

2008-2009 Budget Presentation

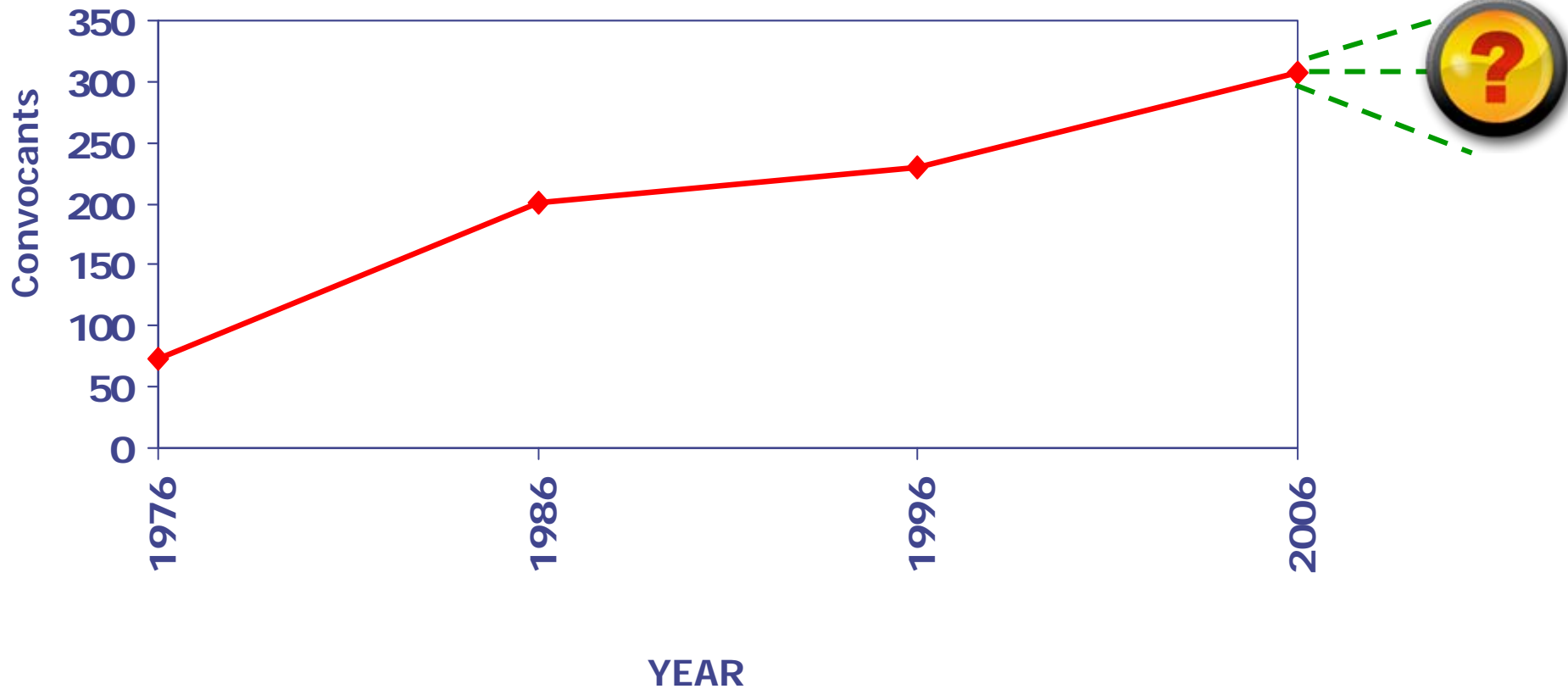
Introduction

- Unprecedented growth over the past few years in both undergrad and grad
- 22% increase in credit hours taught from 2002-2007
 - 3rd largest credit hours taught at U of R
- 40% increase in convocants, 1996-2006
- Largest 2nd, 3rd and 4th year class sizes

