



**SENATE STANDING COMMITTEES
ON ACADEMIC PLANNING AND PRIORITIES
AND ON UNIVERSITY BUDGET**

Friday, November 16, 2018

9:00 a.m. - 12:00 p.m.

Surrey, Cedar Board Room 2110

AGENDA

- | | | |
|---|-------------|-------|
| 1. Call to Order | Jane Fee | 9:00 |
| 2. Approval of Agenda | | |
| 3. Approval of Minutes, September 28, 2018 | | |
| 4. Chair's Report | | |
| 5. Budget Assessment | David Burns | 9:15 |
| 5.1. Senate Priorities for 2019 / 2020 Budget | | |
| 5.2. Assess Alignment of Budget Requests | | |
| 6. Items for Discussion | Jane Fee | 10:15 |
| 7. Adjournment | | |



SENATE STANDING COMMITTEES ON ACADEMIC PLANNING AND PRIORITIES AND ON UNIVERSITY BUDGET

MINUTES OF REGULAR MEETING

Friday, September 28, 2018

9:00 a.m. – 12:00 p.m.

Surrey Campus Boardroom, Cedar 2110

SENATE STANDING COMMITTEE ON ACADEMIC PLANNING AND PRIORITIES		
Present: (Quorum: 7 voting members)		Ex-Officio / Non-voting
Richelle Hughes Xing Liu Carolyn Robertson Sharon Leitch	Allyson Rozell Lincoln Saugstad Peter Warren Lindsay Wood	David Burns Stephanie Chu Jane Fee (Chair) Zena Mitchell Lori McElroy
		Ex-Officio / Voting
		Alan Davis
Regrets:		
David Florkowski Sholto Scruton Ann-Marie McLellan	Tom Westgate Sal Ferreras Steve Cardwell	
SENATE STANDING COMMITTEE ON UNIVERSITY BUDGET		
Present: (Quorum: 7 voting members)		Ex-Officio / Non-voting
Kristan Ash Barnabe Assogba Faith Auton-Cuff Sonu Bratch Stefanie Broad Caroline Daniels	Stephanie Howes Stephanie Phillips Diane Purvey Christina Wilcox Elizabeth Worobec	David Burns (Chair) Jane Fee Joe Sass
		Ex-Officio / Voting
		Alan Davis
Regrets:	Senate Office	Guests:
Jon Harding Sukey Samra Sal Ferreras Seanna Takacs Tom Westgate	Rita Zamluk, Administrative Assistant University Senate	Wendy Ip Josephine Chan Elena Franco

1. Call to Order

The Chair, Jane Fee, called the meeting to order at 9:00 p.m. The members of the committees introduced themselves. She welcomed new members.

2. Approval of Agenda

The Chair moved item 6. *Budget Endorsement* to be earlier in the agenda before the discussion of item 5. *Concept Paper: Bachelor of General Studies*.

Stephanie Howes moved the agenda be confirmed as amended.

The motion carried.

3. Approval of Minutes

3.1. SSCAPP Minutes, May 11, 2018

Carolyn Robertson moved the minutes be accepted as circulated.

The motion carried.

3.2. SSCUB_SSCAPP Minutes, June 6, 2018

Diane Purvey moved the minutes be accepted as circulated.

The motion carried.

4. Chairs' Report

The Chairs did not provide reports.

5. Budget Endorsement

5.1. Preparation for University Budget Presentations

The Vice-Chair of Senate provided an overview of the roles of the Committees in the assessment of the budget.

In his introduction, Joe Sass, Executive Director, Financial Services, defined and discussed centralized budgets, economies of scales, assisting Faculties to prepare for the budget presentations, and the developing process to plan for multi-year projects. In his presentation, Joe Sass discussed the need to align divisional objectives with KPU priorities, taking a multi-year approach to budgeting to allocate resources to maximum benefit, key initiatives, risks and opportunities, the need to understand cost drivers to allocate funds effectively, and producing a budget that includes capital requests and alignment with KPU priorities to produce a budget that contains both an operating and capital budget. In response to questions Joe Sass discussed the long-term planning for budgeting new programs based on the start dates of the programs. He thanked Lori McElroy and Institutional Analysis and Support for their information and support.

The Committees asked questions regarding ways to manage the "hoarding mentality," the information that will be provided to the committees to prepare for the budget, metrics for assessing service areas, base sections that don't translate into course offerings, balancing the budget for services through the year across all semesters, adding the approved projects to the KPU Finance SharePoint site, finding ways to making better use of what is already available, distributing the budget information to the committees earlier next year, clarity regarding the budgeting for new

programming, adding the role of the sustainability committee and strategic enrollment management plan to the preamble of the budget presentations, adding more rigorous costing in the program approval process to be sure the costing is in line with KPU priorities, and ensuring integrated decision-making.

The President, Alan Davis, clarified the role of the President is to present the budget to the Board of Governors for its review. Before presenting the budget, he requests advice from the “Group of 4”, a group made of the President, the Vice-President of Finance and Administration, Vice-President External Affairs, and the Vice-President, Academic, the Polytechnic University Executive (PUE), the President’s Council, the Senate, and the Board of Governors.

Regarding the sustainability of KPU, Alan Davis discussed the capacity of KPU to serve a large number of international students, the need to have a balanced budget, the additional information now available that suggests that current resources can be used to serve more students, adding caps to the number of international students, ways to distribute international students across KPU, and the budget required to meet domestic enrollment targets.

5.2. Role of Senate in Budget Assessment Process and 2019 / 2020 Key Dates

Jane Fee, and David Burns, the Chairs, provided an overview of the roles of SSCAPP and SSCUB in the budget endorsement process. They highlighted the initial priorities prepared in June, the governance framework of the *University Act* and the committee mandates, the value of committee members to inform other members of the constituency about the budget, the timeline and key dates for the process.

The Committees discussed ensuring that people are prepared for the budget presentations, replacing the phrase, “*budget development process*” with the phrase “*budget assessment process*”, and the possibility of combining the two committees.

Jane Fee, requested that people attend both budget presentations. The responsibility of members is to represent Senate, and to consider the purpose is to provide advice to the President.

The President encouraged members to ask hard questions, especially if a presentation is unclear, to help presenters clarify. The Vice-Chair of Senate supported this emphasis, and noted that public transparency and accountability are only served when difficult questions are asked.

The committee members said meaningful questions do come from SSCAPP and SSCUB. The committee requested discussions occur after the budget presentations to provide feedback to presenters. The Committee discussed replacing the phrase “*budget ask*” and with “*annual budget planning*” to reflect the strategic planning aspect of budget development.

Carolyn Robertson moved that the Senate Standing Committees on Academic Planning and Priorities and on University Budget recommend that Senate approves the revised *Role of Senate in Budget Assessment and 2019 / 2020 Key Dates* document and forward to KPU Finance for inclusion in their planning documents.

The motion carried.

6. Concept Paper: Bachelor of General Studies

Faith Auton-Cuff introduced the concept paper. She discussed the market need for the program and the target student, the structure and financing of the program, and the integration of the program with other institutions.

The Committees discussed the cost neutrality of the program, costs associated with projected increases in the assessment and awarding of transfer credit, ways to ensure that the program will generate outcomes without a heavy reliance on academic advising, the requirement for English 1100, including suggested pathways in the design of the curriculum, domestic students being attracted to the program, and streamlining the process for mature learners. KPU policies related to prior learning assessment and recognition (PLAR), transfer credit and advanced standing, graduation and residency requirements as well as allowable sharing of credits from previously awarded credentials were also discussed.

In response to questions, Faith Auton-Cuff and Diane Purvey discussed the framework for credits in every Bachelor's Degree, the potential budget request for a full-time academic advisor, collaboration with Thompson Rivers University (TRU) through a Memorandum of Understanding, distinguishing between competency-based PLAR through TRU, and course-based PLAR through KPU, retaining the flexibility of the Bachelor of General Studies (BGS), and continuing to review current policies to support the success of the BGS

The notion of upper level prerequisites as barriers in this program was discussed, with support to review our current prerequisite structure to see where prerequisites are necessary, if they should be specific courses versus general credit requirements (e.g. 60 credits) and whether in all cases prerequisites are in fact necessary for student success.

Issue of coherence in program: a collection of courses needs to have coherence, at some point a student needs to put forward their intentions. Need to define how the program coheres, perhaps through a degree plan to show external readers that the program was designed intentionally. There is also a need to ensure the outcomes we promise are achieved. Ensure the budget is available to the Learning Centre to teach skills such as Excel to assist students to prepare for courses.

Changes:

- last page typo (from 15 credits to 30 credits)
- Pg. 48 Remove "fairly" from "fairly unique"
- Pg. 60 – domestic tuition at \$136 / credit. Tuition has increased. Leave the rate out. Change to "KPU's current base rate of tuition"

Carolyn Robertson moved that the Senate Standing Committees on Academic Planning and Priorities and on University Budget recommend that Senate endorses the concept paper for the Bachelor of General Studies and recommends approval to the Board of Governors to proceed with development of the full program proposal.

The motion carried.

7. Items for discussion

David Burns introduced the topic. The Committees will postpone the discussions of the mandates and memberships to the time when the Committees discuss combining the two committees.

