

# Future TRU – Financial Sustainability

Board of Governors

Presented By:

Shannon Wagner, Interim Provost & VPA

Matt Milovick, VP A&F



October 3, 2025



---

# Preamble

---

# Preamble

- Circumstances have changed dramatically (for the worse) since March 2025
- 2026-27 deficit forecasted at \$20-25M if we do nothing
- 2025-26 in-year deficit forecasted at \$7-10M if we do nothing
- Insolvency by late 2027-28 if we do nothing
- We have 18-20 months to save our University

We have an ambitious goal – to turn TRU's unprecedented financial challenges into a strategic transformation, positioning TRU for success for decades to come.

---

# Agenda

- Last Year's PLG Retreat
- Planning for 2026/27 and Beyond
- Q1 Forecast – Problem #1
- Projected Multi-Year Forecast – Problem #2
- Impact on Reserves
- Actions

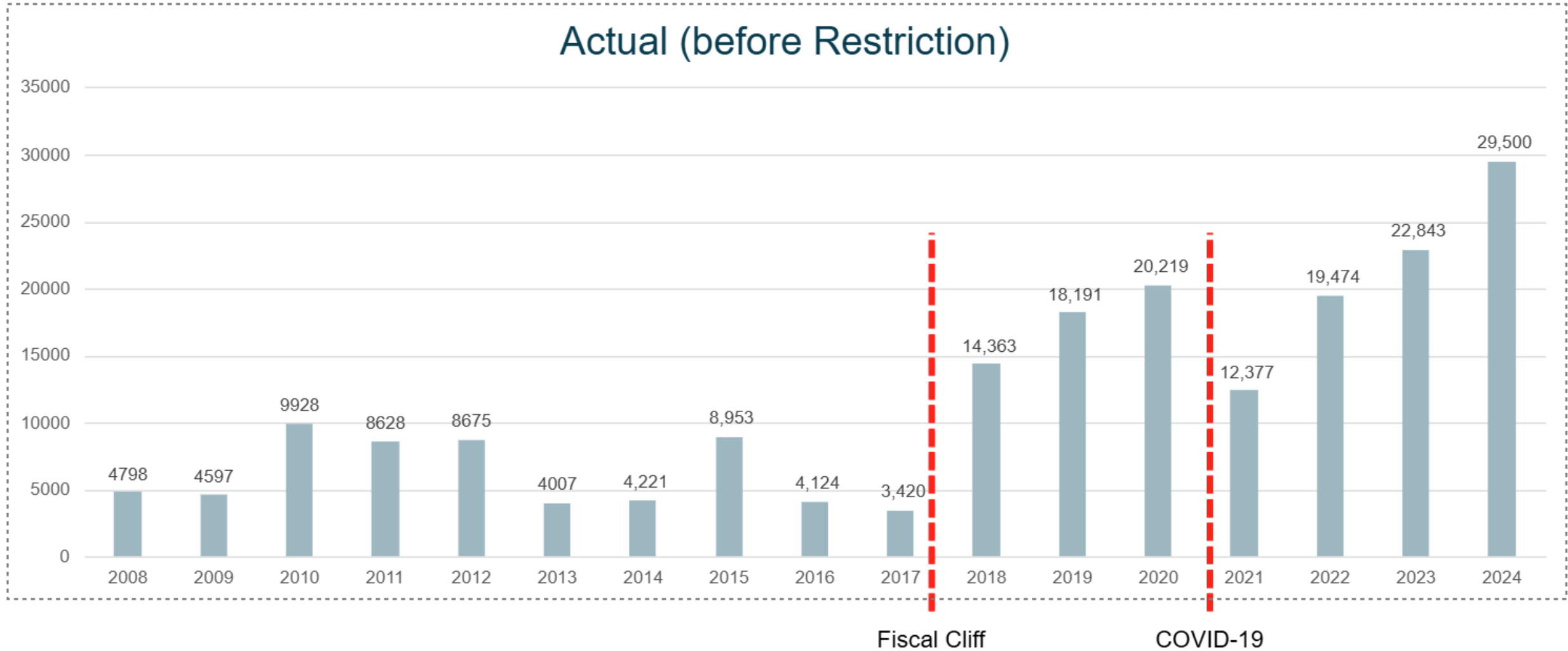


---

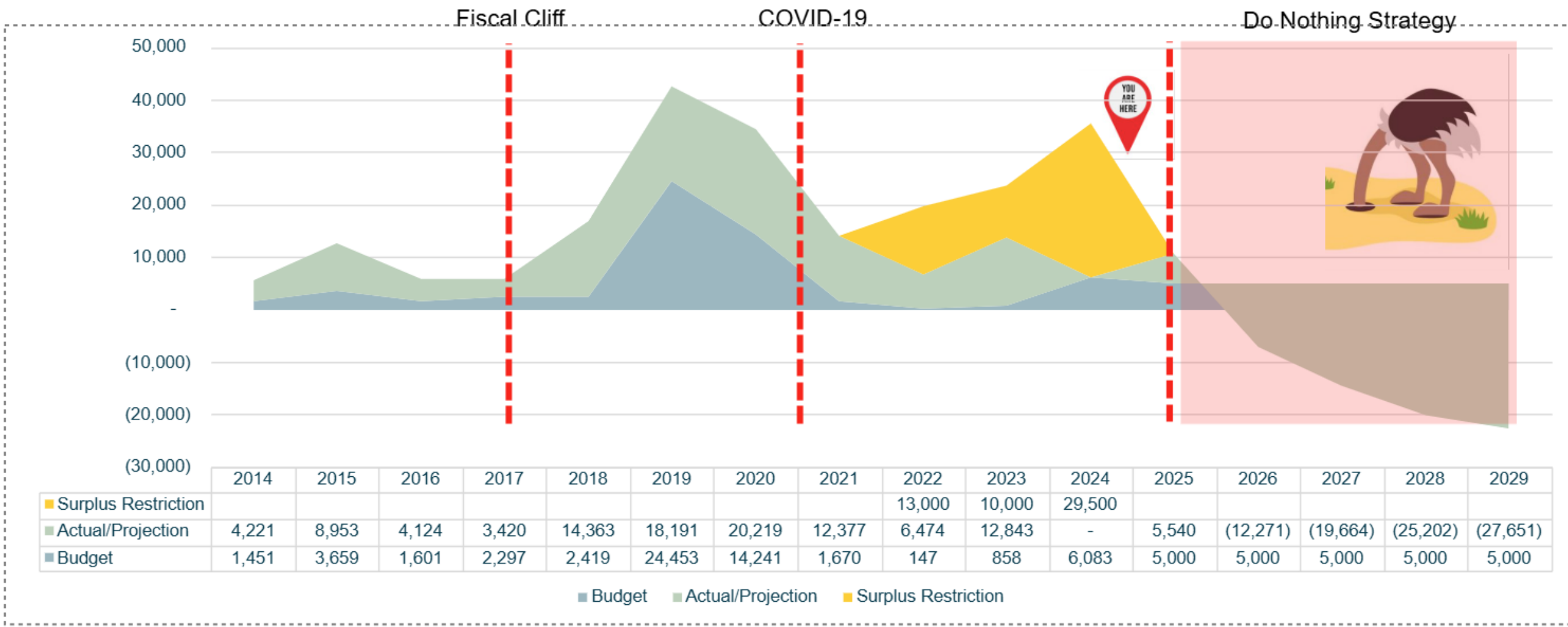
# PLG Retreat August 2024

---

# A History of Solvency



# Budget vs Surplus + Restrictions





---

# The 2025/26 Budget

---



# 2025/26 Budget

	2025/26 Draft Budget (\$000s)	2026/27 Projection (\$000s)	2027/28 Projection (\$000s)	2028/29 Projection (\$000s)	2029/30 Projection (\$000s)
Revenue	\$299,773	\$303,491	\$300,303	\$303,756	\$308,934