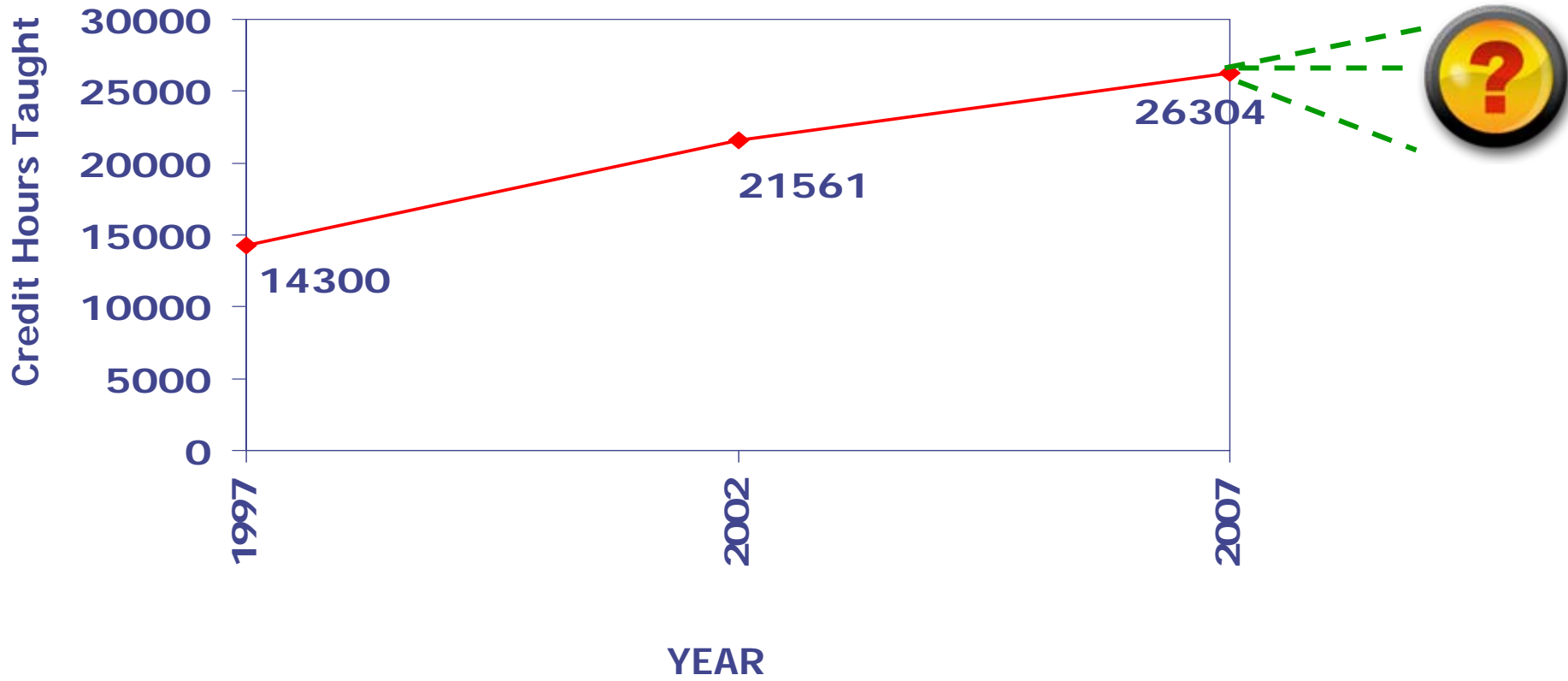
BUT...

