



Kwantlen
UNIVERSITY COLLEGE

BOARD: *Regular*
MEETING DATE: *15 March 2006*
SCHEDULE NO.: *R 5 a ii*
PRESENTED BY: *Tung Chan*

BOARD ITEM / Assurance of Successful President Performance

Issue: **Audit Committee Budget Recommendations**

For Information: The Audit Committee met on March 6, 2006 to review and monitor the proposed 2006/07 budgets. The Committee asked clarifying questions as part of their direct inspection of Policy 3.4, *Financial Planning / Budgeting*. This helped them determine if the proposed 2006/2007 Budgets were developed in accordance with this policy. As a result, the Audit Committee makes the following recommendations to the Board of Governors:

- 1. The Audit Committee recommends that the Board of Governors approve amendments to Bylaw No. 4, *Fees*.**
- 2. The Audit Committee recommends that the Board of Governors approve the Operations Budget 2006/2007, the Furniture, Fixtures & Equipment Capital Budget 2006/2007 and the Renovation & Facility Renewal Capital Budget 2006/2007.**
- 3. The Audit Committee recommends that the Board of Governors approve an appropriation of \$2 million of the operating fund contingency reserve to the capital fund.**

Our Mission:

We create an exceptional learning environment committed to preparing learners for leadership, service and success.



Kwantlen
UNIVERSITY COLLEGE

BOARD: *Regular*
MEETING DATE: *15 March 2006*
SCHEDULE NO.: *R 7 a ii*
PREPARED BY: *Roy Daykin*

BOARD ITEM / Operational Consent Agenda

Issue: **Bylaw No. 4 Fees**

For Approval: **THAT the Board of Governors approve amendments to Bylaw No. 4, Fees.**

For Information: Proposed amendments to Bylaw No. 4, *Fees*, are attached.

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Approved by: Kwantlen University College Board of Governors
 Original Effective Date: 16 November 1982
 Revised: ~~09 May 2005~~ 15 March 2006

BYLAW No. 4
FEES

1. Pursuant to the College and Institute Act, program or course fees and charges to be paid to Kwantlen by students shall be determined and/or revised by bylaw.

2. The tuition fee structure effective 01 September ~~2005-2006~~ shall be:

a. **Credit Based Programs** \$ ~~109.50~~112.00 / credit

- Degree
- University Studies
- Career/Technical
- General Studies
- College Preparatory
- Vocational

b. **Continuous Intake Programs** \$ ~~95.20~~97.50 / week

- Entry Level Trades
- Apprenticeship
- College Preparatory

c. **Adult Basic Education Programs** No charge

3. Other fees and charges effective 01 July 2006 are as follows:

a. Library fee 1.25% of tuition

b. Technology fee \$ 4 per undergraduate and vocational course

c. Application fee \$ 40 first time application

d. Re-application fee \$ 20 subsequent application

e. Re-instatement fee \$ 40

f. Transcript fee \$ 5 per transcript (electronic version)
\$ 7 per transcript (paper version)

- | | | |
|----|---|--|
| g. | Registration access fee | \$ 40 per registration / credit based programs \$ 2.50 per week / continuous intake programs |
| h. | Grade appeal fee | \$ 25 |
| i. | Commitment fee | Student is required to remit a non-refundable Commitment Fee (maximum of 25% of program fee) at the time the applicant is offered a seat. If the student completes the registration process, this fee will be applied towards the full tuition fees. |
| j. | Graduation fee | No charge |
| 4. | Other Programs | The appropriate Vice President will determine fees and charges for the following: <ul style="list-style-type: none"> • Cooperative Education Work Term • Prior Learning Assessment • Upgrading, Training, and Professional Studies and Course Audit • International Students (consistent with Ministry guidelines) |
| 5. | Service Charges | All discretionary fees will be determined by the appropriate Vice President (e.g. duplicate tuition receipt charge, NSF cheque / stop payment charge, calendar charge, rush documents, etc.) |
| 6. | This Bylaw may be cited as the " <i>Fees and Charges for Instruction 2005-2006 Amended Bylaw No. 4</i> ". | |

Original Bylaw Signed by:

David Ross / Vice President ~~Financial Resources & Market Development~~ Student and Administrative Services

Arvinder Bubber / Chair Board of Governors



Kwantlen
UNIVERSITY COLLEGE

BOARD: *Regular*
MEETING DATE: *15 March 2006*
SCHEDULE NO.: *R 7 a iii*
PREPARED BY: *Roy Daykin*

