

Responsibility Centered Management (RCM)

**An Activity-Based Approach
to Budget Planning**

October 2018

INTRODUCTION

In 2014/2015, Trent University introduced a new approach to budget planning called Responsibility Centered Management (RCM). RCM is an activity-based model intended to promote stronger linkages to academic goals and priorities. The aim of RCM is to improve financial sustainability by emphasizing the University's strengths in teaching, research and services and by supporting selected opportunities and innovations.

The RCM approach to budgeting was first proposed in the Trent Academic Plan 2012 (*Radical Recovery: An Academic Plan for Trent University*, Recommendation #48). Following multiple discussions with key stakeholders (including faculty, staff and senior administration who are directly involved in the annual budget planning process), the Board of Governors approved the implementation of an RCM approach to budget that achieves the following objectives:

1. **Transparency:** To create a budget system that is transparent, with a mechanism to track the University's revenues and expenditures in a way that makes it clear how and where revenue is generated and costs are incurred;
2. **Fairness and Efficiency:** To distribute the University's resources in a way that fairly recognizes the needs of growing programs by promoting revenue growth and supporting efficiencies that reduce costs;
3. **Financial Sustainability:** To create a system of incentives that rewards those units whose activities and initiatives make significant contributions to a sustainable budget; and
4. **Growth and Flexibility:** To build a University Fund for academic program and operational initiatives that support growth in student enrolment and the strategic goals of Trent.

While still preparing the operating budget under an incremental base budget approach, commencing with the 2017/2018 budget the University began using the RCM model as a guiding principle for decision making when prioritizing and recommending strategic investments. RCM will be implemented gradually over the next few years in a way that is sensitive to Trent's fiscal realities and the complexities that arise as the University attempts to achieve a sustainable budget for the long term. RCM will change resource distribution over time rather than creating large scale impacts all at once. Administrative and support functions will be assessed against available University benchmarks and adjusted accordingly. An important feature will be the availability of some incentive funding to help in the development of new programs and revenue opportunities. Budget adjustments due to RCM will ensure that the budget evolves in a way that makes the University's operations more fiscally sustainable while respecting its contractual obligations.

The following provides an overview of RCM and the way it works, explaining the opportunities and benefits of RCM for the University and its various operational units.

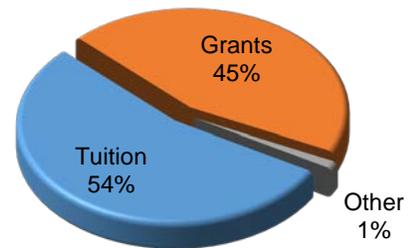
THE RCM MODEL

The Operating Budget

The University's budget is a reflection of the revenues and expenditures generated by its activities. Historically, Trent uses an incremental budget approach whereby new strategic investments are added to the prior year's budget to form the current year's base budget.

On the revenue side, the principle determinant of the size of Trent's budget is undergraduate enrolment and the revenue it produces from tuition fees and government grants. Other revenues are generated from ancillary services, research support and overhead grants, partnerships and commercialization, fundraising, endowments and graduate student enrolment. While these latter operations are important contributors to the budget each year, their impact is small in comparison with that made by undergraduate enrolment.

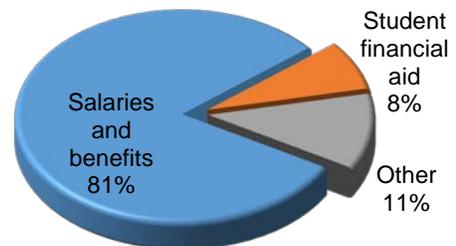
2018/2019 Budgeted Operating Revenues



The primary pressures on operating revenue arise from the government's decisions to allocate university budgets through the funding formula and tuition fee framework, and to student enrolment.

The University's main expenses are salaries and benefits that account for approximately 80% of current expenditures. Student financial aid and scholarship expense is a highly variable cost dependent primarily on student enrolment. Other key expenses are tied to maintenance and enhancement of physical infrastructure, research activities, information technology, student services, human resources, and administrative functions such as policy development, program approval, and quality assurance.

2018/2019 Budgeted Operating Expenses



The University must manage the key pressures on operating expenses related to payments needed to cover pension shortfalls, student financial aid requirements, in part prescribed by the government, and inflationary factors.

