

SIMON FRASER UNIVERSITY

5.76-89

MEMORANDUM

To: SENATE

FOR INFORMATION

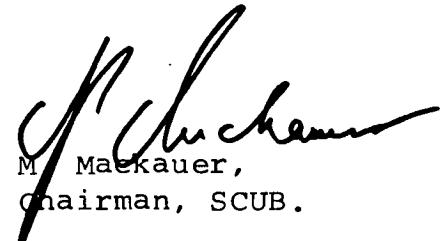
Subject: ANNUAL REPORT FOR 1975/76

From: SENATE COMMITTEE ON
UNIVERSITY BUDGET (SCUB)

Date: 14 July 1976

At its meeting of 14 July 1976, the Senate Committee on University Budget approved the attached Annual Report for 1975/76.

The Report is forwarded to Senate for its information.



M. Mackauer,
Chairman, SCUB.

RECEIVED

JUL 15 1976

SENATE'S OFFICE

1000 DAWSON

SIMON FRASER UNIVERSITY

MEMORANDUM

To.....	SENATE	From.....	SENATE COMMITTEE ON UNIVERSITY
Subject.....	ANNUAL REPORT FOR 1975/76	BUDGET (SCUB)	
		Date.....	14 July 1976

INTRODUCTION

Under the rules of Senate, each of its standing committees is required to prepare and to submit an annual report. This first report of the Senate Committee on University Budget (SCUB) covers the period from the Committee's establishment by Senate on 6 October 1975 to June 1976, inclusive. The objective of the report is to provide Senate with an overview of the Committee's deliberations and actions, the recommendations made as well as an assessment of the impact of the recommendations and perspectives of the Committee's future role in the preparation, submission, and allocation of the University budget.

BACKGROUND

Part Seven, Section 37B of the Universities Act states:

"The academic governance of the University is vested in the Senate and it has power to establish a standing committee to meet with the President and assist him in the preparation of the University budget."

The Senate of the Simon Fraser University, at its meeting of 6 October 1975, established the Senate Committee on University Budget as a standing committee. The terms of reference are the same as those in the Universities Act, with Committee membership to consist of those elected by and from Senate to the Senate Committee on Academic Planning. The Director of Analytical Studies serves as Secretary (non-voting) to the Committee, and the Comptroller is available to the Committee as a resource person.

ACTIVITIES TO DATE

Since its inception, the Committee has held some fifteen meetings. Its attention and energies have been devoted almost entirely to the allocation of the 1976/77 operating budget.

During the report period, the Committee met twice with the President and twice with each of the three Vice-Presidents. The primary purpose of those meetings was to gain an understanding of the budgeting process within the University. In addition, the Committee sought information on the reasons for the tentative distribution of the 1976/77 operating grant among the various University departments and services. Particular attention was paid to proposed increases and cutbacks. The Committee also invited suggestions in regard to areas where additional funds could be allocated should funds become available above the level then projected.

The discussions between the President, the Vice-Presidents, and the Committee members were completely candid. The Committee was given access to the latest information available. On one occasion, however, the Committee did not receive immediate notice of a change in the University's budget assumptions; this fact adversely affected the efficient operations of the Committee. Among the data requested and received was an analysis of the academic departments of the University; the analysis provided past and current information on numbers of students, staff, course enrolments, and financial allocations by departments.

Following its meeting with the three Vice-Presidents on 4 February 1976, the Committee held three meetings to formulate its recommendations regarding operating budget priorities for 1976/77 and subsequent years.

The Committee recognized that it would not be possible to examine in detail the proposed operating budget for the forthcoming fiscal year in the short time available. Instead, the Committee thought it desirable to identify general equity principles that should be observed by the University in the allocation of operating grant resources at a time of financial constraint.

The Committee developed these principles in the context of anticipated budget cutbacks. The Committee assumed an operating grant increase of 10% or less for 1976/77 over 1975/76. This would require substantial budgetary cutbacks because of existing University commitments and inflation. The Committee's recommendations were submitted to the President and Vice-Presidents on 3 March 1976 and covered budget implementation procedures, resource allocation, and tuition fees.

