

## **2020/21 BUDGET ASSUMPTIONS**

### **1. General**

The 2020/21 budget proposals will be compiled initially on the basis that, with the exception of the changes listed below, the College will continue recruitment and enrolment strategies, and maintain existing programs, operations and staffing levels while ensuring new and existing government mandates are met. In the event that the budget cannot be balanced on this basis the College will look for ways to maximize the utilization of College resources within the constraints of legislation, financial accountability and collective agreements. Specific strategies, actions and areas will be identified whereby costs can be reduced and/or revenues increased so as to bring the budget into balance. Grant and tuition fee assumptions may be revised when further information is received.

### **2. Government Grants**

- 2.1 The 2020/21 block operating grant allocation is not yet available; therefore it will be projected using 2019/20 grant allocation as outlined in the July 18, 2019 budget letter, less any one-time special funding and including current Economic Stability funding and known increases for additional ongoing programs. This amount is \$32,438,256 and will be updated when the actual allocation has been determined.
- 2.2 Other grants and subsidies for special projects received during the 2019/20 fiscal year from various government and external sources will not be repeated; however, to the extent that such special projects remain incomplete at March 31, 2020, applicable revenue and expenses will be deferred. If other special grants become available associated expenses will commence to coincide with the term of the grant.
- 2.3 Grants for leases will be adjusted to take account of any increases in the applicable rents.
- 2.4 Funding for Apprenticeship, Foundation Level Trades Training and other programs received through the Industry Training Authority will be not less than the base year in the ITA Training Plan.

### **3. Tuition Fees**

- 3.1 Fees received before March 31, 2020 and relating to tuition and courses to be delivered after that date will be deferred in accordance with normal accounting practices.

- 3.2 In January 2020, an assessment will be made of the estimated enrolments for the 2020/21 Academic Year for each program using the actual figures for 2019/20 as a base.
- 3.3 Tuition and mandatory fees will be calculated using the approved government fee rate.

#### **4. Other Revenue**

- 4.1 Fees for other activities and services will be assessed in the fall of 2019 and recommendations will be made on rates and volumes. In the interim such revenues will be left at the 2019/20 Budget amounts - per 1 above.
- 4.2 Interest on short-term surplus funds will be calculated in January 2020 using the greater of the 90-day Treasury bill rate or the BC Central Deposit Program rate based on the estimated average level of such funds.
- 4.3 Total costs to students will be reviewed; look for mitigation options for cost increases.

#### **5. Special and Temporary Programs**

- 5.1 The revenue and expenses applicable to contracts and other programs, which commence prior to March 31, 2020 and continue thereafter, will be deferred, estimated or otherwise assessed and included in the 2020/21 Budget in accordance with normal accounting practices.
- 5.2 All campuses will continue to develop contracts and educational services that support the College's mandate.
- 5.3 The International Education department will continue to develop and increase student opportunities and contracts without negatively impacting the College operating budget.
- 5.4 During December 2019, departments will estimate likely activity for 2020/21 based on the business done in the previous year, negotiations then in progress, and their assessment of other likely opportunities.
- 5.5 The anticipated contribution to general College overhead on cost recovery activities will be consistent with the model developed in November 2015.

#### **6. Expenditures** (Regular base funded operations)

- 6.1 Cost Centre expenses will be included on a "status quo" basis compared to the 2019/20 Budget which will only recognize increases that are due to

unavoidable contractual or other obligations, the most important of which are indicated below.

6.2 Salaries will be included and/or adjusted for the following:

- (a) the salary scales in the Collective Agreement with CUPE Local 4951, which expired June 30, 2019;
- (b) the salary scales in the Collective Agreement with the CNC Faculty Association, which expired March 31, 2019;
- (c) step increases on the appropriate date for staff not yet at the top of their applicable scale;
- (d) additional professional development and vacation for part time faculty who become "non-regular" or are "regularized";
- (e) annualization of new positions, if any, commenced during the previous year;
- (f) reclassifications, reassessed and corrected step placements, where applicable;
- (g) ongoing effect of lay-offs, retirements and resignations occurring during the previous year;
- (h) educational, unpaid, sick and LTD leaves of absence - returning and departing;
- (i) errors and omissions from the previous budget, if any;
- (j) timing changes, transfers between departments and reallocations within departments provided this does not result in an increase in costs;

6.3 Benefit costs (which exclude leaves of absence) will remain at an average cost of 25.00% of salaries for full time faculty and 21.75% for all other employees. This will be reassessed in January 2020 to take any further information into account and will be updated at that time if necessary.

6.4 Non-salary costs will be adjusted if there is a confirmed commitment (e.g. rents) or cost change for essential activities, services or supplies.

6.5 There will be no general increase to recognize the effects of inflation (this will be the thirty-third successive year). Anticipated budget overruns for 2019/20 will not be perpetuated unless such overruns were due to unavoidable contractual or other obligations, which continue into 2020/21.

6.7 The costs of new or special projects, programs, courses, sections, if any, that commence before March 31, 2020 will be continued up to their termination date only. In many cases, these will have been specially funded.