For more detailed information on the University's operating budget, please see the 2018/2019 Operating Budget Report:

https://www.trentu.ca/financialservices/sites/trentu.ca.financialservices/files/documents/2018-19_Budget.pdf

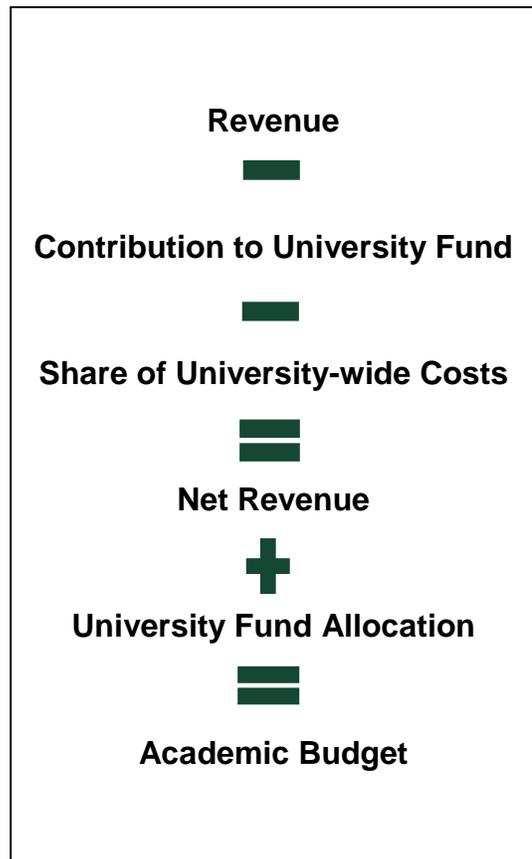
The RCM Concept

Trent is currently shifting from the incremental budget approach to an activity-based model, RCM, for its academic divisions. Under the RCM framework, academic divisions have a responsibility to generate revenue in a way that supports the operating and infrastructure costs of their operations and contributes revenue to a strategic fund for the University.

The general concept of the RCM model is that operating fund revenues are attributed to the academic divisions that generate them, primarily through tuition and operating grants largely determined by student enrolment. Each academic unit contributes to a University Fund for institutional strategic priorities. The decanal units also bear their proportionate share of the indirect costs of the University (for example, library services, information technology, student services, occupancy costs, and administration). The remaining net revenues of each decanal unit plus any allocation of the University Fund (either for new strategic investments or to partially mitigate the impact of changes during the transition to RCM) support their direct costs, including instructional staff and resources for the provision of their academic programming.

While RCM does not in and of itself increase net revenue for the University, it does promote innovative and efficient delivery of academic programming and enrolment planning by allowing increased revenue and cost savings to remain in the decanal unit that generates the positive change.

In a challenging budget climate, RCM will, over time, allow the University to position itself in a way that addresses budget challenges and fosters a sustainable budget. It will strive to allocate resources in a way that relies on fiscally relevant criteria that can be clearly measured. RCM will be a key consideration, along with other principles including alignment with the University's Strategic Plans, academic needs, and legislative or other mandatory requirements, when prioritizing and recommending new investments and changes to resource allocations.



RCM Principles

The University's ancillary services already operate under similar principles as the RCM framework. These services are expected to cover their budget allocations and infrastructure costs, and to contribute revenue to the operating budget of the University. As it implements RCM, the University will extend RCM principles in a way that focuses on undergraduate enrolment, which is the University's principle source of revenue. In doing so, the University will apply RCM principles to its campuses and to its academic divisions. The application of RCM principles will strengthen academic divisions which are high performing from a fiscal point of view.

The RCM budget principles are to:

- Provide full transparency, with respect to how decisions are made and why;
- Incorporate balance and compromise with respect to defining model elements (e.g. economic reality vs simplicity);
- Provide incentives for initiatives that generate new revenues and/or reduce operating costs;
- Attribute revenues and costs in a manner that encourages and supports inter-divisional activity to avoid redundancy, duplication and adverse actions;
- Develop a model and processes that are simple to use, explain and maintain; and
- Support the academic goals of the University as set out in the Strategic Mandate Agreement

RCM Benefits

The RCM model has many benefits as it focuses on providing incentives to attract new students and to use resources efficiently, promotes creative opportunities that benefit the entire institution, translates strategic goals into operating plans, and identifies the true nature of internal subsidies. RCM resolves the pitfalls of the incremental budgeting process, which fails to evaluate historical base budget allocations or adequately reflect key drivers. It is important to be mindful of and manage the potential challenges of the RCM model by encouraging revenue growth over revenue transfer, maintaining a focus that balances both academic and financial needs in decision making, and mitigating potential negative effects on shared services funding.

The University Fund

RCM budgeting encourages operational units to make changes which will improve the fiscal situation of the academic division and the University, through two principal means:

1. **Generating Additional Revenue:** Revenue growth can be accomplished in a variety of ways including, by changing programs to attract more students, by introducing new programs, by teaching more students in other programs, and by developing international programs. New programs must be academically strong and aligned with Trent's strategic academic directions to ensure they attract the students needed to make them fiscally viable.
2. **Reducing Costs:** Expenditures can be reduced by finding more efficient ways to use the budget allocation or introducing better ways of delivering services.

