



# **Senate Committee on the University Budget**

**2014 Annual Report to Senate**

**March 20, 2014**

## Executive Summary:

The Senate Committee on the University Budget (SCUB) is charged with providing assistance to the President in the development of the University budget. This assistance can come in many forms but is not intended to replicate the efforts of the budget planning office. That said, all members of the committee were provided with detailed information about the budget during development. In part, this report reflects some of the concerns or issues that have arisen during budget development.

In particular, the University has experienced decreases in its "Total Operating Grant" from the Ministry of Advanced Education for the past two fiscal years (2011/12: \$47,406,725; 2012/13: \$47,390,011; and 2013/14: \$47,261,696) and it is anticipated that further cuts of 1% and 1.25% will be in place for the next two fiscal years. At the same time, expenses are anticipated to increase between 3% and 4% each year. Decreasing revenues with increasing costs has resulted in the President's Executive Council recommending to the Board of Governors a 4% decrease to the budget.

Further, the Ministry has announced through the Core Review its intent to see that "unfilled seats" are fully utilized and the Government has placed an increased emphasis on "skills training". Combined with UNBC not meeting expectations for full-time enrolments, this leaves the University in a vulnerable position. It is in this context that SCUB met with various groups to discuss the budget and the implications of a 4% cut.

Much was said at the meetings with stakeholders but five key points were re-iterated a number of times and across various groups:

- we have many positions that represent "*single points of failure*" on both the academic and staff side of the campus
- it is important to recognize our core teaching function and that "*retention begins in the classroom*"
- there are "*no quick fixes*" with regard to our budgetary issues due to institutional inertia
- a cut of "*4% is awkward*" as it is too large to be handled horizontally but not substantial enough to demand vertical cuts in operations
- there is a sense among almost every group that "*recruiting is the answer*"

In addressing these issues, the University needs to develop a plan for its academic offerings. At the heart of this plan is the question: "*Are we too small to be big but too big to be small?*" That is, are we structured academically and administratively appropriately for the size of our institution? Do we have the right number of degree options for the number of students that we have? Do we have the right degree options for the students within this region of the province?

There are a number of structural issues that impact upon course selection, degree completion, and student retention that the institution should consider as it develops its plan and considers its budget. In the course of this, the University should engage in: "*an open, honest, and thorough community-wide conversation about our programs and our direction in the light of government and societal demands and expectations.*" Simply put, we need to consider what our institution should look like and where do we want to go as these are the considerations that should be driving the budgetary decisions. Or as one Senator put it: "*If you let the budget dictate what you can do, then you will never be able to get to where you want to go.*"

We are at a point where we need to have clear direction as to where we want to go.

## SCUB REPORT FOR 2014/15 BUDGET

### Introduction:

The Senate Committee on the University Budget (SCUB) is a standing committee of Senate constituted by legislation and empowered by the University Act to: “*meet with the president and assist in the preparation of the university budget.*” The membership of the present committee is noted at the end of this report. The committee began meeting to discuss the 2014/15 Budget after the approval of the Board of Governors and the release of the General Operating Fund 2014/15 Budget Planning Framework on November 30<sup>th</sup>, 2013.

SCUB’s role is not to develop an alternative budget or to duplicate the work that is carried out by the budget office. SCUB also does not provide a critique of the spending patterns or allocations within each unit of the institution. SCUB is presented with a line-by-line draft of the operating budget but, with only a few exceptions, it does not comment on specific expenditures or line items.

Rather, SCUB’s role is to provide commentary and advice with regard to the development of the draft budget both prior to and during the final consolidation of the various budget councils and reporting units. It provides advice directly to the President, either through direct contact or through meetings with the President’s Executive Committee. SCUB is also charged with providing a report on the budget to Senate for discussion and information. Perhaps SCUB’s most important role is to act as a conduit for information flow about the budget and budgeting process between the President and Senate (and beyond).

It should be noted that the committee is deeply grateful for all the hard work provided by Ms. Charlene Myers during the course of SCUB’s deliberations.

### Process:

Due to the time lines involved in the budget process, the committee conducted a series of open meetings for stakeholders from various groups involved in the University:

Date	Time	Group
January 9	1:30	CUPE; Exempt; Faculty Association
	2:30	Academic Unit Chairs; Senators
January 16	1:30	Director of Facilities; Librarian
	2:30	NUGSS; GSS; International Students
January 30	1:30	Vice-Provost Student Engagement; Registrar; Associate Registrar Enrolment Services
	2:30	Director and Senior Members of IT
February 6	1:30	Vice Presidents – Admin & Finance, Research, and Academic
	2:30	Director – Ancillary Services
February 7	2:30	Deans of CSAM, CASHS, and Graduate Programs; Vice President External Relations
February 19	11:00	PEC and SCUB Chair

The framework guiding which groups were asked to discuss the budget with SCUB was based on the comparison of University budgets from across the country carried in the Proposed 2013/14 General