The Vice-Chair of Senate put forward a timeline for the discussion of the merging of the committee.

8. Adjournment

The meeting adjourned at 11:06 a.m.



SENATE STANDING COMMITTEES ON ACADEMIC PLANNING AND PRIORITIES AND ON UNIVERSITY BUDGET

Agenda Item: 5.1

Meeting Date: November 16, 2018

Presenter: David Burns

Agenda Item: Senate Priorities for 2019 / 2020 Budget

Action Requested:	<input checked="" type="checkbox"/> Motion to Approve <input type="checkbox"/> Discussion <input type="checkbox"/> Information <input type="checkbox"/> Education
Recommended Resolution:	THAT the Senate Standing Committees on Academic Planning and Priorities and on University Budget recommend that Senate agrees the Executive Budget Priorities, dated May 24, 2018, align with academic priorities and can be followed when developing the 2019 / 20 budget

Senate Standing
Committee Report:

For Senate Office Use Only

University Act, Section 62 (2): *The president must prepare and submit to the board an annual budget in consultation with the appropriate standing committee of the senate.*

SSC Academic Planning and Priorities Mandate: *Advise the Senate Standing Committee on the University Budget on the academic priorities for the allocation of funds.*

Context &
Background:

SSC University Budget Mandate: *On behalf of Senate, and in consultation with the Senate Standing Committee on Academic Planning and Priorities, advise the President and Vice-Presidents on the review and development of academic budgetary priorities, major capital plans, and the allocation of funds.*

On June 25, 2018 Senate reviewed and agreed with the Executive Budget Priorities listed in the attached memo dated May 24, 2018.

On October 12, and October 26, 2018 the members of the Senate Standing Committees on Academic Planning and Priorities and on the University

Budget listened to budget requests made by the KPU community to KPU Finance.

On November 5, 2018 the President, Alan Davis, confirmed the priorities in the attached memo are still valid.

The Committees will:

Key Messages:

1. Confirm the final list of academic budgetary priorities
2. Review the budget requests to confirm alignment of budget requests with academic priorities

Attachments:

1. KPU Memo_Executive Priorities_JH 05302018
2. Budget Presentations –
please access by logging in with your KPU username and password

Submitted by:

Rita Zamluk, Administrative Assistant, University Senate

Date submitted:

November 6, 2018

MEMORANDUM

TO: Senate Standing Committees on Academic Planning and Priorities, and University Budget

FROM: Jon Harding, Vice President, Finance and Administration

DATE: May 24, 2018

SUBJECT: Executive Budget Priorities

Dear Colleagues,

For development of the 2019/20 budget, the University executive will utilize the following organizational priorities set out in Vision 2023 and Academic Plan 2023:

- Enhancing the experience of our students by ensuring they have access to courses, experiential learning opportunities, as well as campus resources and facilities to support student learning, development and well-being.
- Enriching the experience of employees by providing access to professional development, internal advancement opportunities, and an inclusive workplace where all people are treated with dignity and respect.
- Creating an integrated planning culture to ensure KPU operations are aligned with our resources, thus allowing for institutional sustainability. A focus on strategic enrolment management (SEM) planning while aligning recruitment, admission and retention processes with KPU's capacity to meet demand and support student success.
- Seeking out cost saving initiatives and efficiencies to safeguard the financial stability of the University at large.
- Investing in teaching and learning by ensuring students receive quality instruction and a meaningful learning experience, while also ensuring that educators have the support to provide these experiences.
- Increasing the amount, intensity and impact of research at KPU by increasing support and funding.
- Building a welcoming and supportive place to increase enrolment and participation of indigenous students at KPU while enhancing services and support for indigenous learners and programming as outlined in and over the tenure of Academic Plan 2023.

Recognizing that revenue increases are expected to be modest on a go-forward basis, the executive will strive to ensure a financially prudent budget that is reflective of both executive and Senate priorities, while continuing to be transparent and accountable to the University community.

FY19 Financial Context

Prepared by:

Jon Harding, Vice President, Finance & Administration



Where thought meets action

Overview:

1. Background and Context
2. Growth at KPU – Pros and Cons
3. Summary of our Current Financial Climate
4. Opportunities
5. Implementing Vision 2023 and the Academic Plan
6. Conclusion



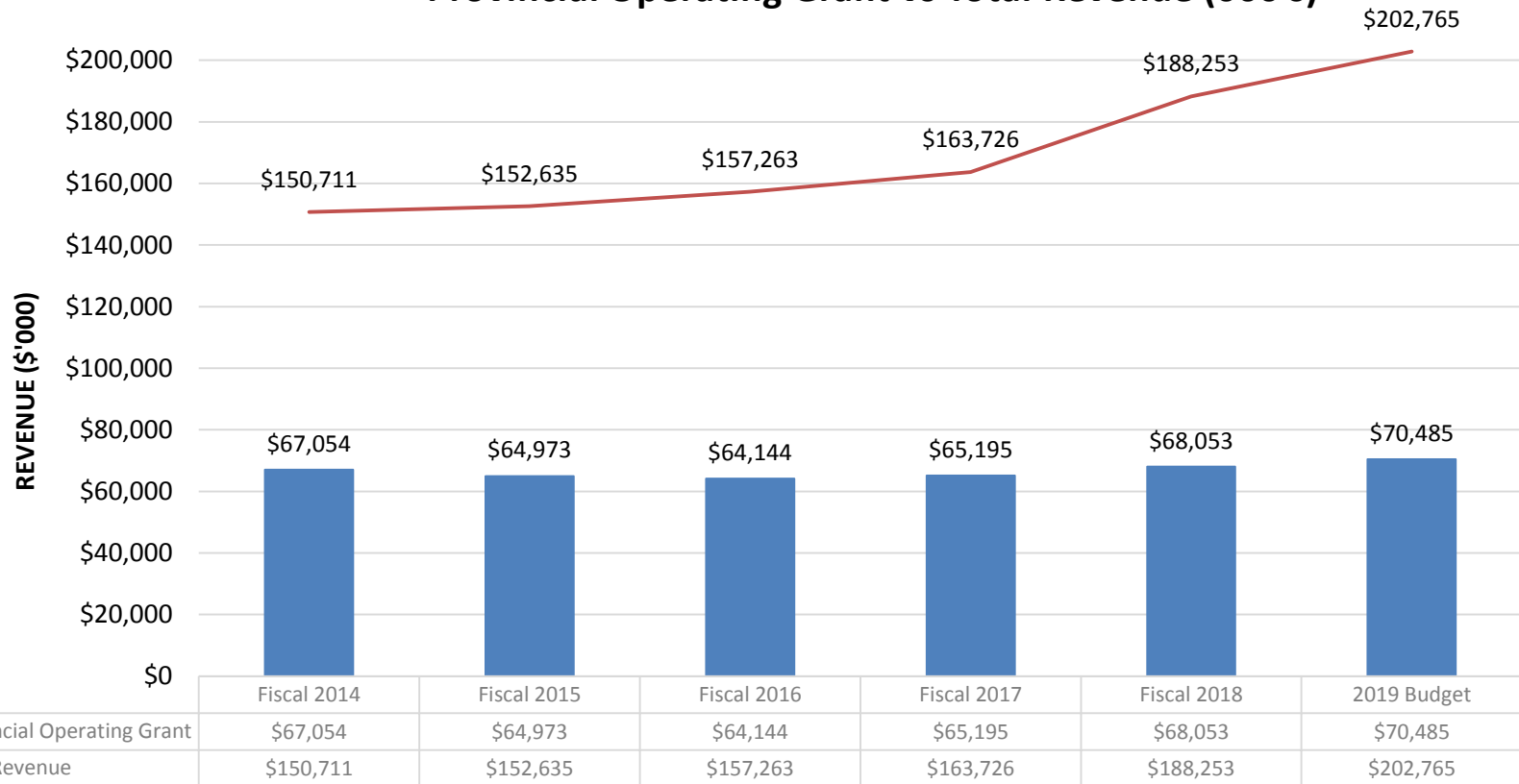
1. KPU Background Information

- KPU is a diverse, interconnected ecosystem where actions in one area impact all other areas.
- KPU is required by legislation to have a balanced budget:
 - Historically KPU's budget development has been expense rather than revenue driven.
- The complex socio-economic landscape creates a very challenging environment to manage from a financial perspective.
- Financial planning must be made on the basis of both academic priorities and organizational sustainability.
- Some key financial factors to consider include:



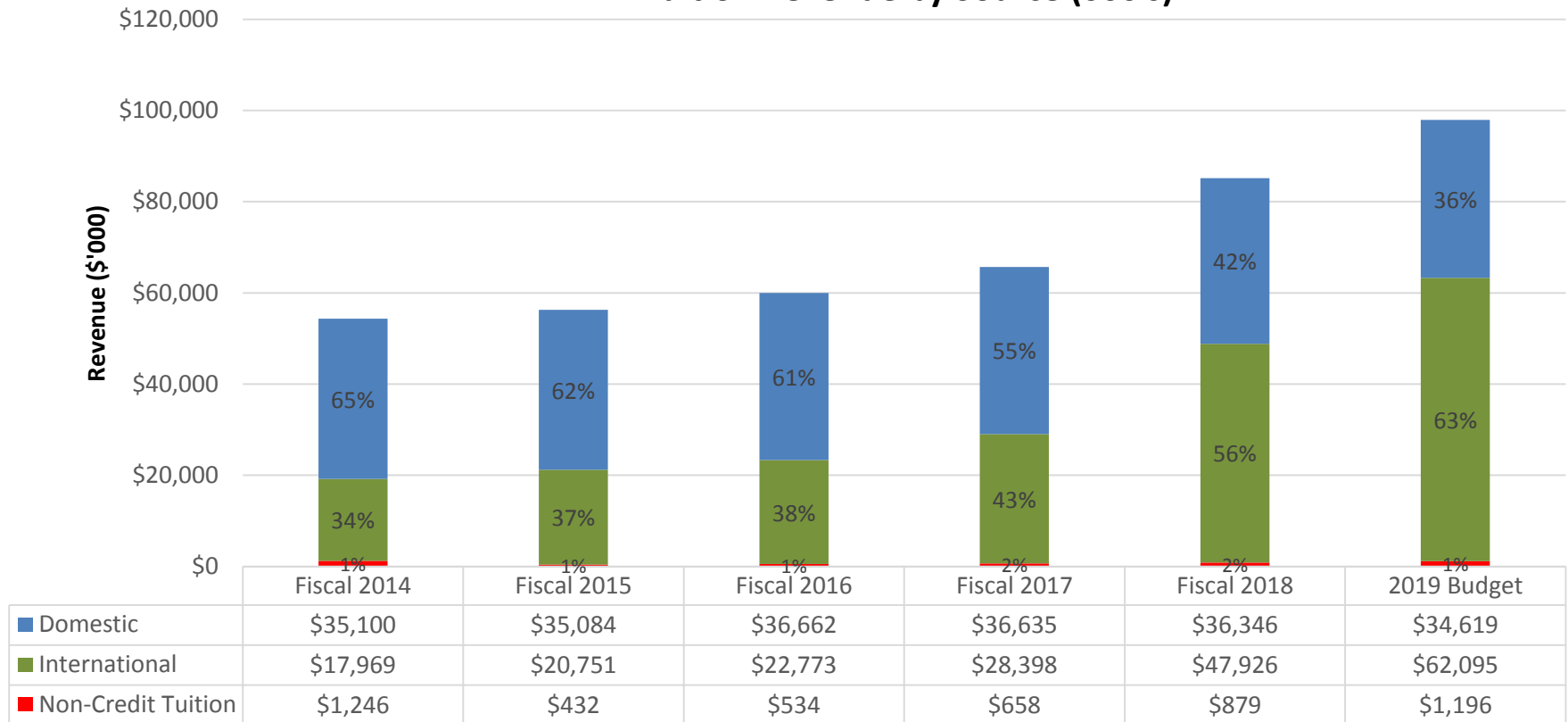
1. KPU Background Information – Cont.

Provincial Operating Grant vs Total Revenue (000's)



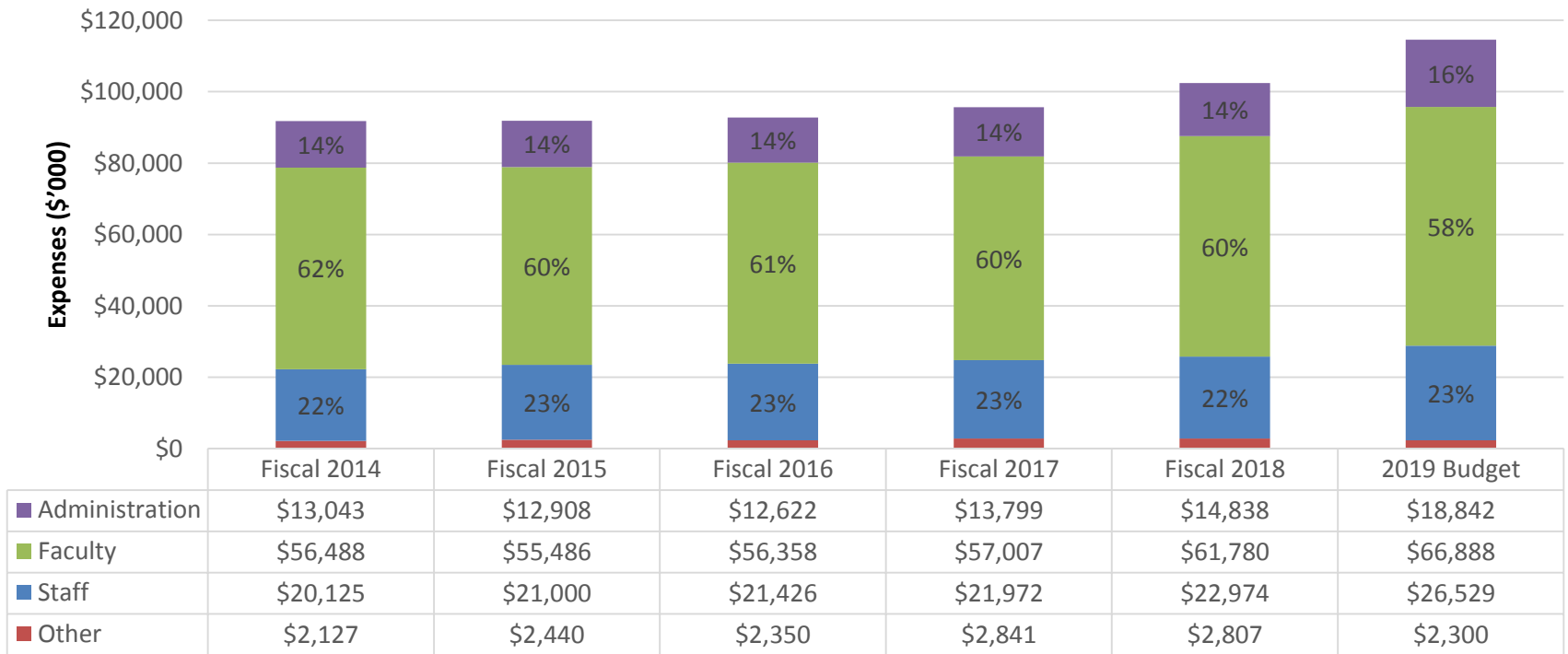
1. KPU Background Information – Cont.

Tuition Revenue by Source (000's)



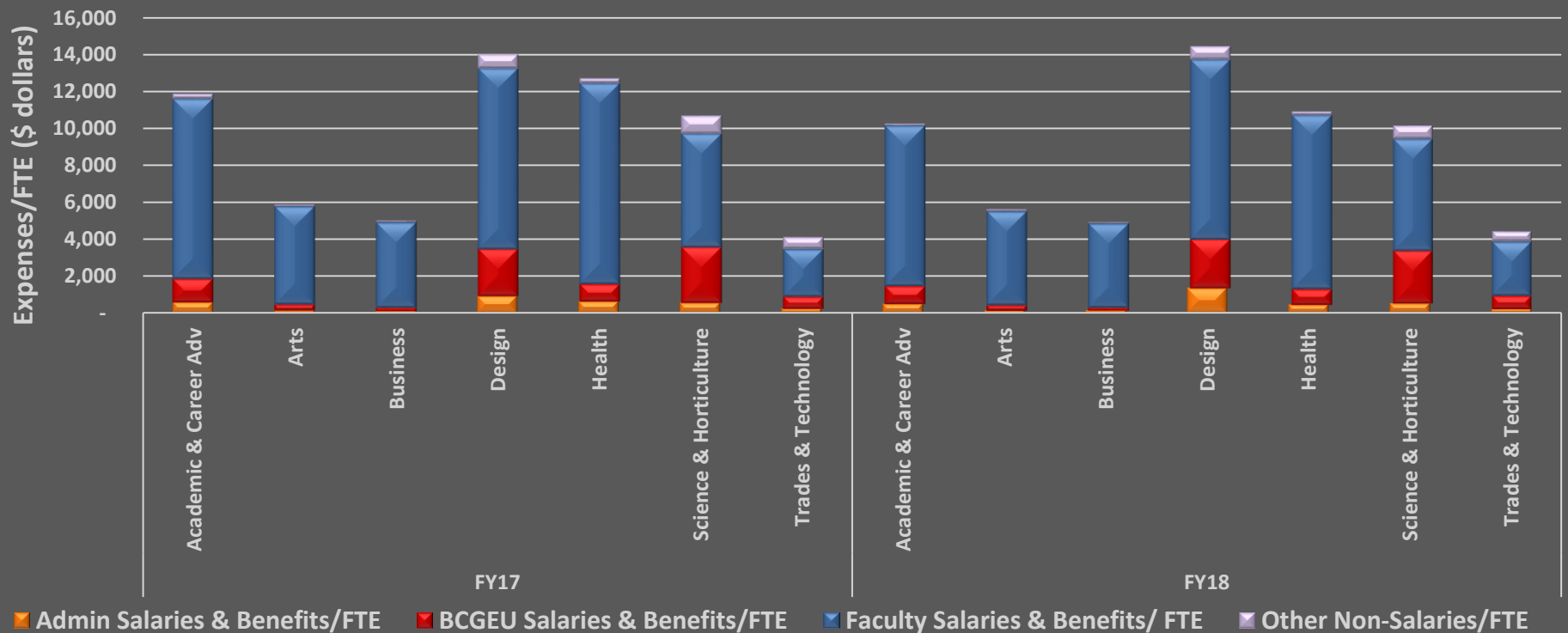
1. KPU Background Information – Cont.