In many cases, changes should be a normal part of the program and curriculum maintenance and development, as is the case with academic programs that evolve as a normal consequence of cyclical program reviews. In other cases, changes to programs or the development of new programs may require some investment.

Seed funding may be available from external sources (for example, provincial funds) or from internal funds (such as the Provost's Fund managed by the Provost and Vice-President Academic). As much as is possible, administration will try to find ways to support promising projects. Funding from internal sources will be temporary, in the first instance, and will aim to support the implementation of changes within a unit that lead to revenue generation and/or base savings. This funding may become a part of base funding if the changes are consistently successful.

An important feature of the RCM model is the creation of a University Fund which will provide funding to support institutional priorities and provide incentives for new programs and revenue growth. Under the RCM framework, each academic division will contribute 5% of its total gross revenue to the University Fund.

Initially, it will be necessary to use part of the University Fund to help mitigate the impact of changes required during the transition to full implementation of the RCM. Changes in programming and resources may take multiple years to implement due to factors such as the continuation of students, and collective agreement provisions. Future decisions regarding distributions from the University Fund will be made by the President and Vice-Presidents Committee giving careful consideration to the academic planning requirements necessary to meet the needs of the growing student enrolment, alignment with the University's Strategic Plans, legislative or other mandatory requirements, and progress towards each academic division's RCM target.

RCM Academic Divisions

The RCM model will initially be applied to the six academic divisions of the University as described below.

The Schools of Nursing and Education, and Trent Durham will have customized RCM applications because they have unique funding arrangements and are already measured on a contribution basis, and because they have more complex costs and revenues than other academic divisions as they typically involve other sources of revenue and other expenses.

1. **Durham:** In implementing RCM, the University will treat Trent's Durham campus as a distinct budget unit, and will track its revenues and expenditures separately. Like every academic division, Durham will be expected to contribute to central shared services, where applicable. This approach will allow the University to clearly track the revenues and costs generated by the Durham operations.
2. **Education:** Students of The School of Education only take Education courses, so the revenue they generate is almost entirely attributable to the School of Education. The Teacher Education Stream also includes undergraduate courses for Education. In addition, Education generates revenue through professional (AQ) courses taught to working teachers who wish to upgrade their qualifications. A portion of this revenue is transferred to the operating budget to support the undergraduate and graduate Education programs.
3. **Nursing:** In the case of Nursing, revenue is tied to special grants shared with Fleming and George Brown Colleges. This revenue is included in Provincial Grants and allocated accordingly. As is the case with other divisions, there is a need to include a recognition of the role that courses in other divisions play in Nursing Education.
4. **Humanities:** The prime revenue generated by the Humanities division is the tuition fees and government grants associated with undergraduate enrolment. Individual students are served by a variety of departments which include those who offer their Humanities major(s) and those that offer other courses they take. The University will attribute the revenue generated on a per course basis. As a student will take more courses in their major than in other areas, this allocation process will mean more of the revenue generated will be attributed to the Humanities division, but other divisions that teach courses taken by Humanities students will be credited with equal revenue per course for the courses they teach.
5. **Sciences:** The prime revenue generated by the Sciences division is the tuition fees and government grants associated with undergraduate enrolment. As is the case with Humanities, individual students take courses across the academic divisions. The University will attribute the revenue generated on a per course basis as described under the Humanities division.

6. **Social Sciences:** The prime revenue generated by the Social Sciences division is the tuition fees and government grants associated with undergraduate enrolment. As is the case with Humanities and Sciences, individual students take courses across the academic divisions. The University will attribute the revenue generated on a per course basis as described under the Humanities division.

The RCM model is applied to academic operations at the level of divisions and schools, not at the level of individual academic programs or individual professors. RCM will be managed in a way that recognizes the essential role that teaching non-majors plays in allowing the University to operate, fiscally and academically. This means that academic programs with small numbers of majors will not be disadvantaged under RCM.

RCM Benchmarks

The principles of RCM can be most easily applied to operating units of the University that directly generate revenue as well as costs. This is why academic divisions will be the focus as the University implements RCM. In tracking the fiscal performance and needs of operating units which do not generate revenue, the University will use other performance-based metrics. Where there is no clear way to apply RCM, the University will assess the performance of such units by using benchmarks that measure the budget expenditures of corresponding units compared to other Ontario universities. For example, when considering new investments for shared services such as library services or information technology, the University will compare the percentage of Trent's budget devoted to the library and information technology to the percentage expenditures at similar institutions in Ontario.

