

SENATE COMMITTEE ON UNIVERSITY BUDGET (SCUB)

Annual Report to Senate for 1996

This report covers the period September 1, 1995, to August 31, 1996 during which SCUB met a total of 13 times. Members of SCUB during this time were Larry Boland, Clyde Reed, Louis Peterson, Paul Percival, Phillip Winne, Kevin Hewett, Joey Hanson, Barbara Naef, Valerie Dunsterville, Curtis Eaton, Owen Underhill, Robin Dhir, Frank Karabotsos, Elaine Scharfe, Ralph Jhan, Katherine Whitbread and Ian McAskill. Resource members were R. Ward (Vice-President Finance and Administration) and W. Wattamaniuk (Secretary). Larry Boland served as chair of SCUB until September 11th, 1996. The new Chair is Paul Percival.

Throughout the year SCUB received regular financial updates from the Vice-President, Finance and Administration, who provided the Committee with information on: the University's consultations with the Provincial Government; progress on capital funding, renovations, equipment, and public works; outcomes of negotiations between the University and employee organizations; changes in external regulations that affect University costs; financial difficulties facing universities in other provinces; allocation of government funds to the University; general information on the University's fiscal position; and explanations of how the University's financial process works.

Further information on the University's fiscal management was provided to SCUB by the Chair who sat as a member on the President's Advisory Committee on Priorities and Budget.

SCUB's major activity of the year commenced in January, 1996, when the President requested that SCUB meet with the community on the 1996/97 Budget. SCUB organized a series of four public meetings which offered a forum for all members of the University community (faculty, staff, and students) to ask questions, provide advice, and introduce new information into the planning process for the 1996/97 budget. Materials pertinent to these meetings were distributed to the University community and included:

- Dear Colleague Letter from President Stubbs, January 18, 1996
- Deputy Minister Wouters' Letter
- Draft Mission and Vision Statements
- Gagan Memo on Planning for Budget Restructuring in 1996
- Sources of Continuity Paper
- Sources of Change Paper
- Budget Restructuring Guidelines

Each public meeting opened with a brief introduction from the Chair of SCUB, followed by the Vice-President, Finance and Administration, who described budget scenarios for 1996/97 and outlined interim budget measures in progress. The Vice-President, Academic, then commented on the academic budget and on his ideas regarding restructuring, continuity, and change. The remainder of the meeting was an open forum for audience questions and dialogue.

SCUB used the information generated in these meetings to prepare a report which was presented to the President on July 9, 1996, and which provided advice and recommendations on the 1996/97 university budget. The report (see attached letter from Larry Boland to the President) and the President's reply is attached.

Meetings held with individuals or groups:

- D. Gagan, Vice-President, Academic - October 4, 1995
- J. Stubbs, President - December 20, 1995
- D. Gagan, Vice-President, Academic - January 10, 1996
- M. Clarke, Executive Director, Development - February 7, 1996
- D. Gagan, Vice-President, Academic - March 27, 1996
- D. Gagan, Vice-President, Academic - May 29, 1996

Public meetings organized by SCUB on the University Budget:

- February 27, 1996, at SFU Burnaby
- March 1, 1996, at SFU Burnaby
- March 12, 1996, at SFU Burnaby
- March 20, 1996, at SFU Harbour Centre

P. W. Ferrell

SIMON FRASER UNIVERSITY

DEPARTMENT OF ECONOMICS

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9 July 1996

John O. Stubbs, President
Simon Fraser University

Dear President Stubbs,

The following are SCUB's observations concerning this year's budget planning process and some recommendations concerning future budget considerations.

We note the following problems with the 1996-97 budget process:

(1) Too much reliance on Deans to the neglect of those below the Deans

In our discussions with you last December, we noted that that there was a tendency on the part of your administration to rely on Deans as the sole avenue for information concerning how faculty and staff at the department level are dealing with planned budget cuts such as occurred this Spring. Since each Dean's priorities (perhaps rightfully) are often more within the interests of his or her Faculty than with the interests of the University as a whole, we believe that there is a need to broaden this process.

(2) You need some mechanism/body to balance against (1)

We suggest that you seek more timely advice from SCUB or alternatively from a committee of senior faculty, perhaps the Joint-Faculty members of Senate to obtain a different perspective on budget proposals than what you are likely to obtain from the Deans.

We provide the following specific suggestion for the 1997-98 budget process:

(3) Hold meetings with homogeneous groups by their invitations, perhaps having solicited their prior questions

Last year, with one exception, we held information meetings with various Faculties at their invitations. This year we held only open meetings with none held for any specific Faculty. For next year, we recommend that SCUB hold meetings with specific groups with homogeneous interests. For example, the Faculty Association, TSSU, APSA, CUPE, Student Society, etc. The meeting would occur only if SCUB were invited. We also think that instead of the usual Vice-President Finance show-and-tell that discussion be organized around prior announced questions that the interest group wishes to consider. SCUB can also hold one or two open meetings as we did this year. Perhaps the invitation meetings should be held in January so that there is sufficient time for SCUB to have some input into the budget process rather than just responding to decisions already made by PACOPAP.

