

2011-2012
University Budget



Introduction

Kwantlen Polytechnic University's Administration has developed 2011-2012 (FY12) draft budget allocations based on the Mission, Mandate and Vision, Senate's Academic Priorities and the Board of Governors Ends Statements. In our deliberations, we focused most on the following Senate approved academic priorities:

- A. – Knowledge and Skills Development
- B. – Improved Student Experience
- F. – Growth of Innovation and Application
- G. – Improve Infrastructure
- H. – Community Engagement and Outreach

Given limited resources and more than \$20.6 million in budget proposals from Faculties and service departments, the development task was both challenging and difficult. In addition, working within Board and Ministry policies requires us to present a balanced consolidated budget.

Notwithstanding limited resources and policy constraints, this budget focuses on enhancing institutional capacity that will support change and innovation as well as position Kwantlen Polytechnic University (KPU) for future growth.

Fiscal Environment

According to Ministry officials, the University will not receive any increases in provincial government funding for FY12 or FY13. Also, we have been informed that our Annual Capital Allowance (ACA) funding will remain at \$489,000 for FY12. This means ACA funding will have been reduced from \$1.8 million two years ago to under \$500,000 in FY11 and FY12.

During the current fiscal year, the University is receiving over \$8 million for capital infrastructure improvements and much needed renovations at Richmond and Langley. To some extent, this has mitigated the effect of reductions in ACA funding. However, if we do not continue to invest in infrastructure renewal and replacement in FY12, the University will most certainly incur higher capital renewal costs in subsequent years. The University Administration believes this would be unwise.

The probability of receiving incremental funding beyond 2012 is not high. The province will face major health care cost pressures at a time when the numbers of high school graduates is projected to decline. KPU will need to make a political case for increased funding sometime before the next provincial election. This case should be based on:

- regional growth,
- low post-secondary participation and completion rates south of the Fraser,
- demand for new programming to fulfill the University's polytechnic mandate, and
- KPU meeting or exceeding the Ministry's FTE target in FY12.

To that end, this budget proposes increasing the University's course offerings to support both new and existing degree offerings at the Richmond, Surrey and Langley campuses. In addition, it proposes additional funds to build on successful initiatives in the past two years to increase Langley enrolments.

Tuition

Since inflation has been relatively low over the past year, allowable tuition increases will be in the 2% range. University Administration proposes a 2% tuition fee increase in this budget.

Over the past two years, the University has experienced significant enrolment growth. Given demographic trends and improvement in the provincial economy, this is not sustainable. New degree programs and the expansion of our current degrees will, however, encourage more students to complete their degrees with Kwantlen, which will lead to continued enrolment growth. Our best estimate at this time is enrolment will grow by 2% in FY12.

Cost Pressures

On the cost side, some costs are increasing include salaries (increments for those who are not at the top of scale) and non-salary contractual increases (eg. maintenance agreements) and general inflationary costs for supplies and services.

Projected Revenues (Consolidated)

<u>Revenue Source</u>	<u>2011/12</u>	<u>2010/11</u>
<u>Operating Fund</u>		
Ministry grant	\$71,215,000	\$ 70,999,800
Tuition fees:		
· Domestic	34,971,000	31,762,300
· International	8,868,000	7,735,300
Revenue generating fees and contracts	2,100,000	1,500,000
Application & other fees	3,760,000	3,297,800
Other revenues, interest income, recoveries, charges and transfers	<u>1,540,000</u>	<u>1,525,000</u>
	122,454,000	116,820,200
Ancillary Funds	8,858,000	7,768,600
Special Purpose Funds	4,784,000	2,029,000
Capital Fund	<u>7,397,000</u>	<u>7,195,000</u>
Total revenues	<u>\$ 143,493,000</u>	<u>\$ 133,812,800</u>

Expenditure Plan (Operating Fund and Other Allocations)