THE RCM COMPONENTS

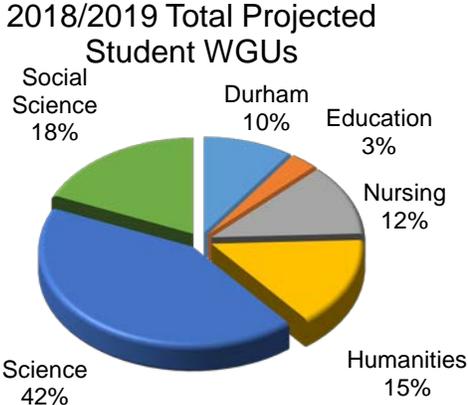
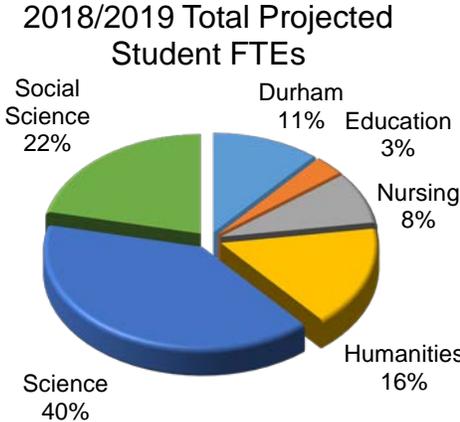
Key Drivers

The two primary drivers used for the attribution of revenue and the allocation of shared services costs are student enrolment projections and faculty and staff full-time equivalents.

1. **Student Enrolment:** The University's revenue is primarily generated through student enrolment. Therefore, student enrolment is the driver for the attribution of grant and tuition revenue and cost allocations for a portion of Information Technology (IT), Library, Student Services, Student Support, Trent International (TI) and Graduate Studies.

For the purposes of budget planning, student headcount enrolment projections are converted to full-time equivalents (FTEs) and eligible enrolment is weighted by program and level of study to determine Weighted Grant Units (WGUs) which is used to calculate government funding. The student enrolment projections included in the 2018/2019 RCM budget (version 2) are as follows:

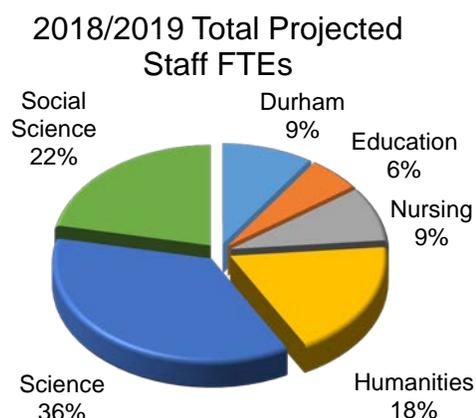
	Full-time Equivalents (FTEs)			Weighted Grant Units (WGUs)		
	Undergrad	Graduate	Total	Undergrad	Graduate	Total
Durham	1,032.90		1,032.90	1,710.25		1,710.25
Education	281.55	13.80	295.35	520.21		520.21
Nursing	770.97		770.97	2,116.35		2,116.35
Humanities	1,420.12	78.40	1,498.52	2,293.30	353.43	2,646.73
Science	3,376.33	291.40	3,667.73	6,543.57	994.24	7,537.81
Social Science	1,912.33	76.40	1,988.73	3,043.49	258.86	3,302.35
Total	8,794.20	460.00	9,254.20	16,227.17	1,606.53	17,833.70



- Faculty and Staff Full-time Equivalents:** As staffing costs represent the majority of the University's costs, faculty and staff full-time equivalents are used as the cost driver for a portion of IT costs, Human Resources and Pension Special Payments.

The faculty and staff full-time equivalents (excluding administrative staff) projected in the 2018/2019 RCM budget (version 2) are as follows:

	Faculty FTEs	Staff FTEs	Total RCM FTEs
Durham	28.20	5.69	33.89
Education	13.40	6.44	19.84
Nursing	13.40	17.88	31.28
Humanities	59.40	7.01	66.41
Science	94.50	35.49	129.99
Social Science	63.70	14.85	78.55
Total	272.60	87.36	359.96



Revenue Attribution

Under the RCM model, all revenue of the operating budget will be attributed to academic divisions. The major sources of revenue are Provincial operating grants, tuition fees, Research Support Funds (RSF) and Research Overhead Infrastructure Envelope (ROIE), Durham service teaching, Additional Qualifications (AQ) revenue, and other income. The methodology used for each source is described below.

