

SBAC Update to Senate April 1, 2014

Please find attached for your perusal the following proposed budget. Bring your questions to the April 1st Senate Meeting.

This proposed balanced budget was received by SBAC on March 25, 2014, so the committee has not had a chance to review it in any detail. The following information should be read before reviewing the proposed budget documents.

- Page One – “Projected 2014/15 budget” as of Feb 7, 2014. You will find also some of the steps taken by the executive to close the gap from the projected deficit of almost \$2.2 million to the proposed balanced budget (last page in this attachment).
- Page Two – “Summary of the 5% reduction plans” submitted.
 - The “Recommended Items” were cuts/revenue generating items submitted by the university community and accepted by both the executive and SBAC to balance the budget.
 - The “Not Recommended Items” have not been completely reviewed by SBAC. The executive and SBAC agreed to “not recommend” certain items, such as section cuts that had a direct impact on the student experience including disability services and academic affairs. SBAC requires additional information on the items rejected by the executive but not initially rejected by SBAC.
- Page Three – “Non-FTE generating” add-ons have not been reviewed by SBAC.
- Page Four – Most of the “FTE generating” add-ons have been reviewed by SBAC when the committee looked at the revenue-generating ideas from the 5% submissions.
- Page Five – “Capital Budget” – This document has not been reviewed fully by SBAC at this time. Some of the capital expenses, such as the ones for the 2-D and 3-D programs are paid for out of those programs directly.
- Page Six – “Draft All-Funds” as of March 24 is the proposed executive balanced budget. Please read the notes as they include more explanations as to how the budget was balanced. SBAC has not reviewed these reconciling items.

CAPILANO UNIVERSITY
Fiscal 2014/2015 Draft Recommended Changes to Balance the Budget
At February 7, 2014

	Draft Fiscal 2014/15	Approved Fiscal 2013/14	Variance
Revenue:			
Grants from the Province of British Columbia	38,438,157	39,695,209	(1,257,052)
Amortization of deferred capital contributions	3,964,369	4,488,668	(524,299)
Tuition fees	34,084,126	34,592,166	(508,040)
Project and other revenue	3,203,511	3,970,462	(766,951)
Investment income	1,441,500	1,329,000	112,500
Sales of goods	2,726,347	2,966,347	(240,000)
Parking, Children's Centre and Theatre	1,878,694	1,690,695	187,999
Donations and gifts-in-kind	775,000	775,000	-
	86,511,704	89,507,547	(2,995,843)
Expenses:			
Salaries and benefits	62,999,010	64,082,682	(1,083,672)
Operating expenses	17,659,881	18,417,043	(757,163)
Amortization of capital assets	7,909,739	7,007,822	901,917
	88,568,630	89,507,547	(938,918)
			-
Feb 7 Annual Operating Surplus/(Deficit) - (Revenue - Expenses)	(2,056,926)	-	(2,056,926)
Mar 18 Budget completion of all non Operating funds	(138,716)		
Mar 18 Annual Operating Surplus/(Deficit)	(2,195,641)		
Recommended Changes to Balance the Budget			
VFX Bursary no longer offered	12,500		
Suspend student employment	98,722		
National championships travel/accommodation	(10,500)		
Non-active/disability benefits split from active employees benefits	(107,700)		
Revenue Increases based on 5% reduction plans	950,780		
Reductions in salaries & expenses from 5% reduction plans	1,803,693		
Reduction plan modifications (lab hours available/summary)	(330)		
Net Increases based on 5% reduction plans	2,754,143		
One time Non FTE add-ons	(537,457)		
Non FTE add-ons	(287,563)		
FTE add-ons - Not including those on the 5% reduction plans	41,843		
Reductions in salaries CSEE from 5% reduction plans	48,181		
Reduction in Sunshine Coast discretionary budget	20,448		
Reduction in Squamish discretionary budget	18,000		
Reduction in Tourism Initiatives discretionary budget	3,000		
Reduction in Arts & Sciences discretionary budget	6,000		
Section Reduction in Fine & Applied Arts	12,900		
BCAIU membership reduction	50,000		
Suspend section reserve	33,124		
Reduction in capital renovations budget	40,000		
Total Recommended Changes to Balance the Budget	2,195,641		
Mar 25 Annual Operating Surplus/(Deficit)			-