	<u>2011/12</u>	<u>2010/11</u>
<u>Operating Fund Allocation</u>		
Prior year operation allocation, April 1	\$ 113,099,800	\$ 107,878,300
Prior year mid-year allocation	-	4,245,600
Removal of prior year one year only budget increases	<u>(1,566,500)</u>	<u>(4,285,000)</u>
	\$ 111,533,300	\$ 107,838,900
Additions to expenditure plan:		
Ongoing increases (Schedule 3):		
Increments and benefit rate increases	1,050,000	625,000
Non-salary inflation and other costs	375,000	270,000
Academic	4,627,100	2,353,700
Academic services	57,200	82,900
Student services	849,600	147,100
Support services	<u>698,900</u>	<u>215,700</u>
Total ongoing increases	7,657,800	3,694,400
One time only increases:		
University Transition costs	-	1,026,500
Academic and other (Schedule 4)	<u>299,900</u>	<u>540,000</u>
Total one time only increases	<u>299,900</u>	<u>1,566,500</u>
Current year Operating Fund allocation	<u>\$ 119,491,000</u>	<u>\$ 113,099,800</u>
<u>Other Allocations</u>		
Interfund transfers	(725,000)	-
Foundation - student awards and financial aid	600,000	600,000
Capital - library materials	500,000	500,000
Capital - furniture, fixtures & equipment (Schedule 5)	425,200	2,000,000
Capital - renovations & facility renewal (Schedule 6)	1,500,000	489,100
Capital - major capital	<u>2,000,000</u>	<u>-</u>
	4,300,200	3,589,100
Total expenses and allocations	<u>\$123,791,200</u>	<u>\$ 116,688,900</u>
Projected revenues – Operating Fund	<u>\$ 122,454,000</u>	<u>\$ 116,820,200</u>
Projected revenues less planned expenditures	<u>\$ (1,337,200)</u>	<u>\$ 131,300</u>

Expenditure Plan
Ongoing Budget Increases

2011/12

Academic

3.1	Faculty of Academic & Career Advancement	Dean's Office - Associate Dean	\$ 127,900
3.2	Faculty of Academic & Career Advancement	Academic and Career Preparation (ACP) Stabilization	323,800
3.3	Faculty of Academic & Career Advancement	BA Minor in Counseling	240,000
3.4	Faculty of Business	Capacity Initiatives - Staffing	167,400
3.5	Faculty of Business	New Sections/Faculty FTE	644,100
3.6	Faculty of Design	Bachelor of Product Design	186,000
3.7	Faculty of Humanities	Additional Instructional FTE	522,100
3.8	Faculty of Science	Dean's Assistant	50,000
3.9	Faculty of Science	Degree Development	105,300
3.10	School of Horticulture	Increase for January 2011 start	78,300
3.11	School of Horticulture	Staffing of Science sections & labs at Langley	64,200
3.12	Faculty of Science	Support for Increased Demand and Degree Implementation	82,300
3.13	School of Horticulture	Transfer of FTE from ITA programs to University programs	29,600
3.14	Faculty of Social Sciences	BA Major Anthropology	52,700
3.15	Faculty of Social Sciences	Coordination - BA Asian Studies	26,300
3.16	Faculty of Social Sciences	Coordination - BSc Applied Psychology	26,300
3.17	Faculty of Social Sciences	Meet needs of existing BA degrees students	921,200
3.18	VP, Academic and Provost	Meet needs of existing sections at Langley	604,600
3.19	Continuing Education	Staffing	375,000
			<hr/>
			\$ 4,627,100

Academic Support

3.20	Office of Research & Scholarship	Contracts and intellectual property (IP) Manager	\$ 42,200
3.21	Office of Research & Scholarship	Romeo Core System - Maintenance	15,000
			<hr/>
			\$ 57,200

Expenditure Plan
Ongoing Budget Increases

2011/12

Student Services

3.22	Strategic Enrolment Management	Convocation Expenses	\$ 21,000
3.23	Strategic Enrolment Management	Unfunded positions in Admissions	150,000
3.24	Strategic Enrolment Management	International Students/Scholars Staff	49,600
3.25	Student Life and Community	Academic Boost Camps	20,000
3.26	Student Life and Community	Campus Student Life and Engagement	25,000
3.27	Student Life and Community	Coaches' Salary Increases	39,500
3.28	Student Life and Community	Co-op Faculty for BA Criminology and Business Degrees	105,300
3.29	Student Life and Community	Educational Advisor	61,500
3.30	Student Life and Community	Recreation Programmer	52,600
3.31	Library (Extended Library Hours)	Library Access	146,100
3.32	Facilities (Extended Library Hours)	Extend Campus Hours for Library – Surrey & Richmond	99,800
3.33	Facilities (Extended Hours)	Open Campus on Saturdays – Cloverdale	48,200
3.34	Facilities (Extended Hours)	Open Campus on Sundays – Langley	31,000
			<u>\$ 849,600</u>

Support Services

3.35	External Relations	Honoraria for President's Ambassadorial Team	\$ 17,000
3.36	External Relations	Increased Community Relations Activity	9,300
3.37	Facilities	After Hours Security	62,100
3.38	Facilities	Contractual Increases	50,700
3.39	Facilities	HVAC Duct Cleaning	40,000
3.40	Facilities	Janitorial – Increased Workshop Cleaning – Cloverdale	30,000
3.41	Facilities	Janitorial – Saturday Cleaning	22,900
3.42	Facilities	Uniforms for Facilities Support Generalists	7,800
3.43	Human Resources	Salary Increase for HR Consultants	22,000
3.44	Human Resources	Senior HR Consultant (Legal)	136,500
3.45	IET	IET service enhancement	38,600
3.46	Supply and Business Services	New leases for MFDs	20,000
3.47	Office of Advancement	Staffing for Alumni Development	75,000
3.48	VP, Finance and Administration	Administrative support for Risk Mgmt./ FOIPOP / Emergency Planning	62,000
3.49	Non-divisional	Enhanced Security Services	25,000
3.50	Non-divisional	Systems Maintenance Costs (IET)	80,000
			<u>\$ 698,900</u>

