

BUDGET 15/16

Presentation of the FY15/16 Budget

Budget Committee of Senate – May 20, 2015

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



Presentation Outline

- Budget Context Presentation – March 10, 2015
- Budget Structure
- Consolidated All-Funds Budget – FY2015/16
- 15/16 Operating Budget Assumptions
- Portfolios
- Strategic Initiative Fund Awards
- Allocations – Old Methodology vs New Methodology
- 15/16 Conclusions and Future Imperatives

BUDGET 15/16

THOMPSON RIVERS  UNIVERSITY

TRU's Budget Structure

ALL FUNDS
Budget



OPERATING FUND: Funds for the day-to-day needs of TRU to support teaching and administration. 73.8% of the operating expenses are salaries & benefits.



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.

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Consolidated All-Funds Budget FY2015/16

								Sub-Total Non-Operating Funds	Consolidated All-Funds Budget
	Operating Fund	Capital Fund	Ancillary Services	Sponsored Research	Professional Allowance	Bursaries	Specific Purpose		
Total Revenue	\$136,970,485	\$12,599,344	\$16,559,014	\$2,422,814	\$1,250,243	\$1,660,000	\$5,493,136	\$39,984,551	\$176,955,036
Total Expenditures	\$140,920,165	\$7,901,002	\$15,716,878	\$2,423,490	\$1,192,038	\$1,671,179	\$5,528,891	\$34,433,478	\$175,353,643
Excess (Deficiency) of Revenues over Expenditures before Reserves and Purchase of Capital Assets	\$(3,949,680)	\$4,698,342	\$842,136	\$(676)	\$58,205	\$(11,179)	\$(35,755)	\$5,551,073	\$1,601,393
Purchase of Capital Assets		\$(1,739,000)						\$(1,739,000)	\$(1,739,000)
Building Reserves (net)		\$(3,091,431)						\$(3,091,431)	\$(3,091,431)
Board Reserves	\$(1,000,000)								\$(1,000,000)
Reserves/Purchase of Capital Assets	\$(1,000,000)	\$(4,830,431)						\$(4,830,431)	\$(5,830,431)
Fund Surplus (Deficiency) after Reserves	\$(4,949,680)	\$(132,089)	\$842,136	\$(676)	\$58,205	\$(11,179)	\$(35,755)	\$720,642	\$(4,229,038)

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

Operating Budget Assumptions* –15/16 vs 14/15



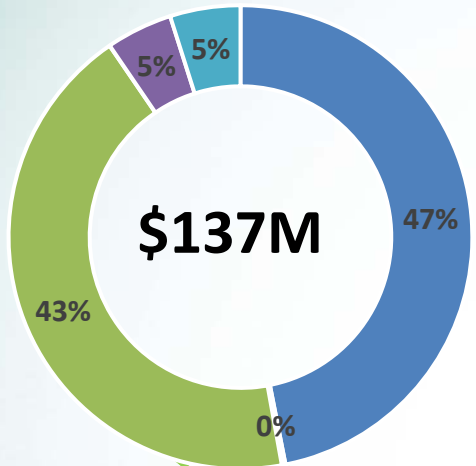
Revenues:	\$'000's
REDUCE: Change to Operating Grants	\$(1,767)
ADD: Change in Student Tuition and Fees	\$2,522
REDUCE: Change to Other Revenues	\$(100)
Increase/(Decrease) in Revenues	\$655
Expenses:	
ADD: Increase in Compensation (All Categories)	\$1,595
ADD: Increase in Non-Salary Expenditures	\$3,780
Increase/(Decrease) in Expenses	\$5,375
Overall Change of Revenues:Expenses	(\$4,720)



