

Senate Question Period  
30<sup>th</sup> April, 2013

**Question from Senator Slobodin:**

At a recent Faculty Board in Arts and Science, it was said that enrolment growth was necessary to balance the budget and to begin re-investing in faculty renewal and other academic quality initiatives. This seems to be a recurring theme across the university. What other approaches has the University explored to balance the budget that might increase revenue that do not involve increasing enrolment? What approaches has the University explored that would *reduce* its expenditures without lowering academic quality

**Provost's Response:**

The development of the new budget model has had a profound effect on our collective understanding of how the University uses the revenue it receives to support and enhance academic quality. A large part of this revenue goes to support salaries and benefits of University employees. The implication for these individuals of a reduction in the University's expenditures is clear, and unlikely to be consistent with maintaining academic quality.

For this reason, the University's draft strategic framework is focused on achieving financial sustainability through such measures as diversifying revenue sources, to reduce dependence on government grant and tuition. The goal would be to generate net revenue that could then be invested in core academic programs.

The Faculty of Arts and Science has provided the following description of its budget.

"Over the last 15 years the Faculty of Arts and Science budget has been reduced by an average of 2 percent each year with the actual cuts ranging from 0 to 5 percent. Since 96 percent (see note marked \* below) of the Faculty operational budget is committed to salaries and benefits these cuts have come from the remaining discretionary funds in departmental and the Faculty Office budgets. As a result, approximately half of our 27 departments and schools cannot cover their costs from their base budgets and require supplements from the Faculty Office in order to meet their financial obligations. The funds that the Faculty Office has used to do this will, if no other action is taken, be exhausted in the near future. In addition, the Faculty has to fund nearly \$3M of salary and benefit increases negotiated in collective agreements each year.

"Specific actions that have been taken to reduce costs include reductions in departmental and Faculty Office budgets as described above. In particular this has involved not replacing faculty members who retire, resign or otherwise leave the University, a reduction in the number of associate deans in the Faculty Office, and a reduction in the use of adjunct faculty. Departments have less discretionary funding for such things as photocopiers, computers, office supplies, replacement of laboratory equipment, laboratory supplies, support of student

research, and all the other resources that are required for the support of teaching, research and scholarship.

“The Faculty Office has also cut the funding it used in the past to support conferences at Queen’s and a capstone experience fund that supported capstone initiatives from Departments. In addition, the Faculty Office no longer supports requests from faculty members for publishing subventions, additional conference travel and other research requests.

“On the revenue generation side, Arts and Science continues to work with Advancement and currently generates approximately \$8-10M a year for the Faculty. These funds help support specific initiatives, but most of this support is directed to specific interests driven by donors and does not normally go directly to the operational budget. Furthermore, we have entered into initiatives to support off-campus enrolment increases (e.g., Continuing and Distance Studies). These particular initiatives bring in revenues without putting additional strains on intramural courses or on-campus academic programs.

“In addition, discussions are currently taking place with Departments to develop Professional Master’s programs. We continue to collaborate with the School of Graduate Studies on the opportunities available to generate revenue through this initiative.”

\* 96 percent refers to all salaries and benefits including TAs and term adjuncts. Faculty, continuing adjunct and staff salaries and benefits make up 82 percent of the Faculty budget.