

Budget Principles & Priorities Fiscal Year 2027-28

As a result of the federal government’s international student restrictions, the current economic conditions, and the threat of U.S. tariffs, the university faces a materially different financial situation than it did when *Vision 2026* was established.

KPU’s Board approved strategic priorities serving and supporting students, advancing social justice, addressing environmental impacts, pursuing decolonization and full inclusion of Indigenous peoples, and maintaining strategic stewardship in planning, operations, financial risk and human resource management —remain unchanged and continue to align with the Ministry Mandate.

The challenge is determining how to advance these priorities while facing reduced funding from declining student enrolments and addressing the expenditure levels, including the size of the university’s workforce. While it is easy to say “do less with less” it is challenging to translate that into actions for a university that wishes to continue to achieve all that is asked of it by its students, provincial government, employees, alumni and communities.

The goal of these budget principles is to guide the university through a challenging time in a thoughtful and intentional manner that focuses on adapting to the new realities while continuing to pursue the university’s long-term strategic goals.

While there is currently an Acting President, and recruitment for a new President is underway, the proposed FY2028 budget principles and priorities bridge *Vision 2026* to the goals and priorities that will shape KPU’s next long-term strategic plan.

	Proposed Budget Principle	Proposed Budget Priority
1	<p>Budget Model That Aligns Expenses with Revenues:</p> <p>While the prior year's allocations will be the initial starting point, expenses will be reduced to match projected steady state revenues while still aligning with KPU’s strategic goals and provincial mandates. Efforts will be made to minimize the impact on both employees and students, ensuring financial sustainability without compromising the university’s core mission.</p>	<p>Advance KPU’s strategic goals while recognizing revenues have declined. Budget reductions will be implemented in a thoughtful manner to maintain the long-term foundation of the university. By integrating strategic priorities into the budget framework, KPU can maintain progress on its strategic goals while adapting to lower revenues.</p>

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2	<p>Realistic Enrolment Assumptions:</p> <p>International student enrolment has declined and is not expected to return to historical levels. The budget will be based on conservative but realistic enrolment assumptions for domestic and international students and will address student enrolment needs and demands.</p>	<p>Collaboration between the Office of Planning and Accountability and Financial Services will establish robust enrolment assumptions for tuition revenue as a foundation for budget development</p>
3	<p>Support for Core Activities, Values, and Strategic Priorities:</p> <p>Advancing KPU’s strategic priorities and focusing on KPU’s core activities—teaching, learning, research, so far as and to the extent that its resources from time-to-time permit, undertake and maintain applied research and scholarly activities to support the programs of the special purpose, teaching university, and related services, with a primary focus on students. The budget will use a data-informed and courageous approach to making KPU a leaner and smaller institution, while at the same time ensuring predictability and stability which will reflect a strong foundation for the institution. In addition, KPU will remain committed to its core values including supporting equity, diversity, and inclusion, and Indigenization and decolonization, and will continue to support those as key values and priorities. Allocating established and ongoing budget for these areas will remain a priority.</p> <p>By maintaining this focus, the university not only upholds academic excellence but also fosters confidence among students, faculty, and stakeholders. Stability in budgeting is crucial for planning long-term initiatives and adapting to evolving educational demands.</p>	<p>The budget will reflect a smaller and leaner university and will continue to advance KPU’s strategic priorities, prioritizing teaching, learning, and scholarly activities. Maintaining robust support systems is essential for ensuring both academic and inclusive excellence and an enriched student experience. By focusing on these areas, the university reinforces its commitment to providing a quality education that prepares students for success while fostering an environment of inclusion, innovation, and collaboration. An inclusive and safer environment supports student recruitment and retention efforts. This balanced approach ensures that limited resources are allocated effectively, keeping the needs of students at the forefront. Resources will be allocated using a data-driven approach, informed by benchmarks where available and appropriate, to ensure effective decision-making that keeps student needs at the forefront.</p>

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4	<p>Lifecycle Funding:</p> <p>New projects, activities and organizational changes will be funded over the lifecycle of the activity and will span fiscal years as required. This includes preparing a five-year forecast to maintain clear visibility into expected future revenues and expenditures, ensuring long-term financial planning and sustainability.</p>	<p>KPU's emphasis on funding activities and projects throughout their lifecycle ensures financial sustainability and operational stability. By approving budgets that span multiple fiscal years and considering long-term needs, the university can strategically align resources with its goals while mitigating risks. This prudent approach—prioritizing cost recovery and strategic program development—demonstrates a commitment to thoughtful planning and adaptability. It enables KPU to innovate responsibly, balancing progress with financial health.</p>
5	<p>Supporting Student Recruitment and Retention and Adapting to New Realities:</p> <p>Funding will be strategically allocated to support KPU as it adapts to the new post-secondary environment and emerging challenges, as well as maintaining core activities, values, and Strategic Plan objectives.</p>	<p>KPU is adapting to the latest challenges facing the post-secondary sector. Strategic use of funds to meet these challenges will be particularly important to support student recruitment and position KPU to meet the changing needs of industry, society and its communities. Budget priorities will also focus on revenue generation, emphasizing recruitment and retention initiatives as well as the development of new programs designed to create net-positive financial impact for the university. This approach positions KPU for sustainable growth while enhancing its ability to meet emerging educational needs.</p>
6	<p>Contingency Plans:</p> <p>The budget will include an appropriate contingency. Distributed contingencies will be centralized to better manage the overall budget.</p>	<p>Maintaining a contingency budget is a prudent strategy to ensure financial resilience amidst unexpected challenges such as revenue fluctuations or inflationary pressures. It offers a safety net that allows the university to navigate uncertainties while safeguarding its core functions and priorities. By requiring the President (or delegate) to approve reallocations and involving the Board of Governors in broader spending changes, KPU reinforces accountability and transparency in its financial decisions. Contingency</p>