Compensation & Benefits	(\$205,907)	(\$220,220)	(\$227,411)	(\$235,200)	(\$243,498)
Non- Compensation	(\$100,725)	(\$108,831)	(\$109,741)	(\$114,194)	(\$118,729)
2025/26 Deficit Mitigation		\$9,000	\$9,180	\$9,364	\$9,552
Accounting Surplus/(Deficit)	<b>(\$6,859)</b>	<b>(\$16,560)</b>	<b>(\$27,669)</b>	<b>(\$36,274)</b>	<b>(\$43,741)</b>
2025/26 Vacancy Discount	\$6,859				
Accounting Surplus/(Deficit)	0	<b>(\$16,560)</b>	<b>(\$27,669)</b>	<b>(\$36,274)</b>	<b>(\$43,741)</b>

# Getting to a “balanced” budget for 2025/26

- Pre-Draft Budget Reductions - \$4.1M (2.0%)
  - Reduction in Agent Commission (\$1.9M)
  - Reduction in UI & Sessional Costs (\$0.73M)
  - Credit Card Convenience Fees (\$0.75M)
  - Removal of Westgate Residence (\$0.75M)
- 5% Reduction Scenarios - \$9.3M (4.5%)
  - Short of 5% goal by \$1.06M – anticipated finding it after budget approved
- Vacancy Discount - \$6.9M (3.3%)
  - Anticipated we would find this amount after budget was struck

## **Takeaways:**

- To fully balance the budget, needed to find \$20.3M
- We found \$13.4M prior to striking the budget; only \$3.49M afterwards
- We are short 3.26M

# Eliminating the Vacancy Discount

Actions Taken	Amount Reduced	Target (March 2025)	Excess Savings / Shortfalls
Workload rationalization (addition sessional/UI savings)	-\$0.98M	\$2M	(\$1.02M)
