

2015-2016 Budget Development Process November 2014

The Budget Development Process is intended to inform employees about preparation of the 2015-2016 budget and provide an opportunity for employees to give input and feedback to the college during the process.

The 2015-2016 budget process will be guided by:

- A focus on achieving our strategic directions and aligning with our pillars of success. The budget should be a process to determine how to fund the college's strategic vision rather than a process that drives it.
- A strategic focus on serving learners that:
 - Assesses and sustains our capacity to provide exemplary educational and learning experiences for students and to support them in the most effective ways;
 - Develops capacity for program renewal and new program development and enrolment growth;
 - Uses new technologies to maintain and expand access and the effectiveness of the learning environment;
 - Continues the process of modernization of our equipment and capital assets; and
 - Adapts to the changing expectations of learners, our communities, and society.
- A strategic focus on communities that:
 - Maintains a comprehensive array of programming that delivers on the mandate of a rural community college;
 - Further enhances our engagement with communities via student placements and service learning projects;
 - Improves our support for communities through applied research projects, information for informed decision making, and creating a skilled, knowledgeable, educated workforce and citizenry; and
 - Improves the student learning experience by bringing community, business and industry resources, skill, knowledge and experience into our program activities and services.

Companion plans (the Education, Strategic Enrolment, Student Services, Capital plan, etc.) will align with and inform the Financial Plan (the budget).

Current context for 2015-2016 budget planning

The college completed the 2013-2014 fiscal year with a modest deficit on March 31st of this year. The Board of Governors approved the current 2014-2015 balanced budget in May, 2014. With the current fiscal year now half completed the college is on track to close the current fiscal year within its budget.

Thanks go out to everyone for continuing to manage their budgets effectively to help achieve this required outcome.

The Ministry of Advanced Education, through the February 2014 provincial throne speech, confirmed that for 2015-2016 all post-secondary institutions would receive a 1.35% reduction to their base fund grants. Government expectations of full-time equivalent (FTE) student delivery targets for Selkirk College remain at the same levels: 2,312 FTEs. In addition, government expects colleges to contribute to improved FTE delivery to Aboriginal students, international students and in strategic employment sectors such as health, developmental education, and trades.

The current fall semester student count shows that enrolments this year continue to show increases over last year. This is an encouraging trend that aligns with our strategic directions, as well as improves on our FTE delivery target set by the Ministry of Advanced Education. When enrolment utilization increases, there is also a positive impact to overall tuition revenue. This year, that impact is anticipated to assist with closing out the 2014-15 budget year on target. In developing the 2015-2016 instructional plan and college budget, we will continue to set reasonable expectations for domestic and international student enrolment and FTE utilization across the college.

The Industry Trades Authority (ITA), the agency that funds the majority of the instructional costs for our trades foundation and apprenticeship programs, is undertaking a review of its funding formula. The impacts of this review including changes, if any, to our 2015-2016 budget are not yet known.

The college continues to explore one time capital funding opportunities, but the continuation of the significant reductions made to minor capital allocations to maintain and upgrade our facilities adds additional pressure to our finances. In addition, the focus on securing major capital funds for campus upgrades at Silver King and Castlegar continues.

Advocacy efforts with Government for adequate funding for Selkirk College continue to be a priority for the president and senior management at the local and provincial levels. There is continual communication about and reporting on the program, service, student, and administrative impacts of these pressures to appropriate community members, college supporters, and politicians in our region and provincially.

In the meantime, the extensive range of savings and efficiencies found and improved processes developed over the past three budget cycles have placed the college on a more financially sustainable footing and has allowed us to continue to plan for ambitious and exciting service delivery opportunities during times of constrained financial resources.

In this context, the Finance Department is working to produce the preliminary budget for next year to provide a solid foundation on which to complete the budgeting process. With improved enrolments, increased revenue, and an ongoing commitment to finding efficiencies from a variety of sources this year, we are anticipating a much less disruptive and difficult budget challenge going in to the 2015-2016 year. However, there are a number of variables we are working to clarify before communicating any projected deficits or surpluses.