Summary of 5% Reduction Plans

Mar.25.14

Recommended Items	Sections	Section Cost:	Adm	Adm Costs	Staff	Staff Costs	Lab Hours	Lab Costs	Expenses	Revenue	Total	% of Tot
Pres/Adv/VP Academic/Stu	11.30	146,312	1	169,320	0.77	40,673	94.5	5,413	47,100	19,000	427,818	11%
Finance & Administration				-	3.00	144,316			107,000	10,000	261,316	7%
Arts& Science	21.02	272,214			0.05	69,268	591.0	36,893	11,815	102,085	492,275	13%
Fine & Applied Arts	11.25	145,652		0	0.04	28,833	(184.6)	(10,573)	(79,284)	699,817	784,445	21% *
Business	19.50	252,486				15,194	670.0	38,535	26,200		332,415	9%
Ed, Health Human & Sunshi	7.58	98,146			0.43	25,714			21,148	119,878	264,886	7%
Global & Squamish	12.15	157,318							34,000		191,318	5%
	82.80	1,072,128	1	169,320	4.29	323,998	1,170.9	70,268	167,979	950,780	2,754,473	74%
Not Recommended Items												
Pres/Adv/VP Academic/Stu	2.0	25,896	1	143,951	2.98	183,750	-	-	144,027	8,000	505,624	14%
Finance & Administration			2	214,033	3.50	191,707			29,500	-	435,240	12%
Arts& Science	0.5	6,474			-	-	-	-	-	-	6,474	0%
Fine & Applied Arts	-	-			-	-	-	-	-	-	0	0%
Business	-	-			-	-	-	-	-	-	0	0%
Ed, Health Human & Sunshi	-	-			-	-	-	-	2,700	-	2,700	0%
Global & Squamish	1.5	19,422							1,500		20,922	1%
	4.0	51,792	3	357,984	6.48	375,457	-	-	177,727	8,000	970,960	26%
Grand total of all Items												
Pres/Adv/VP Academic/Stu	13.3	172,208	2	313,271	3.75	224,423	94.5	5,413	191,127	27,000	933,442	25%
Finance & Administration		-	2	214,033	6.50	336,023	-	-	136,500	10,000	696,556	19%
Arts& Science	21.5	278,688		-	0.05	69,268	591.0	36,893	11,815	102,085	498,749	13%
Fine & Applied Arts	11.2	145,652			0.04	28,833	(184.6)	(10,573)	(79,284)	699,817	784,445	21%
Business	19.5	252,486		-	-	15,194	670.0	38,535	26,200	-	332,415	9%
Ed, Health Human & Sunshi	7.58	98,146		-	0.43	25,714	-	-	23,848	119,878	267,586	7%
Global & Squamish	13.7	176,740			-	-	-	-	35,500	-	212,240	6%
	86.8	1,123,920	4	527,304	10.77	699,455	1,171	70,268	345,706	958,780	3,725,433	100%

* Mainly by redevelopment of programs resulting in increased revenue

2014/15 BUDGET ADD-ONS: NON-INSTRUCTIONAL (non FTE generating)

Mar.19.14

#	Strat Prior	Strat Plan	Priority	1x	Program/Service	Adm	Cord	Fac	Lab Sup	Staff	Operating	Admin	Extra Cost
1			H	1x	IT Consulting						330,000		\$ 330,000
2			H	1x	Accreditation reporting			4.0		80,925	10,000		\$ 142,717
3			H	1x	Accreditation assessment reports			5.0			0		\$ 64,740
4			H		2 International Student Recruiters			-		124,500	40,000		\$ 164,500
5			H		Community Communications					68,475	1,000		\$ 69,475
6			H		Succession Planning					52,088	1,500		\$ 53,588
7			M	1x	Curriculum development					68,475	1,000		\$ 69,475
8			M		Manager of Academic and Student Affairs					104,175	3,000		\$ 107,175
9			M		Motion Picture Arts International Recruiter					74,700	30,000		\$ 104,700
10			M		America's International Student Recruiter			-		80,925	10,000		\$ 90,925
11			M		Supervisor of Registration Systems					80,925	3,000		\$ 83,925
12			M		Section Reserve			5.0					\$ 64,740
13			M		Portfolio Project			4.0			5,000		\$ 56,792
14			M		Succession Planning					52,088	1,500		\$ 53,588
					GRAND TOTAL			18.0		787,276	436,000	0	\$ 1,456,340

