

### College Task Force - Update #3

The Task Force has met three times since the beginning of the new year: on January 7 for two hours, January 9 for two hours, and January 12 for one hour.

Much of our time has been spent meeting with Jim Fitzpatrick, the Bursar, and Bonnie Sands, the Director of Finance, to gather factual information about various options and scenarios as a basis for our eventual decision-making process. (We thank them for their excellent work in quickly pulling together the material we asked for so quickly, and for helping us to understand its implications.)

We are in the process of preparing our promised February 1 interim report, which will focus on recommendations relative to the 2015-16 fiscal year and, as appropriate, to 2014-15.

We are committed, as a group, to be as transparent as possible and to provide members of the King's community with as much information as possible at every stage of the process. Because we have agreed everything must be "on the table" in our discussions, we have asked the Bursar's Office, program directors, department supervisors and others for information on the impact of all manner of options from various salary freeze scenarios, to the cost of sabbatical leaves, to borrowing for specific projects (funding faculty renewal, upgrading energy efficiency), to closing or rationalizing programs or departments, to... We realize some of those options may — do — sound draconian, daunting, perhaps even counter-productive to our longer-term goals. Which is why it is important to reiterate, as you read through the material, that our goal is to make informed decisions based on understanding the implications of a wide range of options. The Task Force is still gathering information. We have not reached any conclusions.

We welcome your thoughts and suggestions on the information in this report. We encourage you to consider our "hit list" of options. Are we missing something you think should be considered? How would you prioritize the options? You can reach the Task Force at [collegetaskforce@gmail.com](mailto:collegetaskforce@gmail.com).

#### Information requested by the College Task Force:

1) Annual Savings (beginning 2014-15) against Budget Projections assuming a) all employees, excluding union members b) and excluding joint/equalization profs c) and excluding employees earning less than each of \$40, 50 and 60,000.

- **Scenario 1 Salary freeze:** Annualized savings if...
  - a total salary freeze —including career development increment (CDI) and Income Maintenance Change (IMC) **including** Carnegie, equalization unionized teaching and senior fellows:
    - **\$358, 667 per 12-month year.**
  - As above except exempting those ...
    - **earning less than \$60,000= \$298,667**

- **earning less than \$50,000= \$316,000**
  - **less than \$40,000= \$349,334**
- Only the Income Maintenance Charge (cost of living increase) is frozen
  - **\$144,000 per 12 month year.**
- **Scenario 2 salary freeze:** Annualized savings if...
  - a total salary freeze—including career development increment (CDI) and Income Maintenance Charge (IMC) **excluding** Carnegie, equalization unionized teaching and senior fellows:
    - **\$306,667 per 12-month year.**
  - As above except exempting those ...
    - **earning less than \$60,000= \$246,667**
    - **earning less than \$50,000= \$264,000**
    - **less than \$40,000= \$297,334**
  - Only the Income Maintenance Charge (cost of living increase) is frozen
    - **\$118,000 per 12 month year.**

2) Increases of Faculty (including and excluding Joint Faculty) and Staff salary costs over last 10 years, both total dollars and as percent of budget.

## College Task Force – Update #3 – January 12, 2015

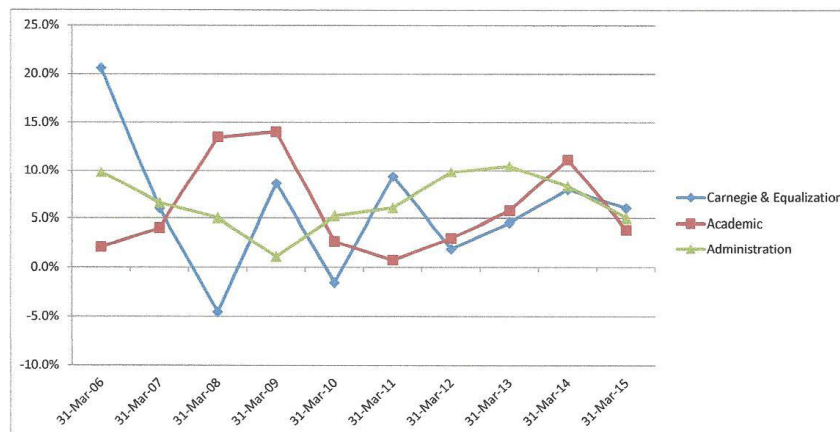
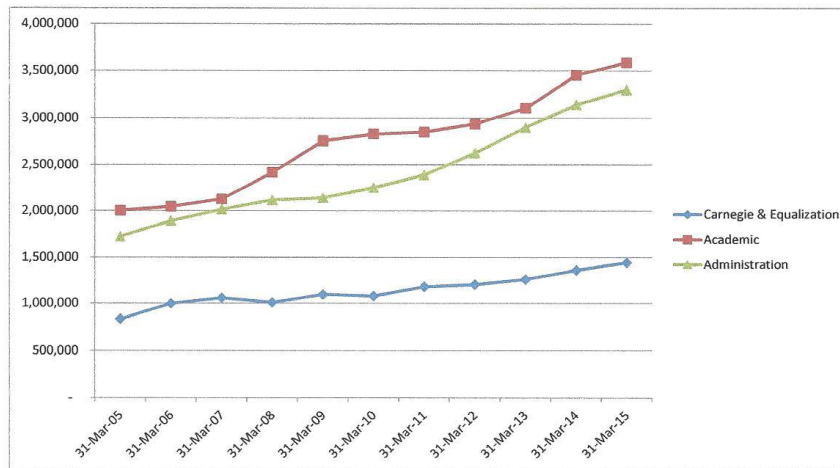
### University of King's College Salaries Paid (excluding casuals, TA's, lecturers, etc.) 2005 - 2015