Operating Fund Budget. These budgets represent “actuals” for the different institutions and provide benchmarks for comparison, particularly with respect to the distribution or allocation of operational funding. It provides a measure of how UNBC allocates its funds compared to comparable institutions and, to some extent, a snapshot of how UNBC is doing. The table provides broad groupings of the budgeting areas within each of the institutions:

Institution	Instruction and non-sponsored research		Non-credit instruction		Library		Computing and communications		Administration and general		Student Services		Physical Plant		External Relations		Total
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	
UNBC	37,321	53.5	739	1.1	3,488	5.0	4,631	6.6	8,978	12.9	6,194	8.9	6,874	9.9	1,549	2.2	69,774
St. F.X.	37,251	52.7	623	0.9	3,205	4.5	2,340	3.3	8,551	12.1	6,227	8.8	10,384	14.7	2,142	3.0	70,723
Mt. Allison	21,680	54.2	307	0.8	2,081	5.2	1,796	4.5	3,048	7.6	3,086	7.7	6,303	15.8	1,682	4.2	39,983
Trent	56,955	56.0	1,079	1.1	4,001	3.9	2,449	2.4	11,351	11.2	14,438	14.2	8,347	8.2	3,009	3.0	101,629
Lakehead	60,402	56.0	815	0.8	4,609	4.3	2,766	2.6	14,637	13.6	9,431	8.7	13,376	12.4	1,759	1.6	107,795
Regina	75,128	48.7	6,865	4.5	8,136	5.3	7,040	4.6	18,841	12.2	13,805	9.0	21,474	13.9	2,896	1.9	154,185
Lethbridge	75,188	55.7	1,014	0.8	6,238	4.6	7,149	5.3	16,079	11.9	12,234	9.1	14,914	11.0	2,287	1.7	135,103
B.C. Average	113,686	49.2	8,661	5.9	7,455	3.4	8,806	4.3	25,839	15.3	19,110	10.6	17,988	8.0	5,860	3.3	207,405
Canada Average	94,376	51.7	4,647	2.4	7,296	4.5	5,942	3.2	17,749	16.1	16,319	8.4	16,642	10.8	3,723	2.9	166,694

\* Note that this table is for 2011 and was obtained from the Proposed 2013/14 General Operating Fund Budget. The original data is obtained and updated annually from CAUBO.

Although not all institutions are structured in the same way as UNBC, the categories within this table provided a basis for the selection of groups invited to discuss the budget with SCUB, particularly in the UNBC context.

SCUB also invited comment (oral and/or written) from the UNBC community through broadcast e-mails and communications with various stakeholders. All comments have been generalized to broad trends and to the best of our ability the following discussion reflects what SCUB heard from various groups and individuals.

### **Budget Context:**

The University appears to be in a perpetual state requiring yearly cost cutting and expense reduction exercises. From a quick survey of past General Operating Fund Budget Planning Framework documents it can be seen that budget projections routinely predict an operating deficit with further increasing deficits in subsequent years – albeit with a caveat that says: **“If nothing else changes.”** This is a consistent and common thread throughout much of the past 20 years. It begs the question: *“Why does this keep happening?”*

The simple answer for fiscal 2014/15 is that the provincial government has indicated in the provincial budget that all post-secondary institutions in the province will receive a cut in their Provincial Operating Grant. The Ministry appears to be scheduled for a \$20 million decrease in fiscal 2014/15 and a further decrease in 2015/16, despite projected government surpluses for both fiscal years. Indeed, the government has secured a significant amount of funds in the form of contingency that could be utilized to mitigate the cuts to the Ministry of Advanced Education.

These cuts appear to be in strong contrast with the Government’s stated intent to increase the number of students engaged in post-secondary education and provide “skills training” for our youth going forward. A 1% cut to the system and a further cut of approximately 1.2% the following year appear to be counterproductive, especially when the Government’s own labour market analysis calls for 1,000,000 jobs by 2020 with 78% requiring some form of PSE and 35% requiring University. At projected

graduation rates, B.C.'s Universities will only be able to fill 310,000 of the 350,000 positions that the Government forecasts. It would appear to be virtually impossible for the system to meet the labour market demands over the next 10 years.

That said, the reduction in revenue to the Ministry of Advanced Education means a real cut in UNBC's operating grant of approximately 1%. Based on last year's grant of \$46,262,439, a 1% cut is a decrease in revenue of \$462,717 resulting in a projected net grant of \$45,808,979 according to the Preliminary Planning Projections generated by the budget office for 2014/15. Coupled with inflationary pressure due to the increased costs of goods and salaries, President's Executive Council set a target of 4% or \$2,736,092 for the overall decrease in the operating budget for fiscal 2014/15. It should be noted that the 4% target includes a 1% strategic flexibility. Also, the University is operating with an assumption of a 2% increase in the cost of tuition for the coming year. As domestic tuition actually declined during fiscal 2013/14 for undergraduate enrolments, a 2% increase in the cost of tuition may not be realized for the coming year. The 4% target is a conservative estimate of the necessary decrease in operation budget.

