

**SENATE MEETING
PUBLIC SESSION
MINUTES**

June 21, 2007
2:30 – 4:30 PM

Room 7-172 Bentley Centre - Prince George Campus

Present:

E. Annis, D. Casperson, D. Cozzetto, B. Ellis, A. Espíritu (teleconference), D. Hemingway, J. Holler, E. Jensen, D. Macknak, M. Mandy, B. McGill, K. Medhurst, A. Michalos, A. Nussbaumer, C. Opio, J. Randall, E. Rapaport, S. Rennebohm, J. Safaei Borojeny, D. Tasa

Regrets:

H. Brunt, H. Domshy, H. Giroday, M. Gorzelak, J. Hyndman, D. Kimmie, E. Kinghorn, T. Knudsen, H. Li, J. Li, D. Nyce, E. Owen-Williams, E. Pratt, M. Reed, H. Samadi, B. Simard, R. Tait, M. Thomson, S. Wagner

The meeting commenced at 2:35 p.m.

**1.0 S-20070621.01
Approval of the Agenda**

Tasa / McGill

That the Agenda for the June 21, 2007 Public Session of Senate be approved as presented.
CARRIED.

2.0 2007 / 2008 Budget Review and Discussion

Senator Casperson questioned whether the following agenda items were rightfully placed under the heading of "President's Report," and it was agreed that the heading be removed.

2.1 Presentation of 2007 / 2008 Budget Information by President Cozzetto and Acting Chief Financial Officer, Colleen Smith

Dr. Cozzetto provided context to the budget presentation, reminding Senators that reports had previously been provided to Senate regarding the budget issues, that a plan for addressing these issues had been approved by the Board of Governors, and that the plan had subsequently been implemented. The President indicated that this year's budget process had deviated from the general operating budget process, and that he anticipated reverting to the typical process for the coming budget year. Dr. Cozzetto also stated that the University's strategic vision, namely that outlined in "Embracing Change, Promoting Excellence" (ECPE), drives the budget, and that all six committees of ECPE have submitted recommendations regarding the budget. Finally, the President noted that a \$1.4 million strategic investment fund had been created, which he hoped could be expanded upon in the process of moving forward, to allow for the funding of creative initiatives arising from, for instance, the Academic Visioning Initiative, recruitment and retention, and "Embracing Change, Promoting Excellence" (ECPE). Dr. Cozzetto concluded by stating that the University would shortly be moving into planning for

the 2008/09 budget, and that the budget assumptions would be recalibrated in September to reflect fall enrolment numbers, and an updated report would be presented to Senate at that time.

C. Smith gave a presentation of the budget material, highlighting key areas of risk and assumptions made in putting the plan together. She indicated that major assumptions had been made regarding enrolment and FTE, the amount of government funding, and tuition revenue. FTE growth had initially been targeted at 5%, with an enrolment contingency fund being established in the event the target wasn't met. The target had since been revised to maintenance of the 2006/07 enrolment levels, essentially amounting to a target of zero growth, and C. Smith added that the budget would be reanalyzed in the fall once the enrolment numbers were known. Salary and non-salary inflationary pressures were identified, such as benefit costs and utilities. The Provincial grant was noted to be \$40.4 million, a 6.1% increase over last year, resulting mainly from funding for new graduate student seats and PSEC-approved salary increases. C. Smith reported that tuition fee income would benefit from an increase in FTE from 2005/06 to 2006/07, as well as federal funding for indirect costs of research, a tuition fee increase of 2%, and an increase to mandatory fees. She added that there was no change to the multiplier for new international undergraduate students. With regard to expenditures, C. Smith reiterated there were cost pressures that were not funded by the province, specifically employee agreement costs such as market adjustments, which amounted to approximately \$600,000, and utility costs.

The creation of a sustainable budget model was discussed, including the occurrence of administrative reorganization. It was noted that the target had been met for base budget reductions, \$1.886 million of which was salary-related, with non-salary reductions of \$119,000. It was also mentioned that an investment pool had been created, which would enable investment in strategic long-term goals, with a focus on the strategic directions as established by ECPE.

