

MEMO

January 9, 2019

To: Budget Unit Heads

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

Cc: Board Budget Committee

Subject: 2019-20 Budget

Projected net cost increases to operate Brandon University in 2019-20 are approximately \$3.60 million. This net cost projection is based on the assumptions stated below. The temporary measures taken to balance the 2018-19 budget must be considered again in 2019-20 and form part of this increase.

Salaries and benefits, inclusive of the unfunded liability special payment required for the pension plan, make up 88% of the current projected budget before adjustments to balance the budget.

Revenues for the operating budget are about 74% provided by Provincial operating grants and 26% tuition and other minor revenues. Provincial operating grants are not anticipated to increase for 2019-20. Tuition revenues have been budgeted to increase due to Provincially regulated fee increases of 6.5%, Board approved international fee increases from May 2018, and enrolment increases of 0% for domestic students and 8% for international students. Those tuition revenue increases are budgeted to be approximately \$2.10 million more than what was approved in the 2018-19 budget.

This leaves a budget shortfall of \$1.50 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 [2019-20 Budget Estimates](#) to Manitoba Education and Training in September. The Provincial budget is typically announced in April. At that time, Brandon University will be informed of the amount of its operating, renovations and equipment, major capital and other grants. We anticipate receiving the maximum allowable tuition fee increase information 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 2018 plus 5%.

Staffing Plans were completed and approved in November. Budget consultations will be conducted in late February. The Board of Governors will be requested to approve the budget in May of 2019.

The detailed budget process may be found on the [Budget - Annual Process Schedule and Target Dates](#). All public budget documents will be posted to the [2019/20 Budget Year](#) as they become available.

Budget Unit Submissions

Each budget unit is being requested to provide their 2019-20 budget submission by **Friday, February 8, 2019**. 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 fiscal 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;
 - o Include a brief explanation of, rationale for, and consequences of each item.
 - o Consider the impacts on enrolment for the University.

The submissions are used to understand the needs and impacts of funding on the unit and University operations. They 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 and sessionals is assumed to remain a central responsibility, which facilitates the reallocation of resources between units, due to salary savings and emergent position funding 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 now 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 2%.
- e) Provincial grant and tuition fee increases for 2019-20, are set at 0% and 6.5% respectively.

- f) Enrolment reflected in credit hours is assumed to increase by 0% for domestic students and 8% for international students in 2019-20.

Renovations & Equipment Budget

The Renovations & Equipment Budget is developed in parallel with the operating budget. Budget Unit Heads are to 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.
- 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.