Non-divisional

3.51	Non-divisional	Increments and benefits increases	\$ 1,050,000
3.52	Non-divisional	Non-salary inflation and other costs	375,000
			<u>\$ 1,425,000</u>

Total Ongoing Budget Increases

\$ 7,657,800

Expenditure Plan
One Time Only Budget Increases

		<u>2011/12</u>
4.1	Faculty of Academic and Career Advancement	Access Programs for Persons with Disabilities (APPD) Program Redesign
		\$15,000
4.2	Faculty of Community & Health Studies	Bachelor of Massage Therapy, Curriculum Development
		30,000
4.3	Faculty of Trades and Technology	Supplies for Auto Services Technician program
		10,000
4.4	Faculty of Trades and Technology	Welding / Metal Fabrication - Capstone project
		35,000
4.5	Information and Educational Technology	Microsoft technology implementation
		139,400
4.6	Institute of Sustainable Horticulture	GIS Site license renewal
		20,000
4.7	Institute of Sustainable Horticulture	Grant writer (50% time position)
		45,000
4.8	University Secretariat	Senate Task Force on Academic Rank & Advancement – supplies for Forums
		5,500
		<hr/> \$ 299,900 <hr/>

Expenditure Plan
Furniture, Fixtures and Equipment (FF&E) Capital Budget

	<u>2011/12</u>	<u>2010/11</u>
Revenue allocation	<u>\$ 425,200</u>	<u>\$2,000,000</u>

<u>Proposed Allocation</u>			<u>2011/12</u>
5.1	Faculty of Academic and Career Advancement	Equipment – Computer and furniture for faculty office	\$ 3,000
5.2	Faculty of Science	Biology Capital-Equipment	16,400
5.3	Faculty of Science	Chemistry Capital-Equipment	55,000
5.4	Faculty of Social Sciences	FF&E - general	70,400
5.5	Faculty of Trades and Technology	Building Envelope Technician (ITA Special Funding)	15,000
5.6	Faculty of Trades and Technology	Capital Equipment/Repair Plan	45,000
5.7	Faculty of Trades and Technology	Welding	8,000
5.8	Facilities	Facilities Asset Storage	15,500
5.9	Facilities	FF&E - non-divisional	196,900
			<u>\$ 425,200</u>

Expenditure Plan
Renovations and Facility Renewal Capital Budget

	<u>2011/12</u>	<u>2010/11</u>
Revenue Allocation	\$ 1,500,000	\$ 1,826,400
Surrey Expansion Funding Reallocation from ACA Carry-forward	-	1,700,000
	<u>\$1,500,000</u>	<u>\$ 2,189,000</u>

<u>Proposed Allocation</u>	<u>2011/12</u>	<u>2010/11</u>
6.1 ACA-eligible infrastructure expenditures (Facilities and IET)	\$1,500,000	\$ 489,000
6.2 Fir Building Refurbishment	-	523,500
6.3 Surrey Rezoning and Master Plan	-	100,000
6.4 Student Gathering Places - Phase 2 & 3	-	166,500
6.5 Departmental Office Pods – Phase 2	-	910,000
	<u>\$ 1,500,000</u>	<u>\$ 2,189,000</u>