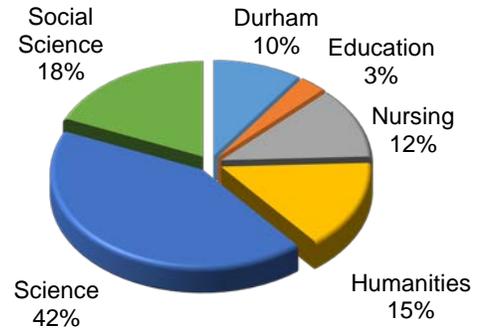
- Provincial Operating Grants:** Government grants includes all grants received from the Provincial government, with the exception of RSF and ROIE grants (which are included in a separate category described below), Durham service teaching for UOIT (which is attributed directly), and Municipal Tax Grant (which is included in the Occupancy Cost bin as an offset against the actual municipal tax payments). This revenue includes provincial operating grants received indirectly through Fleming College for the collaborative nursing program.

Operating grants are primarily determined by student enrolment weighted by program and level of study. Therefore, this revenue will be attributed to academic divisions on the basis of these Weighted Grant Units (WGUs). Undergraduate enrolment will be based 100% on teaching faculty and graduate enrolment will be based 100% on major. That is, the academic division that is providing the faculty resources to teach the students will be credited with the revenue generated by those teaching resources in the RCM model.

The provincial operating grants assumed in the 2018/2019 RCM budget (version 2) are as follows:

	Amount (000's)
Core Operating Grant	\$47,741
Differentiation Funding	\$6,105
Special Purpose Grants	\$1,954
Collaborative Nursing Funding	\$2,006
Total	\$57,806

2018/2019 Total Projected Provincial Grant Funding

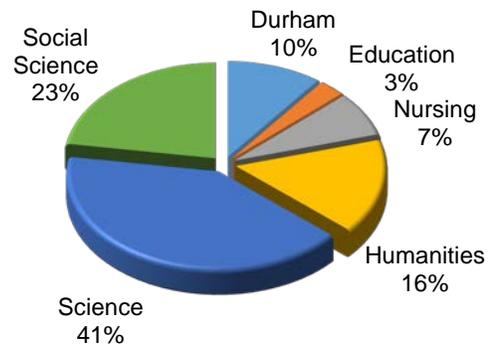


- Tuition Fees:** Tuition fees are generated on a per student basis at domestic and international tuition rates approved by the Board of Governors and in accordance with the Ministry's tuition fee framework. Revenue from tuition fees will be attributed to each division based on divisional student full-time equivalents. Undergraduate tuition will be based 100% on teaching faculty and graduate tuition will be based 100% on major. That is, the academic division that is providing the faculty resources to teach the students will be credited with the revenue generated by those teaching resources in the RCM model.

Tuition fees revenue projected in the 2018/2019 RCM budget (version 2) are as follows:

	Amount (000's)
Undergraduate Domestic	\$55,918
Undergraduate International	\$11,366
Graduate Domestic	\$3,362
Graduate International	\$1,653
New Graduate Programs	\$568
Total	\$72,867

2018/2019 Total Projected Tuition Fees



- Research Support and Overhead Grants:** RSF and ROIE awards are based on the three-year average Tri-Council grants received by the University, slipped two years. Similarly, RSF and ROIE revenue will be attributed on the basis of each academic division's three-year average actual Tri-Council Grants in the RCM model. The 2018/2019 RCM budget (version 2) estimates this revenue to be approximately \$1.956 million.

4. **Durham Service Teaching:** The University receives annual funding from the University of Ontario Institute of Technology (UOIT) for Trent Durham service teaching of UOIT students. The payment represents the reallocation of government grant funding received by UOIT for students taught by Trent Durham faculty. This funding will be attributed directly to the Durham academic division. The 2018/2019 RCM budget (version 2) estimates this revenue to be approximately \$421,000.

5. **Additional Qualifications Revenue:** Trent University offers additional qualification (AQ) and additional basic qualification (ABQ) for teachers interested in continuing their education and further professional development. As these courses are offered online through the School of Education, the portion of this revenue transferred to the operating budget to support the undergraduate and graduate Education programs is attributed entirely to the Education academic division under RCM. The 2018/2019 RCM budget (version 2) estimates this revenue transferred from accumulated surplus to be approximately \$225,000.