Salary Expenses by Group

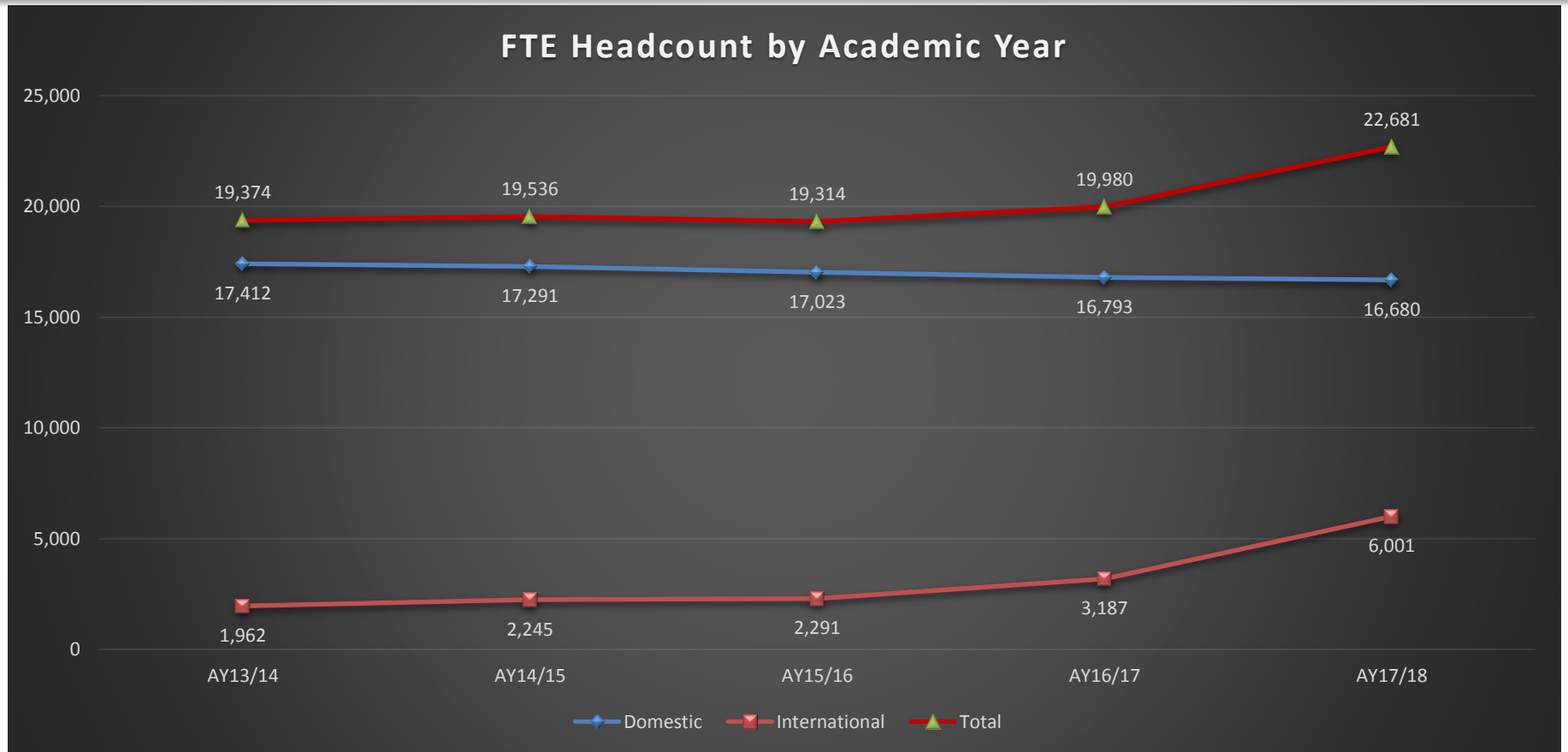


1. KPU Background Information – Cont.

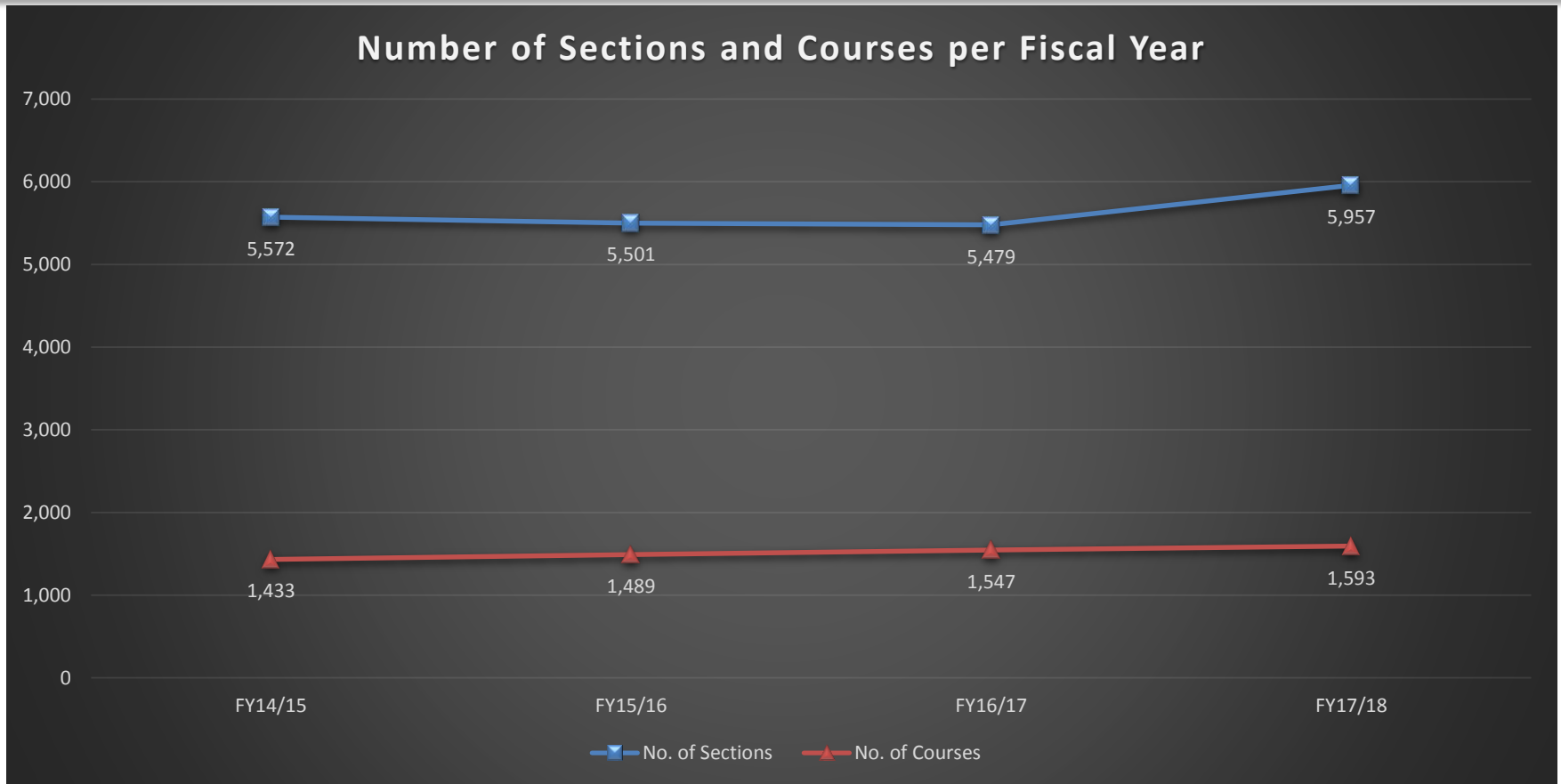
Expenses/Total Student FTE Per Course Faculty