- 0% real growth in budget over past decade
- 0% growth in number of faculty members over past decade

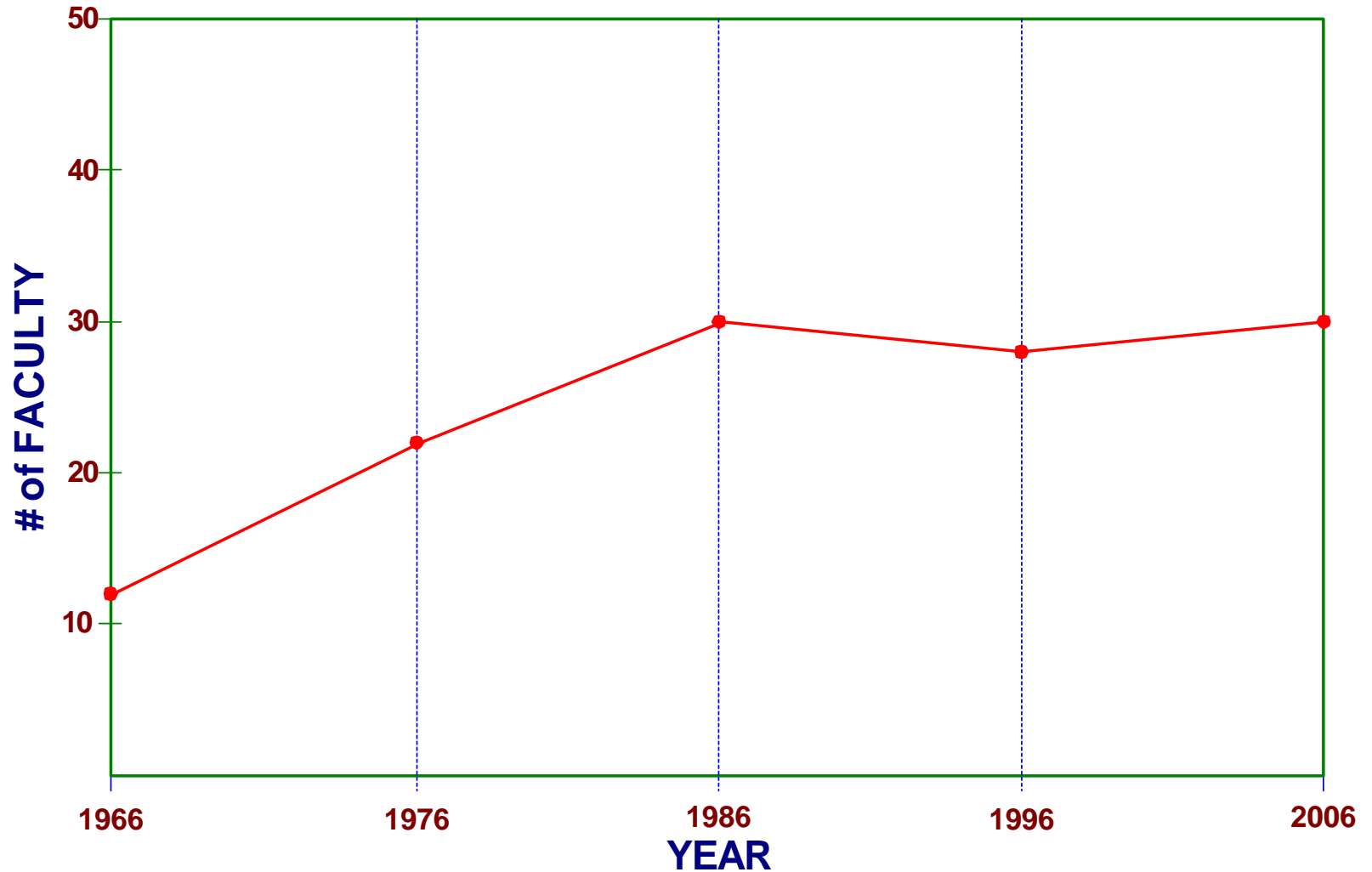
Historical Convocation Data



Historical Credit Hours Taught



Historical Faculty Growth



Fiscal Gap Remains

2002 – 2006:

- **3 studies conducted**
 - **Key finding in each study is that Faculty of Business Administration has a fiscal gap that exceeds \$2 million dollars.**