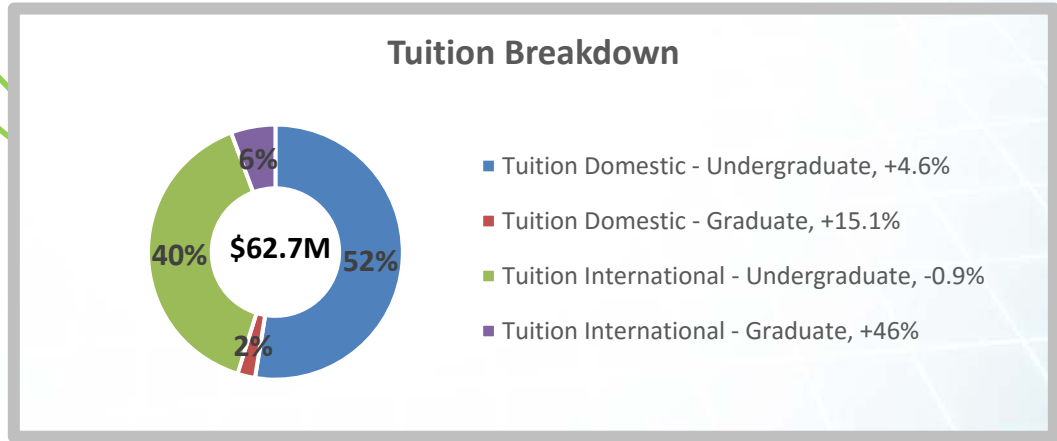
* See appendices for detailed assumptions



15/16 Operating Fund Revenues



- Provincial Grants, -1.7%
- Grants Other, Flat
- Tuition, +4.2%
- Lab and Course Fees, +16.4%
- Interest, Sales & Other Revenues, -1.9%

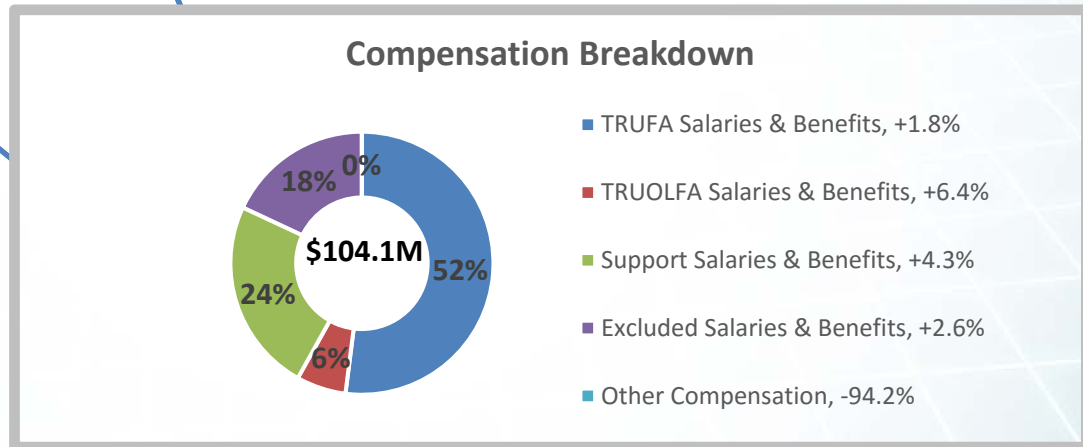
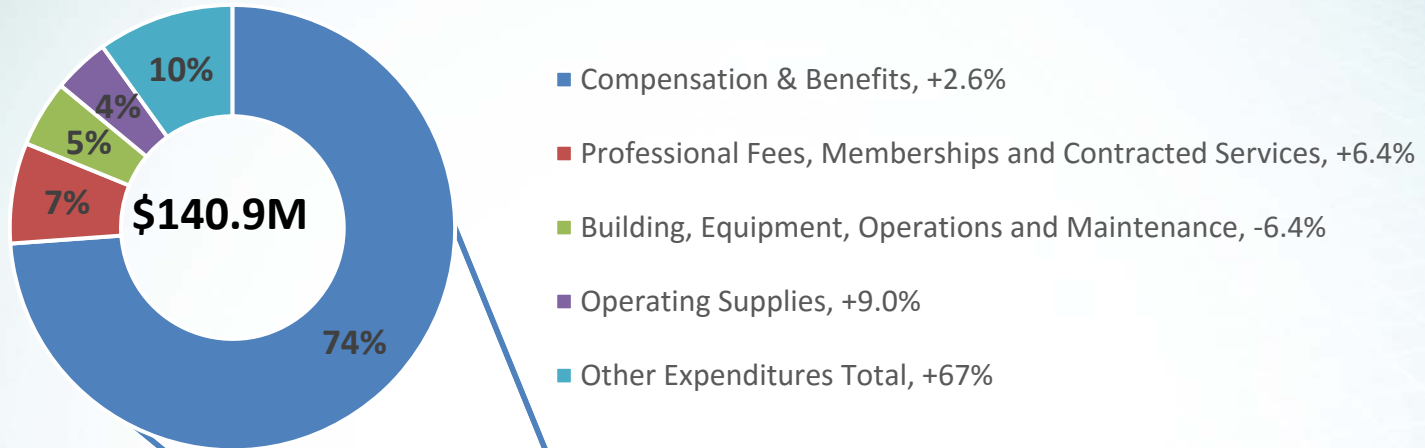