5% reductions fully realized post-budget	-\$1.06M	\$1M	\$0.06M
Elimination of Discretionary Course Releases	\$0	\$0.75M	(\$0.75M)
Elimination of vacant positions from vacancy list	-\$1.45M	\$3.0M	(\$1.55M)
<b>Total</b>	<b>\$3.49M</b>	<b>\$6.75M</b>	<b>(\$3.26M)</b>

## Takeaways:

- \$3.49M of the targeted \$6.75 was mitigated (52%)
- We continue to carry \$3.26M into future years
- This has been captured in multi-year projections



# The Board's Edict – March 2025

*“On motion duly made and adopted, it was RESOLVED that the 2025-2026 Budget be adopted as presented, with the expectation of receiving a budget mitigation report for the fall board meeting”*

# From 2025 Budget Presentation to BOG:

## Key Take-Aways

- Significant budget challenges due to IRCC changes impacting next fiscal and beyond
- 2025/26 budget balanced using vacancy discount
- Actualize the vacancy discount
- Financial stability by 2030 - Need to find \$43.7M over next 4 years
- Pan-institutional planning in place thru PPG
- Realign multi-year spending plans to 2017/18 levels
- Significant reduction in capital spending to preserve and grow operating reserves.

Worse than anticipated

Assumptions no longer hold

Only found \$3.49M

Timeline now <2 years

“Stars” exercise?

