

UFOC 3 – March 11th 2010 – An assessment below of the Administration’s responses (UFOC 2) to our initial budget questions (UFOC 1)

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Our overall assessment is that the Administration has not given full answers. As a result, there needs to be further questioning, both on the budget and its procedures.

On procedures, there is no sense of how the budget is integrated into the overall Trent mission statement, or how it treats those needs in a strategic manner. Rather, the opposite seems to be the case, that the budget drives decisions about teaching and research possibilities, primarily because of a decision by the Board of Governors that a balanced operating budget is necessary.

On the specific budget estimates for the coming year, there is little acknowledgement of the impact such cuts will have on instructional delivery, nor is there any detailed information about how the Administration arrived in such a perilous situation.

This report is presented in four sections: specific further questions on the budget; an overall assessment of their response and possible future strategies; communication strategies; appointing specialist to identify key issues for future integrated planning procedures.

1. Specific further questions relating to UFOC 2 (the Administration’s responses)

Section 1 of UFOC 2 on the Proposed Budget

1.1 a and c – The tuition increase is estimated at 4.2% in your figures. Our understanding is that the grant is going to increase by the same percentage. Why is the lack of an inflation allowance a concern, given that the grant is already increasing faster than inflation (around 2%)?

1.4. Please clarify whether additional one-time funding will be used for hiring additional instructional staff or whether other costs will take priority? Your current response says that additional funding will be used to make grants ‘whole’ – what does this mean?

1.9. Please provide the precise conversion success experience ratios.

1.11. Our understanding is that there is a ‘Fund committed for specific purposes’ under the Internally Restricted Net Assets statement on last year’s financial statements. We would like to know what the criteria for use of this fund are? What

are the 'specific purposes' that it would be used for and how has it been used over the last three years (when it seems to be shrinking?).

Additional question: Please provide a breakdown of instructional salaries as a proportion of total salary costs and other expenses. Please ensure that salaries that are funded from specific, restricted sources (such as Nursing) are also broken down. Our aim is to provide the membership with a clear idea of the salary profile of TUFA that needs to be funded from current operating incomes (we currently understand that instructional salaries represent around 50m in an operating budget of 85m, based on projections from December 2009 for 09-10).

2. Assessment of Administration Responses (UFOC 2) – Notes and suggestions for further action.

Section 1 – Specific Proposed Budget for 2010-2011

We have identified further questions in the section above. The overall picture lacks clarity. **Aims should be:**

- **Salary costs for instructional staff need to be broken down, particularly since they are targeting instructional staff for cuts.**
- **Further one time funding needs to be directed towards instructional budget – or we need to know what they will use it for**
- **Special purposes fund needs to be clarified.**

Section 2.0 – Strategic Planning

- UFOC 2 – 2.1 - There is an acknowledgement that the current budget-making processes do not operate in integration with the University's stated mission. The future procedures they discuss are presumably the current Integrated Planning process run out of the President's Office. Update letter no. 5 on Integrated Planning (President's website) promises planning cycles that integrate budgets to overall strategic goals – something which is missing right now (remember that we had a financial crisis in 2008 that was apparently going to resolve issues). There is also a promise for clear and transparent information – something which is again absent right now. **We should demand clear, accurate and timely budget information on a regular basis.**
- UFOC 2 – 2.2 – This is entirely unclear. From information we can gather on websites and announcements, it is the Provost Planning Group that works on the budget – currently:
Acting Provost and Vice President Academic (chair)
VP Admin
VP Research

VP External Relations
Acting Dean
Dean of Grad Studies
University Librarian
Director of Public Affairs

It is not clear how often the budget planning is done, who scrutinizes it at what stages (although perhaps Academic Planning does this) or whether the Board of Governors (the ultimate authority) scrutinizes it in relation to the University's mission. **Again, we can ask for transparency and perhaps a clearer explanation of accountability (reasonable in terms of integrated planning)**

- UFOC 2 – 2.3 - There is a fairly clear acknowledgement that the budget procedures do not take into account the impact on instructional delivery, student retention, or the overall reputation of Trent. **Again, we can demand some integration of these questions in new planning procedures.**

Section 3.0 – Strategic Operating Budget

- 3.1 – We should provide evidence to the membership to refute this claim and advise them of the current grievance under bad faith bargaining.
- 3.2 – Their response acknowledges a lack of considering the impact on teaching in deciding the budget and re-iterates the budget as primary rationale.
- 3.3 – 3.6 – These questions really go to future planning and we have not received any clear answers. **We can ask the Board of Governors about this issue (possibly through the faculty reps on the Board) – would running a deficit be possible if future income generation will offset it? –** such as income generation from the Hydro projects and new residences. This would make sense if the salary profile of TUFA is an increasing cost and VER schemes would reduce those in the medium and long term.

Further issues –

- **The business cases for each new capital project presumably justify them as income generating – where are these available?**
- **How much of the operating budget is used to offset costs for capital projects?** (This goes to question 3.4 which they say they do not understand – the financial statements of the University show increases in money flowing through, but a reduction in the operating budget proportionately – so is the operating budget being used to fund other projects rather than focusing on teaching and research?).

3. Recommendations for Communications to TUFA membership

- Post UFOC 1 and 2 for membership to review
- Post this report as UFOC 3 once issues have been clarified by the Exec
- Post an overview powerpoint document summarizing all three and directing members to relevant reports and sections (to be prepared by this committee).

4. Appointment of specialist

Given that the Administration is likely to advise that future Integrated Planning will resolve some of the issues identified, we think it is important that we know exactly what to ask for in future Integrated Planning procedures. We therefore suggest the appointment of a paid specialist to do a forensic audit of the current budget and its procedures, with a view to identifying key reforms that we should ask for to provide clarity and transparency in the future Integrated Planning procedures. This is a matter of some urgency, and we suggest the Executive determines appropriate remit/contract so that the work can be completed by the summer of 2010.