To add to this, UNBC's enrolment has remained flat for the past number of years. Anticipated growth – either through recruitment or the addition of new programs – has not materialized and the University finds itself in the uncomfortable position of not meeting its intended target of 3,455 FTE. (It should be noted that all of the institutions outside of the Lower Mainland and Victoria are below their targeted FTE numbers: VIU 91.3%; TRU 96.7%; UBC-O 95.6%. UNBC is at 83.5% while the entire University system in the province is at 104.1%).

At the same time as we are below our targeted FTEs, the University has committed to infrastructure, academic programming, administrative capacity, staffing levels, and in many other ways to being a University of 3,455 students. We are presently structured as if we are on target and have met the enrolment demands and this has implications, for example, in class sizes and building space. We have fiduciary commitments consistent with a much higher enrolment figure than we presently serve. This has created some anomalies in the way that budgeting occurs throughout the various units on campus.

It should also be noted that UNBC has several significant differences in its academic and fiduciary structure which dictate that the University should receive additional funding. We operate four campuses spread over a vast area and we have a significant enrolment throughout the region (see headcount below). We operate in a region where there is a lack of redundant capacity. It is also a region with little infrastructure and support. And we have regional commitments that exceed the typical bounds of University operation in other areas in other regions of the province.

UNBC is also relying increasingly on graduate and foreign students as a source of tuition fees and funding. In the case of graduate students, they are potentially more expensive to educate, are students for a shorter period of time, and in some cases are recompensed by the University while a student. In the case of foreign students, while they are a source of revenue, they come at additional costs. Not all of the costs associated with international students are incremental. Additionally, the international market may be more sensitive to issues around reputation and our ability to deliver programs, particularly at the lower levels within the institution.

It is encouraging that SCUB has been apprised of a change in the way that the University will manage any operational surplus arising from the present fiscal year. Funds will be directed towards the budget councils for allocation a needs basis utilizing one-time funding. But whether we can sustain operational

surpluses going forward, given the budget letters and government's direction with regards to funding post-secondary education remains to be seen.

All of this leads to our present budgeting crisis. We are in a position where our revenue streams are either decreasing (i.e. provincial government grant) or remaining essentially flat (i.e. tuition) while our expenditures are increasing. We are in a position where strategic decisions will need to be made in the next two budget cycles or our expenditures may reach the point where they exceed our revenues. At that point, UNBC would be tabling deficit budgets which are not allowed under the legislation. Clearly, something needs to be done.

### **What we heard from the groups:**

SCUB engaged in discussions with a number of groups (Academic Instruction, Ancillary Services and Continuing Studies, Student Services, IT, Physical Plant, Library, Administration, External Relations, as well as faculty, staff, and students). In each case, the question: "*What does 4% mean for your group?*" was asked with a view to soliciting information on the impact of a cut to students, staff, and faculty. In all cases, SCUB received thoughtful and thorough responses expressing a wide range of views. Several common themes emerged in our discussions.

The first is that the institution is structured with many "**single points of failure**". It was repeatedly stated that almost every unit on campus finds itself in a position where the absence of a single person can significantly impact operation. In some cases, SCUB was provided with specific examples where individuals are now on sick leave and particular functions have ceased to be provided. This is true for both the academic and administrative constituencies in the institution.

One could make the argument that it has always been thus at UNBC. We have never been large enough to have redundancy for many of our positions. Certainly, within the academic programs, replacing a faculty member on disability leave is almost impossible as there is not a surfeit of unemployed Ph.D.'s in Prince George or the Region. Similarly, many of the tasks performed by administrative staff are unique to the University and this makes it difficult to maintain a temporary pool of workers or for staff to temporarily cover for someone that is absent.

However, one of the consequences of our present situation is that many individuals are keenly aware that there is no one to replace them if they cannot work and are working when they should not. There is a "push on" at all costs mentality which has the unintended consequence, in some cases, of resulting in more severe health issues than would otherwise occur. When everyone is feeling stress, stress becomes the new normal. This is exacerbated by the budget cycle which carries with it a sense of "doom and gloom" each year – almost a demand to do "more with less". Many members of the University community feel that they must rise to this demand.

The second message that resonated across a number of presentations is that "**retention begins in the classroom**". There are a number of ways that this can be framed but there is little doubt that as we consider the budget, we must remember that an education for our students – both graduate and undergraduate - is our major product. We need to ensure that we are delivering a high quality product. Any cuts as a result of a decrease in our budget need to respect the fact that we need a high quality product if we are to remain competitive within the provincial and national University environment. Whether or not it is significant and whether or not it will have an impact on recruitment and enrolment,

we slipped from #2 to #3 in the Maclean's ranking in 2013. Why this occurred may be a reflection of the product that we are able to deliver relative to our peers. Slipping further down the ranking must surely not be in UNBC's best interests.