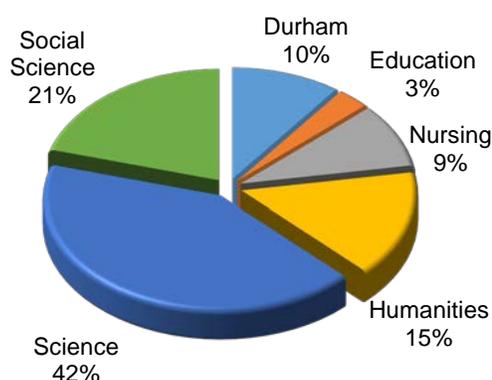
6. **Other Income:** Other income includes interest income, miscellaneous revenue, administrative overhead charges to Ancillary departments funded primarily by student fees and surplus transfers from other Ancillary departments. This revenue will be attributed to academic divisions based on each division's share of the total attributed revenue from other sources. The 2018/2019 RCM budget (version 2) estimates this revenue to be approximately \$2.273 million.

The University Fund

The University Fund will be created from 5% of total gross revenue of each academic division. Initially, it will be necessary to use part of the University Fund to help mitigate the impact of changes required during the implementation of the RCM. Any funds remaining will help support institutional priorities and provide incentives for new programs and revenue growth.

In the 2018/2019 RCM budget (version 2), the University Fund is approximately \$6.777 million, about 60% of which is required to mitigate the negative impact on academic divisions during the transition period and 40% of which is available for strategic investments.

2018/2019 University Fund Contributions from Divisions



The long-term intention is to use the University Fund to provide start-up funding for new initiatives and programs. Future decisions regarding distributions from the University Fund will be made by the President and Vice Presidents Committee giving careful consideration to the academic planning requirements, alignment with the University's Strategic Plans, legislation, and progress towards each academic division's RCM target.

Shared Services Cost Allocations

In the RCM model, the decanal units are allocated their proportionate share of the indirect costs of the University. These indirect costs help support the academic divisions and include: occupancy costs, principal and interest charges, University management, information technology, human resources, pension special payments, library services, student services, student support, international program and graduate office costs.

1. **Occupancy Costs:** Occupancy costs in Peterborough include Facilities Management budgets for building repairs and maintenance, caretaking, utilities, grounds, locksmith, and municipal taxes. These costs are reduced by the Municipal Tax Grant, lease revenue, occupancy cost allocations to Ancillary departments and cost recoveries for services provided. The total net occupancy cost will be attributed to academic divisions, classrooms and graduate student offices on the basis of the net assigned square feet from the Facilities Management space inventory database. Occupancy costs for the classrooms will be further attributed based on scheduled classroom hours as tracked in the classroom central booking system. Occupancy costs related to graduate student offices will be attributed based on graduate FTEs.

For the Durham campus, costs for utilities, building maintenance and caretaking staff are separately identified. These costs will be attributed directly to Durham.

The net assigned square feet will be adjusted to reflect the differences in occupancy costs, such as utilities, maintenance and caretaking, using the ratio of eligible FTEs to WGUs as a proxy for the differences in teaching costs. The WGUs acknowledge the fact that certain programs are more expensive to teach than others and is the basis on which provincial grant funding is determined. The occupancy cost WGU adjustment is consistent with the WGU driver used for the grant revenue allocation previously described. The table below sets out the calculation of the FTE/WGU ratio used to adjust the cost allocation by academic division in the 2018/2019 RCM budget (version 2). Durham campus is excluded from this adjustment because the direct occupancy costs are known and are directly attributed.

	Eligible FTE	WGU	FTE to WGU Ratio	Assigned Square Footage	Cost Based on Sq Ft	Ratio x Sq Ft	Adjusted Cost per Sq Ft
Education	279.40	520.21	1.86	15,971	\$359,184	29,706	\$329,383
Nursing	761.16	2,116.35	2.78	8,699	\$195,628	24,182	\$268,133
Humanities	1,336.00	2,293.30	1.72	18,546	\$417,094	31,899	\$353,699
Science	3,133.24	6,543.57	2.09	176,693	\$3,973,732	369,288	\$4,094,704
Social Science	1,706.61	3,043.48	1.78	36,432	\$819,335	64,849	\$719,053
Total	7,216.41	14,516.91	10.23	256,341	\$5,764,973	519,924	\$5,764,972

The following table shows the total occupancy cost by academic division in the 2018/2019 RCM budget (version 2):

	Assigned Space	Classroom Space (Driver: hours)	Grad Student Offices (Driver: Grad FTE)	Total
Durham	\$528,036	\$0	\$0	\$528,036
Education	\$329,383	\$4,115	\$3,521	\$337,019
Nursing	\$268,133	\$84,366	\$0	\$352,499
Humanities	\$353,699	\$396,453	\$20,002	\$770,154
Science	\$4,094,704	\$523,345	\$74,342	\$4,692,391
Social Science	\$719,053	\$350,154	\$19,491	\$1,088,698
Total	\$6,293,008	\$1,358,433	\$117,356	\$7,768,797

2. **Principal and Interest:** The total annual principal and interest payments related to academic and administrative space will be attributed on the basis of each division's proportionate share of total revenue. This cost bin excludes principal and interest related to Housing, Dining and colleges as these costs are allocated directly to the respective ancillary functions. The 2018/2019 RCM budget (version 2) estimates these charges to be approximately \$2.992 million.