The Committee recommended:

- A. On budget implementation that:
 1. The Vice-President Academic in consultation with the Deans should prepare target budgets for each faculty.
 2. The Deans in consultation with department chairmen should prepare target budgets for departments; chairmen would be best qualified to identify areas where cutbacks could be tolerated in departmental budgets.
 3. The Vice-President Administration and the Vice-President University Services should instruct their divisions to indicate the lowest possible functional levels for each service and to make recommendations for the elimination of specific services as a function of the degree of budgetary tightness.
 4. Proposals from the Vice-Presidents should be subject to review by the President and the Board of Governors.
 5. Operating budget by line items should be made available to SCUB upon approval by the Board of Governors.

6. When budget reductions are necessary, target budgets should not be based on across-the-board percentage reductions for all faculties and departments.
7. Increases in graduate enrolment should not be related to changes in the need for undergraduate teaching assistance.
8. The University should not provide financial support to ancillary operations such as the bookstore, residences, food services, and day care centres.
9. All University services that are not an integral part of the teaching and/or research function should be evaluated to determine whether or not users should be charged an appropriate fee for service.
10. A review of the administrative structure of the University should be undertaken with the objective of achieving economies and greater effectiveness; this review should include an assessment of existing units and specifically the present division of responsibilities among three Vice-Presidents.
11. The Athletics Department should be asked to prepare alternative budgets at levels between 10 and 40% below the 1975/76 budget identifying possible savings with the proviso that no activities be terminated.
12. Guidelines for administrative travel should be established.
13. Competent present faculty/staff should be used to fill administrative positions on a temporary basis rather than establish long-term contractual commitments with new personnel.

B. On resource allocation:

1. For the academic component, operating grants to existing programmes should be such as to enable the programmes to remain functional, but if this should not be possible,
2. Discontinuation of some departments and/or programmes should be considered.
3. Enrolment in lower division course tutorials should be increased from 15 to 20 students (subsequently modified, see page 5.)
4. The number of contact hours per Teaching Assistant should be increased from four to five.

5. Each faculty member should be responsible for two different undergraduate courses, or their equivalent, for each of two semesters per annum. The equivalence can include graduate courses but shall not normally include directed studies, directed readings, directed research, or honours essay type courses.
6. Excluding directed studies, directed readings, directed research, and honours essay type courses, all undergraduate courses with an enrolment of ten or fewer students for the last three times offered should be evaluated with a view toward:
 - a) limiting the frequency of the offerings,
 - b) deleting the offering during periods of severe financial constraint, or
 - c) deleting them entirely.

C. On tuition fees that:

1. At the undergraduate level, they only be changed together with the other public universities of British Columbia.
2. At the graduate level, the fees should be comparable with fees of other Canadian universities.

The Committee subsequently prepared a second set of recommendations after it appeared that the operating grant (i.e. a total of eight plus five per cent) would be larger than originally anticipated but that the grant for 1977/78 would be no greater than eight per cent above the 1976/77 "regular" grant. These recommendations were submitted on 22 March 1976:

1. The recommendation of 3 March 1976 for increased tutorial size (#B3) was withdrawn. This was the only recommendation in the first submission that was changed.
2. Additional funds should not be used to offset cutbacks in the provisional budget based upon a smaller expected increase except when inflationary pressures were so severe that they could not otherwise be absorbed.
3. A depreciation/obsolescence fund for equipment should be established.
4. New positions should be authorized only where they could be justified on the basis of increased enrolment or the provision of essential student services.

For the information of Senate, Attachments I and II present the final 1976/77 University budget distribution as analyzed by line item (Attachment I) and by major category (Attachment II).

ASSESSMENT OF THE IMPACT OF THE RECOMMENDATIONS MADE BY SCUB

As indicated earlier, the recommendations of the Committee were intended to be used as general University guidelines for the allocation of operating grant resources; the recommendations did not directly involve any specific budgetary line item. The Committee chose this approach, in part, because it appeared to be the preferable way to meet its responsibilities in the limited time available before the end of the 1975/76 fiscal year; in part, the Committee also felt that the development of detailed budgetary recommendations for specific operating units or activities would require members to become intimately familiar with the details of the budgetary process as well as with the requests and the rationale for financial support originating from the various operating units. Such familiarity would have required a time commitment far exceeding that which could reasonably be expected of Committee members.

The impact of the Committee's recommendations on University operating procedures is difficult to assess at this time. A fair statement perhaps might be that the University did not adopt any major policies that were clearly contradictory to the Committee's recommendations. No action was taken on some recommendations; however, the Committee is optimistic that the

appropriate University bodies will carefully consider and, where indicated, implement the suggested procedures and changes.

