

## BRIEFING NOTE

**TO:** Board of Directors

**FROM:** Fizza Asad, Accounting and HR Specialist

**DATE:** December 5, 2022

**SUBJECT:** Draft 2023 Budget

☒ For Decision

☐ For Information

☐ Monitoring Report

---

**Purpose:**

To review and approve the College's 2023 operating budget.

**Background:**

The College's operating budget provides a forecast of revenue against operating expenses for the upcoming fiscal year, presented in an income statement format. The budget for each account line is estimated based on:

- Fiscal year end cost projections
- Actual figures at October 31 and the account variances to the 2022 budget
- Five-year historical financial averages and expense trends (to review pre and post COVID-19 cost trends)
- Vendor work orders and quotes for planned and anticipated projects and initiatives
- Fixed Costs (based on current contracts)
- Estimates for Board/Committee meetings and activities
- 2022 College Statistics (number of Registrants, Students, etc.)
- Projected 2023 Statistics (anticipated membership numbers)
- Contingencies for operating activity in light of COVID-19

**For Consideration:**

A number of proposed budget items differ from the 2022 fiscal year budget:

- The Board approved a return to a regular fee schedule for 2023 after two years of fee reductions to provide continued pandemic relief for Registrants. Operating with a surplus budget has allowed for the College to allocate more funds towards initiatives which will benefit members of the Public and our Registrants.
- The College continues to work with a Financial Advisor to ensure that we have secured the most competitive rates for our investments against the current financial market, at an increase of nearly 4%.

- Budgeted Board/Committee expenses allow for more in person and hybrid meeting days. In person/hybrid meetings are subject to change to fully virtual meetings to ensure the safety of all attendees.
- Budgeted External Relations expenses allow for more in person Board/Staff attendance at national conferences and trade shows.
- Budgeted Investigator expenses are forecasted based on historical 2021/2022 trends, but may vary depending on the number and nature of investigations.
- Costs for Quality Assurance Multi-Source Feedback (MSF) have been deferred indefinitely. The costs originally budgeted for MSF have been reallocated to Peer Assessment costs to support the expanded scope of work.
- Costs for Staff Salaries include two new positions (Investigator, Professional Conduct and Policy Assistant, Executive Office) to support the College's operational and strategic initiatives for 2023.

In December 2021, the Board approved the use of the College's General Reserves in 2022 to offset the impact of the continued fee decrease for pandemic relief. The College had also budgeted for a decrease in Registrant renewals as a precaution to reflect environmental trends. The anticipated deficit for the 2022 fiscal year was -\$443,515.

To date, the College has not experienced the anticipated decrease in Registrant/Student/Intern renewals. The College also collected CERS/CEWS subsidies in Q1, discipline payments from resolved matters, and had more exam sections completed throughout the year, resulting in an overall revenue surplus. The College has also managed to decrease expenditures by continuing with virtual and hybrid Board/Committee meetings through 2022. Therefore, it is anticipated that there will be an overall income surplus at the end of the fiscal year.

**Recommendations/Action Required:**

To approve the 2023 draft budget as presented.

		Approved 2021 Budget	Approved 2022 Budget	Draft 2023 Budget	2023 Notes: 2023 Optician Fee: \$ 992 (based on adjusted rates for pandemic relief) 2023 Student/Intern Fee: \$ (Sept 20 - Aug 21) 150 \$ (Sept 21 - Aug 22) 150
	<b>Revenue</b>				
1	National Examination Fees	\$ 151,200	\$ 140,000	\$ 135,000	2 EN and 1 EN/FR (Apr, Oct, Nov). If there is demand, there may be another small EN/FR session in March. (aprox 250-300 students, budget for 250)
2	Interest & Investment Income	\$ 31,977	\$ 14,604	\$ 170,880	May 2023: 10 \$100k and 1 \$50k GICs at 3.19% (average) Oct 2023: 4 \$100k GICs at 4.35% + 3 \$842k BMO GICs at 4.75%
3	Miscellaneous Revenue	\$ 25,600	\$ 37,474	\$ 14,970	Miscellaneous revenue includes: CE Activity Accreditation requests Discipline and UPC costs PLAR Application & Assessment Fees Reg Com Review fees for reinstatements +3 yrs Replacement certificate and ID badges Deficient QA portfolio fees (based on historical avg) Peer Assessment Fees
4	Optician Revenue	\$ 2,026,402	\$ 2,584,486	\$ 3,233,920	2021: 3112, CURRENT 2022: 3202 Budget 2023 prediction: 3260 (based on 1.8% historical 3 year avg +)
5	Student/Intern Revenue	\$ 25,842	\$ 26,280	\$ 27,750	2023 prediction: 185 student/interns
6	<b>TOTAL REVENUE</b>	<b>\$ 2,261,021</b>	<b>\$ 2,802,844</b>	<b>\$ 3,582,520</b>	
	<b>Honorarium &amp; Expenses for Elected &amp; Appointed Optician Members</b>				
7	Board/Strategic Planning	\$ 65,000	\$ 152,840	\$ 81,580	2023 Prediction: 5 Hybrid Full Day (Jan Orientation, Feb, May, Oct, Dec - 2 day)
8	Discipline	\$ 60,000	\$ 32,195	\$ 34,500	2023 Prediction: 6 hearing days (5 person panel, full day virtual), 8 decision writing days (1 member x 4 meetings)
9	Executive	\$ 11,500	\$ 11,218	\$ 12,325	2023 Prediction: 2 three quarter day in person meetings, 2 half day virtual meetings
10	Fitness to Practice	\$ -			
11	Governance	\$ 10,000	\$ 6,715	\$ 7,015	2023 Prediction: 1 three quarter day in person meeting, 3 half day virtual meetings
12	Investigations, Complaints & Reports	\$ 20,500	\$ 20,464	\$ 14,633	2023 Prediction: 1 three quarter day in person, 1 half day virtual, 8-10 half day virtual panels