1x One time
H High
M Medium
P Prior Year commitment
12,948 14/15 Section Cost

Total One-Time - High	\$ 537,457
Total One-Time - Medium	\$ 69,475
Total High	\$ 287,563
Total Medium	\$ 561,845
Total	\$ 1,456,340
Total High + One-Time High	\$ 825,020

BUDGET ADD-ONS INSTRUCTIONAL (FTE generating) - 2014/15

Mar.25.14

2014/15 Rates: Tuition Rate per credit 120.34 2% increase as per the Ministry Tuition Limit Policy
 Faculty Section Cost 12,948 \$10,400 per section plus 24.5% benefits

LINE #	Strategic Plan	Strategic Priority	PROGRAM	ADMIN	INST. SECTIONS	CREDITS	COOR SECTIONS	OPERATING EXPENSES	LAB	STAFF	PROJECTED ENROL THIS YEAR	CLASS MAX ENROL	TUITION SURCH	TOTAL OPERATING (Expenses) COSTS	TUITION REVENUE @ \$/CRED INIT ENROL YEAR	TUITION REV FROM SURCHARGE	TOTAL TUITION (Revenue) INITIAL ENROLMENT YEAR	TOTAL UNIVERSITY CONTRIBUTION / (SUBSIDY)	SUB/CRED
1	2.2	2.2	Communicat	GF	1.00	3.00					32	35		12,948	11,553	-	11,553	(1,395)	(44)
2	2.2	2.2	Paralegal	GF	1.00	3.00					32	35	44.17	12,948	11,553	4,240	15,793	2,845	89
3	2.2	2.2	School of Bu	GF	10.00	30.00		20,000			32	35	44.17	149,480	115,526	42,399	157,925	8,445	26
4	2.2	2.2	Technical Th	JM	5.35	30.00	0.0	10,375			16	20	100.00	79,647	57,763	46,800	104,563	24,916	291
5	2.2	2.2	Existing Tech	JM	5.33	33.00	0.0	4,750	-	-	10	12	82.00	73,804	39,712	27,060	66,772	(7,032)	(132)
6	2.2	2.2	Difference:	JM	0.02	(3.00)	0.0	5,625	-	-	2	2	18.00	5,843	18,051	19,740	37,791	31,948	423
Summary of items not on the 5% Reduction Plans																		41,843	
7	2.2	2.2	Dipl in Comn	JB	4.00	12.00		900			28	35	0.00	52,692	40,434	-	40,434	(12,258)	(109)
8	2.2	2.2	Comm Devel	JB	4.00	12.00					22	20	0.00	51,792	-	-	-	(51,792)	(589)
9	2.2	2.2	Difference:	JB	0.00	-	0.0	(900)	0	0	6	15	0.00	900	40,434	-	40,434	39,534	479
10	2.2	2.2	Bach of Desi	JM	12.00	30.00	2.0	32,479	13,757	27,955	24	30	247.00	255,463	86,645	142,272	228,917	(26,546)	(92)
11	2.2	2.2	Existing IDE	JM	14.60	31.00	1.5	11,629	7,280	16,264	24	30	92.00	243,636	89,533	68,448	157,981	(85,655)	(244)
12	2.2	2.2	Difference:	JM	(2.60)	(1.00)	0.5	20,850	6,477	11,691	0	0	155.00	11,827	(2,888)	73,824	70,936	59,109	152
13	2.2	2.2	Jazz Diploma	JM	24.69	33.00	2.0	4,500	2,751	18,450	42	52	250.00	371,283	187,935	178,500	366,435	(4,848)	(5)
14	2.2	2.2	Existing Jazz	JM	25.65	33.50	2.0	5,550	660	55,910	42	52	0.00	420,132	163,051	-	163,051	(257,081)	(239)
15	2.2	2.2	Difference:	JM	(0.96)	(0.50)	0.0	(1,050)	2,091	(37,460)	0	0	175.00	(48,849)	24,884	178,500	203,384	252,233	234
16	2.2	2.2	2D Animator	JM	10.75	33.75	1.0	50,850	5,530	40,463	20	25	340.00	248,982	81,229	168,300	249,529	547	3
17	2.2	2.2	Existing com	JM	10.50	31.50	1.0	13,725	0	22,977	18	23	0.00	185,604	68,233	-	68,233	(117,371)	(621)
18	2.2	2.2	Difference:	JM	0.25	2.25	0.0	37,125	5,530	17,486	(2)	2	340.00	63,378	12,997	168,300	181,297	117,919	624
19	2.2	2.2	3D Animator	JM	10.75	32.50	1.0	60,538	33,017	37,350	20	25	363.00	283,044	78,221	212,355	290,576	7,532	35
20	2.2	2.2	Existing Digit	JM	10.00	36.00	1.0	33,046	36,542	25,000	18	23	108.00	237,016	77,980	69,984	147,964	(89,052)	(495)
21	2.2	2.2	Difference:	JM	0.75	(3.50)	0.0	27,492	(3,525)	12,350	2	2	255.00	46,028	241	142,371	142,612	96,584	530
Totals					9.46	30.25	0.50	109,142	10,573	4,067	104	126	-	254,503	232,349	629,375	861,724	607,222	2,513