Fiscal Gap (\$ Millions) 3 YEARS AGO

Average Cost	Internal Benchmark	Local Benchmark	Three University Comparison		
U of R Average Cost	Faculty of Education	U of S College of Commerce	University of Victoria	Brock University	University of Calgary

Total Baseline Budget of eight UofR Faculties divided by total Cr hrs taught x URBus Cr hrs.	2005/2006 Baseline Budget of the Faculty of Education	Published 2005/2006 Budget of the College of Commerce at the UofS	Total budget of Faculty or School divided by total credit hours taught, multiplied by URBus credit hours taught		
\$5.34	\$5.94	\$5.10	\$5.77	\$5.90	\$16.90

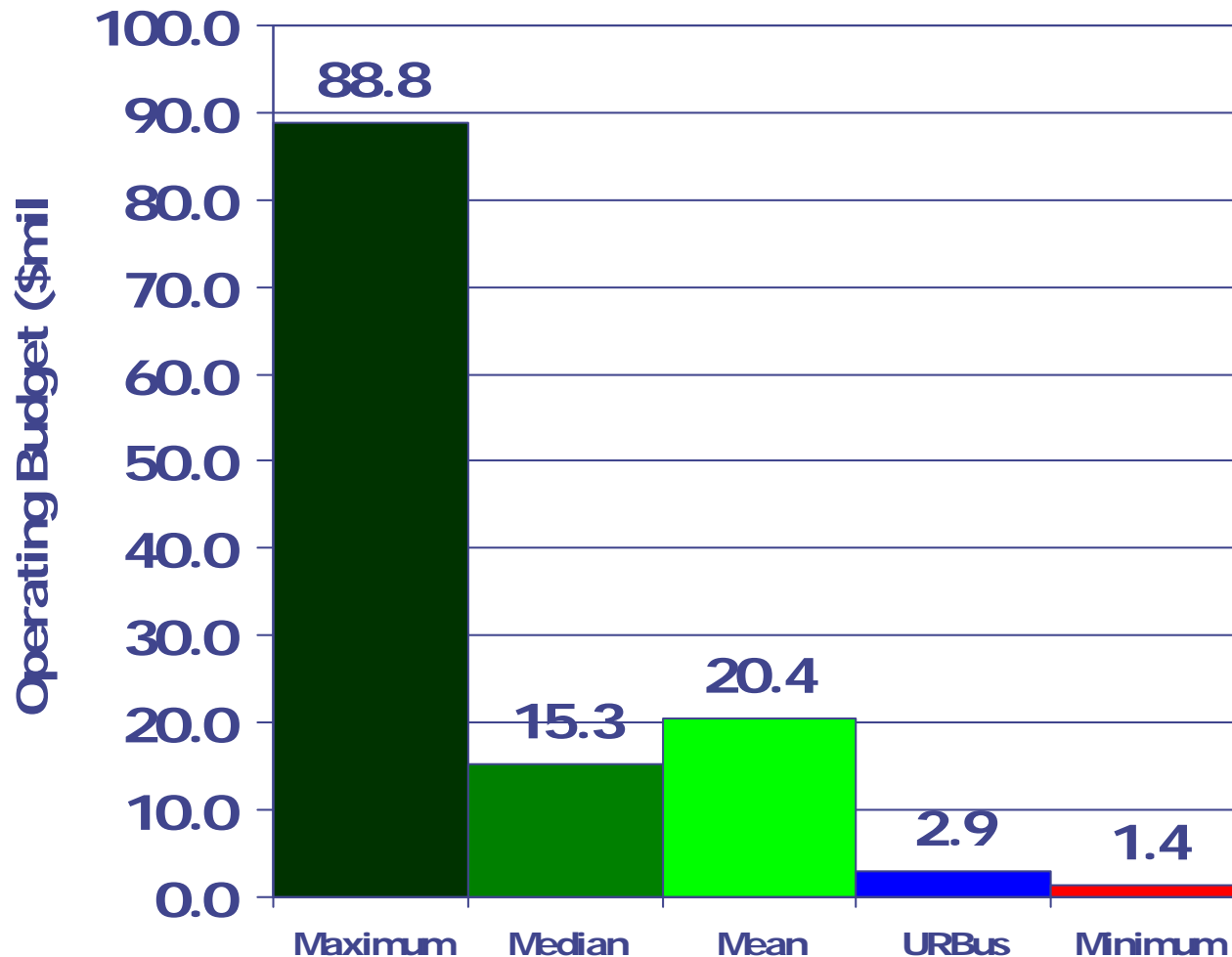
Faculty of Business Administration 2005/2006 Baseline Budget

