Planning for the Next Four Years

CONTEXT

The University is facing a significant fiscal challenge over the next four years. This financial situation stems from a number of complex factors. However, in simple terms, the operating grant that the University receives from the Ministry of Training Colleges and Universities (MTCU) has not included an inflationary increase for over a decade. This grant provides for 50% of the operating budget. While this grant has been constant (in fact declined last year), the University has received significant funding from the government over the last number of years. This causes some confusion when we speak about financial difficulties. It is important to understand that the additional funds we have received have either been one–time funds or the usage is restricted to specific programs (e.g., deferred maintenance funds, research funds, funds for targeted growth or funds for buildings). For detailed information on the budget, please review the 2007 – 2008 Audited Financial Statements.

The expectation had been that the university system would get a commitment from MTCU regarding a long term strategy for dealing with inflationary and quality issues. When this was not forthcoming, it became necessary to develop a plan to address the structural deficit, which was projected for this year as $16.1 million. To manage this shortfall in one year would have required reductions of close to 10%. It was decided that the University deal with should address the fiscal situation over a four year span, to provide time for thoughtful and strategic planning.

THE UNIVERSITY FINANCIAL PLAN

Using what was felt to be conservative multi–year estimates on revenue and cost changes, it was determined that the University would have to find savings of $36 million to balance its budget by 2011/12. The Board of Governors approved a plan that ensured the University addressed this
shortfall, while at the same time providing some breathing room this year to allow for planning. The approved targets for the University follow:

2008–09 2.5% 5.45M

2009–10 5% 11.2M

2010–11 5% 11.2M

2011–12 4% 8.3M

Total 16.5% 36M

It was agreed that these targets would NOT be allocated across the board. The University has been engaged in a strategic planning exercise and it is important that we not abandon or circumvent this multi–year plan. In this way, the University will be addressing the structural deficit thoughtfully and strategically. Remaining true to the plan will help to ensure that the University comes out of this exercise strong and well positioned for the future.

Decisions regarding division targets stemmed from the University’s Integrated Plan. The targets are as follows

<table>
<thead>
<tr>
<th>Department</th>
<th>Allocation (million)</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts</td>
<td>3.5</td>
<td>17.7%</td>
</tr>
<tr>
<td>Social and Applied Science</td>
<td>1.7</td>
<td>8.5%</td>
</tr>
<tr>
<td>Department</td>
<td>Budget</td>
<td>Percentage</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>Physical and Engineering Science</td>
<td>4.6</td>
<td>21.1%</td>
</tr>
<tr>
<td>Biological Science</td>
<td>3.5</td>
<td>19.4%</td>
</tr>
<tr>
<td>Ontario Agricultural Science</td>
<td>9.5</td>
<td>40.6%</td>
</tr>
<tr>
<td>Management Economics</td>
<td>0.75</td>
<td>6.2%</td>
</tr>
<tr>
<td>Veterinary Medicine</td>
<td>2.5</td>
<td>8.6%</td>
</tr>
<tr>
<td>Library and CCS</td>
<td>1.6</td>
<td>9.5%</td>
</tr>
<tr>
<td>Registrar</td>
<td>0.555</td>
<td>10.1%</td>
</tr>
<tr>
<td>Central Administration</td>
<td>1.6</td>
<td>11.2%</td>
</tr>
<tr>
<td>Physical Resources</td>
<td>2.25</td>
<td>11%</td>
</tr>
<tr>
<td>Office of Research</td>
<td>0.6</td>
<td>10.9%</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>1.5</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

Subsequent to this planning, the Minister of MTCU announced that given the economic situation facing the province, agencies dependent on government support should brace themselves for funding constraints as a
result of a worsening economic climate. While the government announced its commitment to making education a priority and would not be making any in-year funding cuts, it also informed that it would hold support to current levels for at least the next two years. Our four-year plan assumed a modest increase to the grant which we now know will not be realized at least for 2009/10. As a result, the targets will be reviewed and revised upward. There is no plan at present to change the targets for 2008/09 as time is needed to plan. However, we cannot avoid additional reductions if we are to stay on target to balance our budget by 2011/10. While this year’s targets have not changed, there have been clear calls for cost restraint this year. In particular, all requests to hire will be reviewed and only in exceptional circumstances will they be approved. In addition, major building projects not in progress will be postponed or suspended and all departments and units are being asked to reduce discretionary expenditures such as travel and special events.

