

Highlights from the May 30th SBAC Meeting:

Same data for SBAC as CFA

In the May 29th Highlights, we discussed availability of data for the CFA. For purpose of transparency and collaboration, the members agreed to provide data to the CFA which has been provided to the SBAC. The data has been transferred to the CFA and will continue.

Update on Fiscal Year Ending 2013

In the May 16th Highlights, we stated that the year-end numbers were showing an approximate loss of \$200,000. The loss has been reduced to a negligible loss of \$58,000 which is .064% of the total budget.

More Q and A's on non-program expenses

1. Office of the President

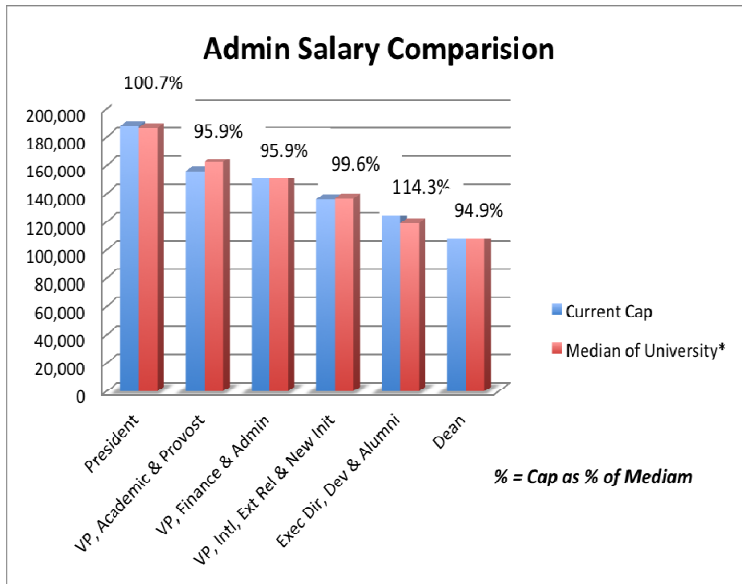
What is included in the \$5.2 million?

The \$5.2M budget items assigned to the President's offices for salaries and covers the costs of 51.75 sections for all administrators and some exempt employees; as shown in the table:

Position	
President	1.00
VP's	3.00
Continuing Education	1.00
Development, Comm, Events	5.00
Financial Services	4.00
Purchasing Services	2.00
Facilities Office	3.00
IT	9.00
Human Resources	4.00
Conflict Resolution	0.50
Centre for Int Experience	2.00
Inst Research Department	1.00
Deans	5.00
Performing Arts Theatre	1.50
Film Centre	1.00
Registrar's Office	4.00
Sportsplex	1.00
Library	1.00
Sub Total	49.00
Temporary Positions	2.75
Total	51.75

How do executive salaries compare to other institutions?

In the May 28th Highlights, we reference the comparison of the top administrative salaries to a median of other Universities. The institutions used for this comparison were the other new Universities and some colleges whose size and structure are similar in nature to Capilano. As mentioned, the executive salaries are set by Post-Secondary Employment Association (PSEA) and overall are less than the median.



What is included in the \$121 thousand for memberships?

It is essential that the University maintain its relationships with other universities and associations. The University belongs to these associations:

- BCAIU - BC Association of Institute & Universities
- BC Academic Health Council
- Post Secondary Employee Association
- Business Council of BC
- ACCC - Association of Canadian Community Colleges

Budget Scenarios

SBAC considered alternative budget scenarios and identified additional information required. The mandate of SBAC is to attempt to balance the budget without program cuts. Although it would appear relatively easy to resolve a deficit of \$1.2 million in a budget of \$89.4 million, it is considerably more challenging to resolve the real deficit of \$3.5 million when there are few controllable costs.

Option 1 – Previously Proposed Planned Budget

Option 2 – Revised Planned Budget with limited increases to revenue and decreases to (or reallocation of) Expenses.

Increases to Revenue

- Parking

The maximum increase to parking fees is approximately \$18,000. If parking fees increase too much, there are the following risks:

- drivers will find alternatives which will not increase revenue.
- negative effect on attendance at sportsplex or theatre events

Additional Information required – Finalize estimate

- Increase seat utilization

The Senate committee reviewing seat utilization has identified courses that satisfy the following criteria:

- Seat maximum is less than 35 seats. The seat maximum is defined by the collective agreement;
- Seat utilization is equal to 100% indicating that students are waitlisted;
- Seat maximum is not a function of health, safety or equipment limitations.

Additional Information required - SBAC members will perform an analysis to calculate the possible tuition revenue one or two students are added to eligible sections.

Decreases to(or reallocation of) Expenses

- Growth of section reserves and non-revenue generating sections

In the 2013-2014 planned budget, the following sections are removed from the section reserve:

Functional Area	# sections	Purpose
VP Office	22	General
Sunshine Coast	7	Local initiatives
Squamish	10	Local initiatives
Total	39	

The following sections are added

VP Office	.56	General
Regional Campus Initiatives for Sunshine Coast and Squamish	7	Local initiatives
Total	7.56	

SBAC discussed recommending that the Deans review the growth sections and consider reallocating a portion to the re-development of some suspended programs.

Additional Information required - Forward information to Deans for discussion.

- Reduce Operating Expenses

As stated in the May 29th Highlights, the Deans were asked to consider voluntary reductions to operating expenses.

Additional Information required – The Deans require more time to respond to this May 29th request.

- Reduce Administrative Expenses

Additional Information required – Continue review of administrative expenses.

Option 3 – Balance budget by deferring faculty salary increase

In the proposed planned budget, deficit is reduced from \$3.5 million to \$1.2 million. The \$1.2 is reduced to zero by suspending programs. While the “savings” from program suspensions is ongoing, the cost of reduction benefits, \$620 thousand, is a one-time additional expense.

If proposed program cuts are cancelled, the employee reduction costs of \$620 thousand would not be required. The remaining deficit would be approximately \$622,000 (\$1.2 million less \$620 thousand).

This remaining deficit could be resolved as follows:

- Increasing revenue from increased seat utilization and parking
- Decreasing administrative expenses if identified; and
- The remainder by delaying the implementation of the estimated CFA increase - \$895,000.

This option is a long shot for a variety of reasons:

- Negotiations are not moving as quickly as either side would like;
- Post-Secondary Employer’s Association and Ministry do not support deviations from the common grid;

- Shortage of time in order to complete for the Senate and Board meetings scheduled for June 10 and Board for June 11 respectively.

This option would have a severely negative effect on the 2014-2015 budget.

Additional Information required

- Finalize the estimates for seat utilization and parking revenue and continue review of administrative expenses.
- Support from administration, CFA, and faculty.

Option 4 – Run a deficit

This is not a viable option. The University Act requires a balanced budget. The Board of Directors voted to balance the budget.

Next Steps

- Continue fact gathering

Meetings Scheduled

Friday, May 31 - 10 am

Tuesday, June 4 - 12pm

Wednesday, June 5- 2 pm

Thursday June 6 - 2 pm

Friday, June 7 - 12 pm