\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
GAP	GAP	GAP	GAP	GAP	GAP
\$2.34	\$2.94	\$2.10	\$2.77	\$2.90	\$13.90

Canadian Business School Budgets

2005 Data on 21 Business Schools

Operating Budget AACSB 2005 Survey



Canadian Business School Budgets

Canadian Business School Survey 2004-2005
produced by AACSB International

University	Operating Budget	University	Operating Budget
HEC Montreal	\$88,800,000	U. of Manitoba	\$11,398,571
Univ. of Toronto	\$50,903,677	U. of Lethbridge	\$10,326,300
U. of Brit.Columbia	\$42,420,000	Brock University	\$10,112,007
Queen's University	\$40,000,000	Athabasca Univ.	\$9,448,000
Univ. of Alberta	\$27,500,000	Memorial Univ.	\$7,658,689
Univ. of Calgary	\$25,000,000	Carleton University	\$5,000,000
University Laval	\$22,000,000	Royal Roads Univ.	\$3,555,740
Univ. of Ottawa	\$17,228,607	U. of Regina	\$2,989,000
Simon Fraser	\$16,400,000	Fraser Valley	\$1,600,000
Wilfrid Laurier	\$15,300,000	Trent University	\$1,444,550

Several Years of Operation Forecasts

From the 2004-2005 Comprehensive Budget Plan

“There is a strong case for the allocation of more funding to this faculty..... The Faculty of Administration should not be left behind its counterparts. It should be noted in this connection that the rudimentary comparative information available about the equity of allocations to faculties suggests that Administration may be underfunded relative to other faculties.....”

From the 2005-2006 Operations Forecast

“Ensuring the competitiveness of the Faculty with its counterparts at other universities will require additional resources through internal reallocation, increased tuition fees retained by the Faculty, or an injection of new funds.”

Recent Operation Forecasts

From the 2006-2007 Operations Forecast

“Ensuring the success and competitiveness of the reconfigured Faculty of Business Administration requires additional resources. Preliminary assessment of the competitive situation of the Faculty vis-à-vis other business schools in Canada suggests additional resource needs of at least \$500,000 over the next two years.”

