ugFA
Representing Faculty, Librarians, Veterinarians & College Faculty

News & Views

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"Eight Years in the Making" Part 1: The Data

A slide on page 13 of this year's budget road show summarized some of the buckets of internally-restricted set-aside money that has been accumulated over the years, describing this state as "8 years in the making" and mentioning that the University is in "very good financial health." This framing of the set-aside money naturally suggests looking at the eight-year evolution of this and other interesting data, as we do in this newsletter.

We go to Common University Data Ontario (CUDO), where Ontario universities provide their values for a common data set that they have defined; use values from the University of Guelph's audited financial statements; and use results from the Administration-run Wellness @ Work survey. That is, all of the data come from the Administration.

Since the current CUDO data for Guelph stops at 2016, we focus on the 8-year period from 2009-2016. In her budget presentation, the Provost mentioned some things from 2017, so we include this year as well, when possible, and, since the stockpiling of cash started from 2008 to 2009, for reference, we include 2008, when possible.

1	Number of Full-Time Students (undergraduate+graduate, domestic+international)				Percentage Growth		
	2008	2009	2016			2009-2016	
	17751	18939	26071			38%	

We have no CUDO data for 2017 and other Administration documents instead talk about Full-Time Equivalent (FTE) numbers, which show a small increase in 2017. The numbers for Part-Time students also increased over these years.

Having looked at student numbers, we move on to looking at faculty numbers. The CUDO data reports the total "number of instructional faculty," with values a bit higher than the UGFA faculty numbers. We suspect that the CUDO data includes Associate Deans and Deans, among others, but use these numbers because we want this analysis to be based on the Administration's data. (UGFA numbers show a similar percentage growth result.)

2	Number of Instructional Faculty (full-time, excluding clinicians)				Percentage Growth		
		2009	2016			2009-2016	
		794	762			-4%	

We have no CUDO data from 2008 or 2017. The Provost mentioned in her slides that faculty complement grew by 3% in 2017; trusting this information suggests that the faculty complement is just under the 2009 level. Keep in mind that the actual faculty members change from year to year as people retire and new people are hired, a situation which generally leaves the University financially ahead due to the salary difference between a retiring senior professor and a starting junior professor.

The last of the 8-year "accomplishments" we consider is the Internally-Restricted money. Keep in mind that this cash is "restricted" in name only because the Administration says so: in general, there are no transfer plans, payment plans, or contribution plans for this money, and it can be moved between buckets or spent on other things. This money began its journey at the University in the Operating Fund, intended to be spent on the missions of the University, before it was reclassified by the Administration as being internally-restricted.

3a	Internally-Restricted money (once labelled "contingency," now reserves)				Percentage Growth		
	04.30.07/ 05.01.07	04.30.08/ 05.01.08	04.30.16/ 05.01.16	04.30.17	05.01.08-04.30.16	05.01.07-04.30.16	05.01.07-04.30.17
	$25M	$34M	$262M	$320M	671%	948%	1180%

The dollar values and percentage growth seem incredible, but the following additional calculation is even more shocking.

3b	Internally-Restricted $ Growth per Business Day		
	May 1 2008-April 30 2016	May 1 2008-April 30 2017	May 1 2007-April 30 2017
	$118K	$109K	$122K

Yes, **ONE DAY** of growth in Internally-Restricted money over any of the windows (8 years, 9 years, or 10 years) could cover **ONE YEAR** of a junior faculty member's salary (and a good share of the member's pension contributions and benefits).

Instead of doing any significant hiring, the Administration decided to let faculty numbers dip and then rise back to just below the 2009 level. During the same period, student numbers grew dramatically and set-aside money grew at an unbelievable rate and now sits at a gigantic amount. To what landing point can this possibility lead? We consider the results from the Wellness @ Work survey. The consultants who presented the Wellness @ Work survey results highlighted that the key alarms for faculty are workload and trust in the academic leadership. Given the CUDO data of items ① and ②, we suggest it isn't surprising to see those survey results, as well as the work-life balance result.

4	Wellness @ Work Survey Results (Academic Staff results. Red means low, Yellow means average, Green means good.)			
	Workload	55%	37%	8%
	Leadership	52%	38%	10%
	Organizational Culture	55%	38%	7%
	Work-Life Balance	57%	35%	8%
	Engagement	3%	29%	69%

Indeed, the UGFA has brought many troubling situations to the attention of the Administration in recent years, and our member surveys have shown the continued decline in morale as a result of such strain. During rounds of negotiations, the Administration generally fought off any ideas that would relieve the strain, always refusing to codify faculty complement, student-faculty ratio, etc., and instead they have fought for quite barbaric measures, such as unilaterally changing DOEs and eliminating the Annual Career Increment for long-time Associate Professors. It is a testament to the professionalism and passion of UGFA members that the question on Engagement (which was described as liking your job and being willing to do extra work) scored so high. UGFA members have certainly delivered extra work for years.

Finally, we note that during the budget road show the Provost mentioned that the reserves are needed for the pension plan. As UGFA members learned at the April 16 Pension Town Hall, the University Pension Plan (UPP) has reached a deep stage, where almost all plan design elements have been agreed upon by all participants who are founding the new multi-employer jointly-sponsored pension plan: employers, faculty associations, United Steelworkers, and the non-unionized unrepresented employee groups at the University of Guelph, Queen's University, and the University of Toronto. The timeline for agreeing on the remaining minor items, navigating the process for consent to transfer into the new plan, and building the plan has been laid out, with active consultation with the government and the pension plan regulators. In the current timeline, the consent process will be completed in Summer 2019.

5	Pension Landscape: Current Pension Plan versus UPP		
	Yearly Solvency Payments		
	Current Plan with "Solvency Relief"	Current Plan in new solvency regime	In UPP
	~$22M	~$90M	$0M

Keep in mind that the ~$22M current yearly solvency payments are part of the annual budget, paid out of the Operating Fund. Upon receiving consent to transfer into the UPP, the University will be spared from solvency valuations and resulting payments, only having to fund the plan on a going-concern basis. In the 2016 Professional Plan valuation, the going-concern liability was $100M. Payments resulting from this $100M going-concern liability are amortized over 10 years, perhaps reaching a total of $125M, in adherence to new regulations that came into effect on May 1, 2018.

Given that $320M is socked away in the Internally-Restricted buckets, the well-received observation during negotiations was that the Administration could in fact pay the $100M in one shot, have the pension monkey off its back, and still have $220M of set-aside money that was once intended to be spent on the missions of the university.

Please re-read the data in the five numbered tables. Think about this situation.

What question(s) come to mind?

In Part 2, our next newsletter, we suggest that the data we presented in Part 1 lead to a very clear question, and we present the responses that we have been given when that question was asked.