

OCAD University
2011/12 Operating Budget

PROPOSED

OCAD University
2011/12 Operating Budget
Summary
(000s)

	2010/11 Budget	2010/11 Estimated Actual	2011/12 Budget	% Increase (Decrease)
Revenue – Unrestricted (Schedule 1)	48,784	49,093	61,125	24.5
Expenditures (Schedule 2)	(49,043)	(49,316)	(61,125)	23.9
Revenue over Expenditures	(259)	(223)	0	
Contingency Fund	(1,250)	-	(1,250)	
Surplus (deficit) for the year	(1,509)	(223)	(1,250)	
Unrestricted accumulated Surplus(Deficit) beginning of the year	(396)	(396)	(619)	
Unrestricted accumulated Surplus (Deficit) end of year	(1,905)	(619)	(1,869)	

OCAD University
2011/12 Operating Budget
Schedule of Revenues
(000s)

	2010/11 Budget	2010/11 Estimated Actual	2011/12 Budget	% Increase (Decrease)
Government Grants (Note 1)				
Operating	15,150	15,150	15,150	-
Performance Fund	97	103	103	-
Enrolment Growth Fund	3,043	3,546	4,845	36.6
Accessibility Fund for Students with Disabilities	207	207	207	
Quality Investment Fund	839	839	839	-
Graduate Studies	209	209	209	-
Energy Rebate	252	252	-	(100.0)
Aboriginal Visual Culture-Growth Initiatives	212	212	212	
Digital Futures Differentiation grant	2,000	2,000	2,000	-
Other Grants	-	-	96	100.0
Total Grants	22,009	22,518	23,661	5.1
Tuition Fees (Note 2)				
Undergraduate	19,421	19,741	21,950	11.2
Graduate Studies	679	602	1,486	146.8
Total Tuition Fees	20,100	20,343	23,436	15.2
Miscellaneous Fees (Note 3)				
Admission Rebate/ Fees	301	308	326	5.8
Class Fees	402	402	441	9.7
Production Materials Fees	113	130	139	6.9
User Fees	370	370	395	6.8
Student Service Support Fees	833	841	888	5.6
Academic Equipment & New Technology Fee	100	103	107	3.9
Total Miscellaneous Fees	2,119	2,154	2,296	6.6
Investment Income (Note 4)	170	50	74	48.0
Rental Income (Note 5)	374	374	301	(19.5)
Donations/Sponsorships (Note 6)	733	350	933	166.6
Earned Income (Note 7)	300	325	440	35.4
Research (Note 8)	2,979	2,979	9,984	235.1
Total Revenues	48,784	49,093	61,125	24.5

OCAD University
2011/12 Operating Budget
Schedule of Expenditures
(000s)

	2010/11 Budget	2010/11 Estimated Actual	2011/12 Budget	% Increase (Decrease)
Academic Compensation (Note 9)	21,308	21,192	23,048	8.8
Academic Administration Compensation (Note 10)	4,802	4,911	5,947	21.1
Non-Academic Compensation (Note 11)	7,838	8,032	8,429	4.9
Total Compensation	33,948	34,135	37,424	9.6
Non-Compensation (Note 12)	8,877	8,937	10,241	14.6
Restructuring/Retirement Incentive Plan (Note 13)	100	100	425	325.0
Research (Note 8)	2,702	2,702	9,559	253.8
Student Assistance Fund (Note 14)	1,001	1,027	1,131	10.1
Debt Service Costs (Note 15)	1,121	1,121	1,105	(1.4)
Capital Expenditures (Note 16)	1,294	1,294	1,240	(4.2)
Total Expenditures	49,043	49,316	61,125	23.9

OCAD University
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Background Notes and Assumptions

Revenues (Schedule 1)

1. Government Grants

- a) The Performance Fund is allocated to universities based on each institution's ranking within each of the performance measure areas (i.e. employment six months after graduation, employment two years after graduation, and graduation/completion rate). Institutions that fall into system average ranges receive funding based on their share of overall system undergraduate basic income units (BIUs). The allocation for 11/12 is based on 10/11 levels and performance results.
- b) The Enrolment Growth Fund (funding for year-over-year change in domestic enrolment over 09/10 levels) is based on the provincial government's commitment to fund new undergraduate enrolment growth in 11/12 at 100 cents on the dollar (full funding). OCAD's domestic enrolment is projected to increase by 511 FTEs over 09/10 levels.
- c) The Accessibility Fund for Students with Disabilities for 11/12 is estimated at 10/11 levels.
- d) In May 2005, the provincial budget announced multi-year allocations of operating funding over the 05/06 base year. An element of the multi-year plan was towards a Quality Investment Fund. In the announcement annual multi-year accountability agreements with each university were introduced that required approval by the Ministry as a condition of the receipt of the Quality Investment grant.
- e) Grant revenues for graduate programs are derived from \$12,680 per FTE of domestic regulated students. OCAD has been approved for a maximum of 16.3 FTEs (\$209,000) of funded domestic graduate spaces.
- f) OCAD received a one-time energy rebate grant from the City of Toronto based on three years of past utility historical data.
- g) The Aboriginal Visual Culture grant is a three year commitment towards implementation of a new curriculum program
- h) The Ministry has provided OCAD with a permanent \$2M differentiation grant, to implement OCAD's Digital Futures Initiative.
- i) Other grant revenue will be received from applications to Federal and Provincial sources

2. Tuition Fees and Enrolment

Included in tuition fees are full-time, part-time and summer student fees.