To this end, we need to ensure that student support systems are preserved. This definition of student support services stretches from the Access Resource Centre to tutoring for students through MACE and the NUCLEUS to maintaining small class sizes where practical. It includes the Student Life Coordinator, the Counselling Centre, the Academic Success Centre, and the residence experience. Ensuring that we support students in pursuit of their degrees should be a central theme when considering any cuts to operational budget.

Further, student retention is also sensitive to issues such as timely degree completion. If courses are not available, then students will vote with their feet and transfer to institutions that have suitable courses. Included later on in this report is an analysis of student numbers by course level and it is fairly clear from this analysis that there is a significant decrease in the number of students between 100-level and 200-level. This decrease is partly driven by students transferring to other institutions for degree programs that we do not have the resources to offer but some loss of students is driven by students frustrated with not being able to complete their degree in a timely fashion.

This is a balancing act because timely degree completion may require additional instructors to offer the diversity of courses required. Further, the question of whether or not the University should keep offering under-subscribed courses remains open. A comprehensive review of academic programs might find opportunities for cross-teaching that could facilitate student progression with little or no financial impact. Certainly, care with scheduling of courses could improve the ability of our students to move towards a degree.

Many of the students noted that a significant portion of our students are employed while attending UNBC. One opportunity that could be explored is the area of work-study within the institution. We should have confidence in our own students and be willing to hire them whenever possible. This has the double advantage of assisting a student financially through University and helping to ensure retention during their education.

**One particularly salient comment was made on the subject of course selection, degree completion, and student retention: "Are we too small to be big but too big to be small?" That is, are we structured academically and administratively for the size of our institution? Do we have the right number of degree options for the number of students that we have? For that matter, do we have the right degree options for the students within this region of the province? SCUB will respectfully leave these questions to Senate to answer.**

A third common comment during our discussions was that there are "**no quick fixes**". We can't simply go out and buy 300 more FTE of domestic students. (Note: in considering FTE, the provincial government only counts domestic students.) Nor are international students necessarily the answer as they are not fully costed and the market is rapidly getting saturated with institutions that view international students as an easy source of revenue. Nor are we likely to be able to carry out fundraising sufficient to offset operational costs. Even if that was possible for the upcoming year, it would be a short term fix that would leave the University even more vulnerable going forward. The Development Office and External Relations are not going to be able to rescue UNBC nor should they be expected to do so.

Just as a massive surge in students is not likely to happen and would come with hidden costs, there are no quick fixes available within the labour component of the budget. We operate in a constrained environment with collective agreements or contracts for all of our employees. Modifying academic programs or shifting administrative services is a protracted exercise which means that even quick fixes are not very quick. In particular, mechanisms involving Senate in such decisions are set out that mean any decision to significantly alter our academic structure will need to occur over years.

Stemming from this, it is SCUB's recommendation that we must develop long term financial plans for the institution based on conservative estimates. It is only within long term and strategic planning that we can make significant changes to the budget paradigm and academic/administrative structure of the institution. As one representative put it: *"We must have an open, honest, and thorough community-wide conversation about our programs and our direction in the light of government and societal demands and expectations."* It is only through long term planning that we can stop "managing our decline" and start "managing our future."

Such planning must occur at all levels within the institution and not just in response to budgetary considerations. Perhaps one of the most telling statements was offered by one faculty Senator, who said: *"If you let the budget dictate what you can do, then you will never be able to get to where you want to go."* It is incumbent upon the institution to determine where it wants to go in order to allow the destination to drive the budget. This is a task for Senate.

A further observation that came through in our discussions is that **"4% is awkward"**. It is too large a cut to handle by shaving a little off of each budget but not large enough to precipitate a drastic cut. A vertical cut which would see the excising of an academic program or a support unit would be seen as an overblown response to the present budgetary situation.

There is a sense that a 4% cut to the University budget can be managed for the coming year without drastic measures but the opinion was also expressed that drastic measures are coming, so taking them earlier rather than later might be healthier for the institution as a whole.

Concern was also expressed that we are increasing becoming dependent upon international students to make up for operational deficits and this leaves us vulnerable in the light of cuts. Similarly, SCUB was told: *"presently, we are overly dependent upon graduate student numbers to offset stalled undergraduate numbers which leaves us very vulnerable to market forces."*

A declining operating grant from the provincial government, with the charge that we are not allowed to let such a revenue decrease affect our academic programs, puts the University in an awkward position to say the least.

