	\$1,266	\$660
Williams Lake - Academic	\$3,403	\$2,823	20.55%	\$2,924	\$(101)
Regional Centres	\$523	\$565	-7.39%	\$660	\$(95)
<b>Provost and VP-Academic Total</b>	<b>\$103,000</b>	<b>\$100,149</b>	<b>2.86%</b>	<b>\$98,503</b>	<b>\$1,646</b>

\* Comparing FY2016/17 Budget to FY2015/16 Budget

\*\* Forecasted to March 31, 2016

\*\*\*\* Variance between 2015/16 Budget and 2015/16 Forecast



# Vice-President Administration & Finance ('000's)



	2016/17 Budget	2015/16 Budget	% Change*	2015/16 Forecast**	2015/16 Variance***
<b>VP Administration &amp; Finance Roll-up</b>					
Sustainability Office	\$2,300	\$2,446	-5.97%	\$2,325	\$121
Facilities	\$4,149	\$4,318	-1.60%	\$4,165	\$153
Athletics & Recreation	\$2,486	\$2,332	6.58%	\$2,441	\$(109)
IT Services	\$5,457	\$5,392	1.19%	\$5,490	\$(98)
HR & Planning	\$3,946	\$4,030	-2.08%	\$3,895	\$135
Finance	\$3,664	\$3,660	0.12%	\$3,600	\$60
Internal Audit	\$185	\$156	18.22%	\$180	\$23
Williams Lake – Operations	\$1,347	\$1,346	0.06%	\$1,257	\$90
VP Administration & Finance	\$923	\$1,018	-9.26%	\$985	\$32
<b>VP Administration &amp; Finance Total</b>	<b>\$24,557</b>	<b>\$24,699</b>	<b>-0.57%</b>	<b>\$24,338</b>	<b>\$361</b>

\* Comparing FY2016/17 Budget to FY2015/16 Budget

\*\* Forecasted to March 31, 2016

\*\*\*\* Variance between 2015/16 Budget and 2015/16 Forecast



# President's Portfolio ('000's)



	2016/17 Budget	2015/16 Budget	% Change*	2015/16 Forecast**	2015/16 Variance***
<b>President &amp; Vice-Chancellor Roll-Up</b>					
Office of the President	\$561	\$571	-1.76%	\$537	\$34
TRU Secretariat & General Counsel	\$1,132	\$1,141	-0.83%	\$1,236	\$(94)
Aboriginal Affairs	\$644	\$667	-3.4%	\$593	\$74
Marketing & Communications	\$1,581	1,904	-16.96%	\$1,894	\$10
<b>President &amp; Vice-Chancellor Total</b>	<b>\$3,918</b>	<b>\$4,283</b>	<b>-8.52%</b>	<b>\$4,260</b>	<b>\$23</b>

\* Comparing FY2016/17 Budget to FY2015/16 Budget

\*\* Forecasted to March 31, 2016

\*\*\*\* Variance between 2015/16 Budget and 2015/16 Forecast





# **BUDGET FY2016/17:** Strategic Initiatives Fund (SIF) Requests

# SIF Criteria: Aligning With TRU Strategic Priorities and Addressing Risk



- Projects/Initiatives that directly support TRU's five Strategic Priorities:
  - Increasing Student Success
  - Increasing Intercultural Understanding
  - Increasing Research Capacity
  - Increasing Entrepreneurial Capacity
  - Increasing Sustainability
- **Recruitment strategies to address declining enrolment**
- **Initiatives to improve student retention**
- Entrepreneurial initiatives that are truly surplus oriented, with short pay-back periods requiring a one-time-only investment
- Projects or initiatives that mitigate "high" or "critical" risks to the institution



# SIF Requests (Received as of March 4, 2016 @ 3pm)



Faculty/School/Department	Initiative	2016/17 Base	One-Time-Only/Annual Funding		
			2016/17 One-Time-Only	2017/18	2018/19
<b>Provost &amp; Vice-President Academic</b>					
Student Development	Sexual violence prevention & response	\$80,000			
Student Development	Creating the conditions for success		\$70,000	\$70,000	
Student Development	Early Alert	\$85,000	\$114,000		
Student Development	Stability Fund: Writing Centre & SS	\$100,000			
Student Development	"New to TRU"	\$127,000			
AVP-SEM & Registrar	Advising Management Technology	\$50,000	\$80,000	\$80,000	\$80,000
AVP-SEM & Registrar	Curriculum Review & Resources		\$60,000		
AVP-SEM & Registrar	Aboriginal Recruiter (Top-Up)	\$47,000			
AVP-SEM & Registrar	Awards Coordinator	\$39,000			
AVP-SEM & Registrar	SEM Plan	\$50,000			
AVP-SEM & Registrar	Calendar Publishing	\$20,000	\$60,000		
Open Learning	Copyright Awareness Initiative		\$75,000	\$65,000	\$65,000
Open Learning	Learning Environ. Migration		\$127,050	\$127,050	
Open Learning	Learning Environ. Migration (Students)	\$60,000			
Open Learning	TRU Representative (Ontario)		\$85,000	\$85,000	
Science	CRC Salary & Benefits Overrun		\$9,065	\$12,585	\$16,103
Science	Applied Sustainable Ranching		\$38,653		
Science	Geoscience Development		\$108,511		
Science	Proposal – Research Masters App. Math		\$15,000		
Science	Engineering Program Development		\$131,500	\$100,000	