The following are several observations concerning the budget creation process and budget practices we discussed in our meetings:

(4) Units should be discouraged from downloading their budget shortfalls onto other units

As we noted last year at an open general meeting, it is always too tempting for centralized service units to suggest that they start charging the various other units for the services provided. Last year the suggestion made at the open meeting was for Security to charge departments if they had to open a faculty member's door. This year, it was modem charges. It was very clear in David Gagan's open meeting concerning modem charges that those attending the meeting from ACS (about half of those people attending the meeting) were all too eager to have other units or faculty and students pay for the services of ACS. As a member of SCUB noted several months ago, the costs of administering inter-unit charges can sometime wildly exceed the costs of the services. Moreover, as noted in a PACOPAB meeting, the experience at UBC with audio-video services was that charging for them led to the creation of intra-unit audio-video service providers. The point here is simply that there is a need for centralized services and in most cases it is cheaper to have them provided centrally than instituting charges that will encourage decentralized service provisions. One suggestion is that SCUB might be directed to investigate what kind of centralized services there should be and how adjustments to allocations to faculties might be made if currently decentralized funds were retained centrally to support university-wide services.

(5) Budgetary implications of the interactive roles of graduate programs and research programs

One of the items that stood out in this year of budget reductions is the budgetary linkage between the undergraduate program and the graduate program. Specifically, the undergraduate enrollment is centrally controlled but the graduate enrollment is not. However, the financing of the graduate program is dependent on the number of teaching assistantships which are in turn dependent on the number of undergraduates. While we are not advocating undue control of individual departments' policies concerning graduate admission, there is some need for coordination.

(6) Place of professional schools

Given the tendency to charge differential fees for professional programs, we think some clear policy needs to be established concerning professional programs. Some members of SCUB think this is particularly important since SFU from the beginning has avoided professional schools. (The early exceptions were only the PDP at the beginning and soon after the Executive MBA program.)

(7) We need to counter the negative press concerning the perceived workload of university professors

We realize that it is difficult for the administration to deal with the government when the public perception is that faculty members have an easy job. We suggest that perhaps our media people need to either promote or produce themselves a documentary to show how typical hardworking* professors spend their days (* i.e., their 10- to 12-hour days dealing with classes, students, committees, research, correspondence, etc. plus usually three

or more hours at home at the expense of their families).

(8) Open discussion of the "six principles that define SFU" that David Gagan is proposing to promulgate

David told us at our June 3rd meeting that he is attempting to prepare a statement of "six principles that define SFU" as a basis for administrative guidelines. We welcome this proposal and suggest that these receive an open discussion and criticism before they become guidelines. Moreover, we stand ready to give explicit guidance about how decisions about budget allocations would follow from these principles.

(9) The process of appointing committees that have implications for the budget and more generally create constraints on the activities of faculty, staff and students.

As we noted in our meeting with you a few weeks ago, it is troubling that so many committees are being formed with membership appointed by one or two administrators. The speculation on the part of SCUB is that too often such a process leads to "safe" committees. We think that if such appointments are to continue that more effort be given to appointing members who will likely be constructively critical of administrative proposals. Again, when it comes to questions of budget implications, we, SCUB, stand ready to provide constructive criticism.

Some additional suggestions

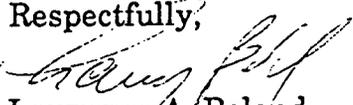
(10) Disincentives to Change

Budgets based on course enrollments (see PCUP Final Report, section 4.2) may result in a too conservative approach to restructuring academic programs. For example, elimination of a high enrollment but non-essential course might not be proposed by a department which stands to lose a significant part of its budget. Some mechanism must be found to protect (in the short term) the resources of academic units willing to be innovative in the face of a need for change.

(11) Disposition of Non-Recurring Funds

This year there was a marked contrast in the time and thought given to consideration of the continuing budget and to the disposition of non-recurring funds. Some of the non-recurring funds seemed to be hastily allocated. It was recommend that the process used for adjudication of applications to the Academic Enhancement Fund be used as a model for other types of competition. Perhaps, the new procedures adopted recently by SCAP will go a long way to meeting this recommendation.

Respectfully,


Lawrence A. Boland
Chair, SCUB

cc: members of SCUB

SIMON FRASER UNIVERSITY

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October 30, 1996

HAND DELIVERED

Dr. Paul Percival
Chair
Senate Committee on University Budget
Simon Fraser University
Burnaby BC V5A 1S6

Dear Dr. Percival,

I am writing in response to Professor Boland's letter of 9 July 1996 containing SCUB's "observations concerning this year's budget planning process and some recommendations concerning future budget considerations." As we agreed, that letter and this response will be tabled with Senate. A copy of Professor Boland's letter is attached and I will respond to the comments as per his letter.