Finally, one of the messages that SCUB heard from a number of sources is that **"recruiting is the answer."** While there is no doubt that we need to recruit more students, demography is against us. We presently pull most of our students from within our region (approximately 90% of the students from School District 57 transitioning directly from Grade 12 to University choose UNBC). Using Ministry of Education data, we can use as a proxy for the number of graduating students in each northern school district the number of students presently registered in lower grades. That is, the number of students graduating in 2015 may be approximated by the number of students presently in Grade 11. On this basis, for the school districts that represent our catchment area, we have:

		2013	2014	2015	2016	2017
#27	Cariboo-Chilcotin	466	478	470	447	423
#28	Quesnel	341	344	295	277	291
#49	Central Coast	9	9	19	9	13
#50	Haida Gwaii	63	90	48	63	50
#52	Prince Rupert	218	196	213	200	150
#54	Bulkley Valley	212	233	233	181	201
#57	Prince George	1323	1395	1146	1027	1030
#59	Peace River South	344	358	336	284	292
#60	Peace River North	478	446	479	419	400
#81	Fort Nelson	91	80	78	66	70
#82	Coast Mountain	580	468	426	421	389
#87	Stikine	15	13	22	11	20
#91	Nechako Lakes	648	431	381	380	307
#92	Nisga'a	44	23	32	19	21
	<b>Total</b>	4832	4564	4178	3804	3657
	<b>76% to PSE in 10 yr</b>	3672	3469	3175	2891	2779
	<b>22% to RU in 5 yr</b>	808	763	699	636	611

\*Ministry of Education web-site

Note that Ministry data indicates that 76% of students graduating today will proceed to post-secondary education in the next 10 years. However, not all of these students will enter a research University such as UNBC. Data would suggest that within 5 years of graduation, 22% of high school leavers will enter a research University. These numbers, based on the projections, are included in the above table to indicate our approximate total yield over time of all of the students in our catchment area if we are 100% successful in recruiting all of the students headed to a research University. Clearly, the data indicates that our recruitment strategy going forward is going to have a significant impact on our long term viability.

To this end, a suggestion was put forth that the University should be seeking the “star” programs. That we should be considering which programs generate the most students and reinforcing such programs. Such considerations are not based on the number of faculty, research dollars, or strategic research plan. Rather, they will need market analysis which considers the actual and projected demands for professions related to the programs. For example, we do not have a “pre-med” program but we do have a number of programs that contribute significant numbers of students to medical schools. If increasing the number of medical doctors in the region is still a societal goal, then we need to ensure that these programs are capable of meeting that demand. We may need to consider reinforcing programs that are potentially popular but are not presently available or fully subscribed due to a lack of resources or sufficient recruiting. The academic structure of the University should reflect our recruiting strategy and vice versa.

With regard to the nuts-and-bolts of recruiting, our staff is spread thin with little capacity. Indeed, they are structured with a “single point of failure”. Presently, UNBC employs four admission officers, four recruiters, and 3 advisors. SCUB was told that money for recruiting is not the issue so much as personnel. There is a definite need for more individuals to be involved in the recruiting process. The

suggestion was made, several times, that faculty and students could participate in recruiting but this would have to be examined closely as an option for extending our efforts.

**Structural Issues:**

A recent analysis of class sizes and course offerings provides some information about the structure of the academic programs at UNBC which might be helpful in considering budget implications. Include below is an analysis of the headcount for lecture sections at each level of the institution for the past 13 years (Fall 2000 – Winter 2013):

Level	Total Enrolment	Yearly Average Enrolment	Total Courses	Yearly Average Courses	Section Average Size
100	100,965	7766.5	1781	137	56.7
200	68,224	5248.0	2303	177	30.0
300	94,931	7302.4	3726	287	25.5
400	57,946	4457.4	4271	328	13.6
500	199	15.3			2.3
600	10,074	774.9	2160	166	4.7
700	16,938	1302.9	2158	166	7.8
800	1167	89.8	198	15	5.9

The first column provides the assigned level of the courses. The second column provides the number of students enrolled in lecture sections for the entire period. The third column breaks this down to the yearly average. The fourth is the total number of lecture courses during the entire period. The fifth is the yearly average. The final column is the average section size.

There are several things immediately apparent from the table. The first is that there is a tremendous decrease from 100-level to 200-level courses in total enrolments, to the tune of 32.43%. This could be the source of the much quoted statistic that one third of our students leave after first year. However, that may not be accurate. Many of our students take more first year courses in second, third, and fourth year in order to meet overall credit counts in their degree requirements. Certainly, many students put off certain first year courses until late in their degree programs. Other students try out different degree programs at the 100-level, sometimes switching between colleges. And certain degree programs demand that students focus much of their academic career at the 100-level. As an example, consider the Human & Health Science Biomedical stream which has 13 of the thirty-eight required courses at the 100-level (15 if one includes the two first year chemistry laboratories) and if the student follows the suggested path will result in a total of 17 (19) 100-level courses in the degree program.

The numbers simply reflect enrolment in courses and not necessarily degree programs or plans. While the data would appear to indicate a decline in the number of students successfully completing 100-level courses and carrying on to 200-level courses, the extent to which students are leaving the institution is probably not fully reflected in this data. Perhaps a better picture is provided by the “Undergraduate Completers (2008 to 2012 convocations) Analysis” which provides information on the relative distribution of course loads for students completing their degree programs.