BOARD ITEM / Operational Consent Agenda

Issue: **Operations Budget 2006/2007**

For Approval: **THAT the Board of Governors approve the 2006/2007 Operations Budget for Kwantlen University College.**

For Information: Budget documents are attached:

1. Schedule 1 – Projected Revenues (Operations, Capital & Student Aid, 2006/07)
2. Schedule 2 – Expenditure Plan (Operations, Capital & Student Aid) 2006/07

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Kwantlen

UNIVERSITY COLLEGE

Projected Revenues (Operations, Capital & Student Aid)

2006/2007

(in thousands of dollars)

| <u>Revenue Source</u> | <u>2006/07</u> | <u>2005/06</u> |
|---|-------------------|------------------|
| Ministry grant | 65,693 | 60,264 |
| Tuition fees | 31,200 | 32,615 |
| Revenue generating activities | 1,500 | 1,250 |
| Application & other fees | 2,675 | 2,350 |
| Other revenues, interest income, recoveries, charges and transfers | <u>1,380</u> | <u>1,380</u> |
| Total revenues | <u>\$ 102,448</u> | <u>\$ 97,859</u> |



Kwantlen

UNIVERSITY COLLEGE

Expenditure Plan (Operations, Capital & Student Aid)

2006/2007

(in thousands of dollars)

| | <u>2006/07</u> | <u>2005/06</u> |
|--|------------------|------------------|
| <u>Operation Allocation</u> | | |
| Prior year | \$ 89,896 | \$ 85,879 |
| Add: Increased expenditure to maintain level of service: | | |
| • Increments | 1,410 | 1,200 |
| • Increased employee commitments | 2,000 | 1,310 |
| • Non-salaried inflation | 420 | 425 |
| | <hr/> 3,830 | <hr/> 2,935 |
| Budget increases - instruction services | } 500 | 291 |
| Budget increases - support services and operations | | 98 |
| Budget increases - one year only | - | 480 |
| Revenue generating activities | <hr/> 212 | <hr/> 213 |
| Current year | \$ 94,438 | \$ 89,896 |
| <u>Other Allocations</u> | | |
| Contingency reserve | 800 | 800 |
| Foundation - endowment matching funds | 200 | 200 |
| Foundation - student financial aid | 400 | 300 |
| Capital - library materials | 500 | 400 |
| Capital - furniture, fixtures & equipment | 2,250 | 2,000 |
| Capital - renovations & facility renewal | 1,860 | 2,263 |
| Capital - major capital | <hr/> 2,000 | <hr/> 2,000 |
| Total allocations | <hr/> 102,448 | <hr/> 97,859 |
| Projected revenues | <hr/> 102,448 | <hr/> 97,859 |
| Projected revenues less planned expenditures | <hr/> <hr/> \$ - | <hr/> <hr/> \$ - |



Kwantlen
UNIVERSITY COLLEGE

BOARD: Regular
MEETING DATE: 15 March 2006
SCHEDULE NO.: R 7 a iv
PREPARED BY: Roy Daykin

BOARD ITEM / Operational Consent Agenda

Issue: Furniture, Fixtures & Equipment Capital Budget 2006/2007

For Approval: THAT the Board of Governors approve the 2006/2007 Furniture, Fixtures & Equipment Capital Budget for Kwantlen University College.

For Information: Budget documents are attached.

Our Mission:

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Kwantlen

UNIVERSITY COLLEGE

Furniture, Fixtures and Equipment Capital Budget

2006/07

| | <u>2006/07</u> | <u>2005/06</u> |
|--|---------------------|---------------------|
| Funding available | | |
| Revenue allocation | \$ <u>2,250,000</u> | \$ <u>2,000,000</u> |
| Proposed allocation | | |
| Technology | | |
| Desktops | \$ 700,000 | \$ 700,000 |
| Classroom | 200,000 | 400,000 |
| Non-classroom & infrastructure | 670,000 | 220,000 |
| Non-technology | | |
| Academic Services | 340,000 | - |
| Information, Strategy and Development Services | 150,000 | - |
| Student and Administrative Services | 100,000 | - |
| Learning | - | 330,000 |
| Learner Support | - | 275,000 |
| Emergent needs | <u>90,000</u> | <u>75,000</u> |
| | <u>\$2,250,000</u> | <u>\$2,000,000</u> |



