



# News & Views

May 2007

The University administration claims that Guelph is facing a devastating budget crisis (see previous News & Views "35 Years of Management by Crisis"). The administration has also stated openly that they consider employee compensation to be one possible component of a solution to the "budget crisis". Put plainly, they are suggesting that we should reduce our demands for increases to salaries and benefits. As we said in the previous "News & Views" this situation has arisen before at Guelph. And, at the present time, similar maneuvers are being made by other university administrations in Canada. In this News & Views, we want to remind Members about past precedents for the present situation, and to provide you with some information about the current situation across Canada. **In the view of UGFA, the University faces financial challenges at the present time, but these are in no way as severe as past 'crises' that the institution has successfully weathered.** Take, for example, the early 1990's, when the Ontario economy suffered an unprecedented recession, the depth of which was compared to that of the 1930's. Businesses were going broke, and the provincial government trembled at the prospect of unprecedented budget deficits. In the spring of 1992, a member of the Board of Governors of the University of Guelph called for faculty voluntarily to return a portion of their salaries to the administration. The UGFA refused to endorse a voluntary salary rollback. The Board of Governors member then accused the faculty, in the pages of "At Guelph", of 'hiding behind legalities'. Serious cuts to the faculty complement resulted from attrition in the early 1990's.

As a second example, consider the "Common Sense Revolution" that followed the election of the Provincial Conservative government in 1995. The provincial contribution to the University of Guelph operating budget was cut by 15% overnight. Catastrophe was averted in two ways. First, tuition fees were allowed to rise in an unprecedented way, providing the University with compensating revenue out of the pockets of the students. Secondly, further attrition of faculty complement occurred.

Those of us who remember the 1990's at Guelph will recognize that any financial difficulties faced by the University in 2007 are minor in comparison to those times. Indeed, the last few years have been a time of prosperity. Macro-economic conditions in Ontario and Canada have been outstanding, including low unemployment rates, low and stable interest rates, and booming financial markets. Beginning about 2000, the University of Guelph entered a period of renewed expansion. As discussed in the last newsletter, the last few years have been marked by major increases in the University's operating budget, university expenditures, faculty complement, student numbers, and a building boom. However, this has not translated into a reduced student:faculty ratio, and faculty workloads have continued to increase. There is no easy way to manage a period of retrenchment. However, management during a period of expansion should be grasped as an opportunity to continue to build the strength of the institution. Certainly, we are proud of the contribution that has been made by our members in the last few years. Our achievements can be measured by the University's outstanding rankings in the Maclean's and NSSE surveys, the "Report Card" published by The Globe and Mail, and remarkable increases in research funding and productivity.

**Pension woes:** The University portrays its pension fund obligations as an extraordinary expense that is driving the university budget into "crisis". In an upcoming "News & Views" we will be analyzing the pension funding issues. For now, let us simply quote an arbitrated decision by Justice Warren K Winkler (University of Toronto Faculty Association vs. University of Toronto, March 2006):

"Actuarial surpluses or deficits {in pension plans}...exist only as mathematic constructs produced by applying certain assumptions to the assets and obligations of the plan. As such they are no more than snapshots in time and subject to the periodic fluctuations driven by the dynamics of the investment market..."

**Elsewhere in Canada:** The President of the UGFA attended the April Canadian Association of University Teachers {CAUT} Council meeting in Ottawa. This meeting provided an excellent opportunity to compare notes with other faculty associations in Canada. We learned that the strategies being pursued by the administration at the University of Guelph are part of what appears to be a coordinated approach across the country. According to the collective bargaining report presented to CAUT council "*Employers are increasingly using tactics that delay negotiations...Some are claiming that they are not prepared. Others are stalling by making unreasonable demands in protocol discussions.*" The wider context was summarized by the report of the Executive Director, Dr. Jim Turk, to CAUT Council. "***Particularly notable has been the increasing hard line {CAUT} member associations are facing in collective bargaining. Not a few administrations are delaying negotiations for extended periods of time and attempting to intimidate staff with tales of financial woe.***"

**Progress of our negotiations?** The situation described by CAUT is all too familiar. As Members are aware, UGFA has been working very hard in the preparation and presentation of our opening bargaining

positions. We held numerous committee meetings and general meetings with our membership during the 2006/07 academic year. We did present a number of Articles to the administration, but at the request of the administration, no negotiations occurred until the Faculty Association presented a complete package of its non-monetary positions. This presentation was completed on March 17, 2007. The University is preparing its response and we expect to begin detailed substantive negotiations on specific articles this summer. We will keep you apprised of progress.

**In summary**, the fiscal situation of the University of Guelph is, in the opinion of UGFA, not as bleak as has been advertised. The administration's strategy and tactics here at Guelph are very much in line with the behaviour of many other university administrators across the country. UGFA remains strongly committed to achieving an early and successful contract agreement which will provide an opportunity for both the administration and the Faculty Association to maintain a collegial working relationship and to continue to maintain and promote the quality of our university.

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### FEEDBACK

Give us your top 3 suggestions as to how the University can save money without compromising the quality and delivery of post-secondary education.

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