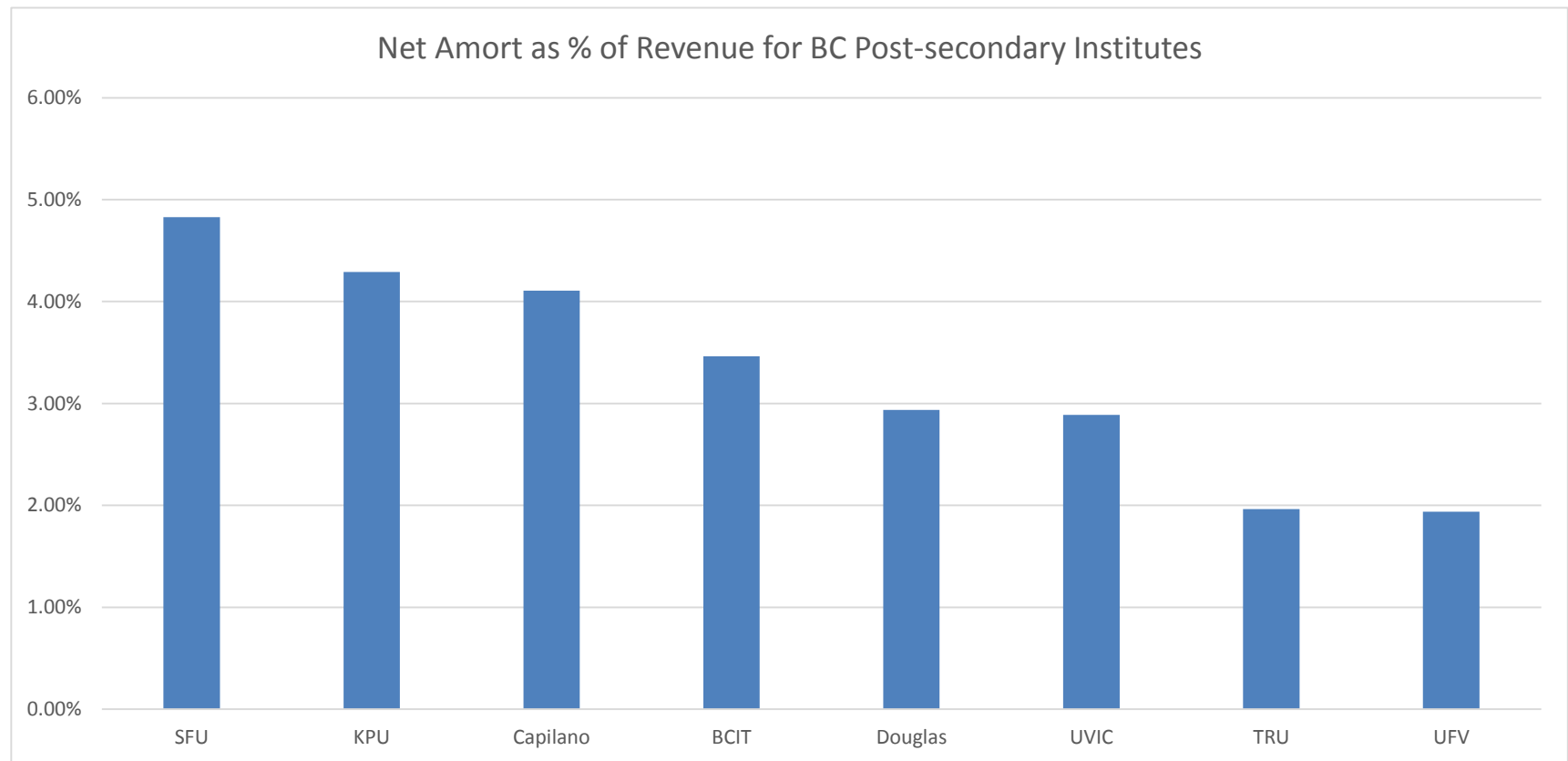
2. Growth at KPU – Pros and Cons – cont.



