

The College Task Force

The members met for the second time for two hours on December 17, 2014

**Present:** George Cooper, Jennifer Barnhill, Kelly Porter, Gordon McOuat, Neil Robertson, Shirley Tillotson, Stephen Kimber, Kim Kierans and by phone, Tom Eisenhauer, Michaela Sam, Emily Rendell Watson.

**Invited guests:** Bonnie Sands, Director of Finance, Bursar's Office and Don Sedgwick, Special Projects Officer.

We had briefings:

- on the state of the university's finances and the work of the College Budget Advisory Committee from Director of Finance Bonnie Sands;
- on initiatives to increase the university's revenues from Special Projects Office Don Sedgwick.

We also discussed our process going forward, particularly with emphasis on interim deadlines required to complete an interim report by February 1.

#### **State of the University Finances:**

- The major problem continues to be declining enrolment. As of December 1, 2014-15 enrolment is 1,001, a drop of 197 or 16.4 per cent from 2013-14. FYP enrolment is currently 238, down 20 per cent from a year ago. Current projections for 2015-16 assume a five per cent decline in enrolment overall as this year's small incoming class begins to work its way through the upper years, and based on the assumption of an enrolment of 240 in FYP for 2015-16.
- Additional initial assumptions for 2015-16 made by the Bursar for discussion purposes of the Task Force:
  - No increase in government support.
  - Tuition increase capped at three per cent.
  - Continuation of a .5 per cent increase in the endowment draw
  - Implementation of the salary increase assumptions (approximately 4.5 per cent) built into the 2014-15 budget.
  - Continuation of the \$300,000 across the board cuts imposed last year, but not the additional \$200,000 cuts imposed to help the 2014-15 budget shortfall.
- In the meeting the Task Force all discussed a possible:
  - Increase in non-academic revenues-over-expenses of approximately \$100,000 as presented by Special Projects coordinator Don Sedgwick.
  - A continuation of current interest rates on our \$1 million line of credit but it an increase will likely be factored into budget projections.
- Given our expected beginning cash balance at the end of 2014-15 and those assumptions, our negative cash balance by the end of 2015-16 would rise to \$2.63 million. We already have a \$1 million line of credit. We could borrow more but we should not finance a deficit with debt.

- The issue of ancillary fees was also flagged. King's ancillary fees — at approximately \$1,140 — are the highest among regional universities. Dalhousie, by contrast, charges students \$745 in ancillary fees.

#### **Budget Advisory Committee:**

- Faced with these projections, the Budget Advisory Committee — Elizabeth Edwards (fall), Wayne Hankey, Fred Vallance-Jones (winter), Alex Doyle, Emily Rendell-Watson, Kim Kierans, Bonnie Sands and Jim Fitzpatrick — has asked all academic and administrative departments to come up with three budget scenarios for next year: cuts of five, ten and twenty per cent on the total budget. The deadline for departments to submit these scenarios is January 30. However, the Task Force has asked for the narrative reports by January 16 to help in its deliberations.
- Each scenario assumes last year's \$300,000 cuts continue, and departments can include both salary and non-salary cuts in their narrative.
- This is necessary because — if you eliminate salaries and other out-of-our-direct control expenses (utilities, scholarships, etc.) — we are left with just \$2 million of controllable expenses on a budget of \$20 million. This would not be enough to achieve the necessary savings.
- The budget scenario-building is an exercise, a starting point to arrive at a budget.
- The Bursar's Office has the necessary depth of data to quickly recalculate the impact the Dalhousie faculty wage settlement.

#### **Special Projects Office:**

- Don Sedgwick reported on his efforts, along with those of Facilities Manager Alex Doyle, to increase the university's non-academic revenues.
  - A new cold beverage contract is being negotiated and will be concluded in early 2015. It is expected to generate roughly \$60,000 in revenue over the next twelve months.
  - The College's new Conference Services generated approximately \$80,000 this year from a standing start, with expectations it will generate revenues of approximately \$200,000 (\$100,000 profits) per year going forward.
  - There is a proposal to hire a conference services manager (whose compensation would be covered from the additional revenue) to provide marketing and outreach to develop new conference business.
  - The Task Force suggests Don be invited to address Faculty early in 2015 to discuss potential for increased revenues and the role faculty members can play.

#### **The Task Force next steps:**

- The Task Force's deadline for an interim report focusing on the next fiscal year is February 1.
- The University Board is scheduled to meet February 5.

- Given the urgency of developing concrete recommendations for 2015-16, and the need for the Task Force to understand how academic and administrative units propose to deal with the various cost-cutting scenarios, the Task Force has asked the Bursar's Office to move up the deadline for the submission of those scenarios to January 5. The meeting of the Budget Advisory Committee on December 19, said this was not possible and has sent out an email requesting all units submit their scenarios as soon as possible.
- The Task Force is also developing a list of financial questions of its own for the Bursar's Office to be submitted no later than January 2.
- The Task Force is currently arranging a meeting schedule for the month of January. We will be meeting two times a week.

**Context for our upcoming meetings:**

- The Task acknowledges that, given our current fiscal situation, everything must be on the table for discussion, including salaries and benefits, parity, administrative costs, sabbaticals, sessional and contract employment, class size, workloads, teaching assistants, student employment, research and travel, entertainment and receptions, etc..
- That said, the Task Force is mindful that we cannot lose sight of our core educational mission and we must, even in our short-term 2015-16 recommendations, ensure we retain the flexibility to make meaningful long-term plans for the future of our academic mission.
- The Task Force, as always, invites your comments, questions and suggestions. You can reach the Task Force through our Gmail account: [collegetaskforce@gmail.com](mailto:collegetaskforce@gmail.com).

**College Task Force Members:**

**Board Chair:** Dale Godsoe

**President:** George Cooper

**Task Force Chair:** Kim Kierans

**Four faculty representatives:** Stephen Kimber, Gordon McOuat, Neil Robertson and Shirley Tillotson

**Two staff representatives:** Kelly Porter and Jennifer Barnhill

**Two student representatives:** Michaela Sam and Emily Rendell-Watson

**The Chair of the Board Task Force, alumnus:** Tom Eisenhauer

**Board member, alumnus:** Colin MacLean

Submitted by Kim Kierans on behalf of the College Task Force  
December 22, 2014