IMPACT ON STUDENT AFFAIRS

The Student Affairs target is $1.5M or 14.1% of the budget. The target allocations are as follows:

- 2008–09 2.5% 225,000
- 2009–10 5% 473,000
- 2010–11 5% 465,000
- 2011–12 4% 337,000

Total 14.1% 1.5M

Student Affairs Planning

Like the University-wide initiative, Student Affairs will undertake this planning in the context of its Integrated Plan.
In all of our planning, we will continue to focus our efforts on our three primary objectives:

- To enhance student self-directed learning both inside and outside of the classroom by providing opportunities for students to be intellectually challenged, exposed to provocative issues and discussions, and encouraged to examine their beliefs and decisions.
- To help students achieve their potential to be effective and active citizens who can make a positive difference in society.
- To build a community that is caring and supportive, and embraces diversity.

We enter this exercise having already experience three years of budget reallocations, and in the midst of some significant challenges:

- An increased external demand for accountability and performance by parents and government with a focus on engagement, support and safety
- A rising trend of behavioural issues, particularly in the first year
- An increase in students with serious health and personal issues
- Significant increase in demand for almost all of our programs
- Changes in government funding impacting our ability to attract doctors to Student Health Services

It is imperative that we not simply cut away at the edges of our programs. We are already lean in all areas, and working to capacity. Rather, we must make some very difficult but important strategic decisions to help protect
our core programs, as well as invest in those areas that will be important in the future.

GUIDING PRINCIPLES

The planning is guided by the following:

1. Integrated Plan: The targets will take into consideration the University mission and goals as well as our integrated plans.
2. Focus on Students: Every effort will be made to preserve the student experience.
3. Support of Staff: We will not simply download increased work onto staff. There is no capacity for people to work more.
4. Focus on changes that will position us well for the future.

STRATEGIES

Student Affairs will focus on both Cost Containment and Revenue Enhancement

A. Cost Containment

- All programs must be reviewed to ensure that we are using our resources efficiently and effectively. In particular:

  - Take advantage of requests for early buyouts and not fill vacant positions: We must make every effort to find ways to allow members of our community to leave voluntarily, as this strategy offsets our need to take action that would result in an involuntary leave. As a community that cares, this is the most compassionate approach. However, this strategy is not without its challenges, as it is often very difficult to find a way to eliminate or position as we are already stretched.

  - Review of low enrolment programs: We must ask ourselves if we can afford to continue to offer programs that have a low
demand. Are they meeting the needs of our students if they are not attending?

- Review of high cost/student enrolment programs: Some of our programs are very costly to offer given the number of students who are able to participate. We need to ask if we should be devoting our resources to areas that have impact on a larger number of students. This is not to say that all these programs should be eliminated – there are many sound pedagogical reasons for such programs. However, we must ask the question and have the courage to act, where appropriate.

- Administrative efficiencies: Can we reduce administrative costs allowing us to continue to devote maximum resources to program delivery.

- Use of technology: Can we use technology more effectively to reduce time spent on administrative tasks. Can we use technology to extend the reach of our programming?

B. Revenue Enhancement

- This exercise cannot be driven by cost containment alone. Our programs can be protected and even strengthened if we can find mechanisms to increase revenue. Areas for consideration include:

- Fee for Service: We have a strong resistance to collecting fees for core programming, as we want to ensure that these programs are accessible for all. However, there may be opportunities to charge a small fee for some of our more “boutique” programs. A good example would be the fee charged to support administrative costs for the Global Learner Program. A discussion will need to occur as to which programs could be considered for a fee, whether the fee can be collected without significant administrative costs, and how we provide
opportunities for those students with financial need to access them.

- Revenue Generation at times of Excess Capacity: For some areas, the summer provides a time where the campus is quieter. Can we use this time to offer programs that are not core to our mission but generate revenue. A good example would be the summer Gryphon camps.

- Student Fees: We need to consult with students to determine if they will increase some of their compulsory fees to support certain core programs. A good example is the Student Services Fee.