Kwantlen
UNIVERSITY COLLEGE

BOARD: *Regular*
MEETING DATE: *15 March 2006*
SCHEDULE NO.: *R 7 a v*
PREPARED BY: *Roy Daykin*

BOARD ITEM / Operational Consent Agenda

Issue: **Renovation & Facility Renewal Capital Budget 2006/2007**

For Approval: **THAT the Board of Governors approve the 2006/2007 Renovation & Facility Renewal Capital Budget for Kwantlen University College.**

For Information: **Budget documents are attached.**

Our Mission:

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Kwantlen

UNIVERSITY COLLEGE

Renovations and Facility Renewal Capital Budget

2006/07

| | <u>2006/07</u> | <u>2005/06</u> |
|---|--------------------|--------------------|
| Funding available | | |
| Ministry funding | \$1,860,500 | \$1,743,600 |
| Ministry funding one-time grant | <u>-</u> | <u>520,000</u> |
| | <u>\$1,860,500</u> | <u>\$2,263,600</u> |
| | | |
| Proposed allocation | | |
| Renovations | \$ 325,000 | \$ 525,000 |
| Long term site planning | 400,000 | - |
| Technology infrastructure cyclical maintenance | 440,000 | 450,000 |
| Facility cyclical maintenance projects | 495,500 | 788,600 |
| Reserve for emergencies and future major projects | <u>200,000</u> | <u>500,000</u> |
| | <u>\$1,860,500</u> | <u>\$2,263,600</u> |



Kwantlen
UNIVERSITY COLLEGE

BOARD: *Regular*
MEETING DATE: *15 March 2006*
SCHEDULE NO.: *R 7 a vi*
PREPARED BY: *Roy Daykin*

BOARD ITEM / Operational Consent Agenda

Issue: **Contingency Reserve Appropriation 2006/2007**

For Approval: **THAT the Board of Governors approve an appropriation of \$2 million of the operating fund contingency reserve to the capital fund.**

For Information: Budget documents are attached.

Our Mission:

We create an exceptional learning environment committed to preparing learners for leadership, service and success.

Item: Appropriation of \$2 million to the Capital Fund from the Operating Fund Contingency Reserve

Background: The University College is in the midst of a \$78 million capital expansion. These projects are jointly funded by the Ministry of Advanced Education (\$64 million) and Kwantlen (\$14 million). The funding was agreed to prior to the recent upturn in the local economy. To date, Kwantlen has accumulated a total of \$6 million for these projects through the annual major capital allocation of \$2 million that began in 2003/04.

Currently, we believe that the projects will be on or close to budget despite substantial ongoing construction cost escalation in the Lower Mainland. The government's stated position is that they will not fund construction escalation in the post-secondary system, suggesting that Kwantlen is responsible for any cost overruns.

During this time, the University College operating fund contingency reserve has grown to approximately \$4 million. As a result of this growth, the contingency reserve presents an opportunity for the institution to adjust its capital funding strategy to the advantage of the University College. The recommendation being brought forward is to allocate \$2 million of the operating fund contingency reserve to support major capital expenditures for the following reasons:

1. Kwantlen has had the good fortune of developing a relationship with the Ministry of Advanced Education that has enabled Kwantlen to expedite major capital projects beyond historic precedents. This has allowed the institution to avoid some construction cost escalation by starting and completing projects sooner. The early completion will require our share of the funding sooner than previously planned.
2. While the operating fund contingency reserve is important, its current standing allows us the flexibility to not only withdraw \$2 million, but also sustain \$2 million for emergency situations.
3. This strategy also allows the institution to put resources to good use while avoiding unnecessary interest costs in view of any debt financing.

With the \$2 million appropriation from the operating fund contingency reserve for major capital and the 2006/07 allocation of \$2 million from revenue, a total of \$10 million will have been set aside by 2006/07. This will leave only \$4 million remaining for Kwantlen to complete its commitment to these projects. The early funding of the University College's existing major capital funding obligation will provide the institution with more capital flexibility to meet current and future initiatives.



