



2016-2017 Budget Development Process December 2015

The Budget Development Process is intended to inform employees about preparation of the 2016-2017 budget and provide an opportunity for employees to give input and feedback to the college during the process. The 2016-2017 budget process will be guided by a focus on achieving our strategic directions by aligning with our pillars of success and addressing our greatest risks.

Current context for 2016-2017 budget planning

The College completed the 2014-2015 fiscal year on budget on March 31st of this year with a very small surplus (\$16K). The Board of Governors approved the current 2015-2016 balanced budget in June, 2015. With the current fiscal year more than half completed the college is on track to close the current fiscal year within its budget. The ability for a large, diverse organization such as the College to stay on track throughout the fiscal year is a testament to the contributed efforts of every employee.

The Ministry of Advanced Education has confirmed that after three years of imposed reductions, there will be no reduction to the College's base grant funds. Government expectations of full-time equivalent (FTE) student delivery targets for the 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. Another major change includes the elimination of the Adult Basic Education (ABE) free tuition compensation portion of the base grant and now includes the option to charge tuition for these courses. This change in provincial policy will see an opportunity for ABE students to apply for grant funding to cover these tuition costs. The Education and Student Services division are currently working on a proposal that will see little or no impact to the current delivery of these courses.

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 2015-2016 budget year on target. In developing the 2016-2017 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 2016-2017 budget are not yet known.

The College continues to explore one time capital funding opportunities. In the current fiscal year, the College has received a commitment of \$2.3 million towards capital projects that will be completed by March 31, 2016. This is a significant increase over prior years and will allow the College to address long term facility deficiencies. The recent announcement of \$14.2 million from the Province towards the Trades Renewal and Renovation capital project is a product of the College's ongoing advocacy efforts to improve learning

environments. Attention will now be paid to other major capital projects that have been identified in the College's Five Year Capital Plan.

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 2016-2017 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) No reduction of provincial grant to Selkirk College in 2016-2017, but the removal of the ABE tuition free grant by the Province of \$326,000;
- 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 2016-2017 is derived from the annual instructional plan and estimate of the revenue expected in the current year (2015-2016), as well as revenue projected from the instructional plan and resulting revenue for the 2016-2017 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 2016-2017 are maintained as well as reflecting strategic priorities of the institution;
- e) Salary and step increases for the new collective agreements have been included and will be funded by the Ministry of Advanced Education (AVED).

Timeframes and Process

The final Government funding commitment for 2016-2017 should be known by March 2016. On the basis of the actual funding level, the 2016-2017 budget will be finalized and presented to the Board for approval at the May 2016 Board meeting.

To achieve this result the following meetings, consultations and information sessions are anticipated over the November 2015 to March 2016 time frame:

- 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
- Information Sessions for all employees

<i>Date</i>	<i>Tentative/Event/Milestone</i>
2015 November/December	Management Committee/Leadership Team approves Budget Development Process
	Communicate and Discuss Budget Development Process <ul style="list-style-type: none"> • With employees through Grapevine and department staff meetings • Senior administrators can be invited to school, department, and division meetings to discuss concerns and answer questions.
	Education Council <ul style="list-style-type: none"> • Presentation and discussion of Budget Development Process
	Selkirk College Board Meeting <ul style="list-style-type: none"> • Budget Development Process presented
	Initial budget proposals from schools, departments, divisions provided to the Finance Department
2016 January	Additional meetings to take place through the Joint Labour Management Meeting process and with the Student Union.
	Board of Governors Meeting <ul style="list-style-type: none"> • Update on process and planning assumptions • Tuition fees for 2016/2017 - Notice of Motion • Preliminary Instructional Plan for 2016/2017
2016 February	Annual Budget Meeting of all Supervisors <ul style="list-style-type: none"> • First Draft Budget presented along with preliminary 2016/2017 Instructional Plan
	Education Council Meeting <ul style="list-style-type: none"> • Update and advice received
	BC Provincial Budget Tabled in Legislature
	College Board update <ul style="list-style-type: none"> • Tuition fees for 2016/2017– Board decision-making
2016 March	Management Committee/Leadership Team <ul style="list-style-type: none"> • Second Draft of Budget for 2016/2017
	Confirmation of 2016/2017 Funding <ul style="list-style-type: none"> • From Ministry of Advanced Education • ITA funding in accordance with agreed-to ITA Training Plan
	College Board Meeting: Final budget draft <ul style="list-style-type: none"> • Finalize budget decisions
2016 April	Final budget preparation in conjunction with 2015/2016 year end
2016 May	College Board Meeting <ul style="list-style-type: none"> • Approval of final Budget for 2016/2017