Our current projection is based on the following assumptions:

- a) The 1.35% reduction of provincial grant to Selkirk College in 2015-2016;
- b) No inflationary cost adjustment to grants from Government;

- c) Tuition revenue is directly related to enrolments and is applied directly toward the operational costs of the college's program and service delivery. The estimate of tuition revenue for 2015-2016 is derived from the annual instructional plan and estimate of the revenue expected the current year (2014-2015), as well as revenue projected from the instructional plan and resulting revenue for the 2015-2016 year. This forecast also takes into account the maximum 2% tuition increase restrictions set by provincial government policy;
- d) The projection assumes staffing levels for 2015-2016 are maintained, as well as reflecting strategic priorities of the institution;
- e) Salary and step increases for the current collective agreements have been included;
- f) With two local collective bargaining processes expected to commence imminently, as well as senior exempt employee salaries remaining frozen under Government directive, forecasted personnel costs will include a reasonable contingency to accommodate a range of possible outcomes to those processes;

Timeframes and Process

The final Government funding commitment for 2015-2016 should be known by March 2015. On the basis of the actual funding level, the 2015-2016 budget will be finalized and presented to the Board for approval at the May 2015 board meeting.

To achieve this result the following meetings, consultations and information sessions are anticipated over the November 2014 to March 2015 timeframe:

- Management Committee;
- Divisional committees – College Services Committee, Deans and Directors, Deans and Chairs;
- Governance committees – Education Council, Board of Governors;
- Employee groups – BCGEU, Exempt, PPWC, and SCFA;
- Students – Selkirk College Student Union;
- School/Departmental meetings – group discussions/proposals and/or consultations with senior managers; and
- Open houses for employees

<i>Date</i>	<i>Tentative/Event/Milestone</i>
2014 November/December	Management Committee approves Budget Development Process
	Communications Update <ul style="list-style-type: none"> • Budget Development Process shared with employees
	VP Education and Students - Deans and Directors Meeting <ul style="list-style-type: none"> • Discuss 2015/2016 Budget Development Process
	VP College Services meeting <ul style="list-style-type: none"> • Discuss 2015/2016 Budget Development Processes
	Education Council <ul style="list-style-type: none"> • Presentation and discussion of Budget Development Process
	Deans and Chairs Meeting <ul style="list-style-type: none"> • Discuss 2015/2016 Budget Development Process
	Selkirk College Board Meeting <ul style="list-style-type: none"> • Budget Development Process presented.

	<p>School/Department/Division Meetings (November, December)</p> <ul style="list-style-type: none"> • Educational and service units will meet to discuss the Budget Development Process • Management Committee members will work with managers, chairs, department heads on budget development • Senior administrators can be invited to school, department, division meetings to discuss concerns and answer questions
2015 January	Initial budget proposals from schools, departments, divisions
	<p>Joint Labour Management Meeting</p> <ul style="list-style-type: none"> • Discuss 2015/16 Budget Development Process
	Meeting with Selkirk College Student Union
	<p>Education Council Update</p> <ul style="list-style-type: none"> • Update on the process, receive advice
	<p>Board of Governors Meeting</p> <ul style="list-style-type: none"> • Update on process and planning assumptions • Tuition fees for 2015/2016 - Notice of Motion • Preliminary Instructional Plan for 2015/2016
2015 February	<p>Annual Budget Meeting of all Supervisors</p> <ul style="list-style-type: none"> • First Draft Budget presented along with preliminary 2015/2016 Instructional Plan
	<p>Education Council Meeting</p> <ul style="list-style-type: none"> • Update and advice received
	BC Provincial Budget Tabled in Legislature
	<p>College Board update</p> <ul style="list-style-type: none"> • Tuition fees for 2014/2015– Board decision-making
	Discovery Day will include a session on the budget as an “Open House”
2015 March	<p>Management Committee</p> <ul style="list-style-type: none"> • Second Draft of Budget for 2015/2016
	<p>Education Council Meeting</p> <ul style="list-style-type: none"> • Update and advice received
	<p>Confirmation of 2015/2016 Funding</p> <ul style="list-style-type: none"> • From Ministry of Advanced Education • ITA funding in accordance with agreed-to ITA Training Plan
	<p>College Board Meeting: Final budget draft</p> <ul style="list-style-type: none"> • Finalize budget decisions.
2015 April	Final budget preparation in conjunction with 2014/2015 year end
2015 May	<p>College Board Meeting</p> <ul style="list-style-type: none"> • Approval of final Budget for 2015/2016