Kwantlen
UNIVERSITY COLLEGE

BOARD: *Regular*
MEETING DATE: *15 March 2006*
SCHEDULE NO.: *R 7 a i*
PREPARED BY: *Roy Daykin*

BOARD ITEM / Operational Consent Agenda

Issue: **2006/07 Budget Background Material**

For Information: **Inclusions:**

1. Planning Assumptions 2006/07 to 2008/09
2. Revenue chart
3. Expenditure chart
4. Projected Revenues and Expenditures 2006/07 to 2008/09

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UNIVERSITY COLLEGE

Planning Assumptions

2006/07 to 2008/09

1. **Ministry grant** is based upon communication with Ministry of Advanced Education and Industry Training Authority staff. The ministry grant amount includes estimates to fund increased employee commitments resulting from collective and working condition agreement changes and other inflationary impacts. Funding for further increases in employee commitments is unknown at this time and has not been included.

The Industry Training Authority funding is unknown beyond 2006/07 but has been included at the same level in planning for 2007/08 and 2008/09.

2. **Domestic student tuition** is based on maintaining the same level of enrolments in 2006/07 as achieved in 2005/06 and meeting 95% of the government student FTE target in 2007/08 and 100% of the target in 2008/09. The rate of domestic student tuition increase is set by public policy. A rate increase of about 2% is included for each of 2006/07, 2007/08, and 2008/09 based on information provided by the Ministry.
3. **International student tuition** includes no change in FTE or tuition rate for 2006/07 to 2008/09.
4. **Revenue generating activities** will contribute 15% of gross revenues to general revenue. Expenses are expected to be 85% of revenues.
5. **Application & other fees** in 2006/07 include a 0.25% increase in the library fee rate that is being directed to fund an increase in library materials. A technology fee of \$4 per undergraduate and vocational course is being introduced to fund increases in student technology and equipment. No rate increases are included beyond 2006/07 but planned growth in student FTE has been factored in.
6. **Increments, general salary and benefit increases** for known collective agreement and working condition employee commitments have been included in 2006/07. Impacts of future settlements are still unknown for 2006/07, 2007/08 and 2008/09; therefore, no further amounts have been included in the projections.

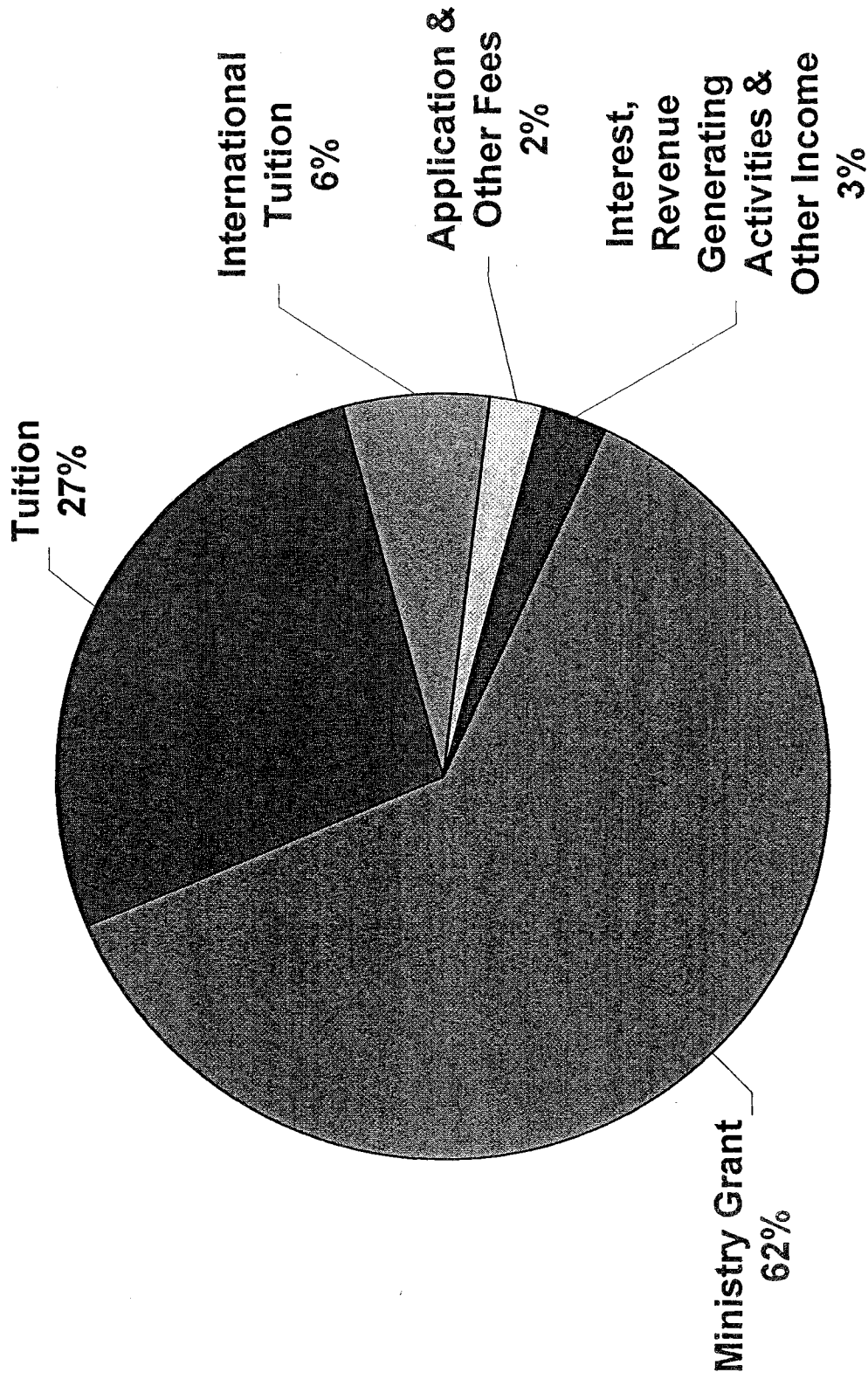
7. **Non-salaried inflation** is for contractual increases of non-salary purchases such as the increased costs of utilities and software licenses. The increase for 2006/07 is determined from discussions with senior and middle managers. The estimates for 2007/08 and 2008/09 are based on prior trends.
8. **Instructional increases** are for direct classroom expenses. All changes in instruction are being funded through shifts within the Academic Services area.

