

OCAD University
2013/14 Operating Budget

PROPOSED

OCAD University
2013/14 Operating Budget
Summary
(000s)

	2012/13 Budget	2012/13 Estimated Actual	2013/14 Budget	% Increase (Decrease)
Revenue – Unrestricted (Schedule 1)	56,743	56,385	59,323	5.2
Expenditures (Schedule 2)	(56,072)	(56,192)	(57,557)	2.4
Revenue over Expenditures	671	193	1,766	
Contingency Fund (Note 16)	(537)		(1,150)	
Surplus (deficit) for the year	134	193	616	
Unrestricted accumulated Surplus(Deficit) beginning of the year	69	69	262	
Internally restricted towards 14/15 Innovation, Productivity, and Sustainability Task Force (IPSTF) targets (Note 17)	-	-	(800)	
Unrestricted accumulated Surplus (Deficit) end of year	203	262	78	

OCAD University
2013/14 Operating Budget
Schedule of Revenues
(000s)

	2012/13 Budget	2012/13 Estimated Actual	2013/14 Budget	% Increase (Decrease)
Government Grants (Note 1)				
Operating	18,710	18,710	18,412	(1.6)
Performance Fund	103	46	61	32.6
Enrolment Growth Fund	1,927	1,804	2,379	31.9
Accessibility Fund for Students with Disabilities	255	255	255	-
Quality Investment Fund	839	913	913	-
Graduate Studies	723	890	1,147	28.9
Aboriginal Visual Culture-Growth Initiatives	212	212	212	-
Digital Futures Differentiation grant	2,000	2,000	2,000	-
Other Grants	96	242	96	(60.3)
Total Grants	24,865	25,072	25,475	1.6
Tuition Fees (Note 2)				
Undergraduate	24,758	24,425	25,880	6.0
Graduate Studies	2,054	1,837	2,379	29.5
Total Tuition Fees	26,812	26,262	28,259	7.6
Miscellaneous Fees (Note 3)				
Admission Rebate/ Fees	344	393	309	(21.4)
Class Fees	457	473	470	(0.6)
Production Materials Fees	148	170	180	5.9
User Fees	417	366	429	17.2
Student Service Support Fees	1,114	1,059	1,144	8.0
Academic Print Services	274	346	283	(18.2)
Academic Equipment & New Technology Fee	116	117	121	3.4
Total Miscellaneous Fees	2,870	2,924	2,936	0.4
Investment Income (Note 4)	57	87	104	19.5
Rental Income (Note 5)	571	763	701	(8.1)
Donations/Sponsorships (Note 6)	683	476	858	80.3
Other Income (Note 7)	885	801	990	23.6
Total Revenues	56,743	56,385	59,323	5.2

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Schedule of Expenditures
(000s)

	2012/13 Budget	2012/13 Estimated Actual	2013/14 Budget	% Increase (Decrease)
Academic Compensation (Note 8)	25,271	24,811	25,624	3.3
Academic Administration Compensation (Note 9)	6,553	6,668	6,898	3.4
Non-Academic Compensation (Note 10)	9,881	9,829	10,461	6.4
Total Compensation	41,705	41,308	42,983	4.0
Non-Compensation (Note 11)	10,711	10,910	10,814	(0.8)
Restructuring/Retirement Incentive Plan (Note 12)	100	420	100	(76.2)
Student Assistance Fund (Note 13)	1,227	1,225	1,281	4.6
Debt Service Costs (Note 14)	1,085	1,085	1,064	(1.9)
Capital Expenditures (Note 15)	1,244	1,244	1,315	5.7
Total Expenditures	56,072	56,192	57,557	2.4

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Background Notes and Assumptions

Revenues (Schedule 1)

1. Government Grants

- a) **Base Grant**
The Provincial Government announced in the March 2012 Budget reduction in grant funding equivalent to 1.3% in 13/14 and 2.3% in 14/15. Provincial grants will also be reduced by the equivalent of \$750 per FTE for new international students and \$75 per FTE for all international students beginning in 2013/14
- b) 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).
- c) 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 13/14 at 100 cents on the dollar (full funding). OCAD U's domestic enrolment is projected to increase by 106 FTEs over 12/13 levels.
- d) The Accessibility Fund for Students with Disabilities for 13/14 is estimated at 12/13 levels.
- e) 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.
- f) Grant revenues for graduate programs are derived from \$12,680 per FTE of domestic regulated students. OCAD U has received funding for 69.2 FTEs (\$829,000) of domestic graduate spaces and received one-time funding of \$257,000 in 13/14 for an additional 20 FTE's.
- g) The Aboriginal Visual Culture grant is an annual commitment towards implementation of a new curriculum program
- h) The Ministry has provided OCAD U with a permanent \$2M differentiation grant to implement OCAD U's Digital Futures Initiative.
- i) 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) The provincial government announced at the end of March a four year domestic tuition framework with an overall cap on tuition increases of 3% per year. Maximum allowable increases for Arts & Science undergraduate programs is 3%. Maximum allowable increases for professional and graduate programs is 5%. International student tuition fees continue to be deregulated. The Board of Governors approved a base tuition increase of 2% plus \$750 per head for all new international students to offset the International Student Recovery Grant reduction and \$75 per FTE to offset reductions in the grant to fund the University municipal tax levy. The tuition fee rate increases (as approved by the Board in April 2013) contained in the 13/14 budget is summarized in the table below:

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

	2012/13	2013/14	Difference
Domestic	5,650	5,815	165
International	17,190	18,355	1,165