For CASHS, and only considering the students that entered UNBC directly from High School (classified as ‘NEW’), 928 students completed their degrees in this time span. These students average 139.6 credit

hours for their degrees. This is broken down into 53.8 credit hours at the lower level (100- and 200-level), 53.4 credit hours at the upper level (300- and 400-level), and 44.9 credit hours of transfer credit which is taken while the student is at UNBC (i.e. through the Open Learning Agency). This represents a definite loss in revenue potential. Considering the new students in CSAM, students average 133.5 credit hours for their degrees which consist of 70.9 credit hours at the lower level and 53.2 credit hours at the upper level. Only 11.5 credit hours, on average, are obtained through transfer credit. Again, there is a missed revenue opportunity but not as substantial. However, the number of credit hours spent at the lower level represents 53.1% of the whole which is consistent with the distribution seen in the above table. In other words, the decrease in total enrolment seen in the above table between 100-level and 200-level courses and across the entire range may be more systemic and structural than an indication of a retention issue. That said, issues of retention between 100-level and 200-level should be a task for Senate to consider.

However, there is also a significant surge in 300-level enrolments. This likely reflects incoming students for some of our degree programs such as Nursing and Social Work. Similarly, there are a number of degree programs that are structured with 300-level specialty courses required or optional. Many degrees have 300-level requirements but then require additional credits such as “12 credits at the 300- and 400-level.” Others simply do not require a minimum number of credits beyond the 200-level inducing students to focus their course selections on 100-level courses.

Overall, the data do indicate some broad patterns of enrolment. The number of 100-level courses offered in a given year is only 137 compared to 328 at the 400-level. This is typical of Universities where upper level specializations are available. However, it also has financial implications as the number of students per section is dramatically lower. Consider that 13.6 students represent only \$6550 in tuition revenue. This does not cover the cost of instruction for that course and with 35% of our undergraduate courses offered at the 400-level, the 400-level specialty programs are being financed by 100-level enrolments. In this light, a move to reduce the number of 100-level courses would not seem to be in the institution’s fiduciary best interest.

It should be noted that the Tuition & Student Fees line of the overall operating budget (\$18,546,838 for fiscal 2013/14) is approximately equal to the Salaries – Faculty/Librarian/SLI line (\$20,289,785) which is consistent with the pattern just outlined – that tuition covers the cost of instruction. On a budgetary basis, an argument could be made for fewer 400-level courses as these cost more to deliver than they return in revenue. However, this would also mean fewer options for students seeking degree completion and likely decrease retention. It is SCUB’s opinion that Senate will need to have a more fulsome discussion of the relative distribution of the course offerings within the institution, particularly with reference to the cost of instruction in individual degree programs.

A further structural issue can be observed in the overall distribution of class size:

<b>Class Sizes</b>	<b>Total Enrolment</b>	<b>%</b>	<b>%</b>
<b>0</b>	6908	19.94	
<b>1</b>	7665	22.12	27.63
<b>2-10</b>	8358	24.12	30.13
<b>11-20</b>	5210	15.04	18.78
<b>21-30</b>	3227	9.31	11.63
<b>31-40</b>	1405	4.05	5.06
<b>41-50</b>	713	2.06	2.57

<b>51-75</b>	712	2.06	2.57
<b>76-100</b>	234	0.68	0.84
<b>100+</b>	219	0.63	0.79

This is again based on a dataset for the past 13 years (Fall 2000 to Winter 2013) and the columns provide the number of lecture sections that fall into the size range. In this case, 6908 CRN's were generated and scheduled for courses that did not have any students enrolled. This includes graduate courses and summer offerings. The third column indicates that this represents approximately 20% of all of the courses scheduled. Removing this number from the total leads to the renormalized percentages provided in the fourth column.

The renormalized percentages would indicate that approximately 50% of all of the courses taught at UNBC have between 2 and 20 students, with approximately 30% having between 2 and 10. This generally means that most courses are not covering their own cost of delivery, as 10 students represent only \$4,816 in revenue and anything less just exacerbates the situation. The numbers look even worse if the courses with only 1 student are included. Fully 75% of our courses fall into the 20 students or less category. The number of courses with only 1 student does include graduate courses – and each graduate student doing a Master's or Ph.D. thesis shows up as a separate CRN so the data may be skewed a little. Independent studies and undergraduate thesis courses also fall into this category. However, it is fairly clear that from a budgetary point of view, the 25% of courses that exceed 20 students are subsidizing the majority of courses that don't.

This is a structural issue resulting from the comprehensive nature of our degree programs. It is an issue that Senate will need to address if the University is to develop a strategic plan.