Instructional increases are based on meeting 95% of the government student FTE target in 2007/08 and meeting 100% of the target in 2008/09.

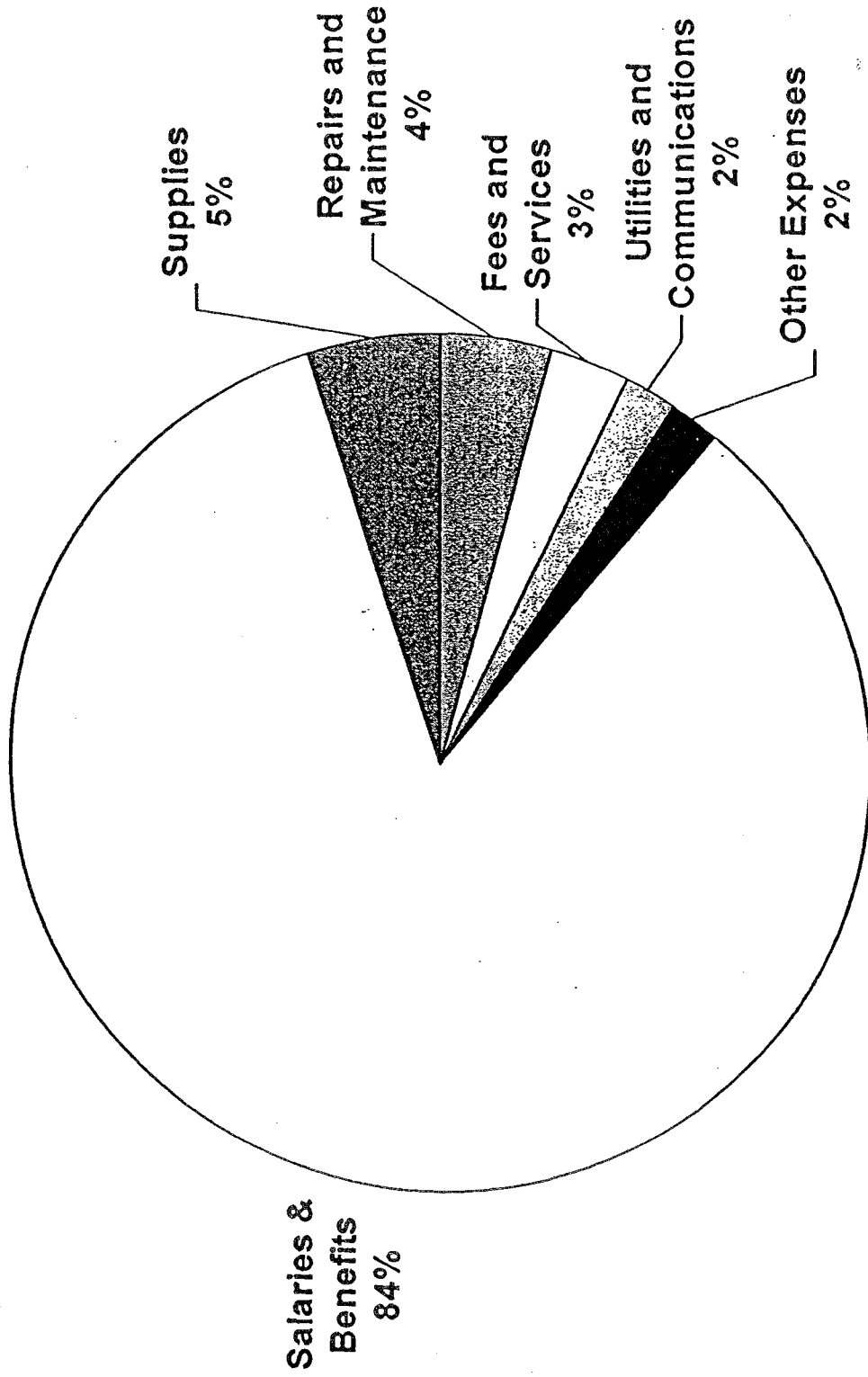
9. **Instruction and support services** are areas outside the classroom and include instructional administration, faculty coordination and general support areas. Estimates of increased instruction and support services for the Cloverdale campus and other service initiatives have been included in 2006/07, 2007/08, and 2008/09.
10. **One year only activities** are funded from the difference between a full year's budget for a new activity and the prorated budget in the initial year when the new activity is anticipated to begin after April 1.