13	Patient Relations	\$ 5,500	\$ 5,609	\$ 5,909	2023 Prediction: 1 three quarter day in person meeting, 2 half day virtual meetings
14	Quality Assurance	\$ 18,500	\$ 15,175	\$ 15,018	2023 Prediction: 2 three quarter day in person meetings, 4 half day virtual meetings, 4 half day virtual panels
15	Registration Committee	\$ 11,000	\$ 6,950	\$ 10,075	2023 Prediction: 2 three quarter day in person meetings, 2 half day virtual meetings
16	Clinical Practice Committee	\$ 5,500	\$ 6,715	\$ 7,015	2023 Prediction: 1 three quarter day in person, 3 half day virtual meetings
17					
18	<b>TOTAL HONORARIUM &amp; EXPENSES</b>	\$ 207,500	\$ 257,880	\$ 188,069	
	<b>Operations &amp; Administration</b>				
19	Audit - Financial	\$ 15,500	\$ 15,000	\$ 15,750	GG Confirmation (10/17)
20	CGA Testing	\$ 1,000	\$ 2,000	\$ 2,000	2023 Prediction: 6 CGAs estimated, interviews may be eliminated in Q3 or Q4 of 2023
21	Communications				
22	Public Awareness Initiatives	\$ 28,425	\$ 32,000	\$ 53,011	Social Media, Google Ad Campaigns, SEO, Blogs, OCC Sponsorship, Videos, CAG Surveys, Engagement/Outreach
23	COO Communications & Engagement Activities	\$ 7,500	\$ 6,000	\$ 8,580	Annual Report, Social Media graphic design, COO promotional products for Students/Registrants, Dashboard Design
24	Consulting				
25	General	\$ 50,000	\$ 46,000	\$ 36,000	HR Temp Recruitment, Board Facilitator, Governance Consulting (Registrar's Review Process), Decision Writing, Bookkeeping Consulting
26	Public Relations/ Government Relations	\$ 68,500	\$ 70,500	\$ 68,250	Media Training Chair + VC Government Relations Consultants Counsel
27	Jurisprudence/Professional Growth CE Development	\$ 16,250	\$ 24,000	\$ 23,125	Patient Relations Videos, In-house jurisprudence & professional modules, Professional Judgement & Pre-Election Module, DEI CE , DEI Examiner, Assessor, Interviewer Training, IT DEI project consultant
28	IT Consulting	\$ 80,100	\$ 75,000	\$ 80,727	IT Project Manager
29	Database	\$ 86,765	\$ 97,793	\$ 100,000	Projects: includes an expected cost increase for 2023 (QA) - Data cleanup, maintenance, screening tool, Dashboard, edits to portfolios and PA tabs (REG) - Inactive class of registration, additions to public register, online applications (GEN) - Elections, joint register, member profile, general support, ASI, Constant Contact Bridge