1. We are making major efforts to broaden the channels for input on budgetary matters in the current academic year. The work of Professor Heinrich's committee, contacts that Professor Gagan and I have been having across the University and this year's work by SCUB will, I believe, ensure that the entire University community has the opportunity to be heard as we shape the 1997-98 budget and align it with our academic priorities.
2. You and I have already discussed how SCUB will be more fully involved in a range of activities that will bear on the budget for next year. Professor Gagan, Dr. Ward and I are all available to meet with SCUB as you see fit.

We have also made the decision to wind down PACOPAB (the President's Advisory Committee on Priorities and Budget). I will seek budget advice from the Vice-Presidents' and Deans' group, from SCUB itself and I will ask you, as Chair of SCUB, to attend those Vice-Presidents' and Deans' group meetings that are focussed on budget matters. This will ensure that SCUB is seen as a more independent agent in the budget development process.

3. I think SCUB should discuss and determine how it will consult with the various members of the University community and how it will involve Vice-Presidents and Deans. As the Committee is advisory to the President, I do hope you will find ways of ensuring that broad consultation does occur so SCUB's advice reflects the different views within our community. I also believe it to be critical to continue the educative role of SCUB in the community so that there is widespread understanding of the key components of the University's revenues and expenditures. As an example, I would use the issue of tuition revenues. For the period 1992/93 to 1995/96 we saw increases totalling 22.5%. In 1996/97 and again next year, tuition fee increases have been frozen and in the two years following this we will be limited to increases which mirror inflation; perhaps 2-3% over a two year period. Simply put, instead of seeing 22% over four years, we will be lucky to see an increase of 2-3%. All of our decisions must be made in the context of this reality.
4. I think all would agree with the principle outlined here but it is never entirely straightforward. In some cases it may be possible to do so and in most others it will not. We should be guided by our academic priorities and be alert to the damage that can occur if costs that are passed on affect such priorities. We also must recognise that it will be very difficult to tell units to cut their budgets but not reduce services.
5. Professor Clayman, as Dean of Graduate Studies and Vice-President, Research, is certainly alive to this issue and it has been raised many times with Professor Heinrich's committee. I believe that we need to align more closely our resources for the support of graduate students and the numbers of such students. There then follows questions about the numbers of TAs that will be here to support our undergraduate teaching programs. Here is an issue that must be faced in the near future. The advice of SCUB would be welcomed.
6. I am not certain what the issue is here in terms of SCUB. I sense that such matters are more properly the concern of SCAP and its various subcommittees.
7. I am not persuaded that the public perception about workload is a serious issue particularly in a trimester university like SFU. There have been a number of national studies done on this matter and then published and my sense is that it is not a matter of major concern.
8. See the comments under #1. Such discussions are widespread in the University at the moment.
9. Given the reactions to several documents currently under discussion in the University, I believe that the proposals from any Committee -- however created -- will be collegially and critically discussed in the community. In the end, however, we have to

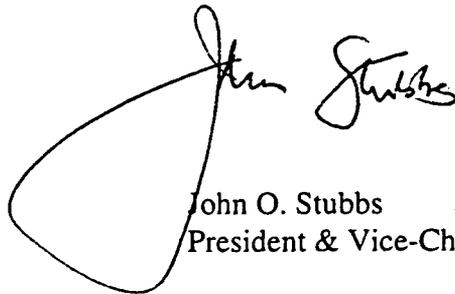
move ahead and make decisions. SCUB should discuss the budget implications of any committee's recommendations that involve major redirection or redistribution of University resources.

10. I look forward to the advice of Professor Heinrich's Committee on this and related matters. I should also point out that the Vice-President, Academic is extremely interested in finding ways to preserve historical equity in the distribution of resources and allowing for Faculty level planning processes to determine the distribution of those resources.
11. I will continue to look to the advice of the Vice-Presidents and Deans on the matter of the allocation of non-recurring, one-time funds. They are best equipped (and charged with the responsibility) to give advice on the use of these one-time funds. I look to SCUB for advice primarily on macro matters which normally address the base operating budget of the University.

This is a particularly challenging year as we await the outcomes of our own planning processes which will pass through SCAP, Senate and the Board of Governors early in 1997 together with what I suspect will be a difficult fiscal environment. I hope that SCUB can provide timely advice on the links between our academic priorities and our budgetary framework in the new year. In particular, I will be looking to SCUB to give advice on how we manage what I fear will be difficult trade-offs between our aspirations and our resources.

I look forward to working with SCUB this year and am ready, together with Drs. Gagan and Ward, to be fully accessible to you and your Committee.

Sincerely,



John O. Stubbs
President & Vice-Chancellor

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Deans
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