- Take Advantage of External Revenue Opportunities: We need to monitor opportunities externally and react accordingly. An example would be the special funding envelope for First Generation Students.

ACTION TAKEN TO DATE

Student Affairs has finalized its budget targets for 2008/09 and has solid plans for 2009/10. Many of these targets arise from approval of requests for voluntary retirements.

<table>
<thead>
<tr>
<th>Department</th>
<th>2008–09</th>
<th>2009–10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletics</td>
<td>63,000</td>
<td>131,000</td>
</tr>
<tr>
<td>Child Care</td>
<td>30,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Co-op and Career</td>
<td>29,000</td>
<td>0</td>
</tr>
<tr>
<td>HPC</td>
<td>5,000</td>
<td>7,000</td>
</tr>
</tbody>
</table>
Student Health | 35,000 | 25,000

Student Housing | 15,000 | 100,000

Student Life and Counselling | 38,000 | 100,000

Student Affairs | 10,000 | 0

Total | 225,000 | 473,000

It must be stressed that the targets for 2009–10 will likely increase as a result of the Ministry announcement.

**ACTION APPROVED TO DATE**

To meet these targets, some decisions have already been made:

- Approval of Requests for Voluntary Leaves: 18 members of our community came forward. 14 were approved. In all cases, a position will be eliminated as a result of this decision, although not necessarily the position in question. The directors tried to find 4 additional position reductions in order to approve the last requests, but at this time were unable to do so.
- Reducing administrative costs: Administrative realigning is already underway in a number of areas: the Child Care Learning Centre, Athletics, Student Housing Services.
- Taking Advantage of technology to further approve voluntary leaves: We have been able to introduce computer systems that provide for on-line support, which enables us to be more efficient
in our staffing needs. Examples include: Athletics, Student Health Services, Student Housing Services and the Health and Performance Centre.

- Eliminating or reducing programs that cannot be sustained financially due to cost/enrolment: All areas are being reviewed. To date, we have had to make the difficult decision to eliminate the infant program in the CCLC.

**LONG TERM DISCUSSIONS**

The decisions to date have allowed us to address our targets for this year and next. However, we still have a significant challenge before us. Therefore, we must examine every opportunity. Discussions will be occurring within the units to review the following:

- Administrative Structures: Are there administrative efficiencies that can be gained?
- Review of High cost/student programs
- Review of possible co-ordination and efficiencies of first point of contact for students
  - Look to help desks – how many desks and where?
  - How best to support students with mental health issues?
  - Wellness programs
- Discussion of partnerships with other units on campus (e.g., Academic Information Centre, Program Counsellors)
- Consideration of revenue opportunities: Possible opportunities include use of the summer semester programs, alumni programs etc.
- Discussions will involve all members of the Student Affairs Community, as well as our student users. To facilitate this process, an opinion forum has been established. All members of the University community: faculty, staff, students and alumni, are encouraged to submit ideas for how we can reduce costs or generate revenue. Comments as well on programs that need to be
protected are also encouraged. **Comments can be submitted anonymously.**

A preliminary review suggests that the targets in 2010/11 will fall as below.

<table>
<thead>
<tr>
<th>Department</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletics</td>
<td>90,000</td>
</tr>
<tr>
<td>Child Care</td>
<td>17,000</td>
</tr>
<tr>
<td>Co-op and Career</td>
<td>120,000</td>
</tr>
<tr>
<td>HPC</td>
<td>45,000</td>
</tr>
<tr>
<td>Student Health</td>
<td>83,000</td>
</tr>
<tr>
<td>Student Housing</td>
<td>100,000</td>
</tr>
<tr>
<td>Student Life and Counselling</td>
<td>0</td>
</tr>
<tr>
<td>Student Affairs</td>
<td>10,000</td>
</tr>
<tr>
<td>Total</td>
<td>465,000</td>
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</table>
TIMELINES

- Budgets for 2008–09 finalized October 2008
- Preliminary 4 year plans submitted October 2008
- Target details for 2009/10 finalized in December 2008
- Details on preliminary 2009/10 budgets due February 2009

CONCLUSION

The challenge before us is significant but not insurmountable. We have experienced similar cuts during the Common Sense Revolution program. By working together, we will make strategic decisions that reflect our mission and best meet the needs of our students and staff.