A final note on structural issues is the relative distribution of the enrolments over the past 13 years:

Subject	Total Enrolment	Yearly Average Enrolment	Section Average	Subject	Total Enrolment	Yearly Average Enrolment	Section Average
COMM	40608	3123.7	33.2	HHSC*	2494	356.3	21.3
ENGL	22923	1763.3	33.8	ENSC	3106	336.1	19.4
BIOL	22548	1734.5	44.1	BCMB*	956	318.1	22.2
NURS	17847	1372.8	33.1	ENVS	3907	300.5	16.3
EDUC	17809	1369.9	38.5	FSTY	3515	270.4	17.8
MATH	17681	1360.1	36.2	ENPL	2681	270.3	13.2
PSYC	12936	1329.7	33.2	Core	3159	243.0	58.5
CHEM	15873	1221.0	34.4	STAT*	223.0	223.0	24.8
				WMST	2776	213.5	13.5
ECON	14807	1139.0	37.4	ORTM	2477	190.5	9.9
HIST	11975	921.2	19.9	PHIL	1926	148.2	42.8
GEOG	11924	917.2	23.7	FNDS*	102	102.0	17
POLS	11402	877.1	23.9	NRES	1048	80.6	4
CPSC	11198	861.4	21.8	ARTS	898	69.1	24.3
FNST	10290	791.5	11.6	UNIV	596	45.8	27.1
INTS	10222	786.3	18.4	NORS	351	27.0	7
SOCW	9770	751.5	24.8	<b>Totals</b>	<b>310916</b>	<b>25121.5</b>	<b>25.2</b>
ANTH	9258	712.2	18.1				
PHYS	6753	519.5	23.1				
NREM	4877	375.2	33.2				

\* HHSC based on 7 years; BCMB based on 3 years.; STAT, FNDS based on 1 year

The top eight discipline designations account for 52.8% of the teaching at the University, while Commerce alone accounts 12.4% of the teaching. Again this is an indication of the structure of the institution and has budgetary implications, particularly around questions of staffing levels and the disposition of faculty positions. Additionally, it is interesting to note that the courses with significant enrolments do not necessarily match with the perceived strengths of the institution (health, environment, community). This is a subject that Senate should consider discussing.

In comparison to the distribution of teaching, our undergraduate degrees conferred bear a similar but slightly different pattern:

<b>Graduates from 2008 - 2012</b>	<b>Total over five years</b>	<b>Yearly Average</b>		<b>Total over five years</b>	<b>Yearly Average</b>
Anthropology	66	13.2	Biochemistry & Molecular Biology	139	27.8
Economics	17	3.4	Chemistry	40	8.0
Education- Elementary	150	30.0	Computer Science	55	11.0
- Secondary	104	20.8	Environmental Engineering	51	10.2
English	160	32.0	Environmental Planning (All)	51	10.2
Fine Arts & Creative Writing	4	0.8	ESM Biology	111	22.2
First Nations	44	8.8	ESM Wildlife & Fisheries	44	8.8
General Arts	9	1.8	ESM Forestry & Management	23	4.6
Health Sciences – Biomedical Studies	45	9.0	ESM Forestry	28	5.6
Community Population Health	8	1.6	Geography Arts	38	7.6
History	67	13.4	Geography Science	23	4.6
International Studies	47	9.4	Mathematics	25	5.0
Joint Degrees	77	15.4	ORTM (All)	28	5.6
Nursing	516	103.2	Physics	11	2.2
Political Science	39	7.8	Joint Degrees	11	2.2
Psychology	188	37.6	Integrated Sciences	10	2.0
Social Work	92	18.4	Business	626	125.2
Certificates/Diplomas	216	43.2	<b>TOTAL CSAM</b>	<b>1343</b>	<b>268.6</b>
<b>TOTAL CASHS</b>	<b>1849</b>	<b>369.8</b>	<b>TOTAL UNBC</b>	<b>3192</b>	<b>638.4</b>

It is readily apparent that some of the program designations that are engaged in large amounts of teaching are not producing graduates. Many of these programs could be viewed as “service programs”. However, it should be noted that COMM (Business) leads both in number of enrolments taught and the number of students graduated. This one degree program accounts for 46.6% of graduates from CSAM and 19.6 % of all UNBC graduates annually on average. In CASHS, Nursing accounts for 27.9 % of graduates and 16.2% of all UNBC graduates. The data provided would seem to indicate that these two programs represent a major component of teaching done within the two colleges. Again, SCUB leaves the question for Senate to consider as to whether or not our perceived strengths are consistent with our enrolments.

UNBC has added a three new degree programs over the past 10 years. Environmental Engineering does not have a separate code, so it is not possible to monitor its enrolments separately from Environmental Science. The numbers in the above program reflect the relatively short time that both Human & Health Science and Biochemistry & Molecular Biology have existed as discrete degree programs. An analysis of year over year headcount at the institution would indicate that these new programs have not generally been observed to generate additional students.

