



Briefing Note

Date: May 27, 2025

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Subject: Fiscal 2025/2026 Budget Summary

Provincial legislation requires Selkirk College to submit an annual balanced operating budget, which is approved by the Board of Governors. The College received approval from the Ministry of Post-Secondary Education and Future Skills to run a deficit in fiscals 2020/2021 through 2024/2025 due to the Covid-19 pandemic and following economic recovery period. Selkirk College accumulated a net deficit position of \$74,196 during this time.

	FY2025	FY2024	FY2023	FY2022	FY2021	Net Deficit Since Fiscal 2021
Surplus / (Deficit)	431,892	778,770	(711,770)	395,496	(968,584)	(74,196)

The college completed fiscal 2024/2025 with total revenues of around \$79 million and an annual surplus of \$431,892. The increase in surplus from the original budgeted deficit of \$2.4 million related to an increase in domestic tuition of \$500,000 (9%) and international tuition of \$1.26 million (13%) above budget. The remaining changes related to an increase in revenues for special projects and a reduction in spending across college departments.

SELKIRK COLLEGE

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31

	Budget (Note 2m)	2025	2024
REVENUE			
Government grants	\$ 40,620,062	\$ 44,855,681	\$ 40,794,131
Skilled Trades BC funding	1,865,424	1,817,426	1,841,853
Tuition	14,925,764	16,685,879	15,510,604
Ancillary sales	3,350,500	2,751,791	2,438,934
Investment income	867,187	780,883	1,160,338
Donations	200,000	152,871	208,906
Amortization of deferred capital contributions	3,707,993	3,824,960	3,171,484
Capital contributions related to asset write-offs (Note 10)	-	1,509,274	-
Contracts and other revenue	<u>5,275,788</u>	<u>6,762,469</u>	<u>8,573,122</u>
	<u>70,812,718</u>	<u>79,141,234</u>	<u>73,699,372</u>
EXPENSES (Note 17)			
Education programming	34,689,261	36,076,130	34,200,511
Student support	7,487,753	9,083,768	8,190,291
Research and innovation	3,631,275	4,982,104	4,485,029
Administrative support	8,129,808	7,248,855	6,903,606
Facilities and infrastructure support	15,454,153	17,313,688	15,985,118
Ancillary services	2,839,581	2,044,677	2,068,942
Awards and related costs	<u>989,750</u>	<u>1,960,120</u>	<u>1,087,105</u>
	<u>73,221,581</u>	<u>78,709,342</u>	<u>72,920,602</u>
Annual surplus (deficit) before endowment contributions	(2,408,863)	431,892	778,770

Selkirk College has been addressing the impacts of the federal changes to immigration policy, which projects a 60 to 85 per cent reduction in the number of international students over the next two fiscal years (2025/2026 and 2026/2027). A reduction of this level will lead to a predicted decrease in international tuition revenue of \$6.5 to \$9.2 million, along with reductions in student and ancillary fees, and fewer students in housing, bookstores and cafeterias.

The following FTE program comparison shows the total number of domestic and international FTEs along with the percentage of total FTEs over the past five fiscal years.

FTE Program Detail Comparison
Final as of April 15, 2025, April 19, 2024 and April 17, 2023

Summary, 5 Year	2024/25	2023/24	2022/23	2021/22	2020/21
Domestic FTE	1,724.4	1,574.3	1,600.2	1,741.9	1,686.1
International FTE	785.6	760.4	597.1	582.1	624.8
Total FTE	2,510.0	2,334.7	2,197.3	2,324.1	2,310.8
Domestic Students as a % of FTEs	69%	67%	73%	75%	73%
International Students as a % of FTEs	31%	33%	27%	25%	27%

The college is budgeting 447 international FTEs for fiscal 2025/2026 which includes 30% (135 FTEs) in expected new students and 70% (312 FTEs) students expected to return for their second year of programming. This leads to a reduction of around \$4.7 million in international tuition revenues or a 44% decrease for fiscal 2025/2026 with further reductions predicted in fiscal 2026/2027 due to the change between expected second year student enrolments. This reduction is partially offset by a \$175,685 budget increase in domestic tuition which is around a 5% increase in FTEs from fiscal 2024/2025.