Other points made with regard to the budget were that there had been investments in graduate student support, the regional campuses, and recruitment and retention initiatives. Departmental budgets had been untouched, and the capital equipment replacement contribution had been reinstated. The result was a balanced budget with total revenue and expenditures of \$57,494,819. Going forward, it was anticipated that more detailed input regarding the budget would be solicited from the departments and Programs, and that the University would continue with a three-year budget process and develop an institutional approach to budget planning with focus being placed beyond the operating budget.

2.2 S-20070621.02

Report from the Senate Committee on the University Budget (SCUB)

Casperson / Mandy

That the 2007 Annual Report (final version) from the Senate Committee on the University Budget be received.

CARRIED.

Chair of the Senate Committee on the University Budget, Senator Ellis, presented the report on behalf of the committee, which was supplementary to the interim report presented to Senate in March. He noted that this committee was advisory to the President, with a mandate to assist with the budget and budget planning. Senator Ellis suggested that, in some ways, the University had done what SCUB had recommended last year, especially by instituting longer-term budget planning. However, he indicated that there was still concern regarding demoralization and rumours related to the budget process undertaken in the past year. Senator Ellis added that there were communication problems and that earlier calls for collaboration between faculty, staff, students, and administration in some ways went unanswered. The committee also expressed concern that the reorganization had negative consequences, such as loss of faith from students, fear and uncertainty from staff and faculty, and contributed to an atmosphere of poor morale, rumours, and mistrust. Thus, taking these issues into account, the committee asked itself how the University could move forward, and came up with some recommendations. Senator Ellis acknowledged that the past year had been a difficult one, but that an attempt should be made to look forward, as this was a great University. Senator Ellis reminded Senators that the University had several strengths, such as

being a small, personal, collaborative University that engaged with the broader community in the North. The committee recommended that a compelling vision for the future be articulated, as they were concerned about some of the university's strengths, such as the implementation of the Academic Visioning Initiative, losing momentum in the face of the past year's budget process and reorganization. They suggested that clarity be provided on the budget reduction process, as there was likely to be fear and uncertainty related to years two and three of the budget, as it had been indicated previously that the second year of this budget was likely to result in the greatest level of cuts. The committee also recommended that more discussion take place around the strategic investment fund, which the committee viewed as an exciting opportunity for collaborative creativity. Finally, the committee recommended that everyone in the University take responsibility for rebuilding morale and trust through communication, and to respect divergent points of view, and emphasized the importance of informal mechanisms of communication in rebuilding trust and morale.

2.3 Senate Discussion

Several questions were raised regarding the budget. It was asked whether the strategic investment fund was to be used to cover deficits, and C. Smith responded that it was not intended for that purpose, but for special projects and positions, and seed funding, but that further discussion would be required to solidify the details for accessing the funds.

A question regarding debt financing was raised, and C. Smith explained how the debt was being financed, which was \$1.14 million of reserve funding and a \$1 million internal loan. She added that the reserves would be rebuilt at the rate of \$100,000 per year over a ten year period.

It was asked who the Budget Cabinet members were, and C. Smith responded that the cabinet consisted of the President, Provost, CFO, Deans, Directors, Registrar, and Executive Director University Advancement. It was asked how this was different from President's Executive Council, and C. Smith responded that it was expanded from PEC. It was also asked why PEC had disappeared in this budget, and it was noted by C. Smith that the position had been moved to the University Secretariat.

It was mentioned that, although the budget was based on zero growth in FTE, the latest numbers were behind last year's. The President responded that, currently, there was a 7% decrease in undergraduate applications, but a 4% increase in graduate applications, and that the goal was to increase conversion rates on applications to enrolments, but that if the targets weren't met, the University would be required to look at using the enrolment contingency fund. C. Smith added that the numbers would be reviewed again in September, but that planning for a possible drop in enrolments was useful and put the University in a better position than they had been in 2005/06, when a drop in enrolments hadn't been anticipated and additional funds had to be identified from other sources to cover the decrease. A question was raised whether it was possible that any funding would be clawed back by the government if enrolment targets weren't met, and President Cozzetto responded that he wasn't certain, but didn't expect this to happen, at least initially. Dr. Cozzetto opined that, as long as the government continues to provide funding based on FTEs, that challenge would remain, and added that the government has been asked to base funding on other outcome and performance measures, and although they have demonstrated some receptivity to doing so, it hasn't yet been determined how such an arrangement could be implemented.