Kwantlen University College

Sources of Revenue



Kwantlen University College Expenditures



Projected Revenues and Expenditures (Operations, Capital Student Aid) - 2006/07 to 2008/09

(in 000s)

| | <u>Budget</u> <u>2005/06</u> | <u>Projected</u> <u>2007/08</u> | <u>2008/09</u> |
|---|---------------------------------|---|-------------------|
| <u>Revenue Sources</u> | | | |
| Ministry Grant | \$ 60,264 | \$ 67,870 | \$ 69,868 |
| Tuition Fees | 32,615 | 34,067 | 37,300 |
| Revenue Generating Activities | 1,250 | 1,750 | 2,000 |
| Application & other fees | 2,350 | 2,916 | 3,178 |
| Other revenues, interest inc, recoveries, charges and transfers | 1,380 | 1,200 | 1,200 |
| Total Revenues (budgeted) | \$ 97,859 | \$ 107,803 | \$ 113,546 |
| <u>Operations Expenditure Plan</u> | | | |
| Previous year | \$ 85,879 | \$ 94,438 | \$ 101,718 |
| Add: Increased expenditure to maintain level of service | | | |
| - increments | 1,200 | 1,410 | 1,410 |
| - increased employee commitments | 1,310 | - | - |
| - non-salaried inflation | 425 | 400 | 400 |
| - reduction in lease expenses | - | (393) | (393) |
| | <u>2,935</u> | <u>1,417</u> | <u>1,417</u> |
| Budget increases - instruction | - | 4,900 | 5,300 |
| Budget increases - instruction services | 291 | } | } |
| Budget increases - support services and operations | 98 | 750 | 1,000 |
| Budget decreases | - | - | - |
| One year only increases | 480 | Funded from delayed start of ongoing activities | 213 |
| Revenue generation activities (85% of revenues) | 213 | 213 | 213 |
| Operation allocation | <u>\$ 89,896</u> | <u>\$ 101,718</u> | <u>\$ 109,648</u> |
| <u>Other Allocations</u> | | | |
| Contingency reserve | 800 | 800 | 800 |
| Foundation - endowment matching funds | 200 | 200 | 200 |
| Foundation - student financial aid | 300 | 400 | 400 |
| Capital - library materials | 400 | 500 | 500 |
| Capital - furniture, fixtures & equipment | 2,000 | 2,250 | 2,250 |
| Capital - renovations & facility renewal | 2,263 | 1,860 | 1,860 |
| Capital - major capital | 2,000 | 2,000 | 2,000 |
| Total allocations | \$ 97,859 | \$ 109,728 | \$ 117,658 |
| Difference based on status quo plus ministry growth | \$ - | \$ (1,925) | \$ (4,112) |