	Undergraduate Headcount			Graduate Headcount			UNBC
	Regional	Prince George	Total	Regional	Prince George	Total	Total
Fall 2002	239	3021	3260	82	288	370	3630
Fall 2003	246	3035	3281	62	332	394	3675
Fall 2004	257	2960	3217	69	378	447	3664
Fall 2005	236	2851	3087	104	370	474	3561
Fall 2006	258	2887	3145	104	423	527	3672
Fall 2007	281	2729	3010	114	494	608	3618
Fall 2008	298	2800	3098	111	492	603	3701
Fall 2009	253	2774	3027	155	493	648	3675
Fall 2010	280	2661	2941	166	515	681	3622
Fall 2011	242	2691	2933	194	498	692	3625
Fall 2012	258	2671	2929	164	495	659	3588

Rather, new programs seem to be getting their students from existing programs. This leads to a question about whether or not UNBC should be adding new programs when we are already expending resources on existing courses. It should also be noted that the argument can be made that the decline in headcount from the Fall 2002 term to Fall 2012 (minus 331 students) might have been even more dramatic if UNBC had not introduced new degree programs to attract additional students. It is virtually impossible to tease out the factors involved in this relationship. However, any consideration of adding additional programs or even courses should be accompanied by an analysis of where the students are likely to be drawn from as simply “stealing from Peter to pay Paul” is not of a net benefit to the institution.

As noted above, the University should engage in: *“an open, honest, and thorough community-wide conversation about our programs and our direction in the light of government and societal demands and expectations.”* This is particularly with a view to the addition of any new demands on the academic structure but also with the present structure. It may be time to consider whether vertical cuts and the elimination of programs is necessary for the sustainability of the University as a whole.

### **Budgeting:**

One of the questions SCUB considered is whether our present model for budgeting and for expenditures is appropriate given the present strains. For example, we presently budget for all positions approved by the Board of Governors whether or not there is a person occupying that position. In the past, we would start salary lines in April and yet not hire until July or August. This resulted in significant unspent funds that are now clawed back from the budget in the form of a line item titled “Salary Savings” that is budgeted at \$833,011. This is a conservative estimate of the amount of salary savings that the institution realizes and the question of whether or not this amount should be increased remains to be decided by the Board of Governors.

However, at a different level is the question of whether or not the approach we take to budgeting is the best model. There are others, such as “zero budget” model that could be employed where all purchases and operationally expenditures are centralized. It would be handing control of financial expenditures to a small group of individuals which would likely increase strain and would no doubt increase operational stresses but, at the same time, it would ensure that money is spent where needed when needed. Note that it is not SCUB’s intention to suggest in any way that money is not being spent well. Rather, such a model would allow for a better control for managing the operational costs of the institution.

Another model would be to go to the other extreme and shift the entire operational budget to individual units and then have each payback into the central coffers for all of their operational costs, including costs that are presently managed through central administration such as electricity, heat, and janitorial services. Each unit would be responsible for some of the overhead costs of running the institution. Such a model would be a “keep what you earn” approach that would be very cut-throat and likely lead to major institutional discord.

It is encouraging that this year’s budget cycle has been able to provide SCUB with much more extensive information regarding the financial expenditures of the institution and filled in information around various line items that constitute the transfer of funds between internal and external accounts. The creation of a “sharepoint” site by Ms. Charlene Myers and Ms. Colleen Smith has greatly increased the access to information afforded SCUB. This level of transparency has provided some insight into where money is actually allocated and spent which informs the budget process as we move forward. It is in this context, though, that SCUB is concerned about many of the aspects of our present budget model, particularly with respect to apparent operational surpluses.

That said, there are other models for budgeting that UNBC might consider as it manages its funds going forward that might allow for more flexibility in meeting demands. It is beyond SCUB’s mandate to do more than suggest that the President and the Board of Governors consider such alternatives in developing the budget for next year (fiscal 2015/16).

**Conclusion:**

UNBC faces challenging times. At the heart of our difficulties lies the fact that we have under-performed for the past decade with regard to growth in student numbers. Our FTEs have remained essentially frozen and would have declined steadily if the institution had not seen a significant increase in graduate students. However, there are increased costs for graduate education that must be taken into consideration as we move forward.

SCUB’s advice to the President is that the institution needs to consider its path forward carefully. It must consider what sort of institution it will be in 20 years and what should be the right mix of programs at both the graduate and undergraduate level. It is only by developing this vision that the budgeting process can take place. Or to repeat one faculty Senator stated: *“If you let the budget dictate what you can do, then you will never be able to get to where you want to go.”*

We are at a point where we need to establish where we want to go.

Respectfully submitted:

- Todd Whitcombe, Faculty Member (Chair)
- Eileen Bray, Committee Co-Secretary (non-voting)
- Julian Brown, Undergraduate Student Representative
- Daniel Burke, Student Senator
- John Curry, Faculty Member (Professional Programs)
- Balbinder Deo, Faculty Senator (CSAM)
- Wendy Fellers, Faculty Association Representative
- Jennifer Keryluik, Exempt Staff Representative
- Dale Laluk, CUPE Staff Representative
- Colleen Smith, Committee Co-Secretary (non-voting)
- Kirk Walker, Graduate Student Representative