Expenses Tuition Surcharge Revenue Rev-Exp

2014/15 CAPITAL BUDGET (3 Year Outlook)

Mar.21.14

#	Description	Asset Class	2014/15 Additions	2015/16 Additions	2016/17 Additions
HARDWARE					
1	IT Lifecycle	C	1,500,000	1,500,000	1,500,000
2	University Network BC Net	C		16,500	
3	Data Backup Capacity Increase	C	150,000		
4	Increased Disk Storage	C		125,000	125,000
5	Moodle Server Upgrade	C	60,000		
6	Enterprise Portal Project	C		160,000	
7	Data Warehouse	C	0	365,000	
8	Public Website high availability upgrade	C			150,000
9	UPS Lifecycle	C	20,000	20,000	20,000
10	Fine & Applied Arts 3D Servers	C	60,000	130,000	0
11	Fine & Applied Arts Computer Replacement-2d Dig	C	17,650		
12	Fine & Applied Arts Computer Replacement-3d Dig	C	24,237	54,600	0
	New projects	C	0	0	0
			1,831,887	2,371,100	1,795,000
SOFTWARE					
1	Degree Works	S	170,000		
2	HR Payroll Project	S	200,000	0	0
3	Network Security Software	S	150,000		
4	Instructional Collaboration	S	75,000		
5	Small Software Projects	S	100,000	500,000	500,000
6	Fine & Applied Arts -2d DigAn	S	0		
7	Fine & Applied Arts -3d DigAn	S	17,250		400,000
			712,250	500,000	900,000
EQUIPMENT					
1	Facilites Building Equipment Replacement	E	1,000,000	1,000,000	1,000,000
2	Capital Pool (Equipment/Building/Computers)	E	177,600	400,000	400,000
	Theatre Equipment	E	22,400		
3	Film equipment	E	191,250	191,250	191,250
4	Fine & Applied Arts Computer Replacement-IDEA	E	120,000	191,000	400,000
5	Bosa Film Centre Donation	E	224,000	500,000	
6	Learning Commons Furniture - Phase 1	E			
7	Food Services Revitalization - Furniture	E			
8	Centre for Community Engage - Furniture	E			
9	Dishwasher - Food Services	E	50,000		
	Other Equipment	E	0		
			1,785,250	2,282,250	1,991,250
Vehicles					
1	Parking Vehicle	V	35,000	0	0
			35,000	0	0