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

	2012/13	2013/14	Difference
Domestic	5,490	5,650	160
International	17,190	17,605	415

- c) Projected Enrolment (FTEs): Undergraduate

	2011/12 Actual	2012/13 Actual	2013/14 Budget
Domestic			
Summer	260	260	260
Fall/Winter	3,301	3,447	3,553
Total Domestic	3,561	3,707	3,813
International			
Summer	15	17	17
Fall/Winter	178	221	227
Total International	193	238	244
Total	3,754	3,945	4,057

- d) Projected Enrolment: Graduate

	2011/12 Actual	2012/13 Actual	2013/14 Budget
Full-Time Headcount	83	133	173
Part-Time Headcount	71	76	93
FTEs	103.5	155.3	195.0

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 12/13 due to projected increases in enrolment.

4. Investment Income

Investment income increased in 13/14 over 12/13 due to increase in interest rates of short term deposits.

5. Rental Income

Rental income is income received from the tenants at 205 Richmond St. W., Aboveground Art Supplies (74/76 McCaul) and net rental income from 230/240 Richmond Street. Rental Income has declined over 2012/13 due to OCAD U occupying an increased percentage of the 230/240 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 13/14 over 12/13 primarily due to increased investment in and 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 12/13 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.

2012/13 Budget	25,271
Progression-Through-The-Ranks (PTR)/Faculty merit pay/benefits	517
Provision for Graduate and Undergraduate Faculty hiring and other curricular and research initiatives	827*
Academic Support due to enrolment increases	200*
Curricular delivery restructuring to achieve Academic and Strategic Plan objectives	(549)
Voluntary Retirement Incentive Plan (VRIP) Savings	(642)
2013/14 Academic Compensation Budget	
Total Increase: \$353,000 (1.4%)	25,624

*These funding allocations address the implementation of the new Academic Plan, enrolment growth and the need to provide additional flexibility for the Deans and

Associate Vice-President, Research, and Dean, Graduate Studies 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.

2012/13 Budget	6,553
Progression-Through-The-Ranks (PTR) & Benefit Premiums	110
Provision for implementation of the academic admin retention report	(51)
Administrative Leave	100
Strategic Re-Investments (online course development)	75
Annualization of partial year hires and other salary adjustments	145
Implementation of OPSEU Salary Settlement	18
Innovation, Productivity, and Sustainability Taskforce (IPSTF) savings (net)	(52)*
2013/14 Academic Administration Compensation Budget	
Total Increase: \$345,000 (5.3%)	6,898

*Gross compensation savings for restructuring Studio Management was \$198,500. From these savings, resources were deployed to create two new positions and to upgrade the Coordinator's position. The new positions include the position of Director of Studio Management and Studio Assistant. The total net savings is \$52K.

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.

2012/13 Budget	9,882
Progression-Through-The-Ranks (PTR)/benefit costs	163
Development and Alumni Relations Staffing to achieve major campaign readiness	250
Innovation, Productivity, and Sustainability Taskforce (IPSTF) savings (net)	(39)*
Strategic Re-Investments (social media and achieve enrolment targets)	155
Implementation of OPSEU Salary Settlement	47
Other salary adjustments	2
2013/14 Non-Academic Compensation Budget	
Total Increase: 578,000 (5.8%)	10,460

*Gross compensation savings from restructuring in VP-F&A portfolio was \$201,750. From these savings, resources were deployed to add much needed capacity to the Facilities Planning and Management portfolio through the addition of line staff, a manager to oversee building projects and the promotion of two managers (one to Assistant Director – Facilities, Planning and Management and one to Assistant Director

– Campus Security) and to create a new junior administrative position in Human Resources. The total net savings is \$39K.

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 \$104,188 (0.9%) over 2012/13.

Major increases are as follow:

External Space Rental	100
52/60 McCaul (new rent free external space)	71
Utilities	30
Graduate Studies – enrolment growth	70
Security & Cleaning (new contracts)	50
205 & 230/240 Richmond Campus (OCADU Share)	131
Insurance deductible	15
Strategic Re-Investments: (achieve enrolment targets, redevelop gallery system, social media and website redesign, online course development)	190
Total Major Increases:	657

Major decreases are as follows:

Graduate scholarships awarded	30
Innovation, Productivity, and Sustainability Taskforce (IPSTF) savings (legal fees, MARS membership, IT)	247
Facilities and Campus Services & Security Operations	90
Library Services	38
Total Major Decreases	405

12. Restructuring/Retirement

Funding is set aside for restructuring payments and grievance settlements.

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 (\$1,281,000) 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 13/14 over 12/13 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)

	12/13 Est. Actual	13/14 Budget
Furniture, Fixtures & Equipment	720	775
Non FRP renovations	450	450
Studio facility upkeep (funded by production material fees)	74	90
Total	1,244	1,315

*FF&E is partially financed by Academic Equipment & New Technology Fee.

16. Contingency

The contingency is \$1,150,000 (see Budget Summary). The contingency is set aside for unexpected revenue shortfalls/expenditure pressures from enrolment fluctuations, deferred maintenance, weather related costs and other occurrences.

17. Internally Restricted – IPSTF 14/15 Targets

\$800,000 of one-time funding in 2013/14 has been set aside to be applied to a portion of the 2014/15 IPSTF target of \$1,500,000 to assist the Innovation, Productivity and Sustainability Task Force in development and implementation of permanent longer term revenue generation/cost savings proposals.