



Ottawa, February 2, 2016

Open letter to the Board of Governors concerning proposed budget cuts in faculties and services

Dear Ms. Butler-Malette,

I am writing to you on behalf of the Association of Professors of the University of Ottawa (APUO) regarding Allan Rock's instructions in a memo to Directors dated January 6, 2016, entitled "Deficit reduction measures for 2015-2016 budget". In this memo President Rock expects Deans and Directors to surrender 8% to 10% of the accumulated surplus of their operating funds to central administration on a pro-rated basis though it is unclear how this is to be done and by whom.

APUO takes issue with this directive for a number of reasons. The first and most obvious is that the very basis of the decision for cutting the budget is questionable at best. Let us explain: in the last 14 years, the Board of Governors has passed ten budgets projecting deficits, yet according to the financial statements of the university, only in 2012-2013 has the university actually run a deficit, which totaled a mere 0.16% of revenues. We therefore challenge the projected deficit of \$ 7.6 million for 2015-2016 as nothing more than speculation. Even if this deficit were to occur, it would only represent 0.73% of the total revenue of the university, rendering these proposed cuts quite out of proportion with what this possible deficit represents to the university's financial position.

We also note that financial statements from 2002-2003 to 2014-2015 indicate budgetary surpluses of more than \$ 750 million with an average annual surplus of \$ 42 million dollars, *despite predictions of deficits each year*. A surplus of \$ 175 million has been invested in short-term investments and more than \$ 650 million is in long-term investments. In other words, the University of Ottawa is in excellent financial condition and could cover a small deficit – should it come to pass - with its considerable resources.

Has the Board of Governors considered what these cuts mean to students and to the educational experience? A cut of 1% to 2% of the base budgets in 2016-2017 would not be possible without diminishing the capacity of faculties and services to provide activities and resources that directly enrich the quality of the student experience such as opportunities to invite speakers for conferences, offering workshops to prepare students for the employment market, distributing student awards, creating exchange opportunities and purchasing library materials. In other words, the cuts would have a

negative impact on the quality of education and the student experience. In our opinion, this is an unnecessary and unfair punishment of the faculties and above all, students.

We furthermore note that the 2015-2016 budget includes more than \$ 38 million allocated to consultants and other honoraria. This is unfortunate considering that nearly every possible field of expertise is covered by our current staff. We suggest that offering existing community members opportunities to be a part of projects for which their expertise would be required would be a much better option – both from a financial and efficiency point of view, as well as including faculty members in the major plans and projects of this university.

In summary, the proposed cuts are unjustified and will deliberately target the very goals that the university itself has set for *Destination 2020*. We would encourage the Board of Governors to revisit this directive and instead focus on ways to save on costs that do not endanger the mission of the university nor have a negative impact on students. We also encourage you to use internal expertise to achieve effectiveness, efficiency and budgetary savings without compromising education and research. Finally, we ask that you perform a comprehensive analysis of the real financial situation of the university including various possible future scenarios and make it clear, public and inclusive of the university community.

With all best regards,

A handwritten signature in black ink, appearing to read 'Jennifer Dekker', written in a cursive style.

Jennifer Dekker on behalf of the APUO Executive