CAPILANO UNIVERSITY
Fiscal 2014/2015 Draft All-Funds Budget
At March 24, 2014

	Draft Fiscal 2014/15	Approved Fiscal 2013/14	Variance	Note
Revenue:				
Grants from the Province of British Columbia	38,734,429	39,695,209	(960,780)	1
Amortization of deferred capital contributions	3,628,920	4,488,668	(859,748)	2
Tuition fees	35,795,340	34,592,166	1,203,174	3
Project and other revenue	3,732,755	3,970,462	(237,707)	4
Investment income	1,441,500	1,329,000	112,500	5
Sales of goods	2,649,903	2,966,347	(316,444)	6
Parking, Children's Centre and Theatre	1,806,454	1,690,695	115,759	7
Donations and gifts-in-kind	775,000	775,000	-	
	88,564,301	89,507,547	(943,246)	
Expenses:				
Salaries and benefits	62,248,890	64,082,682	(1,833,792)	8
Operating expenses	19,227,263	18,417,043	810,220	9
Amortization of capital assets	7,088,148	7,007,822	80,326	10
	88,564,301	89,507,547	(943,246)	
			-	
Annual operating surplus/(deficit) - (Rev - Exp)	0	-	0	

Notes:

1	Estimated reduction in operating grant from the Province of BC	(941,865)	
	ESL grant one time	335,246	
	Estimated reduction in contract funding from the Province of BC	(354,161)	(960,780)
2	Reduction in amortization of deferred capital contributions		(859,748)
	Funds received previously now fully amortized to revenue		
3	Reduced tuition from suspended programs	(350,000)	
	Estimated 2% increase to domestic tuition	441,256	
	Estimated 2.75% increase to international tuition plus other adjs.	1,919,859	
	Increases to tuition based on 5% reduction plans	940,780	
	Estimated reduction in Ministry billing for domestic ESL tuition	(251,146)	
	FTE add-ons	223,061	
	Estimated increase to CSEE tuition	279,364	
	Tuition budget overstated - adjustment	(2,000,000)	1,203,174
4	Estimated decrease to CSEE contracts	(750,050)	
	Estimated increase to other contracts	435,644	
	Estimated increase in Capilano Review revenue	91,000	
	Increase in international fees from 5% reduction plans	19,000	
	Miscellaneous changes across funds	(33,301)	(237,707)
5	Estimated increase to operating and investment earnings		112,500
6	Estimated decline in Bookstore sales and other sales		(316,444)
7	Re-estimation increase of parking & children's centre revenue	105,759	
	Increases to parking based on 5% reduction plans	10,000	115,759
8	Reductions from suspended programs	(854,180)	
	Decrease of severance budget	(504,765)	
	Est reduction in CSEE salaries due to contract reductions	(186,048)	
	Non-active/disability benefits split from active	107,700	
	All salary reductions from 5% reduction plans	(1,635,714)	
	FTE add-ons	155,593	
	Non-FTE one time add-ons	442,520	
	Estimated one time faculty costs for Ministry for domestic ESL transition	52,100	
	Net change in salaries due to increases and contract changes	589,002	(1,833,792)

9	Change in budgeted renovation budget	(850,000)	
	Reduction in cost of goods sold - bookstore	(129,493)	
	BCAIU membership	(50,000)	
	VFX Bursary	(12,500)	
	Increase in Hydro	82,500	
	Increase in software & support agreements	142,829	
	Business degree completion	77,700	
	National championships travel/accommodation	10,500	
	Estimated one time expenses for Ministry for domestic ESL transition	32,000	
	Expenses reduced on 5% reduction plans	(170,479)	
	FTE add-ons	25,625	
	Non FTE One time expenses	382,500	
	Reduced recoveries on contracts	405,000	
	Expenses related to new contracts	540,644	
	Increased expenses related to Capilano Review	73,600	
	Increased expenses related to Parking	38,600	
	Reduced recoveries from printing/copying	102,000	
	Expenses related to exchange waivers	60,000	
	Miscellaneous changes across funds	49,194	810,220
10	Change in amortization expense		80,326