Government grants are budgeted consistently with fiscal 2024/2025 actual at around \$44 million. The Ministry has provided \$345,345 in Shared Recovery Mandate (SRM) funding increases related to Collective Agreement wage increases for PPWC. The prior year (2024/2025) base operating grant budget did not include Cost of Living Allowance (COLA) funding increases as it was not confirmed by the Ministry at the time the budget was presented. This increase accounts for the year-over-year increase in the base operating grant budget of \$2 million. The Early Childhood Education Expansion program has also been funded in the base operating budget going forward (\$261,210 increase). The college team continues to apply for short-term project funding in Health and Human Services for the Health Care Assistant Partnership Pathway and Mental Health Substance Use programs and has received ongoing funding for nursing program supports. The Academic Upgrading program has also been successful in renewing Pathways project funding for various programs. Selkirk Innovates expects around \$2.3 million in both Federal and Provincial grants in fiscal 2025/2026.

Skilled Trades BC funding is predicted to decrease slightly from fiscal 2024/2025 actual due to a slight reduction in funding allocation (2% from fiscal 2024/2025 actual). The college has budgeted a decrease from the fiscal 2024/2025 budget on ancillary sales for predicted reductions in food services, bookstore and housing sales (6% increase from fiscal 2024/2025 actual) along with a decrease in contracts and other revenue (31% from fiscal 2024/2025 actual). Amortization of deferred capital contributions revenue is expected to increase by around \$400,000 which is related to capital grants received for the Student Housing and Waterline projects along with ongoing Routine Capital funding for various campus upgrades and improvements.

The Selkirk College Foundation deconsolidated from Selkirk College in fiscal 2024/2025 which has led to a reduction of budgeted investment income, donation revenue and student awards expenses. These revenues and expenses are solely budgeted in the Selkirk College Foundation going forward.

Selkirk College is presenting a budgeted reduction of around 11% for expenses across the college to offset budgeted reductions in tuition and related sales and fee revenues. These reductions include around a 10% reduction in salaries, wages and benefits, 4% reduction in supplies and services and 16% reduction in operating lease payments from fiscal 2024/2025 actuals. Selkirk College has presented a balanced budget for fiscal 2025/2026 with the focus on *Sustainability to Safeguard the college's long-term fiscal health*.

SELKIRK COLLEGE – 2025/2026 OPERATING BUDGET

	2026 Budget	2025 Budget	2025 Actual	2026 Budget to 2025 Budget Variance	2026 Budget to 2025 Actual Variance
Revenue					
Government grants	44,159,166	40,620,062	44,888,681	3,539,104	(696,515)
Skilled Trades BC funding	1,777,944	1,865,424	1,817,426	(87,480)	(39,482)
Domestic tuition	6,087,283	5,412,332	5,911,598	674,951	175,685
International tuition	6,034,779	9,513,432	10,774,281	(3,478,653)	(4,739,502)
Ancillary sales	2,927,210	3,350,500	2,751,791	(423,290)	175,419
Investment income	527,160	867,187	780,883	(340,027)	(253,723)
Donations	-	200,000	152,871	(200,000)	(152,871)
Amortization of deferred capital contributions	4,224,484	3,707,993	3,824,960	516,491	399,524
Capital contributions related to asset write-off	-	-	1,509,274	-	(1,509,274)
Contracts and other revenue	4,662,801	5,275,788	6,762,469	(612,987)	(2,099,668)
	70,400,827	70,812,718	79,141,234	(411,891)	(8,740,407)
Expenses					
Education programming	33,962,016	34,689,261	36,076,130	(727,245)	(2,114,114)
Research and innovation	3,196,330	3,631,275	4,982,104	(434,945)	(1,785,774)
Student support	7,451,491	7,487,753	9,083,768	(36,262)	(1,632,277)
Administrative support	7,296,049	8,129,808	7,248,855	(833,759)	47,194
Facilities support	15,078,858	15,454,153	17,313,688	(375,295)	(2,234,830)
Ancillary services	2,717,953	2,839,581	2,044,677	(121,628)	673,276
Awards and related costs	698,130	989,750	1,960,120	(291,620)	(1,261,990)
	70,400,827	73,221,581	78,709,342	(2,820,754)	(8,308,515)
Surplus / (Deficit)	-	(2,408,863)	431,892	2,408,863	(431,892)

Recommendation

That the Board of Governors approve the 2025/2026 balanced operating budget as presented.