Kwantlen Polytechnic University
2011/12 Budget Summary by Division

Division	2010/11 Budget	2011/12 Budget Lift Ongoing	2011/12 Budget Lift OTO	2011/12 Non-salary Inflation	2011/12 Changes	Proposed 2011/12 Budget
Provost and VP, Academic	\$ 1,168,400	\$ 604,600				\$ 1,773,000
Associate VP, Academic	972,800					972,800
Faculty of Academic and Career Advancement	8,146,800	691,700	15,000			8,853,500
Faculty of Business	13,862,700	811,500				14,674,200
Faculty of Community and Health Studies	7,818,300		30,000			7,848,300
Faculty of Design	3,152,900	186,000				3,338,900
Faculty of Humanities	8,377,000	522,100				8,899,100
Faculty of Science and Horticulture	9,236,300	409,700	65,000			9,711,000
Faculty of Social Sciences	10,307,000	1,026,500				11,333,500
Faculty of Trades and Technology	5,384,300		45,000			5,429,300
Continuing Education	71,500	375,000				446,500
Library Resources	3,976,500	146,100				4,122,600
Research and Scholarship	720,500	57,200				777,700
Strategic Enrolment Services	5,800,400	220,600				6,021,000
Student Life and Community	4,967,500	303,900				5,271,400
Office of the VP, Finance and Administration	618,400	62,000				680,400
Facilities	7,347,100	392,500				7,739,600
Financial Services	2,020,800					2,020,800
Information and Educational Technology	4,855,100	38,600	139,400			5,033,100
Institutional Analysis and Planning	562,400					562,400
Supply and Business Services	1,628,800	20,000				1,648,800
Human Resource Services	1,820,500	158,500				1,979,000
Office of the President	887,300	26,300				913,600
Office of Advancement	581,900	75,000				656,900
Marketing and Communications	1,328,400					1,328,400
University Secretariat	573,600		5,500			579,100
Non-Divisional Expenditures	2,230,600	105,000				2,335,600
Professional Development and Education Leave	1,840,500					1,840,500
Revenue Generating	1,275,000					1,275,000
University-wide increments, benefits, inflation	-			375,000	1,050,000	1,425,000
	\$ 111,533,300	\$ 6,232,800	\$ 299,900	\$ 375,000	\$ 1,050,000	\$ 119,491,000

Kwantlen Polytechnic University
Projected Revenues and Expenditures
2011/12 Consolidated Budget

Revenue Source	Operating	Ancillary	Special Purpose	Capital	Consolidated 2011/12	Consolidated 2010/11
Ministry grant	\$ 71,215,000	\$ -	\$ 2,191,000	\$ 5,405,000	78,811,000	\$ 77,302,800
Tuition fees:					-	
- Domestic	34,971,000				34,971,000	31,762,300
- International	8,868,000				8,868,000	7,735,300
	43,839,000	-	-	-	43,839,000	39,497,600
Revenue generating fees and contracts	2,100,000	-	\$ 1,221,000	-	3,321,000	1,500,000
Application & other fees	3,760,000	-	-	-	3,760,000	3,297,800
Other revenues, interest income, recoveries and transfers	1,540,000	8,858,000	1,372,000	1,992,000	13,762,000	12,214,600
Total revenues	\$ 122,454,000	\$ 8,858,000	\$ 4,784,000	\$ 7,397,000	\$ 143,493,000	\$ 133,812,800
Expenditure Plan						
Expenditure plan (operations) - prior year	\$ 113,099,800	\$ 6,984,000	\$ 2,428,000	\$ 445,000	\$ 122,956,800	\$ 120,294,900
Removal of prior year one year only budget increases	(540,000)				(540,000)	(2,764,000)
Removal of prior year one year University Transition costs	(1,026,500)				(1,026,500)	(1,596,000)
Capital asset amortization expense				11,063,800	11,063,800	10,980,000
	111,533,300	6,984,000	2,428,000	11,508,800	132,454,100	126,914,900
Additions to expenditure plan:						
Ongoing increases:						
Increments and benefits increases	1,050,000	13,700			1,063,700	625,000
Non-salary inflation and other costs	375,000	57,400	2,356,000	44,900	2,833,300	1,282,000
Academic	4,627,100				4,627,100	2,353,700
Academic services	57,200				57,200	82,900
Student services	849,600				849,600	147,100
Support services	698,900				698,900	215,700
Ongoing increases	7,657,800	71,100	2,356,000	44,900	10,129,800	4,706,400
One time only additions to expenditure plan:						
University Transition costs	-				-	1,026,500
Academic and other	299,900				299,900	540,000
Surrey Expansion projects				-	-	1,700,000
One time only additions	299,900	-	-	-	299,900	3,266,500
Operating allocations	119,491,000	7,055,100	4,784,000	11,553,700	142,883,800	134,887,800
Other Allocations:						
Interfund Transfers	(725,000)	725,000			-	-
Foundation - student financial aid	600,000				600,000	600,000
Capital - library materials	500,000			(500,000)	-	-
Capital - furniture, fixtures & equipment	425,200			(425,200)	-	-
Capital - renovations & facility renewal	1,500,000			(1,500,000)	-	-
Capital - major capital	2,000,000			(2,000,000)	-	-
Surrey Expansion Funding Reallocation from ACA Carryforward					-	(1,700,000)
Other Allocations	4,300,200	725,000	-	(4,425,200)	600,000	(1,100,000)
Total expenses and allocations	\$ 123,791,200	\$ 7,780,100	\$ 4,784,000	\$ 7,128,500	\$ 143,483,800	\$ 133,787,800
Excess of Revenues over Expenses and Allocations	\$ (1,337,200)	\$ 1,077,900	\$ -	\$ 268,500	\$ 9,200	\$ 25,000