

**UNIVERSITY COUNCIL
PLANNING AND PRIORITIES COMMITTEE
FOR INFORMATION ONLY**

PRESENTED BY: Lisa Kalynchuk, Chair, Planning and Priorities Committee

DATE OF MEETING: September 18, 2014

SUBJECT: **2015-16 Operations Forecast**

COUNCIL ACTION: For information only

CONTEXT AND BACKGROUND:

The planning and priorities committee is responsible for providing advice to the president on the budgetary implications of the Operations Forecast and for reporting to Council on the nature of its advice. The committee had the opportunity to discuss draft versions of the 2015-16 Operations Forecast document on June 4 and 11, 2014. The committee's perspective on these draft versions is provided in the attached letter.

On June 24, 2014, the Board of Governors reviewed a subsequent draft of the Operations Forecast document; on July 29, 2014, the Board of Governors approved the 2015-16 Operations Forecast as the university's funding request from the province.

ATTACHMENTS:

1. Memorandum on the 2015-16 Operations Forecast.

The full text of the 2015-16 Operations Forecast document can be found at http://www.usask.ca/ipa/planning/budget/op_forecast.php



MEMORANDUM

TO: Gordon Barnhart, Interim President
Ernie Barber, Incoming Provost

FROM: Fran Walley, chair, Planning and Priorities Committee of Council

DATE: June 18, 2014

RE: 2015-16 Operations Forecast

As chair of the planning and priorities committee, it is my pleasure and responsibility to provide the committee's perspective on the 2015-16 Operations Forecast. The committee reviewed and provided comments on early drafts of the document at its meetings on June 4 and June 11. Due to the uniqueness of this year and the convergence of a number of factors affecting the development of the document, a final version of the document was unavailable for review prior to the committee's final meeting of the year, and thus the committee was not able to comment on the final version of the document as presented to the Board of Governors for approval on June 24. Committee comments therefore focused primarily on key messages within the draft document rather than the details of the request.

A two percent increase in funding is the maximum increase expected from the province in 2015-16, and the draft request is predicated upon this amount. The committee deliberated at length upon the request of 2%. The reality is a grant increase of 2% will result in a further reduction in the university's operations with all of the attending ramifications, including a potential drop in student enrolment, and the committee supports that this be made clear in the document rather than suggesting that a 2% increase will enable the university to maintain the status quo. The case should also be made for a 2% increase at minimum in any targeted ongoing funding from the province. It was generally agreed that the message of what the university is faced with if the government's decision is to provide at most a 2% funding increase ought to be conveyed in a clear, receptive and neutral tone in the document. Correspondingly, the committee supported that the document focus on the gap between the university's needs and its resources, with less focus on government funding to the university relative to other provinces. Recasting this message includes outlining the opportunities afforded the university if funding beyond a 2% increase is received from the province in terms of the ability to innovate and take advantage of the comparatively secure position of the university compared to other institutions. Stating positively that a grant increase of 4% is an opportunity for the province to support building one of the best comprehensive, innovative universities in Canada, and enable the university to leap ahead of its

comparators sends a strong signal to the province of the university's capacity and strength. The message to the province should be that this is an optimal time to invest to "jump ahead of the curve."

Greater emphasis on the university's commitment to ongoing financial sustainability within the document is suggested, with specific examples provided of the operating budget adjustments that demonstrate this commitment. In addition, highlighting that the basis for the university's action plan to achieve financial sustainability rests upon a strategic reallocation and reinvestment of resources demonstrates the university's ability to identify priorities and employ selective measures. The reinvestment in faculty positions and the net savings of the faculty retirement incentive program should be clearly set out in the document. The progress against the projected structural deficit is due in part to the incentivized faculty member retirement program. Those departments that lost an inordinate share of faculty members must recover some positions, and this cost should be factored into the document. The committee suggested that reflecting the projected increase in salaries and benefits beyond 2% as a "recovery amount" which the university will need to recover internally through various measures would demonstrate the full cost the university would absorb if the grant increase is the projected 2%.

The Operations Forecast has both an internal audience through the university community and an external target audience of the provincial government. Balancing these two recipients requires judicious language. In the drafts reviewed by the committee, the key message was the value-added proposition of the university in meeting labour market demands with highly qualified individuals and providing economic benefit via the university's research and innovation agenda. The committee believed it important to note areas of synergy with the province that support the impact of the institution, through research and the training of highly skilled individuals, but that setting out the university's priorities as independent of the province's, including the goal of attaining greater international stature is an important, yet subtle, distinction. The placement of government priorities as coincident to the university's priorities throughout the document would underscore the university's autonomy in its strategic planning and goal setting.

The committee supports the student support requests for investment in childcare, experiential learning and library transformation, as these services are essential to student accessibility and the delivery of a quality education, including the acquisition of critical research skills. As the university is facing a childcare crisis with a demonstrated need of 800 children whose parents are waiting for a seat for their child, it is important to acknowledge the government's one-time funding for a 90-seat childcare facility as an important contribution, but emphasize the present delay of building a new childcare facility is due to lack of funding in the face of this demonstrated need. Developing a childcare placement program based upon priority and demonstrated need is suggested, with priority given to children of Aboriginal students and graduate students. The introduction of any new academic initiatives as opportunities for investment at a time when the university is about to enact program deletions, including low enrolment quality programs, should be carefully considered, and was of some concern to the

committee. For example, it was noted that the School of Architecture was included in the document, but it has been some time since the committee discussed this initiative. Clarity on the future plans for this initiative was encouraged.

The Planning and Priorities Committee acknowledges and appreciates the opportunity to provide its views on the draft version of the 2015-16 Operations Forecast reviewed, and recognizes the importance of the document and the efforts of those responsible for its development.

On behalf of the members of the Planning and Priorities Committee,

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Walker".