PERSPECTIVES ON FUTURE OPERATIONS AND ACTIVITIES

Based on its experience to date, the Committee has considered the role it should play in future budgetary deliberations. The Committee's perspectives, which were discussed with the President and the Vice-President Academic, are tentative; subsequent experience may demand or suggest appropriate modifications of the Committee's activities.

The Senate Committee on University Budget has two major functions. The first function is to offer advice and counsel in the development of the operating and capital grant submissions to the Universities Council; the second is to offer advice and counsel in the allocation of the Provincial operating grant received by Simon Fraser University from the Universities Council. So far, the Committee has had no experience with the former role and thus has no observations to make at this time. With regard to the second function, the Committee carefully considered the role that it should (or could) play in the allocation process. The Committee offers the following suggestions:

1. That the Committee should be kept informed by the President and by the Vice-Presidents of any major changes, or anticipated changes, in the University budgetary situation;
2. That all of the activities, discussions, recommendations, and minutes of meetings of the Committee shall be treated as confidential with the exception of its reports to Senate;

3. That the Committee should not be directly involved in salary negotiations between the University and any particular groups of individuals within the University;
4. That the Committee should offer its advice and make its recommendations in the context of a broad overview of University issues and priorities, and that the Committee should normally not make detailed recommendations that relate to any particular unit or activity;
5. That the Committee, without prejudice, should receive and consider the views of interested parties on budgetary items;
6. That the Committee should undertake detailed investigations in those areas or activities where anomalies or disproportionate cutbacks appear to have occurred; and
7. That the Committee should examine the cost implications of new academic programmes before they are submitted to Senate for its consideration and approval. (Note: The cost implications of proposals for new academic programmes would be submitted to Senate for information only.)

The Committee has identified several areas that have important implications for budgetary decisions. One such area is the expected increases in student enrolment and the likely effects on both operating and capital budgets. Another area is the development and the funding of new and/or recently established academic programmes relative to existing programmes. In that regard, the Committee is concerned that new academic programmes and other new ventures should be considered and should be implemented if their potential superiority to existing programmes and activities can be demonstrated.

In two areas the Committee already has initiated discussion and analysis. The Committee requested the Director of the Office of Analytical Studies to undertake a statistical analysis of administrative and University service departments that would be comparable to the recent analysis of academic departments. And further, the Committee requested that the Senate Committee on

Academic Planning prepare a policy statement on the availability of financial support to students and on the implications that changes in financial aid will have on University accessibility. The last issue was referred by SCAP to the Senate Committee on Scholarships, Awards and Bursaries for a draft report.

In these and other areas the Committee will press for an early analysis by the appropriate University bodies. The findings and recommendations of these bodies are expected to influence significantly the Committee in formulating its subsequent recommendations on the budget.

APPENDIX I

SIMON FRASER UNIVERSITY

1976-77 OPERATING BUDGET

EXPENDITURE
('000 Omitted)

	<u>1975-76</u> <u>BUDGET</u>	<u>ADJUSTED</u> <u>1975-76</u> <u>BUDGET</u> (Salaries at Apr. 1/76 rates)	<u>1976-77</u> <u>CHANGES</u> <u>INCREASE (%)</u> <u>DECREASE (%)</u>	<u>1976-77</u> <u>BUDGET</u>
<u>President Office</u>	80	149	15 (10.0)	164
<u>Vice-President-Academic</u>				
Faculty of Arts	1,994	2,481	125 (5.0)	2,356
Faculty of Education	2,144	2,265	50 (2.2)	2,215
Faculty of Science	2,312	2,768	375 (13.5)	2,393
Faculty of Interdisciplinary Studies-Note	1,068	1,360	90 (6.7)	1,450
Continuing Studies	800	845	70 (8.3)	775
Faculty Salaries	8,855	10,626	250 (2.4)	10,876
Library	2,384	2,893		2,893
Audio Visual Centre	580	770	80 (10.4)	690
Registrar Office	817	1,034		1,034
Graduate Studies	81	92	30 (32.6)	62
Teaching Assistant Trainingships	50	57		57
Student Computing Facility	103	111		111
Academic Advice	64	85		85
WCUMBS	-	-	75	75
Animal Care Centre	12	15		15
Vice-President's Office	298	315	86 (27.3)	401
<u>Equipment</u>	-	-	350	350
	21,562	25,717	121 (0.5)	25,838
<u>Vice-President-University Services</u>				
Student Services	40	48	4 (8.3)	44
Reading & Study Centre	101	128	17 (13.3)	111
Financial Aid Office	92	128		128
International Office	17	20		10
Counselling Services	132	163	29 (17.8)	134
Health Services	224	283	40 (14.1)	323
Off-Campus Housing	9	11	1 (9.0)	10
Day Care Centre	24	28	3 (10.7)	25
University Relations	30	30	30	-
Campus Information	4	4	4	-
Alumni Association	27	33	4 (12.1)	29
University News Service	122	138	3 (2.2)	135
Resources Office	39	48		56
Vice-President's Office	74	79	11 (13.9)	68
	935	1,141	68 (6.0)	1,073