Missed this too

Yes, but need to reduce more



---

# Planning for 2026/27 & Beyond

---



# Getting to 2017/18 – A proxy for reductions

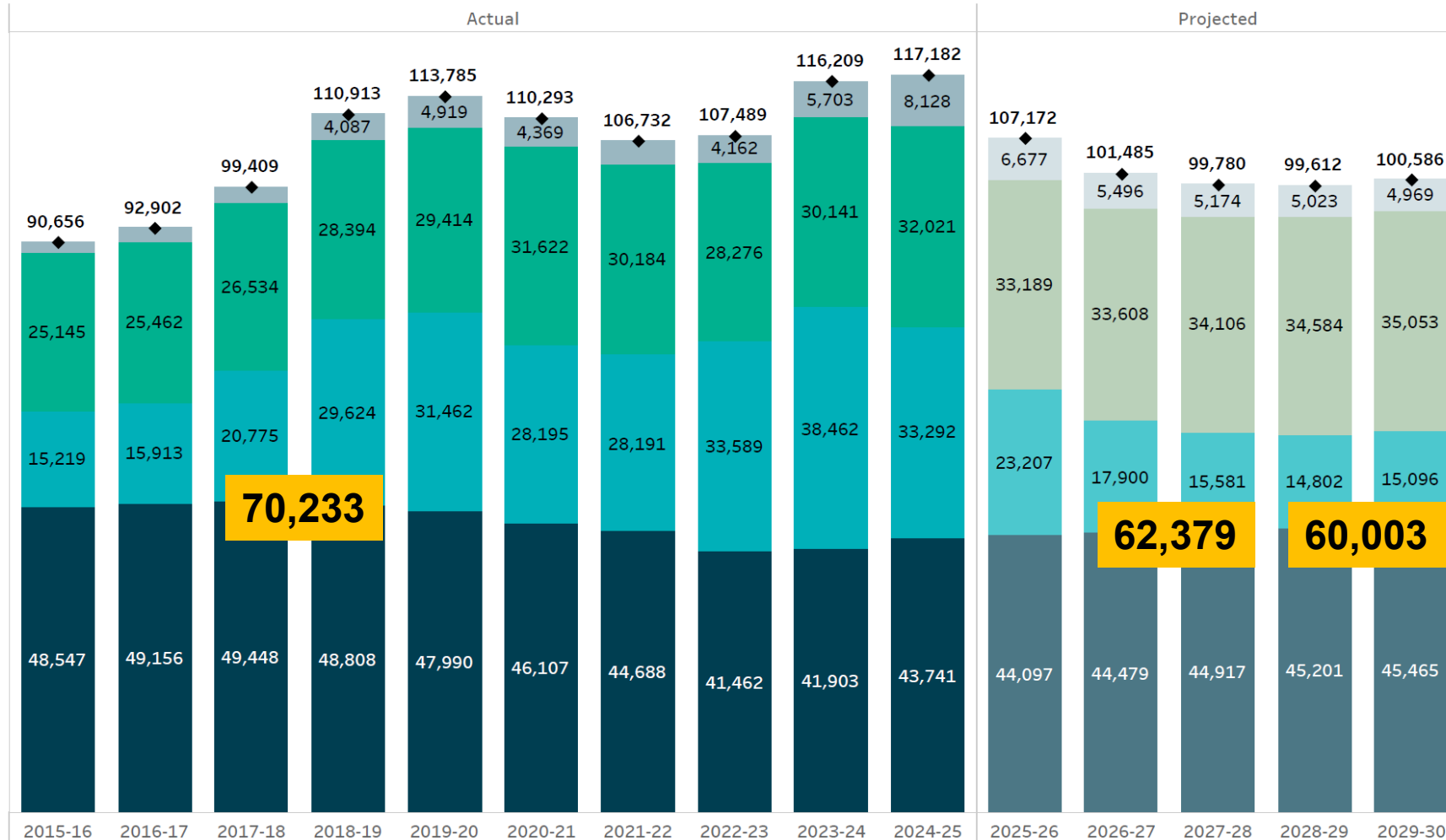
Portfolio	Delta
President / Secretariat & General Counsel	-3.1 FTEs
Provost & VP Academic	-34.94 FTEs
Vice President Administration & Finance (Including Ancillary Services)	6.77 FTEs
Vice President International	2.98 FTEs
Vice President Research	-2.93 FTEs
Vice President University Relations	-4.0 FTEs
<b>Total</b>	<b>-35.22 FTE's</b>