# SIF Requests



Faculty/School/Department	Initiative	2016/17 Base	One-Time-Only/Annual Funding		
			2016/17 One-Time-Only	2017/18	2018/19
<b>Provost &amp; Vice-President Academic (continued)</b>					
Library	Library Systems Tech (pos. conversion)	\$9000			
Nursing	Critical Care Certificate Prog. Dev.		\$244,160		
Nursing	Williams Lake BScN & HCA Prog. Support	\$216,716			
SoBE	Events Coordination	\$50,000			
SoBE	Communications	\$62,000			
SoBE	Bridge to Business	\$50,000			
SoBE	Aboriginal Engagement		\$25,000		
SoBE	Graduate Program Development		\$100,000	\$50,000	
SoBE	Executive Education Centre		\$50,000		
SoBE	Leadership Lab	\$50,000			
<b>Total Provost &amp; Vice-President Academic</b>		<b>\$1,095,716</b>	<b>\$1,392,940</b>	<b>\$589,635</b>	<b>\$161,103</b>





# SIF Requests



Faculty/School/Department	Initiative	2016/17 Base	One-Time-Only/Annual Funding		
			2016/17 One-Time-Only	2017/18	2018/19
<b>Vice-President Administration &amp; Finance</b>					
Information Technology Services	Mobile First Solution	\$15,000	\$74,000		
Institutional Planning & Analysis	Course Evaluation Survey Implementation		\$54,000		
Emergency & Risk Management	Health/Biosafety Officer	\$68,850			
Finance	Budget Officer	\$84,000			
<b>Total Vice-President Administration &amp; Finance</b>		<b>\$167,850</b>	<b>\$128,000</b>		
<b>President's Portfolio</b>					
Marketing & Communications	Local Regional Marketing Plan		\$75,000		
Marketing & Communications	Issues Management	\$10,000			
Marketing & Communications	National Marketing Plan	\$250,000			
<b>Total President's Portfolio</b>		<b>\$260,000</b>	<b>\$75,000</b>		
<b>SIF Requests Summary</b>					
Provost & Vice President Academic		\$1,095,716	\$1,392,940	\$589,635	\$161,103
Vice-President Administration & Finance		\$167,850	\$128,000		
President's Portfolio		\$260,000	\$75,000		
<b>Totals</b>		<b>\$1,523,566</b>	<b>\$1,595,940</b>	<b>\$589,635</b>	<b>\$161,103</b>
<b>Total SIF Money Available in FY2016/17</b>		<b>\$1,800,000</b>			
<b>Variance</b>			<b>\$(1,319,506)</b>		





**BUDGET FY2016/17:**

# Consolidated All-Funds Budget

# Consolidated All-Funds Budget FY2015/16



	Operating Fund	Capital Fund
Total Revenue	\$136,970,485	\$12,000,000
Total Expenditures	\$140,920,165	\$7,949,680
Excess (Deficiency) of Revenues over Expenditures before Reserves and Purchase of Capital Assets	\$(3,949,680)	\$4,050,320
Purchase of Capital Assets		\$(1,739,000)
Building Reserves (net)		\$(3,091,431)
Board Reserves	\$(1,000,000)	
Reserves/Purchase of Capital Assets	\$(1,000,000)	\$(4,830,431)
Fund Surplus (Deficiency) after Reserves	\$(4,949,680)	\$720,642

ies	Specific Purpose	Sub-Total Non-Operating Funds	Consolidated All-Funds Budget
	\$5,493,136	\$39,984,551	\$176,955,036
	\$5,528,891	\$34,433,478	\$175,353,643
	,\$179	\$5,551,073	\$1,601,393
		\$(1,739,000)	\$(1,739,000)
		\$(3,091,431)	\$(3,091,431)
		\$(1,000,000)	\$(1,000,000)
		\$(4,830,431)	\$(5,830,431)
	,\$179	\$720,642	\$(4,229,038)

☺ PSAB Accounting Surplus


☹ Board Mandated Reserves

☹ Operating Deficit

☹ All-Funds Deficit

# Consolidated All-Funds Budget FY2016/17 ('000's)



	 Operating Fund
Total Net Revenue	\$148,120
Less: Total Expenditures	\$148,311
Excess (Deficiency) of Revenues over Expenditures before Reserves and Purchase of Capital Assets	\$(191)
<b>Reserves/Purchase of Capital Assets</b>	
Current Year Surplus Allocation/Usage	
Contribution to Board Reserves	\$(1,000)
Contribution to Specific Purpose and Capital Reserve	
Contribution to Endowments	
Purchase of Fixed Assets (current year surplus)	
Prior Year Surplus Allocation/Usage	
Use of Surplus (Carryforward)	
Purchase of Fixed Assets	
Reserves/Purchase of Capital Assets	\$(1,000)
Fund Surplus (Deficiency) after Reserves	\$(1,191)