Dr. Cozzetto was asked about the reduction in the number of staff positions, and responded that, with regard to staff for this fiscal year, the net reduction was 21, which consisted of 7 senior administrators, 14 CUPE and Exempt group positions, and 10 faculty members who accepted a buyout, for a total of 31 positions. Following up on this question, it was asked when people would be advised about what these reductions would mean for next year, with regard to how many more positions would need to be cut. Dr. Cozzetto responded that this could not be determined until the revenue amounts for fall were known, and at that time the budget would be reviewed in light of the updated information. The comment was made that, if there was not currently a representative of the Faculty Association, CUPE, or students on the budget cabinet, that this be considered in order to build trust and work together. It was also

asked when the three-year budget “picture” would be presented, and Dr. Cozzetto responded that this would be presented in the fall once the revenues were known.

It was questioned whether debt financing for the Northern Sport Centre would be required, or whether the University would get revenue from the building. C. Smith responded that the University would be required to fund its share of any debt, and that all revenue would go to Northern Sport Centre Limited, a portion of which UNBC would eventually receive.

It was questioned when savings would be realized from the faculty buyouts, and what that model looked like. C. Smith responded that there would be some savings in 2008/09, but that she didn’t have the numbers in front of her, as Dr. Brunt was the person aware of those details.

The Senate Committee on the University Budget, regarding their recommendation that a strategic vision for the University be imparted, were asked whether ECPE and the AVI did not constitute the University’s strategic vision. Senator Ellis agreed that they were, but responded that the committee felt the vision had been somewhat lost in the face of budget cuts. He also agreed that the responsibility for maintaining the vision was not just that of senior administration. He added that the committee was simply sounding a warning signal, as they sensed that people were losing interest or disengaging with the University’s vision.

It was asked how many positions were gained with the inclusion of the security positions. C. Smith responded that these positions were included in an ancillary unit, Parking and Security, and were not contained within the operating budget. She added that there were between 8 and 9 new CUPE positions, but that the total costs for the provision of security would be reduced by approximately \$200,000 when fully implemented in-house rather than contracted out.

The size of the reserve fund was questioned, and C. Smith responded that it was approximately \$2 million, and the President added that Board approval would be required for the use of any reserve funding.

It was asked whether there were any NorthLink expenditures in the budget, and C. Smith responded that there were not. Dr. Cozzetto provided an update regarding NorthLink and noted that the province had provided a \$160,000 planning grant.

Whether there were funds in the budget for Co-operative Education and other experiential learning was questioned, and Dr. Cozzetto replied that there were not. Senator Ellis indicated that he and the Director of Human Resources were developing plans for a student career centre, and was hopeful that Co-operative Education would be a part of it, along with enhanced career services.

The comment was made that it was a relief to see the capital equipment replacement funding in place again, and it was asked when computers would start being replaced. C. Smith responded that the university would be moving forward on doing so immediately.

The salary costs for senior administrators was questioned, and C. Smith responded that she did not have those numbers in front of her, because it was split along the lines of faculty and non-faculty, but that the Financial Information Act had historical data.

It was mentioned that changes required to the calendar in relation to the changes made in the Office of Graduate Studies had not been brought to Senate, and it was asked when this would be done. Dean Randall replied that these revisions would be brought to Senate in September, as there would be no July or August Senate meetings, and added that the University would operate on the basis of the existing calendars until that time.

3.0

S-20070621.03

Adjournment

Mandy / Rapaport

That the Senate meeting be adjourned.

CARRIED.

The meeting ended at 4:30 p.m.