## Takeaways:

- Complement reduction plans missed the target by 35.22 FTE's
- Not inclusive of ERIP

## Course Enrolment Trends By Campus and Residency

TRU 5-Year Enrolment Projections  
Published Jul 14, 2025



◆ Institutional Total

Open Learning - International, Actual

Open Learning - Domestic, Actual

On Campus - International, Actual

On Campus - Domestic, Actual

Open Learning - International, Project..

Open Learning - Domestic, Projected

On Campus - International, Projected

On Campus - Domestic, Projected

Includes STBC-funded Activity

### Takeaways:

- 2017/18 proxy turned out to be too high by **8,000** on-campus enrolments
- By 2025/26, on-campus enrolment lower than 2015/16
- Rock bottom by 2028/29
- OL projected to maintain

# Academic (x2) and Admin Stars Reports

- PPG Divided into 3 groups in February 2025
    - Deans
    - Academic Administration
    - Non-Academic Administration
  - Reduction Strategies/Proposals due end of June 2025
    - Group outcomes
    - Big swings?
-



# ERIP by the Numbers

Portfolio	TRUFA	CUPE
Provost	47 FTE	20 FTE
Vice President Administration & Finance (includes Advancement & Ancillary)		5 FTE
Vice President International (includes MarCom)		5 FTE
<b>Total</b>	<b>47 FTE</b>	<b>30 FTE</b>
<b>Calculated Savings</b>	<b>\$6.732M</b>	<b>\$1.776M</b>
<b>FY Expensed</b>	<b>2026/27</b>	<b>2025/26</b>

## Takeaways:

- With ERIP, on average, we've surpassed 2017/18 targeted #'s by 42 FTE's
- It's not enough

---

# The Q1 Forecast – Problem #1

---

# Q1 Forecast -as of July 2025 ('000's)

	25/26 Board Approved Budget	Q1 Forecast	24/25 YE Actual	Q1 Forecast to Board Approved Budget	Q1 Forecast to 24/25 YE Actual
Revenue	\$299,773	\$296,067	\$314,370	(\$3,706)	(\$18,303)
Compensation & Benefits	\$199,048	\$202,318	\$193,955	(\$3,270)	(\$8,363)
Expenditures	\$100,725	\$102,079	\$106,059	(\$1,354)	\$3,980
Accounting Surplus/(Deficit)	-	(\$8,330)	\$14,356	(\$8,330)	(\$22,686)

\* Full Q1 forecast available in Appendix A



# Key Q1 Variances to Budget

Variance	\$ Value
Decreased International tuition revenue due to decline in enrolments	(\$6.189M)
Reduction in International Training Centre (ITC) revenues	(\$1.800M)
Increase in severances (not including ERIP)	(\$1.749M)
ERIP cost for 30 CUPE employees – full cost in 2025/26	(\$1.556M)
Decreased interest on bank deposits due to declining cash balances	(\$1.500M)
Presidential Initiatives	(\$1.000M)
Westgate residences closing costs	(\$0.608M)
Pedestrian overpass expense pushed to 2026/27	\$2.500M
Other net surpluses across the institution	\$1.310M
Increase in OL tuition, lab and course fees due to increased enrolments	\$1.162M
Reduction to Agent commissions	\$1.100M
<b>Total Key Variances to Original Budget</b>	<b>(\$8.330M)</b>

# Q1 Deficit Impact on Reserves ('000's)

Variance	YE 2025☑	In Year Change	YE 2026
Capital Reserves	\$30,266	(\$5.150)*	\$25,116
Operating Reserves	\$29,761	(\$8.330)**	\$21,431
<b>Total “Available” Reserves</b>	<b>\$60,027</b>	<b>(\$13,480)</b>	<b>\$46,547</b>

