



THE BEACON

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The *Beacon* is an information bulletin for StFXAUT members

Unanswered Questions

A Response to the 2013-2014 Budget

What's the Rush?

An information meeting for the 2013-2014 budget was held on May 21st. Unfortunately, copies of the draft budget were only made available 24 hours before the meeting and only one hour was scheduled for presentation and discussion. There were no hard copies for a number of slides and the presentation itself was less than thorough. A number of questions led to issues that need more investigation. Given the importance of this budget, and the long-term effects for everyone working at StFX, the amount of time allotted for AUT members' input and discussion was entirely inadequate.

Where Did the Balanced Budget Go?

The VP Finance outlined the growth of the consolidated deficit from April 2012 (\$400k) to March 2013 (\$4.2 million). What wasn't explained was the appearance in that period of two balanced budgets. Just where did the deficit go last October? And if the administration was aware of a deficit in April 2012, why did it take a whole year for them to formally bring that information to the university community?

How Much Is That In Jobs?

The VP Finance calculates the savings gained by eliminating a job at \$50k per year. So, how much are some of the budget items worth?

\$250k in architects' fees = 5 jobs
(projects shelved)

\$400k in legal fees = 8 jobs.

\$100k in headhunting fees = 2 jobs.

\$100k for strike costs = 2 jobs

Performance bonuses = ?? jobs

What Collaboration?

Last January the AVP and all the Deans told us "that no change for the better can be planned or implemented without consultation and input from all parts of the University", and that "all who have a stake in and a hope for the future of StFX are [to be] provided with an opportunity and a voice in crafting the shaping vision of StFX". The anonymous email from Human Resources in April said that all employees will be able to collaborate "to develop recommendations regarding how to reduce expenses". Yet all that collaboration, consultation and input seems to come down to checking a box to say whether you will retire, earn less, or risk being laid off. The people who make this university work deserve better than this. The administration must do better. Where's the promised transparency?

Has the AUT Made Any Suggestions?

During the negotiations we pressed the administration to develop a real retirement incentive plan for members, recognizing the very substantial savings in such a plan. We considered their suggestion very unattractive and, when asked what response they expected, the administration said it was a "crapshoot". Utilizing the expertise of members from the School of Business, we presented a well-crafted and considered plan that, with only a modest uptake, would have saved millions of dollars. In the spirit of collaboration they turned it down; they just weren't interested. The administration's incentive plan has since attracted only 4 members.

What Will Lay-Offs Mean?

Every person laid off has a name, an important role at this university, a family, and a place in the community. The administration's current lay-off target is 34 people. That's \$1.7 million dollars less going into the economy of Antigonish and long-term damage to the operation of StFX. Recovering will take years, if not decades.

Bonus, What Bonus?

Hard to believe, but bonuses are still being considered for some senior administrators. And no, taking a reduction in your bonus does not really share the pain of a lost job. Note that the cuts to administrators' pay a couple of years ago were to their bonuses, not the base salaries. Mr. Duff indicated that the bonus system would cease for all university personnel below the vice-presidential level. When further questioned he said that those bonuses would likely be

rolled into the salaries of individuals who previously received bonuses, or paid in kind, an indication that bonuses have become an expected entitlement. Bonuses paid to the Vice-Presidents and President are determined by the Executive Compensation Committee of the Board of Governors. With a 2012/13 deficit greater than \$4 million, one strike, two near strikes, dropping enrollment, and exploding debt levels, it is difficult to understand how bonuses are still justified.

Who needs a library when Google and Wikipedia are free?

A lot of us think of a library as the intellectual heart and soul of a university. So it is difficult to understand the wholesale slashing of the Library budget, both in staffing and acquisitions. Does the administration believe that the library electronic collections are free; and they appear magically without staff intervention; and that the students who use the building will open the doors and staff it? The Library is losing 12% of its staff budget. This means at least six fewer individuals to keep the library open, order books, help distance students, and keep the computers, the website, and library systems working. By July, library technical support staff will dwindle to part-time during the academic year, down from three last year. Not to worry, modern libraries don't depend on computer systems much do they?

The Library is losing 13% (\$ 137k) of its acquisitions budget. The AVP suggested at the budget meeting that this is not such an alarming loss. It is just a matter of choosing to cut other library budget items instead of books

or serials. Unfortunately, even if the Library could operate with a zero overhead (an obvious impossibility) it would still mean cuts to the book and serials budget. Choices will need to be made between books and serials, whether to cut a large number of smaller priced (\$5,000-\$20,000) databases or several larger databases (Web of Science, Taylor & Francis), and whether to cut from the Arts, Science, Business or Education.

Are the Cuts Fair?

While the fiscal crisis is hitting the library hard, and the academic budget is down by almost \$1 million, other areas of the university have had budgets increased without a clear indication of why. We do not want to begrudge other groups their needed budgets, but it's reasonable to ask why there aren't comparable cuts, or increases, in all parts of the university. For example: Facilities Management is receiving increases of 7.49%, TSG is up 9.61%, Student Services up 2.84%, Finance and Operations up 4.44%, and Multi-year commitments up 5.15%. And, the administration is budgeting an extra \$21,000 for operational supplies and \$25,000 for legal and institutional dues. These increases may be entirely justified, but they have not been explained, and there seems to be no way for members of the university community to make real contributions to the process.

What is This Dome Culture?

Last year's ANSUT study, among other things, showed that senior administrative salaries at StFX rose 77% from 2004-2011, substantially more than that of faculty or staff, and more than comparable institutions.

We are told of the Board of Governors' demand for a balanced budget, but their record of communication with the university community is effectively non-existent. Information is passed on via hearsay and gossip. The Board oversees a publicly funded institution and must be more accountable and less absolutist.

Should We Cheer For a Losing Team?

According to Mr. Duff, the administration has great difficulty controlling the athletic budget. If a team advances to the playoffs, or has a difficult away schedule, costs increase without warning. The Athletic budget continues to increase while academics suffer.

Is That All?

By no means. Open letters from Tara Callaghan and Nancy Forestell to the senior administration have many more questions about the fairness of this budget, administrative practices, and transparency. Please take advantage of the budget documents that have been made public and note that the next public meeting is June 5th, when the VP Finance has resolved to try and answer your questions. You might want to look as well at the model the University of Lethbridge, has set up to deal with their financial difficulties. (Google University of Lethbridge budget-finance).

And we should all keep in mind, as a member commented at the budget meeting: "In the absence of trust, everything looks like manipulation".