30	Board & Staff Education & Development	\$ 44,600	\$ 62,600	\$ 51,850	Training: Facilitation Coaching, Difficult Conversation/Deescalation Training Sexual Abuse Training, Management Training, ICR orientation, Right Touch Training HPRO Discipline training/ Governance Training Contingency and Board expenses/ Board Mentorship PM Trainings (New Staff), Decision Writing Training, Cybersecurity Training for Board/Staff
31	External Personnel				
32	Exam Examiners	\$ 78,750	\$ 81,700	\$ 70,000	Based on requirement/compensation for examiners, incl French sessions
33	Exam Models	\$ 4,000	\$ 6,000	\$ 8,500	Anticipate pre-COVID usage
34	PLAR Interviewers	\$ 1,000	\$ 1,500	\$ 1,550	PLAR interviews will continue in 2023 for at least Q1 and Q2
35	Expert Report (ICRC/Disc)	\$ 1,500	\$ 1,000	\$ 1,000	2023: Estimate a maximum of 3 reports
36	External Relations	\$ 15,000	\$ 45,145	\$ 53,860	Sponsorships and events, CNAR (fall), National meeting in BC, AOE/OOA (in person), Tradeshow booth space, student events, recruitment fair, CLEAR conference
37	General Operational	\$ 240,000	\$ 256,037	\$ 261,328	Staff Expenses, Capital Expenses (Computer Hardware - replacement of older laptops and surface pros), Exam and PPE Expenses (includes hotels, staff expenses, lunch, PPE, exam supplies, 5% for contingency), Parking, Insurance, Storage, Office Supplies, Bank Fees, Moneris Payment Processing Charges, Subscription Renewals (Zoom, QBO, Adobe, Doodle, Survey)
38	IT Requirements				
39	Computer Server/ Maintenance	\$ 46,988	\$ 55,692	\$ 50,260	Beanfield, PACE, Constant Contact, Contingency 15%
40	Database Hosting & User Licensing	\$ 44,000	\$ 55,000	\$ 55,000	ASI Contract Renewal July 2023
41	Website Updates/ Maintenance	\$ 9,500	\$ 15,000	\$ 13,500	Refinements to website, Web page refresh/redesign project, Website French Translation project
42	Investigator	\$ 40,000	\$ 80,000	\$ 65,000	Based on current trends, 10-15 investigators needed in 2022, 5-10 anticipated for 2023
43	Legal	\$ 120,000	\$ 100,000	\$ 135,000	6 hearing days anticipated, legal costs associated with opinions and PVAs for ICR investigations
44	Extraneous Legal Discipline	\$ 5,000	\$ 6,400	\$ 4,500	Court reporter for 6 anticipated hearing days
45	Premises, Equipment	\$ 11,000	\$ 10,000	\$ 9,232	Copier rental costs
46	Postage	\$ 7,500	\$ 5,500	\$ 7,000	Neopost, Registered Mail

47	Printing	\$ 15,000	\$ 12,000	\$ 15,000	
48	Quality Assurance - Portfolio Hard Costs				
49	Multi-Source Feedback (MSF)	\$ 21,925	\$ 23,000	\$ -	MSF on hold for 2023
50	Printing	\$ 1,100	\$ 1,000	\$ -	
51	Mailing	\$ 3,000	\$ 3,350	\$ -	
52	Courier	\$ 6,500	\$ 5,974	\$ -	
53	Consulting Fees	\$ 1,000	\$ 3,200	\$ 3,000	
54	Peer Assessors				
55	Assessment Training	\$ 1,500	\$ 3,000	\$ 2,700	
56	Assessment Costs	\$ 7,600	\$ 5,000	\$ 43,000	Estimate 15 at COO Cost, poss in person assessments for noncompliance
57	Rent	\$ 232,304	\$ 242,686	\$ 249,893	Monthly lease agreement includes base rent, operating costs, and storage.
58	Salaries	\$ 1,450,140	\$ 1,416,591	\$ 1,532,452	Based on Salary Projection Table, includes two new Staff positions (Investigator and Policy Assistant)
59	Benefits	\$ 66,000	64,320.87	72,960.00	Based on Monthly Costs
60	CPP Employer	\$ 43,000	43,439.45	47,989.52	
61	EHT Expense	\$ 25,000	24,882.54	27,456.20	
62	EI Employer	\$ 20,000	19,858.03	21,938.06	
63	Salaries	\$ 1,218,789	1,201,127.60	1,290,402.00	
64	Vision Care Plan	\$ 2,000	3,025.00	2,250.00	
65	RRSP Contribution	\$ 59,501	59,937.02	69,456.00	
66	Seat Fees	\$ 15,850	\$ 16,223	\$ 16,450	NACOR, CLEAR Membeship, LSO, Staff Seat Fees
67	Board + Comm Payroll Expenses	\$ 5,000	\$ 7,000	\$ 6,500	Deductions for board and appointed honoraria
68	Strategic Initiatives - linked to COO Strategic Plan				
69	Council Initiatives	\$ 90,000	\$ 84,500	\$ 79,350	QA Committee Initiatives (program review, risk based questionnaire, remote screening interviews), Board Team Development, Facilitator Costs for focus groups (3 sessions), DEI Consulting and Policy Development, Indigenous Cultural Safety and Humility Training, NIHB Strategic Initiatives , Contingency Equipment for Exams, Public Education Resources, Attrition Data Analysis
70	Administration Initiatives	\$ 4,000	\$ 6,400	\$ 7,000	Staff engagement/retention, more opportunity with return to office, quarterly team social, monthly team building initiatives
71	Telephones	\$ 9,000	\$ 8,690	\$ 9,096	GoCo, Rogers, 10% contingency for possible increases in 2023

72	TOTAL OPERATIONS & ADMIN	\$ 2,870,947	\$ 2,988,480	\$ 3,139,463	
73	TOTAL EXPENDITURES	\$ 3,078,447	\$ 3,246,359	\$ 3,327,532	
74	SURPLUS (DEFICIT) FOR YEAR	-\$ 817,426	-\$ 443,515	\$ 254,988	