☑ YE 2025 figures taken from [2025 Financial Statements](#), Note 14 – Accumulated Surpluses

\* Anticipated capital spend from capital reserves in 2025/26

\*\* 2025/26 in-year, unmitigated, deficit

## Takeaways:

- \$5.15M in capital is “keeping the lights on” capital spending
- Committed capital and in-year deficit reduce available reserves by 25%
- Capital not replenished from surpluses (there are no surpluses)
- Reduction to operating reserve presents a risk to future solvency

# In-Year Deficit Mitigation Strategies

All Budget Holders
Eliminate all discretionary non-compensation spending
Delay non-essential hires
Eliminate all discretionary travel
Eliminate use of executive search firms for all but Executive-level positions
Review and eliminate positions from vacancy list (99 positions currently)
Metric reductions
Eliminate non-essential capital spending
Eliminate non-essential paid PD
OTHER COST SAVINGS MEASURES?

Academic Faculties
Eliminate all travel supplements for faculty PD
Eliminate unnecessary discretionary course releases
Optimize faculty workloads – further reduce sessional hires
Section management
Course enrolment management
Review of ISF assignments
Possible integration/collaboration of student support initiatives across campus
Cross faculty resource opportunities
TRUly flexible opportunities
Review of special projects

---

# Multi-Year Projections – Problem #2

---



# Multi-Year Projections ('000's)

	26/27 Projection	27/28 Projection	28/29 Projection	29/30 Projection
<b>Revenue</b>	\$281,387	\$279,307	\$282,042	\$288,483
<b>Compensation &amp; Benefits</b>	\$199,813	\$193,413	\$198,123	\$203,733
<b>Expenditures</b>	\$104,638	\$107,466	\$109,087	\$110,738
<b>Accounting Surplus/(Deficit)</b>	<b>(\$23,064)</b>	<b>(\$21,572)</b>	<b>(\$25,168)</b>	<b>(\$25,988)</b>

## 26/27 Deficit Includes:

- Q1 Forecast (July)
- All planned reductions prior to ERIP
- Net ERIP reductions
- Revised Staff Complement Reduction plans for 26/27
- Revised Staff Complement Reductions plans for 27/28
- Elimination of Pedestrian Bridge (\$2.5M in 26/27 and 27/28)

## Takeaways:

- Need to find **\$23M** to balance the budget in 2026/27 on top of everything we have proposed to do
- We have work to do.


---

# Impact on Reserves

---

# Multi-Year Deficit Impact on Reserves ('000's)

Variance	YE 2025	In Year Change	YE 2026 (this year)	In Year Change	YE2027 (next year)
Capital Reserves	\$30,266	(\$5,150)	\$25,116	(\$5,150 + \$1,633)	\$18,333
Operating Reserves	\$29,761	(\$8,330)	\$21,431	(\$21,431)	0
<b>Total "Available" Reserves</b>	<b>\$60,027</b>	<b>(\$13,480)</b>	<b>\$46,547</b>	<b>(\$28,214)</b>	<b>\$18,333</b>



2028 Reserves  
in deficit by \$8M+  
as of Q4  
= Insolvency

## Takeaways:

- Reserves in deficit position in later part of 2027/28 if we do nothing
- Insolvency thereafter
- We must mitigate 2025/26 in-year deficit to preserve operating reserves
- We must mitigate 2026/27 deficit by 2027/28
- We need to avoid reducing our surpluses



---

# Deficit Mitigation

---



**We have an ambitious goal: to turn the university's unprecedented financial challenges into a strategic transformation, positioning TRU for success for decades to come.**