- Tuition Domestic - Undergraduate, +4.6%
- Tuition Domestic - Graduate, +15.1%
- Tuition International - Undergraduate, -0.9%
- Tuition International - Graduate, +46%

Notes:

- % within the chart represent that category's percentage of all operating expenses
- % increase/decrease in the legend labels represent changes from 14/15 actuals to 15/16 budget

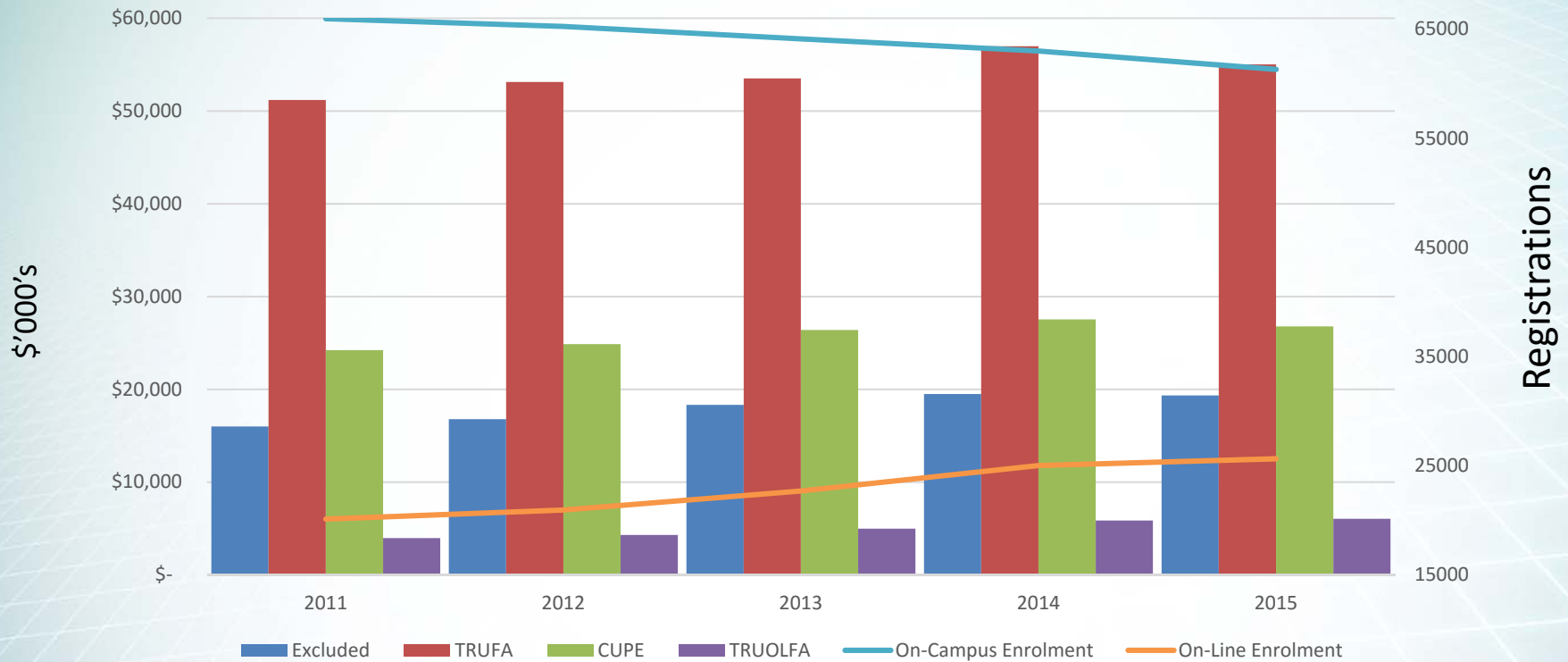
15/16 Operating Fund Expenses



Notes:

- % within the chart represent that category's percentage of all operating expenses
- % increase/decrease in the legend labels represent changes from 14/15 actuals to 15/16 budget

5-Year Trend: Compensation and Benefits by Employee Group Relative to Course Registrations



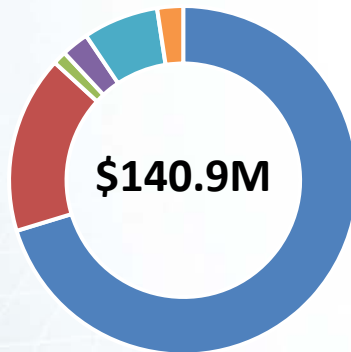
Notes:
 2014 – Updated for FY14/15 Actuals (all funds)
 2015 – Forecasted based on proposed budget (all funds)

BUDGET 15/16

Operating Expense Breakdown By Executive Portfolio



	2015/16 Budget	2014/15 Budget	% Change*	2014/15 Actual	2014/15 Variance
VP Academic and Provost Total	\$99,083,291	\$97,430,399	3.4%	\$95,781,975	\$1,648,424
VP Administration and Finance Total	\$23,215,449	\$21,233,783	1.9%	\$22,785,551	\$(1,551,768)
VP Advancement Total	\$1,768,688	\$999,288	49.2%	\$1,185,726	\$(186,438)
President Portfolio Total**	\$3,582,628	\$3,315,362	3.9%	\$3,449,431	\$(134,069)
TRU World	\$9,865,617	\$8,765,823	14.9%	\$8,582,937	\$(182,886)
Institutional***	\$3,404,492	\$5,569,751	1044.3%	\$297,510	\$5,272,241
Total Operating Expenditures	\$140,920,165	\$137,314,406	6.7%	\$132,083,130	\$5,231,276



- VP Academic & Provost, 70.3%
- VP Administration & Finance, 16.5%
- VP Advancement, 1.3%
- President's Portfolio, 2.5%
- TRU World, 7.0%
- Institutional, 2.4%

* Comparing FY2015/16 Budget to FY2014/15 Actual Expenditures

** President's portfolio includes President's Office, Marketing & Communications, Legal Counsel and University Secretary

*** Institutional Includes the SIF amount. SIF's will be redistributed upon award

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THOMPSON RIVERS  UNIVERSITY

Operating Expense Breakdown By Executive Portfolio



VP ACADEMIC & PROVOST

	2015/16 Budget	2014/15 Budget	% Change*	2014/15 Actual Exp.	2014/15 Variance
VP Academic and Provost Roll-Up					
Faculty of Science	\$13,846,805	\$13,413,772	3.2%	\$13,547,954	\$(134,182)
School of Business and Economics	\$7,503,945	\$7,222,081	3.9%	\$7,646,531	\$(424,450)
Faculty of Human, Social & Education Development	\$9,142,621	\$8,775,000	4.2%	\$8,710,754	\$64,246
School of Nursing	\$5,332,638	\$5,174,642	3.1%	\$4,902,849	\$271,793
Faculty of Adventure, Culinary Arts & Tourism	\$5,060,951	\$4,535,082	11.6%	\$4,386,273	\$148,809
Faculty of Arts	\$10,294,937	\$10,383,911	-0.9%	\$10,156,243	\$227,668
Faculty of Law	\$3,524,357	\$4,277,335	-17.6%	\$4,168,500	\$108,835
School of Trades & Technology	\$6,451,326	\$6,423,735	0.4%	\$6,451,839	\$(28,104)
University Library	\$3,033,597	\$2,915,660	4.0%	\$3,037,804	\$(122,144)
AVP Strategic Enrolment & Registrar	\$10,509,068	\$7,397,265	42.1%	\$7,216,628	\$180,637
Centre for Student Engagement & Learning Innovation	\$1,700,906	\$1,667,145	2.0%	\$1,611,784	\$55,361
AVP Research and Graduate Studies	\$1,449,483	\$574,572	152.3%	\$538,838	\$35,734
Open Learning	\$14,730,610	\$17,319,193	-14.9%	\$16,637,787	\$681,406
Williams Lake	\$4,193,287	\$4,275,688	-1.9%	\$4,130,928	\$144,760
Regional Centres	\$564,850	\$802,435	-29.6%	\$859,159	\$(56,724)
VP Academic and Provost	\$1,743,911	\$2,272,883	-23.3%	\$1,778,104	\$494,779
VP Academic and Provost Total	\$99,083,291	\$97,430,399	3.4%	\$95,781,975	\$1,648,424