2. Growth at KPU – Pros and Cons – cont.

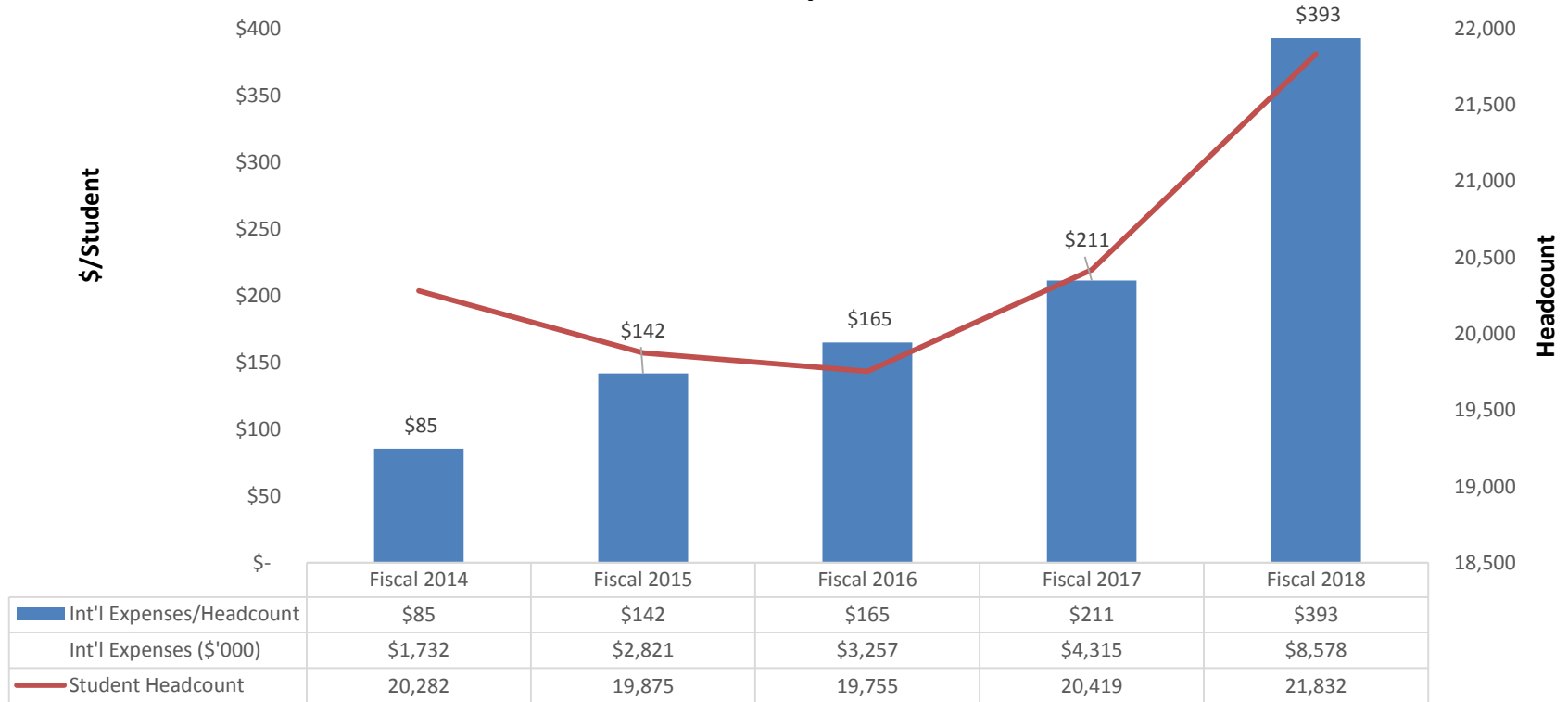


2. Growth at KPU – Pros and Cons



2. Growth at KPU – Pros and Cons – cont.

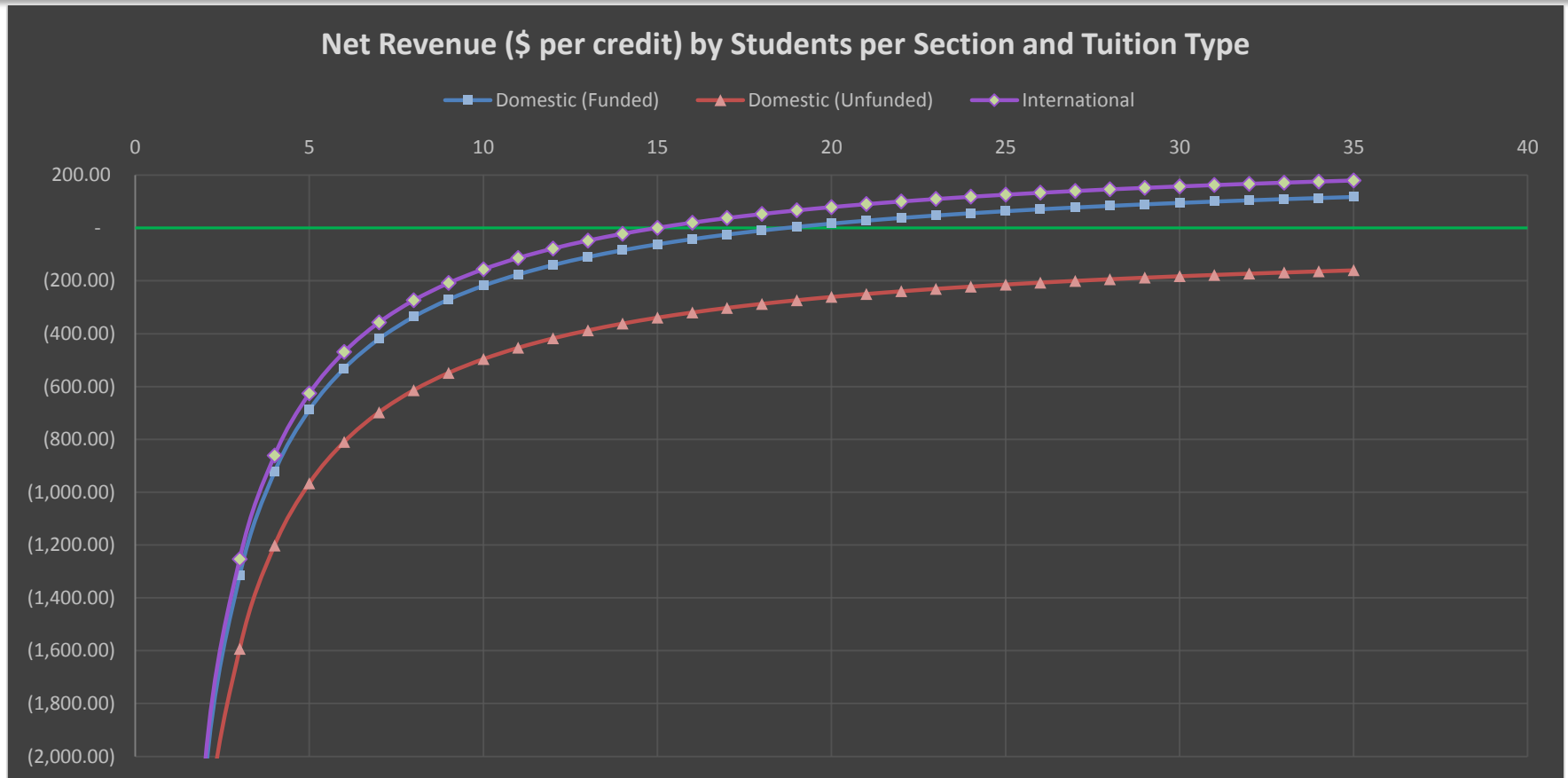
International Expenses Per Student



2. Growth at KPU – Pros and Cons – cont.

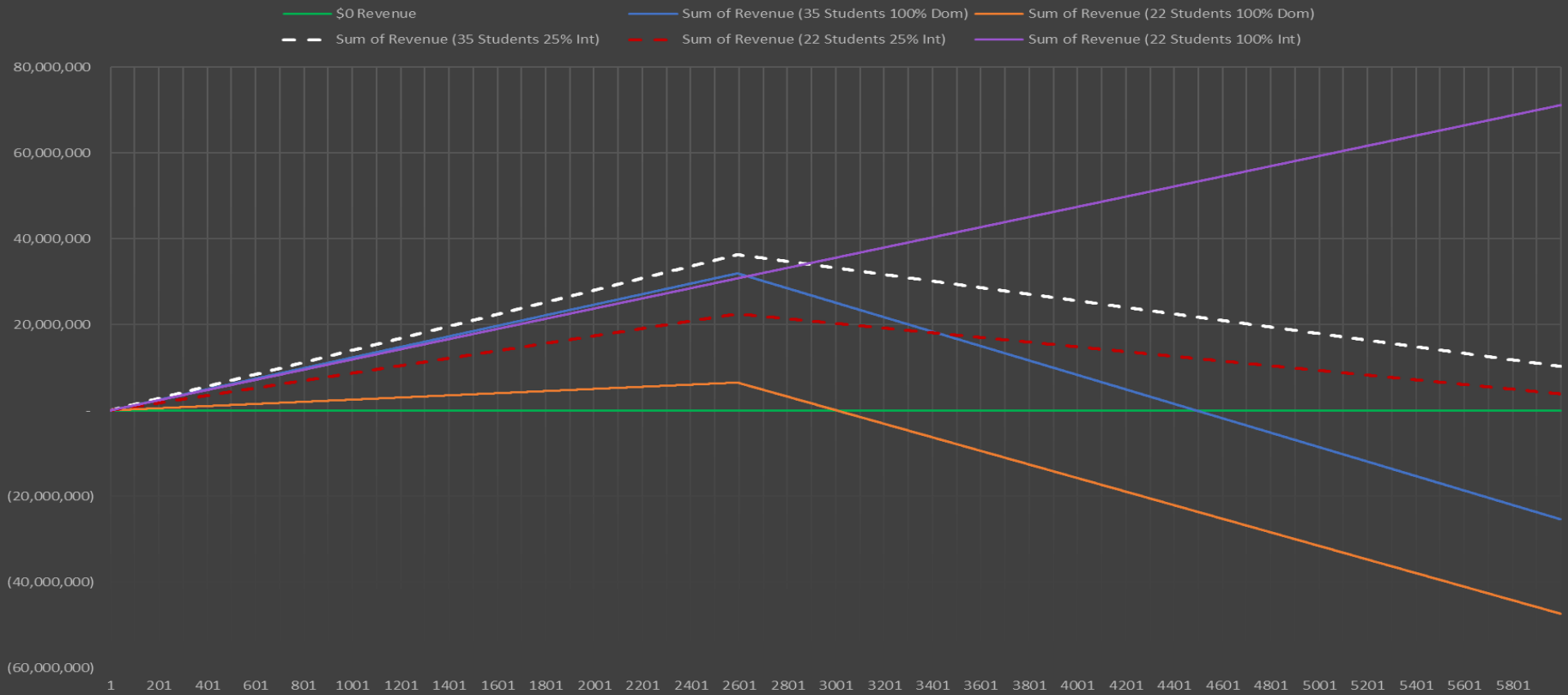
NET REVENUE PER CREDIT BY STUDENT TUITION TYPE CLASS SIZE OF 22 STUDENTS	Domestic (Funded)	Domestic (Unfunded)	International
Government Grant (per FTE)	8,328.74	-	-
Government Grant (per credit)	277.62	-	-
Tuition (per credit)	141.78	141.78	615.12
Gross Revenue (per credit)	419.40	141.78	615.00
KPU Overhead	(167.76)	(167.76)	(167.76)
Acad. Delivery Cost (per credit)	(213.78)	(213.78)	(213.78)
Int. Agent Commission fee			(92.25)
Int. Division Overhead (per credit)			(40.91)
Expenses (per credit)	(381.54)	(381.54)	(514.70)
Net Revenue (per credit)	37.86	(239.76)	100.30

2. Growth at KPU – Pros and Cons – cont.



2. Growth at KPU – Pros and Cons – cont.

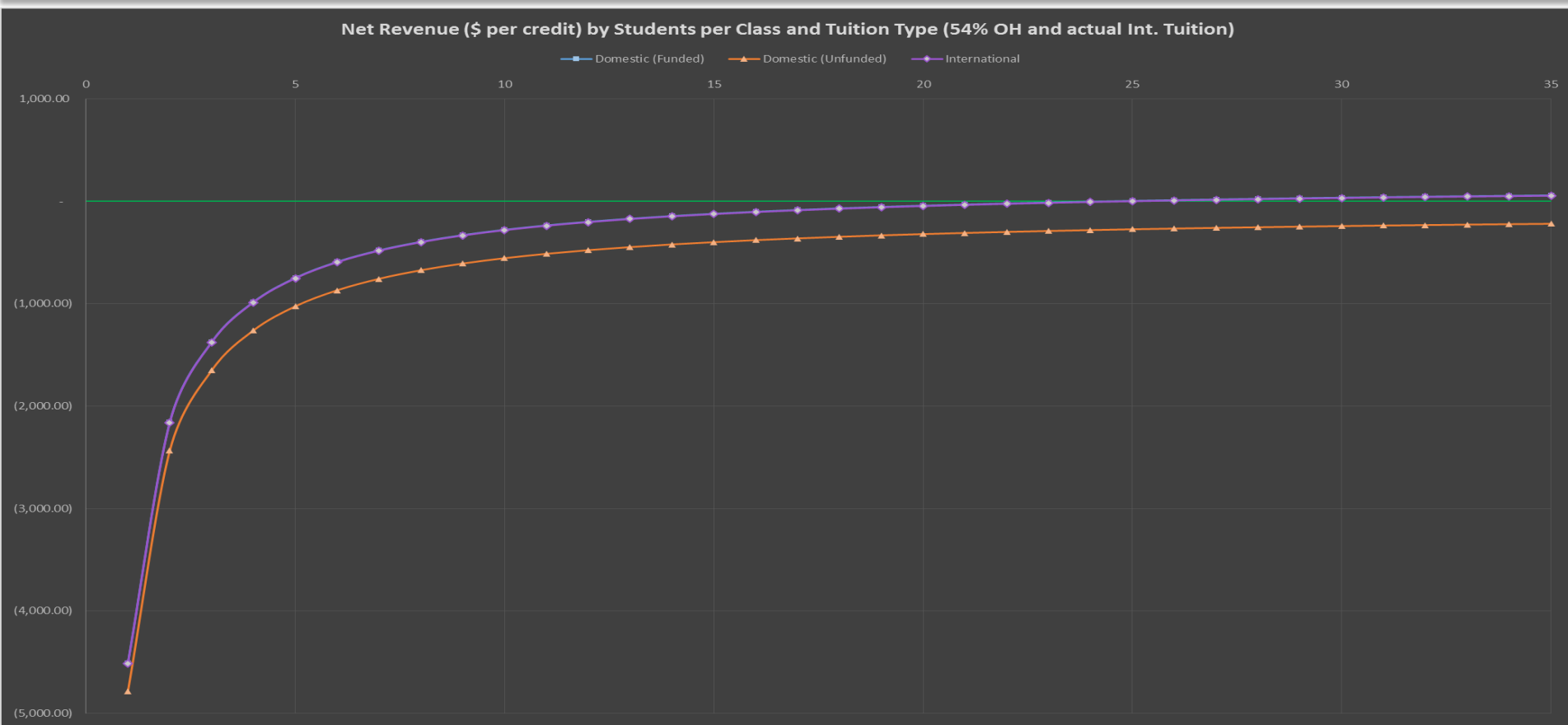
Cumulative Net Revenues (\$) based on Number of Sessions, Student Class Size and Composition