---

# Our Challenges:

**\$20-25M deficit forecasted for FY26/27**

**\$7-10m deficit forecasted for FY25/26**

---

# Now What?

- Education and research priorities will lead our decisions
  - What was a five-year window to re-balancing is 18-20 months
  - There is no help coming (we've known that all along)
    - Government has said the problem is “too large”
    - International enrolments have collapsed across the country
    - This is not a problem of our making – it is one for us to solve
  - We need to generate additional revenue beyond traditional revenue streams
  - Technology will enable the transformation
  - We need committed leadership, institutional focus and big swings
-

# Balance budget by 2027/28

- Take more of the 27/28 staffing complement reductions in 2026/27
  - CUPE reductions announced late September 2025
  - Full complement reductions implemented for April 1, 2027
- Minimal to no ERIP/Vacancy replacements. Do things differently.
- Program reviews
- “Big Swings” reductions
- Strategic Enrolment Management
- Further reduction of non-compensation budgets
- Financial prudence until further notice



---

# Appendices

---

# Appendix A: Q1 Consolidated Forecast

**Thompson Rivers University**  
**Quarterly Financial Report**  
**Schedule 1 - Consolidated All Funds**  
For the period Ended June 30, 2025  
(Forecast to March 31, 2026)

	Consolidated All Funds			Variances	
	Board Approved Budget	Q1 (Revised) Forecast	24/25 YE Actual	Forecast to Board Approved Budget	Forecast to 24/25 YE Actual
(thousands of dollars)					
<b>Revenue</b>					
Provincial Grants	114,971	115,889	106,901	918	8,988
Grants Other	7,284	7,221	7,262	(63)	(41)
Deferred Capital Contributions	7,159	8,235	7,289	1,076	946
Tuition Domestic	46,063	45,702	43,541	(361)	2,161
Tuition International	71,836	66,159	87,477	(5,677)	(21,318)
Lab and Course Fees	13,223	13,534	14,459	311	(925)
Sales Revenue	19,060	21,189	23,990	2,129	(2,801)
Interest and Other Revenues	16,871	14,797	19,512	(2,074)	(4,715)
Internal Sales and Transfers	3,306	3,342	3,941	36	(599)
<b>Revenue Total</b>	<b>299,773</b>	<b>296,068</b>	<b>314,372</b>	<b>(3,705)</b>	<b>(18,304)</b>
<b>Compensation and Benefits</b>					
Faculty Tenure/Tenure Track	62,192	63,750	61,621	(1,558)	(2,129)
Faculty Sessional	16,117	15,242	15,259	875	17
Open Learning Faculty Members (OLFM)	13,649	14,046	12,743	(397)	(1,303)
Support	33,259	35,130	34,167	(1,871)	(963)
Excluded	36,200	36,873	35,739	(673)	(1,134)
Other Compensation	45	631	504	(586)	(127)
Benefits	37,586	36,647	33,920	939	(2,727)
<b>Compensation and Benefits Total</b>	<b>199,048</b>	<b>202,319</b>	<b>193,953</b>	<b>(3,271)</b>	<b>(8,366)</b>
<b>Expenditures</b>					
Professional fees and contracted services	20,996	22,228	22,628	(1,232)	400
Building, equipment, operations and maintenance	20,557	19,271	20,750	1,286	1,479
Supplies, postage and freight	10,591	10,627	9,263	(36)	(1,364)
Travel	8,071	7,126	7,425	945	299
Advertising, memberships and public relations	5,222	5,209	5,237	13	28
Bursaries, awards and scholarships	7,683	7,614	11,200	69	3,586
Cost of materials sold	6,164	6,084	6,683	80	599
Amortization of capital assets	17,429	19,213	18,043	(1,784)	(1,170)
Other Expenditures	4,012	4,703	4,832	(691)	129
<b>Expenditures Total</b>	<b>100,725</b>	<b>102,075</b>	<b>106,061</b>	<b>(1,350)</b>	<b>3,986</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>-</b>	<b>(8,326)</b>	<b>14,358</b>	<b>(8,326)</b>	<b>(22,684)</b>