* Comparing FY2015/16 Budget to FY2014/15 Actual Expenditures

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Operating Expense Breakdown By Executive Portfolio

VP-ADMINISTRATION & FINANCE



	2015/16 Budget	2014/15 Budget	% Change*	2014/15 Actual Exp.	2014/15 Variance
VP Finance & Administration Roll-up					
Environment & Sustainability	\$2,446,279	\$435,448	420.5%	\$469,942	\$(34,494)
Facilities	\$4,254,410	\$5,561,924	-37.2%	\$6,779,579	\$(1,217,655)
Athletics & Recreation	\$2,213,619	\$1,937,832	13.5%	\$1,950,354	\$(12,522)
AVP IT Services	\$5,376,613	\$4,724,406	9.1%	\$4,929,418	\$(205,012)
AVP HR & Planning	\$4,028,302	\$3,613,320	11.9%	\$3,599,207	\$14,113
AVP Finance	\$3,591,465	\$3,573,478	5.0%	\$3,421,200	\$152,278
Internal Audit	\$156,445	\$157,826	6.3%	\$147,191	\$10,635
VP Finance & Administration	\$1,148,216	\$1,229,549	-22.9%	\$1,488,660	\$(259,111)
VP Finance & Administration Total	\$23,215,449	\$21,233,783	1.9%	\$22,785,551	\$(1,551,768)

* Comparing FY2015/16 Budget to FY2014/15 Actual Expenditures

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Operating Expense Breakdown By Executive Portfolio

PRESIDENT'S PORTFOLIO



	2015/16 Budget	2014/15 Budget	% Change*	2014/15 Actual Exp.	2014/15 Variance
President & Vice-Chancellor Roll-Up					
President	\$571,361	\$625,787	-8.4%	\$623,574	\$2,213
TRU Secretariat	\$1,057,657	\$847,977	13.2%	\$934,083	\$(86,106)
Aboriginal Affairs	\$666,711	\$616,421	8.2%	\$615,947	\$474
AVP Marketing & Communications	\$1,286,899	\$1,225,177	0.9%	\$1,275,827	\$(50,650)
President & Vice-Chancellor Total	\$3,582,628	\$3,315,362	3.9%	\$3,449,431	\$(134,069)

* Comparing FY2015/16 Budget to FY2014/15 Actual Expenditures

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Strategic Initiatives Fund Awards FY15/16

To be determined

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Consolidated All-Funds Budget FY2015/16

	 Operating Fund	 Capital Fund
Total Revenue	\$136,970,485	\$12,000,000
Total Expenditures	\$140,920,165	\$7,500,000
Excess (Deficiency) of Revenues over Expenditures before Reserves and Purchase of Capital Assets	\$(3,949,680)	\$4,500,000
Purchase of Capital Assets		\$(1,700,000)
Building Reserves (net)		\$(3,000,000)
Board Reserves	\$(1,000,000)	
Reserves/Purchase of Capital Assets	\$(1,000,000)	\$(4,800,000)
Fund Surplus (Deficiency) after Reserves	\$(4,949,680)	