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		funds held at the department level will be centralized to better manage the prudent use of contingencies and reduce unspent funds at year end.
7	<p>Balanced Budget:</p> <p>The university budget will be balanced and will ensure financial stability and sustainability.</p>	The budget will consider unexpected changes and carefully evaluate future year impacts of budget decisions and therefore the long-term continuity of the university.
8	<p>Capital Expenditure Controls:</p> <p>Capital expenditures will not increase self-funded annual amortization to more than 5% of operating expenses.</p>	Priority for capital asset investments will be directed towards maintaining the university's assets through refresh allocations, strategic capital priorities and supporting key areas such as teaching and learning, student support, IT, research and innovation support.
9	<p>Ancillary Services:</p> <p>Ancillary Services will be budgeted to balance student experience with financial stability.</p>	Budgets for Ancillary Services will be based on balancing the student experience with financial stability. By carefully adjusting pricing and implementing cost-saving measures, KPU can move closer to cost recovery without compromising the quality of services offered to students. This strategy not only ensures the sustainability of ancillary operations but also reflects a commitment to student satisfaction and support.
10	<p>Budget Planning Engagement:</p> <p>Major assumptions, estimates, and the rationale behind budget decisions will be shared with key parties throughout the budget development process. While engagement is encouraged, the President and the Board of Governors hold the ultimate fiduciary responsibility to approve the annual budget. The level of engagement will</p>	The budget development process is complex and requires extensive information to inform decisions. Management is committed to transparency and providing context throughout the process. However, due to the detailed nature of the budget and the specialized knowledge required to understand its drivers and implications, not all parties will engage at the same depth. Engagement will be meaningful,

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	follow the principles outlined in the Budget Planning Engagement Matrix (attached).	structured, and aligned with the roles and responsibilities of each group.

Budget Planning - Stages of Engagement

Note: If the composition or purpose of any named group changes, the matrix will be reviewed and updated accordingly.

	Inform	Input	Consult	Involve	Collaborate	Empower	Approve
Communication	One-way updates	Gather ideas or feedback	Two-way discussion	Work directly with key parties	Shared decision-making	Delegated authority	Delegated authority
Purpose	Keep people aware	Inform the work	Influence decisions	Shape solutions together	Co-create outcomes	Operational leadership	Fiduciary oversight
Who	All Employees, Students and BCGEU Executive	KFA Executive	SSCAPP/SCCUB, Senate, Finance Committee	Senior Leadership	Senior Executive Team (SET)	President	Board
How	E.g. University Communicator, Town Halls, website, Finance hub	Presentations - targeted meeting(s)	Presentations - targeted meeting(s)	Presidents Circle meetings and Budget development processes	Weekly Meetings	Scheduled Meetings	Scheduled Meetings
When	As needed	Before the Annual Budget Presentation to the Board, the Union will be given an opportunity to provide input	Quarterly	Scheduled meetings	Daily through operational work; weekly through meetings	Quarterly	Quarterly
What	High-level budget overview	Review of budget influences	Provides structured feedback that informs scenario refinement and institutional alignment	Detailed review of divisional budgets	Validate institutional priorities	Leads development of the Budget	Receives the consolidated budget for approval
	Key messages from leadership	Discussion of risks, trade-offs, and impacts	Discussion of risks, trade-offs, and impacts	Prioritization of initiatives within portfolios	Review cross-institution impacts	Confirm alignment with strategic plan and financial sustainability	Confirms alignment with strategy
	Major timelines and milestones	Feedback on alignment with academic priorities	Feedback on alignment with academic priorities	Identification of savings, pressures, and reallocations	Resolve competing pressures	Endorse major financial decisions and allocations	Endorse major financial decisions and allocations
	Opportunities to submit questions or comments		Input on policy or governance considerations	Alignment of divisional plans with institutional strategy	Confirm major budget directions	Provides forecasts, risks, and expectations	Receive final forecast, risks, and year-end expectations
	Summary of decisions once finalized		Review of forecasts, plans, and year-end expectations	Iterative refinement of targets and assumptions	Provide guidance before final approval	Drives major financial decisions operationally	Provide governance oversight and direction