3. **University Management:** University Management costs include the offices of the President and the Vice Presidents, University Secretariat, Human Rights, Institutional Planning and Analysis, Finance, Risk Management, Security and Safety, Mail, Convocation, Advancement, Alumni, Community and Government Relations and general University expenses such as insurance, audit and legal fees. These costs are reduced by administrative departmental revenues such as convocation fees, donation revenue, and cost recoveries. The net cost will be attributed to academic divisions based on total revenue. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$15.625 million.

4. **Information Technology:** Information Technology costs include client services, learning management system support costs, information systems, digital services, AV operations, and the office of the Associate Vice-President, IT. The costs are reduced by miscellaneous revenue, such as costs recoveries from student housing, student printing, and telephone equipment. IT estimates that 57% of the net costs relate to the provision of services to faculty and staff (administrative services). Accordingly, 57% of the costs will be attributed on the basis of faculty and staff FTEs. The balance of 43% is estimated to be the cost of providing IT services to students (academic services) and will be attributed on the basis of undergraduate and graduate student FTEs.

The allocation of the Information Technology costs in the 2018/2019 RCM budget (version 2) is shown in the following table:

	Administration Services (57%)		Academic Services (43%)		Total
	Faculty & Staff FTE	Amount	Undergrad FTE & Grad FTE	Amount	
Durham	33.89	\$215,109	1,032.90	\$192,377	\$407,486
Education	19.84	\$125,930	295.35	\$55,010	\$180,940
Nursing	31.28	\$198,543	770.97	\$143,593	\$342,136
Humanities	66.41	\$421,523	1,498.52	\$279,100	\$700,623
Science	129.99	\$825,083	3,667.73	\$683,114	\$1,508,197
Social Science	78.55	\$498,579	1,988.73	\$370,403	\$868,982
Total	359.96	\$2,284,767	9,254.20	\$1,723,597	\$4,008,364

- Human Resources:** Human Resources includes the costs related to the Human Resources department, which provides labour relations, compensation and job evaluation, recruitment, benefits administration and payroll processing services to all faculty and staff. These costs are allocated to the academic divisions based on faculty and staff FTEs. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$1.794 million.
- Pension Special Payments:** Pension special payments are based on the most recently filed actuarial valuations for the TUFA and OPSEU/Exempt pension plans and include going concern and solvency payments, SRA contributions, and pension benefit guarantee fund assessments. TUFA special payments are attributed based on faculty FTEs and OPSEU/Exempt special payments are allocated based on staff FTEs. Note, current service pension contributions (normal cost) are charged directly to the respective employee's academic division or administrative department as part of the salaries and benefits costs.

The following table shows the driver values and amounts allocated for the Pension Special Payments costs in the 2018/2019 RCM budget (version 2):

	Faculty FTE	TUFA Payments	Staff FTE	OPSEU/Exempt Payments	Total Payments
Durham	28.20	\$676,777	5.69	\$213,188	\$889,965
Education	13.40	\$321,589	6.44	\$241,289	\$562,878
Nursing	13.40	\$321,589	17.88	\$669,913	\$991,502
Humanities	59.40	\$1,425,551	7.01	\$262,645	\$1,688,196
Science	94.50	\$2,267,922	35.49	\$1,329,709	\$3,597,631
Social Science	63.70	\$1,528,747	14.85	\$556,387	\$2,085,134
Total	272.60	\$6,542,175	87.36	\$3,273,131	\$9,815,306

7. **Library Services:** Library costs include operations and acquisitions budgets net of miscellaneous revenue, such as library fines. Durham Campus has an on-site library to service its students with support from the Bata Library. Direct costs for Durham are separately identified and include the direct staff salaries and benefits. In order to recognize the support provided by the Bata Library, shared costs will be attributed to Durham on the basis of its undergraduate and graduate WGU multiplied by 20% of the total shared costs plus its direct library costs. The Peterborough academic divisions will be attributed the balance of the shared costs based on undergraduate and graduate WGUs. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$4.831 million.
8. **Student Services:** Student Services includes the costs of Recruitment and Admissions, Marketing and Communications, Counselling, Mental Health Support Services, Careers Centre, Accessibility Office, Financial Aid Office, Academic Advisors, Academic Skills, and Records and Registration. The costs are reduced by OUAC and other fees. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$8.010 million.

