

# BARGAINING ALERT!

## University Finances and Priorities: The Big Picture



What is the overall financial health of the University? How is the University allocating its financial resources?

What is the University doing to protect its core educational functions? These are key questions as QUFA moves into the next round of collective bargaining.

### The Overall Financial Picture

- The Report on the Annual Budget 2006-2007 noted that "The financial position of the University continues to be strong."
- The most recent Standard and Poor's Credit Rating report for Queen's issued in February 2007 reaffirmed, for the third straight year, Queen's "AA+" credit rating and noted
  - the University's "very healthy consolidated [budget] surplus positions at 9.3% and 9.0% in fiscal 2006 and 2005 respectively"
  - "on a peer basis, Queen's financial and demand metrics are

superior to most, if not all, other universities rated by Standard and Poor's."

- The S&P report also noted that "Queen's has modest post-employment liabilities (pensions and benefits) compared to many other universities."

### What are the University's Priorities?

Recently, Ontario has injected increased funding into the post-secondary education system and there are real choices to be made regarding areas to be targeted for reinvestment. It is important that this new funding be used prudently and for the University to have clear priorities.

We recognize the need for deferred maintenance and that the increase in student numbers has made some new capital building projects necessary. However, we believe that not enough is being done to protect and reinvest in the core educational functions of the University. Over the last two decades, the quality of the education we provide to students has been eroded by repeated cutbacks to academic base budgets.

The Administration often remarks that such a large proportion of the cost of running the University is accounted for by academic staff salaries. The data, however, tell a different story:

- At Queen's, faculty compensation (academic rank salaries (full- and part-time)) as a percentage of total expenditures (excluding plant expenditures) declined from around 32% in the late 1970s to 25% in the mid 1990s and around 18% in 2005 (Source: *CAUT using Statistics Canada and CAUBO (Canadian Association of University Business Officers) data*).
- Since 1996, non-academic salaries have accounted for a greater proportion of total expenditures than academic salaries due, in part, to a growth in the number of upper-level administrative staff.
- While individual faculty salaries

Senior Administrative Position	Reported Salary 2000 (\$)	Reported Salary 2006 (\$)	% Increase 2000-2006
The Principal	236,500	329,402	39.3%
V-P Advancement	172,800	297,890	72.4%
V-P Operations and Finance	162,042	228,276	40.9%
V-P Research	139,083	242,573	74.4%
Dean of Business	156,278	366,875	134.8%
Dean of Law	124,901	182,478	46.1%
Dean of Arts and Science	146,274	206,677	41.3%

Source: <http://www.fin.gov.on.ca/english/publications/salarydisclosure>

(including scale, PTR and merit) have increased on average by approximately 4-6% a year over the last 6 years, the salaries paid to senior administrators have skyrocketed (please see the table above).

**Compromising the Quality of Education**

Between the 1996-1997 and the 2005-2006 academic years, total undergraduate and graduate enrolment at Queen's increased from 14,804 to 18,998; an increase of 28.3% (Source: [www.queensu.ca/fins/info/pdf/annual\\_budget07.pdf](http://www.queensu.ca/fins/info/pdf/annual_budget07.pdf))

Over the same ten-year time period, the full-time equivalent (FTE) number of faculty (including "bridges") increased from 724.6 to 783.5; an increase of a mere 8.1%. In 2005-2006, the number of FTEs still fell well below the numbers from the early 1990s (e.g. in 1993-1994, there were 816.7 FTEs).

As a consequence, student-faculty ratios increased by almost 20% over the last decade. We now have one of the highest ratios among our peer comparator research-intensive universities in Canada (please see the table below).

University	Student-Faculty Ratio (2004-2005)
UBC	17.5
McGill	19.8
McMaster	20.6
U Vic	21.6
Laval	22.4
SFU	23.2
Alberta	23.3
UWO	25.0
Toronto	25.7
<b>Queen's</b>	<b>26.6</b>

Source: *The 2007 CAUT Almanac of Post-Secondary Education in Canada*

The number of courses at Queen's being taught by full-time tenure stream faculty is now barely 50%.

**Looking Ahead**

In January 2007, the University told the provincial government that it planned to make 18 net new full-time tenure stream hires during 2006-2007 (*Queen's 2006-2007 Multi-Year Action Plan and Agreement*). While this is a distinct improvement over the net change of -1 (yes, negative 1!) in 2005-2006, it is still woefully inadequate given that Queen's announced in 2006 that it intended to increase graduate student enrolment by 30% over the next three years.

How can the quality of education be even maintained, let alone be improved, without significant reinvestment to increase the number of full-time faculty? The University is in strong financial shape. It really does come down to the question of priorities.



*QUFA encourages you to print out a copy of this Bargaining Alert and post it in a visible space in your department or unit. Thank you!*