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
	79) \$(35,755)	\$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)
	79) \$(35,755)	\$720,643	\$(4,229,038)

 PSAB Accounting Surplus

 Board Mandated Reserves

Operating Deficit 

 All-Funds Deficit

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Budget 15/16 Conclusions & Future Imperatives

- New methodology allocates more to faculties than previous methodology
- Expenses outpacing revenues -> we must reverse this trend starting in 16/17
- Enrolment will continue to decline if TRU does not actively address recruitment and retention
- To achieve this budget we will meet the Board Contingency of \$1M but need relief from fulfilling the Board mandated building reserves. Management to propose a new allocation for 16/17
- TRU has sufficient reserves
- Budget holders **MUST** manage within their budgets. Projected PSAB surplus is very narrow
- 16/17 budget planning begins **NOW**

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APPENDICES

BUDGET 15/16

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Operating Budget Assumptions – Revenues



Operating Grants	Prob.*	\$000's
REDUCE: base grant per previous announcements	High	(700)
REDUCE: Adult Basic Education (ABE) Grant from base	High	(425)
ADD: 1x Grant for ABE Transition from AVED	High	425
REDUCE: Loss of 1x Provincial Grants from AVED	Medium	(1,200)
REDUCE: 1x HCA Grant (\$356k) less deferrals of \$17k & \$106k	High	233
REDUCE: ESL Grant (1x provincial grant in 14/15)	High	(170)
ADD: Slight increase in ITA grants	Medium	70
FLAT: Other grants will be stable	Medium	---
Change in Operating Grants		(\$1,767)

* Probability of occurrence



Budget Assumptions – Operating Revenues

Student Fees	Prob.*	\$000's
Domestic:		
REDUCE: Enrolments will decrease by 3.5%	High	(909)
ADD: Open Learning enrolments will increase by 2.6%	Medium	400
ADD: 2 nd Year Engineering program & Geology/Geog. Courses	Medium	190
ADD: Law enrolments for new cohort to increase to 110	High	500
ADD: Domestic tuition and all fees will increase by 2%	High	752
ADD: Domestic graduate enrolments remain stable	Medium	---
ADD: New tuition fee for ABE programs (avg. of last 2 yrs FTE)	Low	789
FLAT: Continuing studies tuition remain stable	Medium	---
International:		
REDUCE: Enrolment decrease in undergraduate programs	Medium	(200)
ADD: Enrolment increase in graduate programs	Medium	1,000
Change in Student Tuition and Fees		\$2,522

* Probability of occurrence

Operating Budget Assumptions – Revenues



Other Revenues	Prob.*	\$(000'S)
REDUCE: TRU World Accreditation Fees	High	(75)
REDUCE: Gains on sales and donation in Capital Fund	Medium	(991)
ADD: 1x Bad Debt	Medium	775
FLAT: Interest revenue remain stable	Medium	---
FLAT: Other revenues remain stable	High	---
ADD: Transfer of revenue from TRU foundation	High	191
Change to Other Revenues		\$(100)

Summary of Change to Revenues	
REDUCE: Change to Operating Grants	(1,767)
ADD: Change in Student Tuition and Fees	2,522
REDUCE: Change to Other Revenues	(100)
Increase/(Decrease) in Revenues	\$655

* Probability of occurrence



Budget Assumptions – Operating Expenses

Compensation	Prob.*	\$000's
ADD: Additional comp. for engineering & HCAP	High	275
ADD: Increased OLFM Costs	Medium	320
ADD: Faculty progression through steps and promotions	High	1,000
FLAT: Benefits increases (all emp. Categories)	High	---
Change in Student Tuition and Fees		\$1,595
Non-Salary		
ADD: Strategic Initiatives Funds for disbursement	Low	2,350
ADD: Transfer of CUEF to UREAP (\$175k) and TRUSU (\$350k)	Medium	525
ADD: Contingency given to all divisions based on employee FTE	Low	405
FLAT: No general inflation increase allocated to non-sal. items	Medium	---
ADD: Increase due to US Exchange across all of TRU	High	500
Change in Non-Salary		\$3,780
Change in Operating Expenditures		\$5,375

* Probability of occurrence