- a) After a two year policy of freezing domestic tuition fees, the provincial government announced a removal of the freeze in 06/07 and implemented a multi-year policy of increases of 4.5% for undergraduate students entering first

year and 4.0% for students entering upper years and 8% for graduate students entering first year and 4% for continuing students. International fees continue to be deregulated. This policy expired in 09/10 and in an announcement as part of the March 2010 Provincial Budget, the policy was extended for a further two years beyond 2009/10. The tuition fee rate increase contained in the 11/12 budget is summarized in the table below:

b) Tuition Fees for 1st Year Undergraduate Full-Time Students (10 half-credits):

	2010/11	2011/12	Difference
Domestic	5,180	5,410	230
International	15,280	15,920	640

Tuition Fees for Upper Year Undergraduate Full-Time Students (10 half-credits):

	2010/11	2011/12	Difference
Domestic	5,080	5,280	200
International	15,280	15,920	640

c) Projected Enrolment (FTEs): Undergraduate

	2009/10 Actual	2010/11 Actual	2011/12 Budget
Domestic			
Summer	215	243	258
Fall/Winter	2,893	3,151	3,361
Total Domestic	3,108	3,394	3,619
International			
Summer	15	13	15
Fall/Winter	140	148	157
Total International	155	161	172
Total	3,263	3,555	3,791

d) Projected Enrolment: Graduate

	2009/10 Actual	2010/11 Budget	2011/12 Budget
Full-Time Headcount	39	43	108
Part-Time Headcount		38	81

3. Miscellaneous Fees

Included in Miscellaneous Fees are Ontario University Application Centre fee rebates, and other admission fees, class fees, user fees (e.g. late payment fees, instalment fees, petition fees, etc.), an Academic Equipment and New Technology fee, Production Materials Fees and Student Support Fees (e.g. literacy, laptop program, Health & wellness, Career Centre, orientation fees, etc.). In general revenues from miscellaneous fees are projected to increase over 10/11 due to projected increases in enrolment.

4. Investment Income

Investment income declined in 10/11 due to sharp decreases in interest rates. Interest rates are projected to increase in 11/12.

5. Rental Income

Rental income is income received from the tenants at 205 Richmond St. W. and Aboveground Art Supplies (74/76 McCaul). Rental Income has declined over 2010/11

due to OCAD occupying an increased percentage of the 205 Richmond building.

6. Donations/Sponsorships

Included in this area are unrestricted external donations/sponsorships toward university operating funds from the OCAD Foundation. Also included are externally restricted and unrestricted donations/sponsorships from upcoming philanthropy campaigns. Donations/sponsorships are projected to increase in 11/12 over 10/11 due to increased activities in the Institutional Advancement portfolio. These donations/sponsorships do not include donations associated with scholarships, bursaries and gifts-in-kind.

7. Earned Income

Included in this area are revenues from Continuing Studies, Business Development Initiatives, the Grange Bistro, sale of supplies in the Academic Computer Centre, facility rentals, library membership fees, fines, book sales, ATM rebates and revenues from the 317c computer and book store. Earned income is projected to increase over 10/11 due to increased net revenues from Continuing Studies and Business Development Initiatives.

8. Research

Included in Research are revenues and expenditures pertaining to the MEIC project, SSHRC grants, OMDC and the Strategic Innovation Lab (S-Lab). On August 1, 2010 the Inclusive Design Research Centre joined OCADU adding a significant increase in research revenues and expenditures, including a Canadian Foundation for Innovation (CFI) grant for \$11M, with the majority of the revenues and expenses flowing in 2011/2012.

