

Annual Report 2017-2018

VIUFA Budgetary Analysis Committee

The Budgetary Analysis Committee is tasked with maintaining data related to the financial position of the University, particularly in the context of its obligations under the Collective Agreement. Certain clauses of the Collective Agreement (specifically, Article 6.6, regarding budgetary layoffs) are activated when the University is in a position of financial exigency (budgetary shortfall) and therefore it behooves the Union to monitor the University budget and financial statements, enabling the Union to assess claims of financial exigency by the University.

The Committee consists of Sylvie Lafreniere and Doug Stetar.

Activities this year:

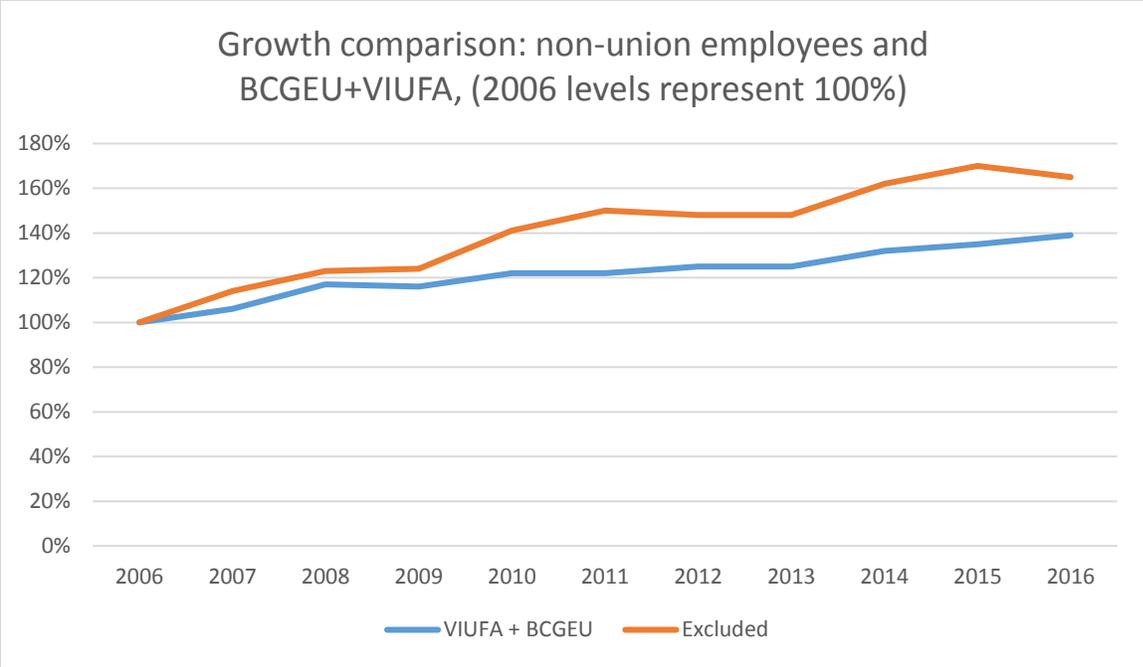
1. Budgetary Layoffs

There were no budgetary layoffs this year. The Employer attempted to make a case for budgetary layoffs, but there was no case of financial exigency, and the Employer did not pursue this approach to layoffs.

2. Statements by the University regarding cuts

Last fall the University announces that as a result of budgetary shortfalls, there would be cuts to operating budgets of the academic units: 2% in the semester starting January 2018 and 3% in the 2018-19 fiscal year. In response, we conducted an analysis of expenditures and discovered significant growth in total compensation to administrators and other excluded personnel over the last decade, outpacing growth in spending on faculty by almost 2-to-1: 65% growth to the excluded group, while 39% growth in total compensation went to faculty. Average salary increases of 2% would account for 22% of growth over that period; the remainder would presumably be due to expanded workforce, and more students served.

The Human Resources Data Base, maintained by the Post-Secondary Employers Association of BC, with data provided by VIU, should be considered an accurate data source.



Looking to outside sources, the Public Sector Salary Database (<http://www.vancouver.sun.com/business/public-sector-salaries/basic.html>) yields similar results:

Year	“Dean” or “VP” or “Director” in title: headcount	Salary total, “Dean” or “Director” or “VP” in title	% total Salary increase (1 year)
2012	29	\$2,860,051	
2013	33	\$3,362,430	17.6%
2014	36	\$3,856,415	14.7%
2015	38	\$4,005,894	3.9%

Teaching students is not only our primary mission and our mandate, but it is an activity that generates revenue. Cutting courses that are full or nearly so has only a marginal impact on the deficit, if not actually increasing it, as revenue is also lost; yet the impact on the university’s ability to meet its mandate is disproportionately large compared to the net savings (if any).

Furthermore, it is not evident that teaching is the problem – in fact, each year since 2013, the gap between the revenue collected from tuition, and the compensation cost of VIUFA and BCGEU has been narrowing; as tuition raises do not generally outpace VIUFA salary increases over the period, this may indicate that the teaching units have been getting more efficient over recent years:

Year end	VIUFA+ BCGEU*	Tuition Revenue*	Difference (Compensation – Revenue)*
2017	unknown	56039	unknown
2016	62789	56477	6312
2015	61196	53046	8150
2014	59751	50317	9434
2013	56465	44324	12141

*In \$1000's. VIUFA+BCGEU compensation from HRDB (PSEA); Tuition revenue figures from VIU Audited Financial Reports (<https://www2.viu.ca/financialplanning/financialstatements.asp>)

In a letter to the administration, we made the point that, in times of budgetary restraint, a course of action for containing costs should, before cuts to course offerings for students, be restraint in the proliferation of administrators. Academic units were being asked to cut courses that are in demand in order to decrease costs by 2% in the coming term, and 3% in the year thereafter. At the same time, the University planned to expand the number of administrators, adding, perhaps among others, a Director of Scholarship, Research, and Creative Activity.

VIUFA asked that the expansion of administration cease while the university is taking action to absorb cuts; that VIUFA in regards services to students as its priority, and we expect this priority to be upheld in times of fiscal restraint.

Full letter to Administration can be viewed at VIUFA's website viufa.ca

3. Zeroed Cost Centres

In response to members' concerns about cost centres that had been set to zero last April with the start of the new fiscal year, the Budgetary Analysis Committee met with members and collected information on the affected accounts, and met with Wendy Young of the Finance department. VIUFA members were impeded by their deans and supervisors from making appropriate use of the funds, and understood the zeroed accounts to be a clawback of funds into General Revenue – in some cases, the funds were donations for special-purpose use, largely student activities. Through our initiative, members were informed that expenditure from those accounts could continue as before, and the University provided deans and supervisors with better information about the reasons for the zeroed accounts (lack of clerk time to repopulate the data). The situation requires monitoring as we enter another fiscal year, and events like this one may increase with the migration to new software systems.

Many thanks to Sylvie Lafreniere and Doug Stetar, Committee members.

Respectfully submitted,

Gara Pruesse

VIUFA University Budgetary Analysis Chair