Category	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15
Carnegie & Equalization	828,583	999,376	1,059,269	1,011,318	1,098,398	1,081,354	1,182,564	1,205,052	1,260,634	1,360,775	1,442,900
Academic	2,003,535	2,046,349	2,129,389	2,416,616	2,756,112	2,829,525	2,850,968	2,936,979	3,106,926	3,453,564	3,586,915
Administration	1,723,419	1,892,553	2,016,215	2,118,445	2,141,989	2,254,612	2,390,979	2,626,183	2,901,309	3,141,984	3,301,321

#### Year over year % increase

Category	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12	31-Mar-13	31-Mar-14	31-Mar-15
Carnegie & Equalization	20.6%	6.0%	-4.5%	8.6%	-1.6%	9.4%	1.9%	4.6%	7.9%	6.0%
Academic	2.1%	4.1%	13.5%	14.0%	2.7%	0.8%	3.0%	5.8%	11.2%	3.9%
Administration	9.8%	6.5%	5.1%	1.1%	5.3%	6.0%	9.8%	10.5%	8.3%	5.1%

Administration includes Registrar casual staff as there were several full time vacancies over the years covered by casuals.  
Administration also includes two presidential salaries in 2012-13.



Question #2

3) List of all employees according to departments

**Academic:**

- Carnegie Professors 8 (1 vacant)
- Equalization Professors 3
- Humanities 31 (includes and 4.5 contract employees)
- Journalism 16 (includes 1/2 faculty & 3.5 contract)
- **Total Faculty 58 people**

**Academic Support:**

- Advancement 6
- Athletics 2
- Bursar 6.5
- Chapel 1.5
- Chapel Music 2
- Facilities 10
- Library 5 (including 1 contract)
- President's Office 3 (including President. VP is counted as faculty)
- Registrar's Office 7
- Student Services 2
- **Staff/Admin 45**

4) Provisional budget for each cost centre in the university

See: <http://www.ukings.ca/files/u42/2014-2015-operating-budget.pdf> or operating budget.

5) Cost vs. revenue for each academic programme: journalism broken into different degrees, if possible  
Still to come.

6) List of Benefits together with costs: sabbaticals, teaching relief, stipends, pension, additional benefits (health plan, leaves etc.)

The VP and Director of Finance are still working on academic sabbaticals, teaching relief and stipends. However, the

- Estimated net cost of a sabbatical replacement if...
  - \$100,000 salary plus benefits replaced by part-timers: **\$11,000**
  - \$100,000 salary plus benefits replaced by a contract sessional: **\$89,000**

For pension plan, saving if change from DB to DC plan:

- Employer Cost of benefits
  - **Defined Benefit Pension Plan 13.92% \$767,8777**
  - **Defined Contribution Pension Plan 6% \$76,878**
  - **Additional benefits (EI, CPP, Health, etc.) \$513,425**

- Savings if all employees switched to defined contribution pension plan:
  - **\$436,896.** Of course, a lot more discussion and research would be required if we were to change from a DB to DC plan.

7) Explanation of financial state of endowment, legal restrictions and policy on draw, including divinity funds. What would be limits, concerns etc against increasing the draw? Still being explored: How can the endowment funds best be utilized in our current financial situation while protecting the capital for the future?

Dr. Cooper and Neil Robertson will be looking further into the Divinity funds. How can the Divinity endowment draws be used to assist in our operating expenses?

8) Without using names for employees 60 - 71, listing by age savings to operating budget of retirement, assuming non-replacement

- Employees Aged 60-71 and Their Respective Salaries

Age	#Faculty/staff	Salary range
60-64	7	49,000-129,000
65-70	8	47,000-173,000

- **Notes:**

- Benefits not included
- If employees are not replaced, savings would be annual salary plus benefits (approx. 20%)
- Dalhousie reimburses King's for 2/3 of Carnegie salaries; therefore, the savings to King's would be 1/3 before factoring in the Carnegie endowment and 12% after factoring in the endowment. Since Carnegie Professors must be replaced the savings to King's would be 12% of the difference between the salaries of the outgoing and incoming professors.

The College Task Force raised the following questions for discussion:

- What if retiring Carnegie professors were replaced by current King's faculty?
- What if King's decided not to replace Carnegie professors and/or turned the endowment over to Dalhousie?
- What if faculty were required to self-fund sabbaticals?
- What if the university required departments to replace those on sabbaticals with part-time appointments only?
  - Or not replace them at all?
- What would be the benefits and costs of various faculty renewal options for those 60 and over, including:
  - Voluntary buyouts?
  - Retirement followed by a 3-year half-time post retirement contract appointment?

**Next steps:**

- The University Treasurer Katrina Beach will be presenting to the College Task Force at its next meeting – Wednesday, January 14.
- Neil Robertson has been designated to meet with the Bursar, Jim Fitzpatrick and Director of Finance, Bonnie Sands to identify areas of potential saving for 2015-16 and bring it to the Task Force at its meeting on Wednesday, January 14.
- The Task Force will be scheduling meetings with unit administrators/programme directors after they have submitted their budget reductions (5%, 10% and 20%) on January 16.

On behalf of the members of the College Task Force: George Cooper, Dale Godsoe, Jennifer Barnhill, Kelly Porter, Gordon McOuat, Neil Robertson, Stephen Kimber, Shirley Tillotson, Colin MacLean, Michaela Sam, Emily Rendell Watson, and Tom Eisenhauer,  
Kim Kierans, Chair of the College Task Force  
January 12, 2015