Expenditures (Schedule 2)

9. Academic Compensation

Includes salaries, benefits and professional development for faculty, technicians, teaching assistants, class assistants, markers, and staff in the Library, Visual Resources, Academic Computer Centre, Lap Top Program, Graduate Studies and Fabrication Studios. **The budget assumes provisions of the Compensation Restraint Act applies to the non-bargaining labour groups and the Provincial Government Broader Public Service Compensation Restraint Policy for bargaining labour groups.**

2010/11 estimated actual	21,192
Progression-Through-The-Ranks (PTR)/Faculty Merit Pay/benefits	206
Provision for Graduate Studies Faculty Hiring and other curricular initiatives	248*
Provision for Undergraduate Faculty hiring and other curricular initiatives	927*
Research and Curricular Course Release	275*
Academic Support due to enrolment increases	200*
2011/12 Academic Compensation Budget	
Total Increase: \$1,856,000 (8.8%)	23,048

*These funding allocations address the implementation of the new Academic Plan, enrolment growth and recommendations in the Traves report to provide flexibility for the Deans to facilitate the integration of new faculty and support hires and course releases for research and curricular initiatives.

10. Academic Administration Compensation

Includes salaries, benefits and professional development for Deans, Assistant and Associate Deans, Program Chairs, Faculty Support Staff, Studio Manager, CIADE, Professional Gallery, Centre for Advising & Campus Life and Office of the Vice-President, Academic. **The budget assumes provisions of the Compensation Restraint Act applies to the non-bargaining labour groups and the Provincial Government Broader Public Service Compensation Restraint Policy for bargaining labour groups.**

2010/11 estimated actual	4,911
<i>Add:</i>	
Research Office and Faculty research initiatives (funded by Research Overhead)	276
Progression-Through-The-Ranks (PTR)	18
Provision for implementation of the academic admin retention report	200
Administrative Leave	272
Graduate Studies Enrolment Growth and New Program Support Staffing	122
Matching Funding for Aboriginal Visual Culture/DFI Programming	98
Support for new Senate and IQAP Quality Program Review Process	50
2011/12 Academic Administration Compensation Budget	
Total Increase: \$1,036,000 (21.1%)	5,947

11. Non-Academic Compensation

Includes salaries, benefits and professional development for administrative staff in: Registrar's Office, Student Affairs, Finance, Human Resources, University Relations, Institutional Advancement, Marketing & Communications, Facilities Planning & Management, IT Services, Risk Management, Campus Services & Security, Admissions & Recruitment, Offices of the President and Vice-President, Finance & Administration. **The budget assumes provisions of the Compensation Restraint Act applies to the non-bargaining labour groups and the Provincial Government Broader Public Service Compensation Restraint Policy for bargaining labour groups.**

2010/11 estimated actual	8,032
Progression-Through-The-Ranks (PTR)/benefit costs	33
Institutional Advancement Staffing	200
Additional staffing due to enrolment growth/AODA requirements	164
2011/12 Non-Academic Compensation Budget	
Total Increase: 397,000 (4.9%)	8,429

12. Non-Compensation

Includes all university non-compensation expenditures, i.e. physical plant maintenance, class supplies, travel, memberships, visiting lecturers, office supplies, printing, program development, publications, marketing, legal and audit fees, utilities, insurance, overtime, temporary help etc., plus compensation for models and student monitors.

a) Non-Compensation expenditures have increased by \$1,304,000 (14.6%) over 2010/11. Major increases are as follow:

Internationalization	100
Enterprise Resource System planning	500
IT Network/Maintenance	48

Graduate Studies (new program launches)	314
Security	50
205 Richmond Campus (OCAD Share)	61
Major Campaign Preparation Costs	75
Utilities/Condominium Common Expenses	57
Total Major Increases:	1,205

13. Restructuring/Retirement Incentive Plan

In 2011/12 funding has been allocated towards a faculty voluntary retirement incentive plan offering.

14. Student Assistance Fund

The Ministry has introduced a “new student access guarantee” policy which requires the university to finance any direct educational costs above what is provided through government assistance programs (unmet need). Existing government /OCAD assistance programs in addition to the student assistance fund are University/College Bursary Funds, Ministry OSAP and other bursary funding programs (Ontario Trust for Student Support). Preliminary indications are that existing OCAD tuition set-aside funds (\$1,131,000) will fulfill the student access guarantee unmet need.

15. Long-term Debt-Service Costs

This cost is the interest on long-term debt (from financing for the SuperBuild project and for partial financing of the acquisition of 205 Richmond St. W. (purchased September 2007)). Interest costs have decreased in 11/12 over 10/11 due to the decline in debt principal. The budget does not contain the costs (including debt costs) pertaining to 230/240 Richmond Street which are funded by commercial rental income.

16. Capital Expenditures (funded from the operating budget)

	10/11 <u>Est. Actual</u>	11/12 <u>Budget</u>
Furniture, Fixtures & Equipment	788	721*
Non FRP renovations	350	450
Energy Rebate-sustainable initiatives	100	-
Studio facility upkeep (funded by production materials fees)	56	69
Total	1,294	1,240

*FF&E is partially financed by Academic Equipment & New Technology Fee (\$107,000).

17. Reclassifications

The comparative budgets have been reclassified (e.g, Digital Futures Initiatives) from budgets previously presented to conform to the presentation of the 2011/12 budget.