The offices of Marketing and Communications, Recruitment and Admissions, Records and Registration, and Student Financial Aid provide services of benefit to both the Peterborough and Durham campuses and the total of these costs will be attributed to academic divisions based on undergraduate and graduate FTEs.

Both campuses have separately identified direct costs which provide counselling, academic advisory and other student services specific to the student's location. The costs of the Peterborough services will be attributed to the Peterborough academic divisions based on undergraduate and graduate FTEs and added to the shared services costs. Durham Student Affairs direct costs will be added to the Durham portion of the shared services costs.

9. **Student Support:** Student support is a highly variable cost dependent primarily on student enrolment.

Undergraduate student support includes all scholarships, bursaries, awards and prizes funded by the Operating budget. Costs will be attributed to academic divisions based on undergraduate FTEs. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$8.583 million.

Graduate student support includes Graduate Teaching Assistants (GTA) salaries and benefits, scholarships, fellowships and fee waivers funded by the Operating budget. Costs will be attributed to academic divisions based on graduate student full-time headcount. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$5.422 million.

10. **Trent International (TI):** Trent International costs include the expenses related to the TI office, net of TI application fees and miscellaneous revenue. Costs will be attributed to the academic divisions based on international student FTEs. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$870,000.
11. **Graduate Studies:** The Graduate Studies cost bin includes the costs of the Graduate Office, net of graduate application fees. Costs will be allocated to the academic divisions on the basis of graduate student FTEs. The 2018/2019 RCM budget (version 2) estimates these costs to be approximately \$1.175 million.

RCM at Trent University continues to evolve as it is gradually implemented over the next few years. In the future, RCM principles may be expanded to other operating units within the University, and/or may take into account other sources of revenue and expenditure, for example, research revenue and revenue from graduate programs.

Summary of Revenue and Expense Components and Drivers

Revenue	Components	Allocation Driver
Provincial Operating Grants	All grants except research grants (separate category) and municipal tax grant (offset against occupancy costs)	Total WGUs
Tuition Fees	Based on FTEs and tuition rates	Total FTEs
Research Grants	Research Support Funds (RSF) and Research Overhead Infrastructure Envelope (ROIE) grants	3-year average Tri-Council awards, slipped by 2 years
Durham Service Teaching	Grant revenue allocation from UOIT for service teaching	Direct allocation to Durham
Revenue Transfer from Additional Qualifications	Portion of revenue from additional qualification (AQ) and additional basic qualification (ABQ) courses transferred to the operating budget	Direct allocation to Education
Other Income	Interest income, ancillary revenue and miscellaneous revenue	Total Revenue
University Fund	5% for rebalancing and university strategic priorities	Total Revenue
Shared Services Costs	Components	Allocation Driver
Occupancy Costs	Facilities Management (FM) operating budget (caretaking, utilities, building maintenance, grounds, repairs, locksmith, waste, municipal taxes; offset by SAPH and MNR lease revenue, municipal tax grant, occupancy cost transfers to Ancillary departments)	Assigned net square feet per FM space database; Academic space adjusted for WGU factor; Durham – direct costs; Classrooms – scheduled hours Grad Student Offices – Grad FTE
Principal and Interest	Principal and interest payment related to operating fund facilities	Total Revenue
University Management	President, Vice-Presidents, Secretariat, Human Rights, Financial Services, Institutional Planning & Analysis, Mail Room, Risk Management, Security & Safety, Convocation Office, Alumni, Government & Community Relations, Advancement plus general expense including legal fees, insurance, audit fees and PVP contingency funds	Total Revenue
Information Technology	IT operating budget including AV operations; assume 43% academic and 57% IT Admin	IT Academic – UG/Grad FTEs IT Admin – faculty & staff FTEs
Human Resources	HR operating budget	Faculty & staff FTEs
Pension Special Payments	TUFA and OPSEU/Exempt pension plan solvency, going-concern and SRA payments	Faculty & staff FTEs
Library Services	Library operating and acquisitions budgets	UG/Grad WGUs Durham – direct costs plus 20% of shared costs
Student Services	Records & Registration, Office of Students, Counselling, Mental Health Support Services, Careers Centre, Accessibility Office, Financial Aid Office, Academic Advisors, Community-based Research, Academic Skills Centre & Retention, Marketing & Communications, Recruitment & Admissions	UG/Grad FTEs excluding Student Affairs Peterborough Student Affairs – UG/Grad FTE Durham Student Affairs – direct cost
Student Support – Undergraduate	Scholarships and bursaries	Undergraduate FTEs
Student Support – Graduate	GTAs and scholarships and awards	Graduate full-time headcount
Trent International	TI office operating budget	International FTEs
Graduate Office	Graduate office operating budget	Graduate FTEs