

OCAD University
2012/13 Operating Budget

PROPOSED

OCAD University
2012/13 Operating Budget
Summary
(000s)

	2011/12 Budget	2011/12 Estimated Actual	2012/13 Budget	% Increase (Decrease)
Revenue – Unrestricted (Schedule 1)	51,702	51,742	56,466	9.1
Expenditures (Schedule 2)	(51,702)	(52,134)	(55,795)	7.0
Revenue over Expenditures	-	(392)	671	
Contingency Fund (Note 16)	(1,250)	-	(537)	
Surplus (deficit) for the year (Note 12)	(1,250)	(392)	134	
Unrestricted accumulated Surplus(Deficit) beginning of the year	46	46	(346)	
Unrestricted accumulated Surplus (Deficit) end of year	(1,204)	(346)	(212)	

OCAD University
2012/13 Operating Budget
Schedule of Revenues
(000s)

	2011/12 Budget	2011/12 Estimated Actual	2012/13 Budget	% Increase (Decrease)
Government Grants (Note 1)				
Operating	17,066	17,068	17,068	-
Performance Fund	103	103	103	-
Enrolment Growth Fund	2,929	2,768	3,569	28.9
Accessibility Fund for Students with Disabilities	207	207	255	23.2
Quality Investment Fund	839	839	839	-
Graduate Studies	209	723	723	-
Aboriginal Visual Culture-Growth Initiatives	212	212	212	-
Digital Futures Differentiation grant	2,000	2,000	2,000	-
Other Grants	96	96	96	-
Total Grants	23,661	24,016	24,865	3.5
Tuition Fees (Note 2)				
Undergraduate	21,950	22,059	24,758	12.2
Graduate Studies	1,486	1,188	2,054	72.9
Total Tuition Fees	23,436	23,247	26,812	15.3
Miscellaneous Fees (Note 3)				
Admission Rebate/ Fees	326	326	344	5.5
Class Fees	441	433	457	5.5
Production Materials Fees	139	140	148	5.7
User Fees	395	395	417	5.6
Student Service Support Fees	1,024	1,097	1,114	1.5
Academic Equipment & New Technology Fee	107	110	116	5.5
Total Miscellaneous Fees	2,432	2,501	2,596	3.8
Investment Income (Note 4)	74	54	57	5.6
Rental Income (Note 5)	301	301	221	(26.6)
Donations/Sponsorships (Note 6)	933	408	675	65.4
Other Income (Note 7)	865	1,215	1,240	2.0
Total Revenues	51,702	51,742	56,466	9.1

OCAD University
2012/13 Operating Budget
Schedule of Expenditures
(000s)

	2011/12 Budget	2011/12 Estimated Actual	2012/13 Budget	% Increase (Decrease)
Academic Compensation (Note 8)	22,967	22,707	25,421	12.0
Academic Administration Compensation (Note 9)	6,028	6,056	6,434	6.2
Non-Academic Compensation (Note 10)	8,453	8,588	9,602	11.8
Total Compensation	37,448	37,351	41,457	11.4
Non-Compensation (Note 11)	10,422	10,319	10,682	3.5
Restructuring/Retirement Incentive Plan (Note 12)	425	1,171	100	(91.4)
Student Assistance Fund (Note 13)	1,131	1,115	1,227	10.0
Debt Service Costs (Note 14)	1,105	1,105	1,085	(1.8)
Capital Expenditures (Note 15)	1,171	1,073	1,244	15.9
Total Expenditures	51,702	52,134	55,795	7.0

OCAD University
2012/13 Operating Budget
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 12/13 is based on 11/12 levels and performance results.
- b) The Enrolment Growth Fund (funding for year-over-year change in domestic enrolment over 10/11 levels) is based on the provincial government's commitment to fund new undergraduate enrolment growth in 12/13 at 100 cents on the dollar (full funding). OCAD U's domestic enrolment is projected to increase by 332 FTEs over 10/11 levels.
- c) The Accessibility Fund for Students with Disabilities for 12/13 is estimated at 11/12 levels plus additional funding for note takers.
- 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 U has been approved for a maximum of 16.3 FTEs (\$209,000) of funded domestic graduate spaces and received one-time funding of \$514,000 in 11/12 for an additional 40 FTE's. 12/13 projections assumes this funding will continue.
- f) The Aboriginal Visual Culture grant is an annual commitment towards implementation of a new curriculum program
- g) The Ministry has provided OCAD U with a permanent \$2M differentiation grant, Implement OCAD U's Digital Futures Initiative.
- h) Other grant revenue will be received from successful grant applications to Federal & 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 and on March 8, 2012 the existing framework was announced to be rolled over one additional year. The tuition fee rate increases (as approved by the Board in April 2012) 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):

	2011/12	2012/13	Difference
Domestic	5,410	5,650	240
International	15,920	17,190	1,270

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

	2011/12	2012/13	Difference
Domestic	5,280	5,490	210
International	15,920	17,190	1,270

- c) Projected Enrolment (FTEs): Undergraduate

	2010/11 Actual	2011/12 Actual	2012/13 Budget
Domestic			
Summer	243	260	289
Fall/Winter	3,151	3,301	3,437
Total Domestic	3,394	3,561	3,726
International			
Summer	13	15	17
Fall/Winter	148	178	219
Total International	161	193	236
Total	3,555	3,754	3,962

- d) Projected Enrolment: Graduate

	2010/11 Actual	2011/12 Budget	2012/13 Budget
Full-Time Headcount	43	108	134
Part-Time Headcount	38	81	89

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 11/12 due to projected increases in enrolment.