2. Growth at KPU – Pros and Cons – cont.

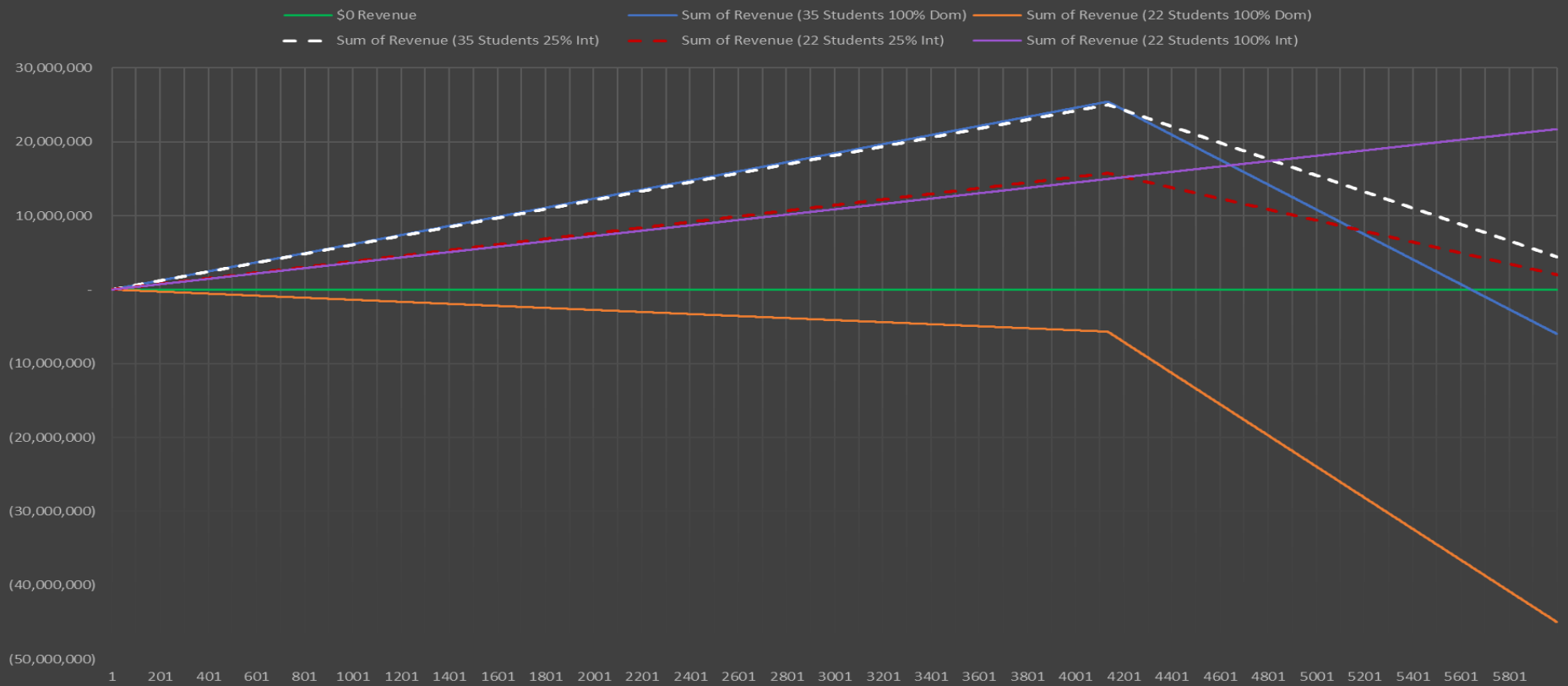
	Domestic (Funded)	Domestic (Unfunded)	International
Government Grant (per FTE)	8,328.74	-	-
Government Grant (per credit)	277.62	-	-
Tuition (per credit)	141.78	141.78	537.18
Gross Revenue (per credit)	419.40	141.78	537.18
KPU Overhead	(226.48)	(226.48)	(226.48)
Acad. Delivery Cost (per credit)	(213.78)	(213.78)	(213.78)
Int. Agent Commission fee			(80.58)
Int. Division Overhead (per credit)			(40.91)
Expenses (per credit)	(440.26)	(440.26)	(561.75)
Net Revenue (per credit)	(20.85)	(298.48)	(24.57)

2. Growth at KPU – Pros and Cons – cont.



2. Growth at KPU – Pros and Cons – cont.

Cumulative Net Revenues (\$) based on Number of Sessions, Student Class Size and Composition - "Actual" State



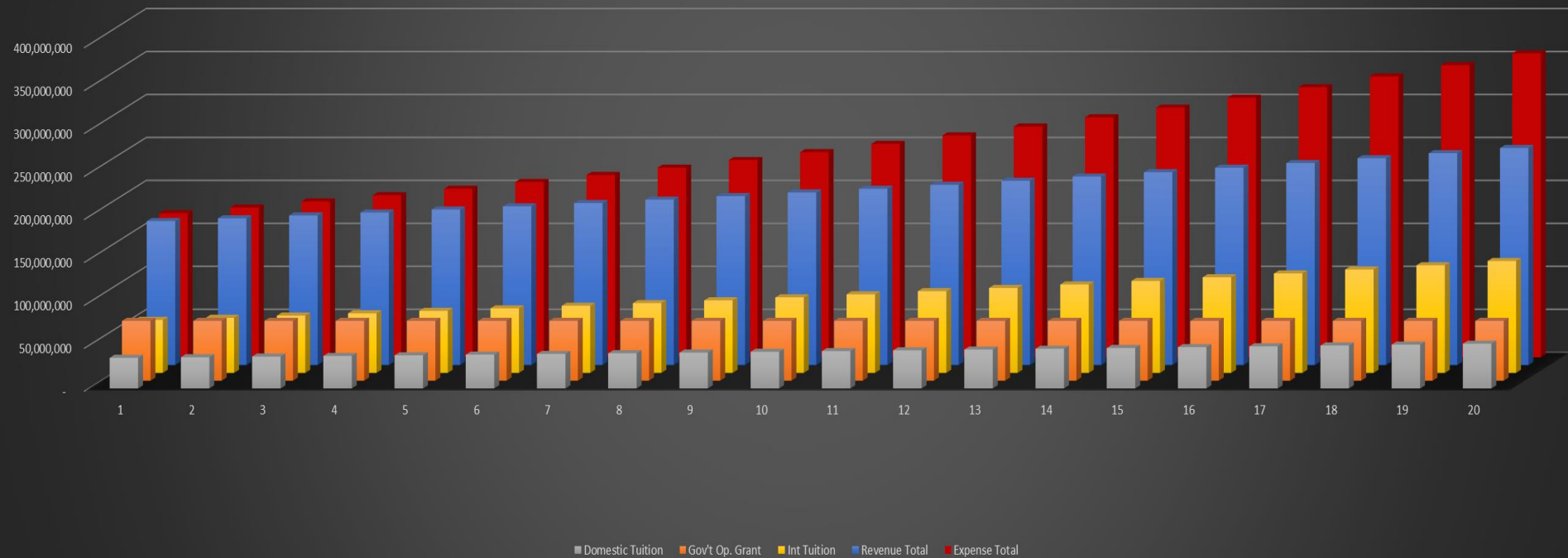
3. Summary of the Current Financial Climate

- An unsustainable financial environment has the potential to impact quality, experience and the ability to innovate and improve.
- Increased revenues are not sufficient to offset growing organizational costs:
 - Diminishing returns on increased enrollment.
 - Government funding for only a limited number of FTE's.
 - Operating budget restricted by capital investment amortization.
 - Limited reduction
 - in cost-ineffective programming.