	Specific Purpose	Sub-Total Non-Operating Funds	Consolidated All-Funds Budget
	\$3,672	\$31,306	\$179,426
	\$3,719	\$28,818	\$177,129
			\$2,297
			\$(1,000)
		\$(1,000)	\$(1,000)
		\$(1,000)	\$(2,000)
	\$(47)	\$1,488	\$297

☺ PSAB Accounting Surplus

☺ Board Mandated Reserves

☹ Operating Deficit

☺ All-Funds Surplus



# **BUDGET FY2016/17:** Conclusions & Future Imperatives

# Conclusions & Future Imperatives



- Balanced budget achieved
- Expenses continue to outpace revenues -> TRU needs to reverse the trend or face ongoing budget reductions
- Enrolment will continue to decline if TRU does not actively address recruitment and retention (SIF)
- Changes to Board Reserve and Capital Reserve methodologies have given us “breathing room” in the operating budget and minimizes growth of accumulated surplus
- TRU has sufficient reserves but these reserves can only be used for capital projects
- Budget holders MUST manage within their approved allocations. Projected PSAB surplus is very narrow
- Greater clarity required on the Strategic Fund Initiative process and requirements
- Zero-based reviews of 3-4 faculties/divisions in FY2016/17 in preparation for FY2017/18 budget planning



# Budget 16/17: Q&A



# Budget 16/17: Appendices

- FY2016/17 Budget Assumptions



# Revenue Assumptions\* FY2016/17 (in thousands)



	Change for 16/17	Likelihood of Occurrence
<b>Operating Grants</b>		
Loss of 1x Grants from AVED	(658)	High
Funding for Unionized Settlements	1,440	High
<i>Total Projected Change to Operating Grants</i>	<i>782</i>	
<b>Domestic Tuition &amp; Fees</b>		
Current Year (15/16) Impact of Enrolments	350	Medium/High
Domestic On-Campus Enrolments will decrease 1.2%	(320)	High
Open Learning Enrolments will increase by 2.6%	400	Medium
Law enrolment for new cohort will increase to full cohort of 110	270	High
Domestic Tuition and Fees will increase by 2% (as per AVED mandate)	752	High
Domestic Graduate Enrolments Remain Stable (pending review)	---	Medium
Continuing Studies Tuitions Remain Stable (pending review)	---	Low
<i>Total Projected Change to Domestic Tuition &amp; Fees</i>	<i>1,451</i>	
<b>International Tuition &amp; Fees</b>		
International Enrolments will increase by 1.9%	472	Medium
Enrolment Increase in Graduate Programs (pending review)	---	Medium
Change in Billing Methodology for International Students:		
Tuition increase for undergraduate enrolment	1,489	Medium
Hybrid methodology shift from 4 course to 5	(745)	Medium
<i>Total Projected Change to International Tuition &amp; Fees</i>	<i>1,217</i>	

# Revenue Assumptions Continued FY2016/17



	Change for 16/17	Likelihood of Occurrence
<b>Other Revenues</b>		
Interest Revenues	(800)	Medium
Rental Income (Transforce Property)	125	High
Ancillary Revenues	(720)	Medium/High
Specific Purpose Revenues	(400)	Medium
<i>Projected Change in Other Revenues</i>	<i>(1,795)</i>	
<b>Total Projected Changes to Revenues</b>	<b>1,655</b>	

# Expenditure Assumptions\* FY2016/17 (in thousands)



	Change for 16/17	Likelihood of Occurrence
<b>Compensation</b>		
Increase in OLFM costs	320	Medium
TRUFA Progression Through Scale and Tenure and Promotion	750	High
General Wage Increases – Union Settlements	1,310	High
Exempt Wage Increases (only 60% of exempt eligible)	402	High
Associated Benefit Increases	556	High
<i>Total Projected Change to Compensation</i>	<i>3,338</i>	
<b>Non-Compensation</b>		
Permanent Allocation of SIF Funding in 15/16 to be recovered in 16/17	1,100	High
Library Costs Not Accounted for in 15/16	600	High
Effect of Inflation on non-salary	500	Medium
Currency Exchange Fluctuations (500k base budgeted in 15/16)	---	Medium
Eliminate Access Copyright Payment	(225)	High
Reduction in Depreciation Expenses	(800)	Medium
Reduction in Ancillary Costs	(896)	Medium
<i>Total Projected Change to Non-Compensation</i>	<i>279</i>	
<b>Total Projected Change to Expenditures</b>	<b>3,617</b>	
<b>Total Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,751)</b>	