4. Investment Income

Investment income declined in 11/12 due to sharp decreases in interest rates. Interest rates are projected to marginally increase in 12/13.

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 2011/12 due to OCAD U 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 U Foundation. Also included are externally restricted and unrestricted donations/sponsorships from upcoming philanthropy campaigns. Donations/sponsorships are projected to increase in 12/13 over 11/12 primarily due to a one-time contribution (\$175,000) from the OCAD U Foundation towards start-up activities in the Development and Alumni Relations portfolio. These donations/sponsorships do not include donations associated with scholarships, bursaries and gifts-in-kind.

7. Other 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 revenues from the 317c computer and book store and Research overhead. Other income is projected to increase over 11/12 due to increased net revenues from Continuing Studies.

Expenditures (Schedule 2)

8. 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. On March 8, 2012 arbitrator Kaplan announced a multi-year award, with the increase in 12/13 equivalent to 3.85%

2011/12 estimated actual	22,707
Progression-Through-The-Ranks (PTR)/Faculty merit pay/benefits	376
Arbitrator Kaplan award	877
Provision for Graduate and Undergraduate Faculty hiring and other curricular initiatives	1,010*
Research and Curricular Course Release	286*
Academic Support due to enrolment increases	139*
Start-up cost of e-learning	160
Early Retirement Savings	(134)
2012/13 Academic Compensation Budget	
Total Increase: \$2,714,000 (12.0%)	25,421

*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.

9. 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.

2011/12 estimated actual	6,056
<i>Add:</i>	
CIADE	146
Progression-Through-The-Ranks (PTR) & Benefit Premiums	99
Provision for implementation of the academic admin retention report	(197)
Administrative Leave	12
Graduate Studies Enrolment Growth and New Program Support Staffing	118
Support costs for new Aboriginal Visual Culture/DFI Programming	81
Provision for Salary Settlement	119
2012/13 Academic Administration Compensation Budget	
Total Increase: \$378,000 (6.2%)	6,434

10. Non-Academic Compensation

Includes salaries, benefits and professional development for administrative staff in: Registrar's Office, Student Affairs, Finance, Human Resources, University Relations, Development and Alumni Relations, Marketing & Communications, Facilities Planning & Management, IT Services, Risk Management, Campus Services & Security, Admissions & Recruitment, Offices of the President and Vice-President, Finance & Administration.

2011/12 estimated actual	8,588
Progression-Through-The-Ranks (PTR)/benefit costs	141
Development and Alumni Relations Staffing	225
Annualization of partial year hires	100
Additional staffing due to enrolment growth/other salary adjustments	289
Provision for Salary Settlement	259
2012/13 Non-Academic Compensation Budget	
Total Increase: 1,014,000 (11.8%)	9,602

11. 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 \$363,000 (3.5%) over 2011/12. Major increases are as follow:

Development and Alumni Relations	175
60 McCaul (new rent free external space)	60
Institutional Quality Assurance Process (IQAP)	83
Graduate Studies (new program launches)	140
Security & Cleaning (new contracts)	240
205 Richmond Campus (OCADU Share)	54
Risk Management	40
Total Major Increases:	792

Major decreases are as follows:

One-time executive recruitment costs	152
Bank Charges	15
Consulting	54
Total Major Decreases	221

12. Restructuring/Retirement Incentive Plan

In 2011/12 funding had been allocated towards a faculty voluntary retirement incentive plan. The University received 13 applications from the July 1, 2011 and November 1, 2011 application deadlines and the applications were approved by management as they met financial, curricular, and faculty compliment planning. On April 2, 2012 the Board of Governors approved an additional 6 applications from the March 2012 application deadline. These applications will result in upfront estimated costs of \$346,000 in 11/12 and estimated subsequent savings in 12/13 of \$134,000, 13/14 of \$119,000, 14/15 of \$274,000 and 15/16 of \$200,000.

13. 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 /OCADU 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 OCADU tuition set-aside funds (\$1,127,000) will fulfill the student access guarantee unmet need.

14. 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 12/13 over 11/12 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.

15. Capital Expenditures (funded from the operating budget)

	11/12 Est. Actual	12/13 Budget
Furniture, Fixtures & Equipment	554	720
Non FRP renovations	450	450
Studio facility upkeep (funded by production material fees)	69	74
Total	1,073	1,244

*FF&E is partially financed by Academic Equipment & New Technology Fee (\$116,000).

16. Contingency

The contingency is \$537,000 (see Budget Summary). In addition to this \$537,000 contingency, the Budget Committee has identified over \$500,000 in expenditures currently included in the expenditure lines of the budget that will not be released for implementation until actual enrolment projections in mid-September are verified against budgetary enrolment projections in Note 2(c) & 2(d).