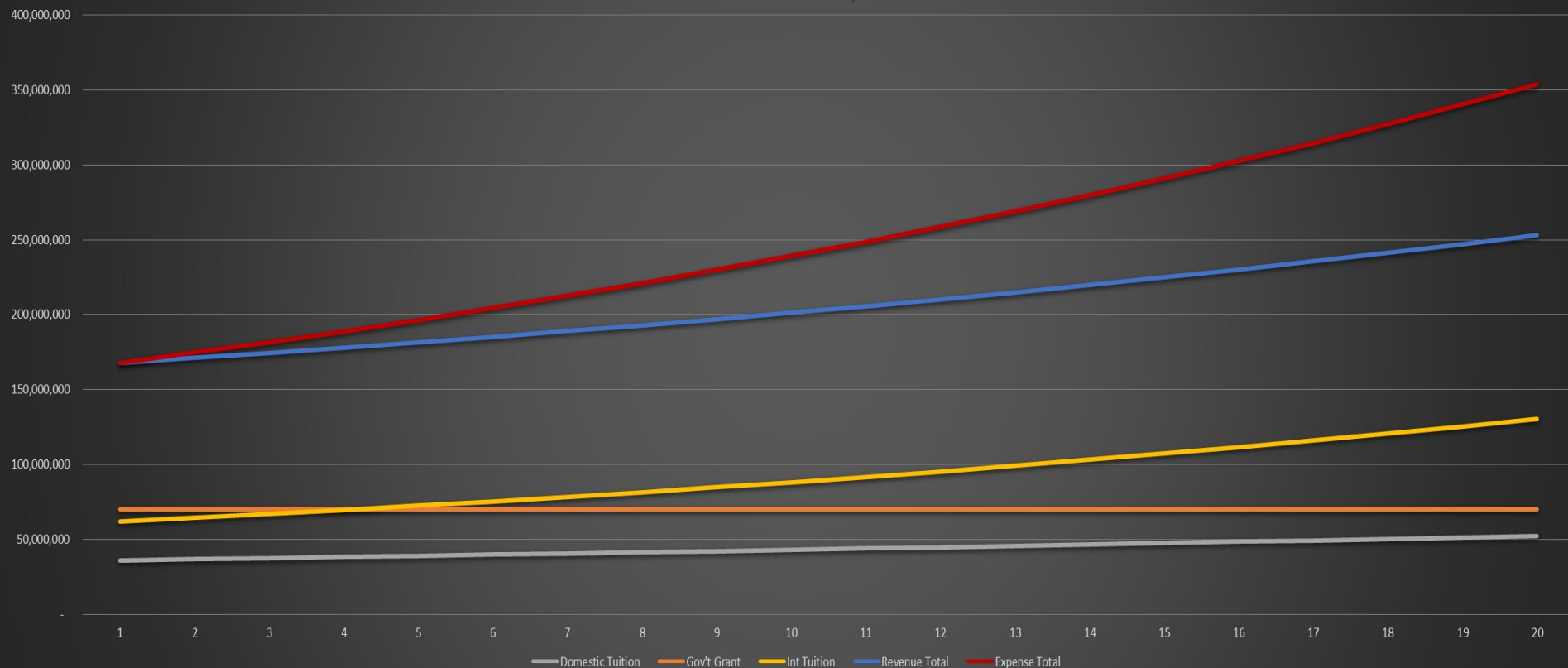
3. Summary of the Current Financial Climate – cont.

Grant and Tuition Revenue Increases vs. Expenditure Inflation Over 20 Years

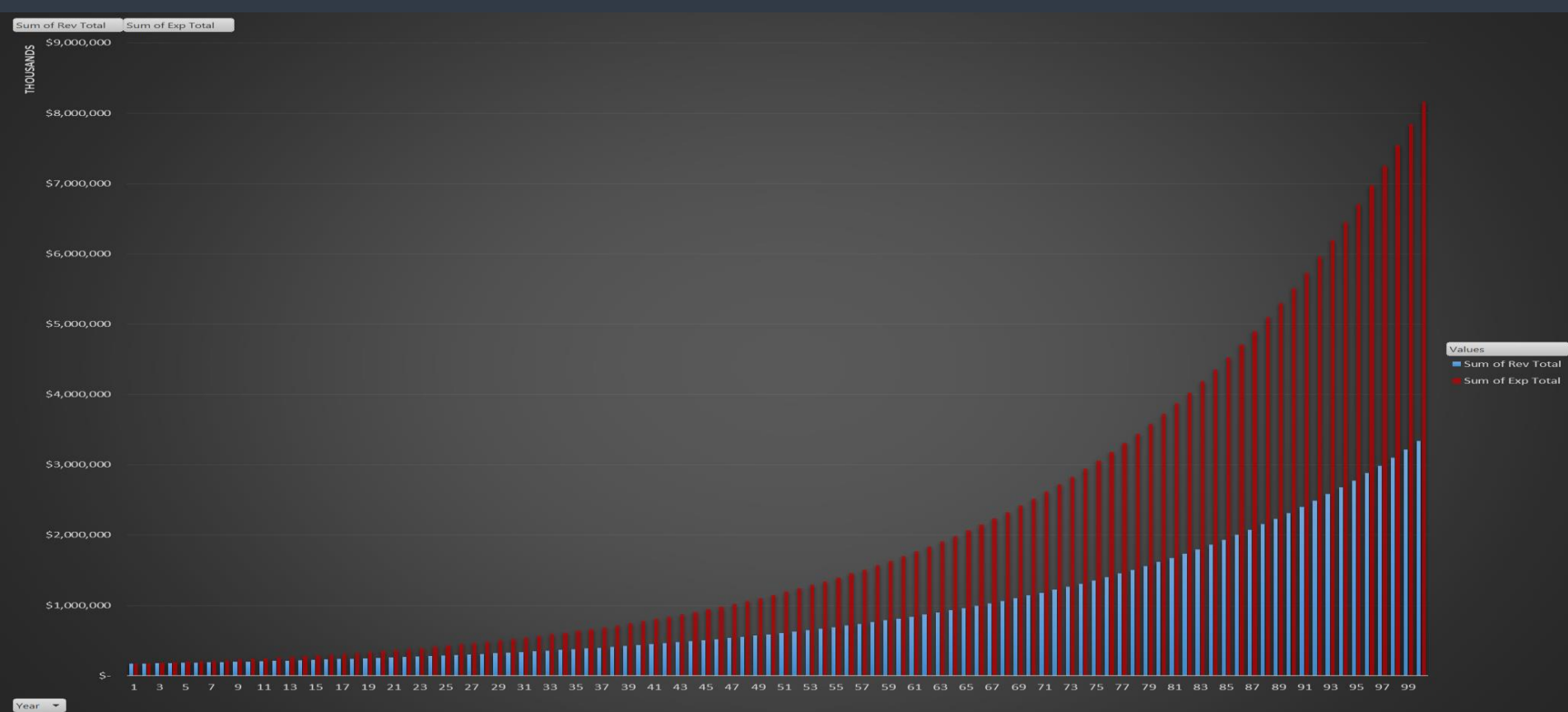


3. Summary of the Current Financial Climate – cont.

Grant and Tuition Revenue Increases vs. Expenditure Inflation Over 20 Years



3. Summary of the Current Financial Climate – cont.



4. Opportunities for Improvement

- Understanding these challenges is the first step in resolving them and a plan for action is already underway.
- Vision 2023 and the Academic Plan highlights the way, with a focus on improving:
 - Experience
 - Sustainability
 - Creativity
 - Quality



5. Implementing Vision 2023 and the Academic Plan

a) Organizational Well-being:

- Continue the work of fostering organizational well-being through a people-first culture with a commitment to clear and transparent communication, demonstrated accountability, empowerment, and a willingness to work collaboratively and creatively to solve problems and implement solutions.
- Strategic Alignment:
 - Vision 2023: **Experience & Creativity**
 - Academic Plan: **Student Success**



5. Implementing Vision 2023 and the Academic Plan – cont.

b) Strategic Enrollment Management (SEM):

- Implement an Institutional Sustainability Initiative (ISI) to understand and establish a benchmark for organizational capacity through an integrated SEM process. From this benchmark, strategic sustainable growth can be accomplished that ensures quality academic delivery and student, faculty and staff experience.
- Strategic Alignment:
 - Vision 2023: **Experience & Sustainability**
 - Academic Plan: **Student Success**



5. Implementing Vision 2023 and the Academic Plan – cont.

c) Budget Process Enhancement:

- Integration of SEM into the budget process will allow for revenue forecasting and sustainable expense allocation.
 - Through this process we will collaboratively set appropriate targets for organizational success, measured by KPI's integrated into budget allocation, and empower employees through increased and transparent responsibility (and accountability) and performance incentives.
 - The first phase of the ISI is already underway to develop a framework for an optimized allocation of AEST targeted FTEs.
- Strategic Alignment:
 - Vision 2023: Experience, Sustainability, Creativity, and Quality
 - Academic Plan: Student Success, Next Generation KPU International



5. Implementing Vision 2023 and the Academic Plan – cont.

d) Capital Asset Alignment:

- A capital budget process is being developed to coincide with the operating budget approval process which will increase transparency of capital asset project decision making and allow for strategic and sustainable acquisition of capital assets.
- Strategic Alignment:
 - Vision 2023: Experience, Sustainability, and Quality
 - Academic Plan: Student Success, Advance Teaching Practices



5. Implementing Vision 2023 and the Academic Plan – cont.

e) Academic Program and Administrative Function Realignment:

- Due to capacity constraints we can only realize future change and innovation through prudent academic and financial choices.
- Academic programing and administrative functions will be assessed and optimized to enhance organizational experience and financial stability.
 - Strategic Alignment:
 - Vision 2023: Experience, Sustainability, and Quality
 - Academic Plan: Student Success, Advance Teaching Practices, Next Generation KPU International



6. Conclusion

- We view this as a great opportunity to create long-term financial sustainability and resource alignment to enhance and enrich academic and organizational creativity, experience, innovation and strategic growth.
- We will achieve our polytechnic university mandate to deliver high quality scholarship, teaching, and research, through strategic, data-driven decision making.
- With this multi-year strategy, we invest in not only KPU's but also BC's future, creating a foundation for educational excellence and student success and workforce development for years to come.

