

OCAD University
2014/15 Operating Budget

APPROVED

OCAD University
2014/15 Operating Budget
Summary
(000s)

	2013/14 Budget	2013/14 Estimated Actual	2014/15 Budget	% Increase (Decrease) of Est. Actual
A) OPERATING				
Revenue – Unrestricted (Schedule 1)	59,323	58,492	59,782	2.2
Expenditures (Schedule 2)	(56,242)	(56,548)	(60,059)	6.2
Contingency (Note 16)	(1,150)	-	(1,150)	
Surplus (deficit) prior to extraordinary allocations	1,931	1,944	(1,427)	
B) EXTRAORDINARY ALLOCATIONS				
Capital Expenditure Allocation (Note 15)	(1,315)	(1,276)	(800)	
Provision for increased strategic mandate funded graduate FTEs (Note 1(f))	-	-	850	
Surplus (deficit) for the year after extraordinary allocations	616	668	(1,377)	
C) UNRESTRICTED NET ASSETS				
Unrestricted accumulated Surplus(Deficit) beginning of the year	1,231	1,231	1,899	
Unrestricted accumulated Surplus (Deficit) end of year	1,847	1,899	522	

OCAD University
2014/15 Operating Budget
Schedule of Revenues
(000s)

	2013/14 Budget	2013/14 Estimated Actual	2014/15 Budget	% Increase (Decrease) of Est. Actual
Government Grants (Note 1)				
Operating	18,412	18,385	17,903	(2.6)
Performance Fund	61	89	89	-
Enrolment Growth Fund	2,379	1,459	1,806	23.8
Accessibility Fund for Students with Disabilities	255	230	230	-
Quality Investment Fund	913	909	913	0.4
Graduate Studies	1,147	1,147	1,147	-
Aboriginal Visual Culture-Growth Initiatives	212	212	212	-
Digital Futures Differentiation grant	2,000	2,000	2,000	-
Other Grants	96	313	96	(69.3)
Total Grants	25,475	24,744	24,396	(1.4)
Tuition Fees (Note 2)				
Undergraduate	25,880	25,816	27,532	6.6
Graduate Studies	2,379	2,350	2,393	1.8
Total Tuition Fees	28,259	28,166	29,925	6.2
Miscellaneous Fees (Note 3)				
Admission Rebate/ Fees	309	309	315	1.9
Class Fees	470	460	480	4.3
Production Materials Fees	180	164	170	3.7
User Fees	429	400	442	10.5
Student Service Support Fees	1,144	1,182	1,257	6.3
Academic Print Services	283	283	289	2.1
Academic Equipment & New Technology Fee	121	118	122	3.4
Total Miscellaneous Fees	2,936	2,916	3,075	5.5
Investment Income (Note 4)	104	104	104	-
Rental Income (Note 5)	701	914	462	(49.5)
Donations/Sponsorships (Note 6)	858	658	650	(1.2)
Other Income (Note 7)	990	990	1,170	18.2
Total Revenues	59,323	58,492	59,782	2.2

OCAD University
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Schedule of Expenditures
(000s)

	2013/14 Budget	2013/14 Estimated Actual	2014/15 Budget	% Increase (Decrease) of Est. Actual
Academic Compensation (Note 8)	25,548	25,678	26,844	4.5
Academic Administration Compensation (Note 9)	6,943	6,983	7,504	7.5
Non-Academic Compensation (Note 10)	10,302	10,579	11,144	5.3
Total Compensation	42,793	43,240	45,492	5.2
Non-Compensation (Note 11)	11,004	10,863	12,121	11.6
Restructuring/Retirement Incentive Plan (Note 12)	100	100	100	-
Student Assistance Fund (Note 13)	1,281	1,260	1,304	3.5
Debt Service Costs (Note 14)	1,064	1,085	1,042	(4.0)
Total Expenditures	56,242	56,548	60,059	6.2

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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 11/12 levels) is based on the provincial government's commitment to OCADU per the preliminary strategic mandate agreement between the University and MTCU to fund new undergraduate enrolment growth in 14/15 at 100 cents on the dollar (full funding). OCAD U's domestic enrolment is projected to increase by 80 FTEs over 13/14 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 based on \$12,680 per domestic student FTE. OCAD U has received funding for 89.2 FTEs. The University is in the final stages of negotiating a Strategic Mandate Agreement with the MTCU which among other measures contemplates full funding of all 157 FTE's for 2014/15. The potential additional funding (\$850,000) over and above the current funding levels (89 FTE's) is detailed as a separate line item on the Budget Summary page.
- 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 from

Federal & Provincial ministry, a past example is the Productivity & Innovation Fund.