Note-Restated to include Fine Arts, formerly The Centre for
Communications and the Arts.

SIMON FRASER UNIVERSITY

1976-77 OPERATING BUDGET

APPENDIX I

EXPENDITURE
(^{'000} Omitted)

	<u>1975-76 BUDGET</u>	<u>ADJUSTED 1975-76 BUDGET</u>	<u>1976-77 CHANGES</u>	<u>1976-77 BUDGET</u>
(Salaries at Apr. 1/76 rates)				
Physical Plant & Planning	2,939	3,081	278 (9.0)	3,359
Ancillary Services	805	882	16 (1.8)	898
Computing Centre	1,393	1,601	243 (15.2)	1,358
Athletic & Recreational Services	191	255	10 (4.1)	245
Athletics	252	290	36 (12.9)	244
Recreation	100	115	18 (15.5)	98
Purchasing	93	131	14 (10.7)	117
Central Stores	165	178	23 (12.9)	155
Personnel	129	190	10 (5.3)	180
Bursar's Office	539	736	27 (28.7)	736
Vice-President's Office	83	94	87 (1.2)	67
	<u>6,689</u>	<u>7,544</u>		<u>7,457</u>

General Requirements-Non Salary

Loss on Ancillary Services	70	110	70 (63.7)	40
General Insurance	80	80	14 (17.5)	94
Staff Moving	50	50	50	35
Research Grants	35	35	28	28
Memberships	28	28	23	23
Staff Training	23	23	20	20
Recruiting	20	20	8	8
Works of Art	8	8	14	14
Learned Societies, Travel	14	14	1,000	1,000
Financial Aid	900	925	100	100
Interest on Capital Dept	65	70	70	70
Legal and Professional Fees	102	102	102	102
General Contingencies	<u>1,395</u>	<u>1,465</u>	<u>119 (8.1)</u>	<u>1,584</u>

General Requirements-Salary

Senior Administration	443	503	503	503
Pension and Welfare Benefits	2,563	2,843	375 (13.2)	3,218

Provision for Salary Adjustments	3,455	3,263	3,263
----------------------------------	-------	-------	-------

6,461 3,346 3,638 6,934

Confidential

APPENDIX II

SIMON FRASER UNIVERSITY

1976-77 OPERATING BUDGET

SUMMARY
('000 Omitted)

	<u>1975-76</u> <u>BUDGET</u>	<u>ADJUSTED</u> <u>1975-76</u> <u>BUDGET</u>	<u>1976-77</u> <u>CHANGES</u> <u>INCREASE (%)</u> <u>DECREASE (%)</u>	<u>1976-77</u> <u>BUDGET</u>
(Salaries at Apr. 1/76 rates)				
<u>Revenue</u>				
Province of B.C. Grant	33,044	33,044	4,695 (14.2)	37,739
Student tuition fees	3,164	3,314	398 (12.0)	3,712
Computing Centre income	320	340	40 (11.8)	380
Credits to Health Services	185	235	40 (17.0)	275
Lease Income	62	62		62
Interest Income	140	230		230
Other Income	157	122	5 (4.0)	127
Donations	50	50	25 (50.0)	75
Carry forward surplus	-	500		500
	<u>37,122</u>	<u>37,897</u>	<u>5,203 (13.7)</u>	<u>43,100</u>

Expenditure

President's Office	80	149	15 (10.0)	164
Vice-President-Academic	21,562	25,717	121 (0.5)	25,838
Vice-President-University Services	935	1,141	68 (6.0)	1,073
Vice-President, Administration	6,689	7,544	87 (1.2)	7,457
General Requirements-Non Salary	1,395	1,465	119 (8.1)	1,584
General Requirements-Salary	6,461	3,346	3,638	6,984
	<u>37,122</u>	<u>39,362</u>	<u>3,738 (9.7)</u>	<u>43,100</u>