

2012/13 Budget Development Framework

This framework document has been prepared to assist the College in the development of the operating budget for the 2012/13 fiscal year. It is intended to help inform and guide the process of consultation, planning and decision-making that will be involved in developing the operating budget for next year.

During the months of November 2011 through February 2012 this draft document will be reviewed and discussed with: the College Board of Governors; Education Council; Management Team, Faculty Association, Canadian Union of Public Employees Local 4951 Executive; and the CNC Student Union. Feedback received during the course of this consultation process will be used in the preparation of the final 2012/13 Budget Development Framework for approval by the College Board.

A. Status Report

The College's approved 2011/12 budget is available on the College Board Governors website here: <http://tinyurl.com/3hsqkoy>. Information regarding the College's 2011/12 to 2013/14 base operating grant funding from the provincial government is available on the Ministry website at: <http://tinyurl.com/3jlhn4>. For reference the College's Audited Financial Statements for the Fiscal Year ending March 31, 2011 are also available at: <http://tinyurl.com/3jzs2rx>.

The 2011/12 operating budget as approved by the College Board of Governors in April 2011, projected a small surplus (\$116,788) for the year. As of November 21, 2011 based on the College's 2011/12 budget review and forecast of revenues and expenditures we expect to end the 2011/12 fiscal year (March 31, 2012) with a larger surplus than originally budgeted. This is primarily due to under expenditure of the budgeted contingency reserve and prudent fiscal management on the part of many college administrators.

A few key issues regarding CNC's funding and other revenues for 2012/13 are:

- 1) The only net increase in the Ministry of Advanced Education base operating grant over the current year (2011/12) will be additional targeted funding (\$295,545) for the second year of the new Medical Radiography Technology program;
- 2) The Industry Training Authority (ITA) Training Plan funding requested will be \$4,578,000;
- 3) The Annual Capital Allowance (ACA) funding is expected to remain at the 2011/12 level of \$374,697, which was a \$1,065,931 reduction to the level of funding provided in 2008/09;
- 4) The continuing status of Aboriginal Services Plan (ASP) funding (\$408,000) is partially undetermined (as of this date); the Ministry has advised the College that we can expect to receive a minimum of \$200,000 to support the ASP activities in 2012/13;
- 5) Approximately, \$574,000 in other one-time/special grants received in 2011/12 may not recur for 2012/13; and,
- 6) Actual student tuition revenues in 2011/12 will be \$400,000 less than budgeted and therefore 2012/13 budgeted tuition revenue levels will need to be adjusted accordingly.

January 20, 20

January 11 - February 10, 2012	College Executive Administration meetings with Budget Officers/Managers re Version 2 Draft 2012/13 Budget
January 17	College Management Meeting Education Council Meeting - Final advice/input re the 2012/13 Budget Development Framework
January 20 to February 29	"College Finance101" Presentation Sessions
January 16-31, 2011	Preliminary Consultation Meetings with Unions (FACNC, CUPE, CNCSU) re 2012/13 Budget
January 27	College Board Meeting - Approval of final draft of 2012/13 Budget Development Framework - Notice re 2012/13 Tuition Fee Motion
January 31	E-mail Update to "All at CNC" re Budget 2012/13 Publication of Final 2012/13 Budget Development Framework
February 21	B.C. Provincial 2012/13

March 21-25	Confirmation of 2012/13 funding from Ministry of Advanced Education
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March TBA

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vi. Economy and Enrolment

The regional economic situation in 2011 has improved somewhat and the “recession” has ended. If regional unemployment rates continue to decline in 2012 it is possible that s

E. Guiding Principles

- i. In making decisions to reduce our expenditures, we will apply to the extent possible the “Budget Decision-making Considerations” outlined in this document.
- ii. In making decisions for 2012/13, we must also look ahead to 2013/14 and beyond. We will not postpone taking steps to mitigate and reduce a projected budget deficit this year, and therefore compound the size of next year’s potential financial problem.
- iii.iii. We will achieve a proposed operating budget and (if required) any expenditure reductions while seeking to limit the impact on students and on collebeudents anonV >BD[)Tm[)Tm[)Tm9a9 0 0

F. Decision-making Considerations

The following factors will be considered collectively in assessing potential budget reduction decisions.

Student (and community) Demand

- a. *For instructional programs, what is the ratio of actual full-time equivalent student enrolment (FTEs) to the total student seats available (capacity)?*
- b. *Is the recent and/or projected enrolment trend positive (up), stable or negative (down)?*
- c. *For services, what is the recent year(s) level(s) of actual student utilization of the service?*

Cost-effectiveness and Total Cost

- a. *What is the total cost (\$) per actual FTE student enrolled or student utilizing the service?*
- b. *What is the total cost of the program?*
- c. *How does the total cost of the program compare relative to the 2011/12 projected budget shortfall? (e.g. What percentage does the total program/service cost represent of the projected budget shortfall?)*

Numbers of Students Impacted

How many students would be impacted?

Numbers of Employees Impacted

How many college employees would be impacted?

Availability Elsewhere

Is the program available to students through avenues other than at CNC? (e.g. at other institutions, via on-line/distance education or through other community service providers)

Program Outcomes

To what extent is the program achieving important student outcomes (employment, transfer, other)?

Economic and/or Social Impact within the College Region

To what extent is the program meeting an important community social or economic need?

Interdependencies

- a. *Are other CNC programs and services heavily dependent on the program/service in question?*
- b. *Are other external (institutions and agency) programs and services heavily dependent on the program/service in question?*