2. Tuition Fees and Enrolment

Included in tuition fees are full-time, part-time and summer student fees. Enrolment projections are those included in the draft strategic mandate agreement currently being finalized between OCADU and MTCU

- 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%. International student tuition fees continue to be deregulated. The Board of Governors approved a base tuition increase of 3% 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 February 2014) contained in the 14/15 budget is summarized in the table below:

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

	2013/14	2014/15	Difference
Domestic	5,815	5,989	174
International	18,355	18,880	525

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

	2013/14	2014/15	Difference
Domestic	5,650	5,819	169
International	17,605	18,130	525

- c) Projected Enrolment (FTEs): Undergraduate

	2012/13 Actual	2013/14 Actual	2014/15 Budget
Domestic			
Summer	260	266	269
Fall/Winter	3,447	3,382	3,434
Total Domestic	3,707	3,648	3,703
International			
Summer	17	20	23
Fall/Winter	221	277	299
Total International	238	297	322
Total	3,945	3,945	4,025

- d) Projected Enrolment: Graduate

	2012/13 Actual	2013/14 Actual	2014/15 Budget
Full-Time Headcount	133	159	168
Part-Time Headcount	76	89	81
FTEs	155.3	185.7	192.3

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 13/14 due to projected increases in enrolment, expansion of the Lap Top program and increase in the literacy fee approved under the MTCU regulated Ancillary Fee Protocol.

4. Investment Income

Investment income is derived from short term deposits and savings account bank interest.

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 is projected to decline over 2013/14 due to OCAD U occupying an increased percentage of the 205 and 230/240 Richmond Street buildings as part of the capital project to repurpose 115 McCaul for experiential learning.

6. Donations/Sponsorships

Included in this area are unrestricted and restricted external donations/sponsorships toward university operating funds paid out from the previous OCAD U Foundation endowments and long-term restricted funds. Effective May 31, the OCADU Foundation is scheduled to wind-up with endowment and long-term restricted funds transferred to the University. Also included are externally restricted and unrestricted donations/sponsorships from upcoming philanthropy campaigns. 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 13/14 primarily 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.

2013/14 Estimated actual	25,678
Progression-Through-The-Ranks (PTR)/Faculty merit pay/benefits	353
Provision for Graduate and Undergraduate Faculty hiring and other curricular and research initiatives	738*
Academic Support due to enrolment increases	75*
2013/14 Academic Compensation Budget	
Total Increase: \$1,166,000 (4.5%)	26,844

*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.

2013/14 Estimated actual	6,983
Progression-Through-The-Ranks (PTR) & Benefit Premiums	115
Academic Program Chair restructuring	110
Strategic Re-Investments (ESL/ International Office support)	100
Annualization of partial year hires and other salary adjustments	196
2014/15 Academic Administration Compensation Budget	
Total Increase: \$521,000 (7.5%)	7,504

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, Diversity & Equity, IT Services, Risk Management, Campus Services & Security, Admissions & Recruitment, Offices of the President and Vice-President, Finance & Administration.

2013/14 Estimated actual	10,579
Progression-Through-The-Ranks (PTR)/benefit costs	175
Development and Alumni Relations Staffing to achieve major campaign readiness	200
Enrolment growth related staffing	75
Other salary adjustments (including market and job evaluation review)	115
2014/15 Non-Academic Compensation Budget	
Total Increase: 565,000 (5.3%)	11,144

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 are projected to increase \$1,258,000 (11.6%) over 2013/14. Major increases are as follow:

Library Collections	24
230/240 Richmond Street lease transition	119
Utilities/condominium fees(113 and 49/51 McCaul and Learning Zone)	75
Studio Maintenance (previously funded by capital allocation)	122
Security & Cleaning (expanded scope)	50
205 & 230/240 Richmond Campus (increase OCADU Share)	200
Insurance/University memberships	15
Total Major Increases:	605

Major decreases are as follows:

Expansion of lap top program	19
Total Major Decreases	19

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 (\$1,304,000) 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 are projected to decrease in 14/15 over 13/14 due to the decline in debt principal.

15. Capital Expenditures (funded from the operating budget)

	13/14 Est. Actual	14/15 Budget
Total	1,276	800

In 2014/15 the allocation from the operating budget to capital expenditures will be targeted towards specific renovations pertaining to the repurposing of 115 McCaul towards an experiential learning centre, repurposing of 49/51 McCaul and the re-location of staff in 115 McCaul to vacated space in 230/240 Richmond and 49/51 McCaul. Furniture, Fixtures and Equipment (FF&E) expenditures will be financed within a unit's operating budget. Units may finance FF&E through transfer of existing non-compensation budgets and up to \$75K/\$25K of Academic/Non-Academic Compensation savings from unfilled positions.

16. Contingency

The provision for contingency is consistent with the previous year of \$1,150,000 (see Budget Summary) and addresses unexpected revenue shortfalls/expenditure pressures from enrolment fluctuations, deferred maintenance, weather related costs and other occurrences. 61% of the contingency is expected to be used in 2013/14.