

MEMO

January 11, 2018

To: Budget Unit Heads

From: Scott J. B. Lamont, Vice-President (Administration and Finance)

Cc: Board Budget Committee

Subject: 2018-19 Budget

Projected net costs to operate Brandon University in 2018-19 have increased by approximately \$3.38 million from the approved budget for 2017-18. This net cost projection is based on the assumptions stated below. These assumptions may change as the final balanced budget is developed.

Salaries and benefits, inclusive of the unfunded liability special payment required for the pension plan, make up 90% of the current projected budget before adjustments to balance the budget. The temporary measures taken to balance the 2017-18 budget must now be considered again in 2018-19 and form part of the \$3.38 million challenge.

Revenues for the operating budget are about 78% provided by Provincial operating grants and 22% tuition and other minor revenues.

Provincial operating grants are not anticipated to increase for 2018-19. Tuition revenues have been budgeted to increase due to Provincially regulated fee increases of 6.5% and enrolment increases of 3%. Those tuition revenue increases, coupled with the greater than anticipated tuition revenue increases in 2017-18, suggest that the tuition revenues are budgeted to be approximately \$1.23 million more than what was approved in the 2017-18 budget.

This leaves a budget shortfall of \$2.15 million.

Guiding the strategic operations of the University is the Academic Plan found at the following link: [Looking Ahead – Academic Plan 2015-2020](#).

Budget Development Process

The University submitted its [2018-19 Budget Estimates](#) to Manitoba Education and Training in September. The Provincial budget is typically announced in April. At that time, Brandon University is informed of the amount of its operating, renovations and equipment, major capital and other grants. We anticipate receiving the maximum allowable tuition fee increase from the Provincial Government in the month of January. We know that it will be the increase in the consumer price index for the Province of Manitoba for 2017 plus 5%. It is just the specific number that we will need to be told.

Staffing Plans were completed and approved in November. Consultations will be conducted over the winter. The Board Budget Committee and Board of Governors will be asked to approve the budget in May of 2018.

The detailed budget process is found on the [Budget - Annual Process Schedule and Target Dates](#). All public budget documents will be posted to the [2018/19 Budget Year](#) as they become available.

Budget Unit Submissions

Each budget unit is being requested to provide their 2018-19 budget submission by **Friday, February 9, 2018**. The information provided will serve to communicate the strategic directions of the budget unit and the resource implications of those planned directions.

Each budget submission should reflect;

- The specific and strategic unit plans and impacts of those plans on the unit and the University as a whole over the next 1-3 years.
- Trends and issues to consider in implementing those plans.
- Notes to correct, adjust or clarify the line-by-line information included in the budget documents for the unit so that the budget reflects the planned expenditures of the unit and to ensure the document will allow for regular monitoring of the approved budget throughout the coming year.
- Any budget adjustments required, including savings, requests for additional funding, reallocation of budget and new revenue sources anticipated for the coming 1-3 years.
- Budget adjustment requests should;
 - Include a brief explanation of, rationale for, and consequences of each item.
 - Consider the impacts on overall enrolment.

The submissions are used to understand the needs and impacts of funding on the unit and University operations. It will aid in understanding unit priorities and encourage budget reallocations “at the margins” where funds may have greater impact.

Reference Budget Initial Assumptions

The reference budget drafted for the University and for each budget unit reflects the following assumptions. These assumptions may change as the budget is developed to reflect new information as it becomes available and the strategic directions of the University.

- a) Funding, both regular and emergent, for approved positions is assumed to remain a central responsibility, which facilitates the reallocation of resources between units, due to salary savings and emergent position needs arising in different units.
- b) Funding required to meet salary increases is included.
- c) All baseline positions currently vacant are assumed to be filled in this draft budget. Staffing Plan decisions are not yet reflected in the baseline budget you will receive. The one position required to be left vacant in each faculty is already reflected in the base budget.

- d) Consumable and Travel budgets have been adjusted for normal inflation. Library acquisitions have been increased by 5%.
- e) Provincial grant and tuition fee increases for 2018-19, are set at 0% and 6.5% respectively.
- f) Enrolment reflected in credit hours is assumed to increase by 3% in 2018-19.

Renovations & Equipment Budget

The Renovations & Equipment Budget is developed in parallel with the operating budget. Budget Unit Heads should submit a list of the renovations and equipment requirements for their units as follows:

- a) The list should be a complete list of that unit's renovations and equipment requirements and, if possible, reflect a multi-year planning horizon.
- b) The list must be prioritized within the budget unit and across departments.
- c) Each item on the list should be clearly identified and briefly described along with its associated cost and a brief rationale for its inclusion. As a general rule, individual items should be at least \$1,000 and, where possible, in increments of not more than \$10,000, unless the requested item cannot in some way be portioned or phased.

Any renovations and equipment requests that should be considered as a University priority, as opposed to a budget unit priority, should be submitted with an appropriate description and rationale.

Please contact Allison Noto (ext 341) or me (ext 707) should you require any further information or clarification on the budget.



Scott J. B. Lamont, FCPA, FCGA, MBA
Vice-President (Administration & Finance)

Encl.