Recent Operation Forecasts

From the 2007-2008 Operations Forecast

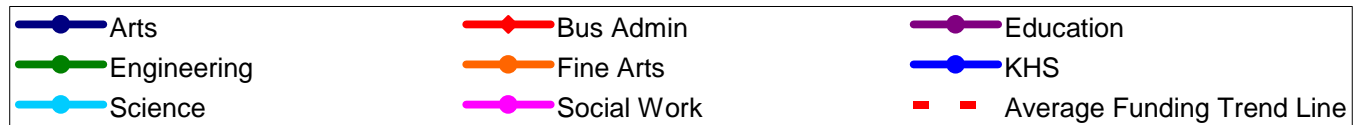
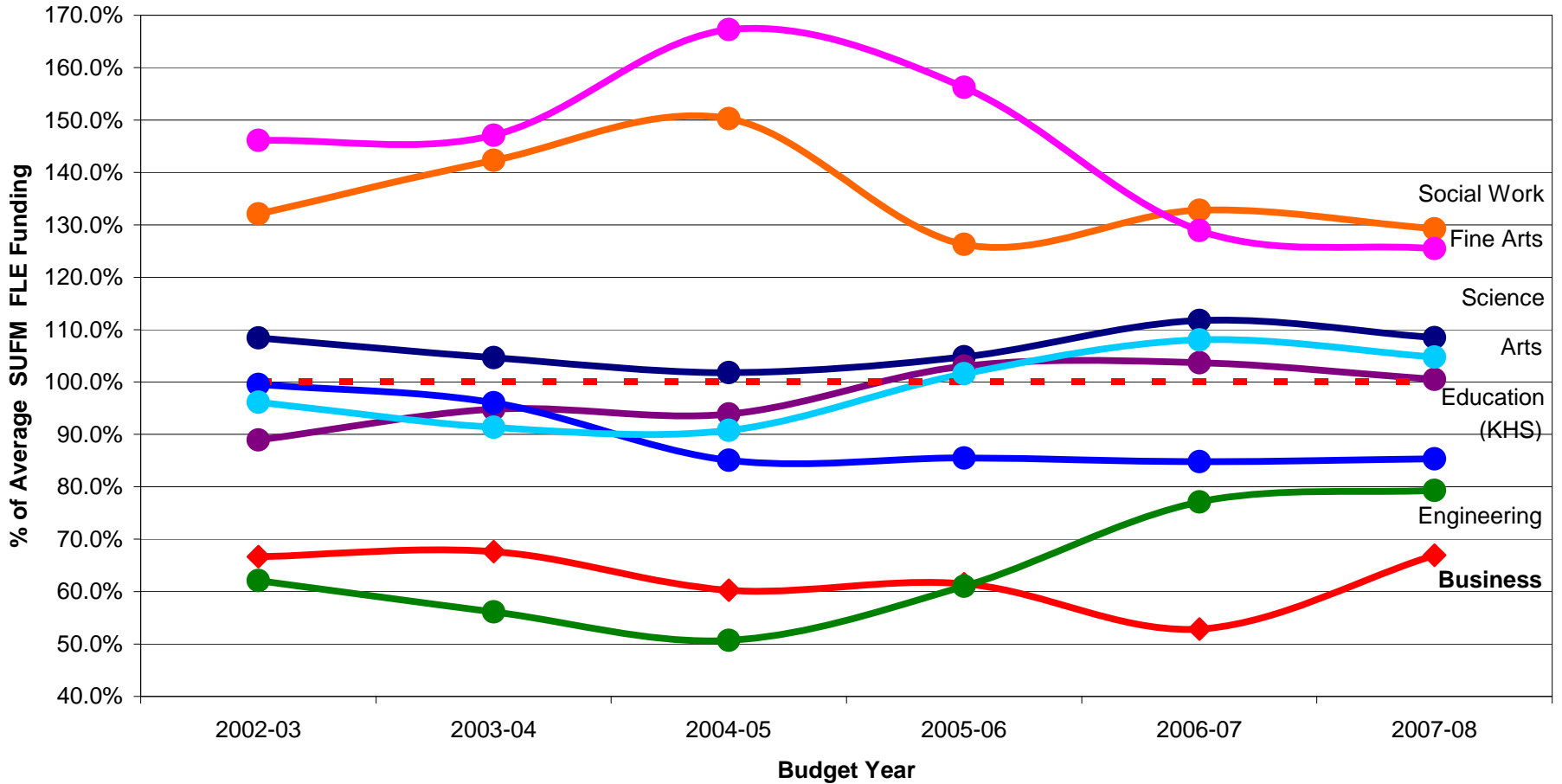
“External reviews have determined that a number of key academic and administrative functions of the University of Regina are seriously under-resourced. The Faculty of Business of Administration operates with funding per student that is significantly less than is available to its peers elsewhere in Canada, including the University of Saskatchewan. Enrolments in its programs continue to grow at the undergraduate and graduate levels.”

The Fiscal Gap Still Exists



% of Weighted CCE-Adjusted FLE Funding by Faculty

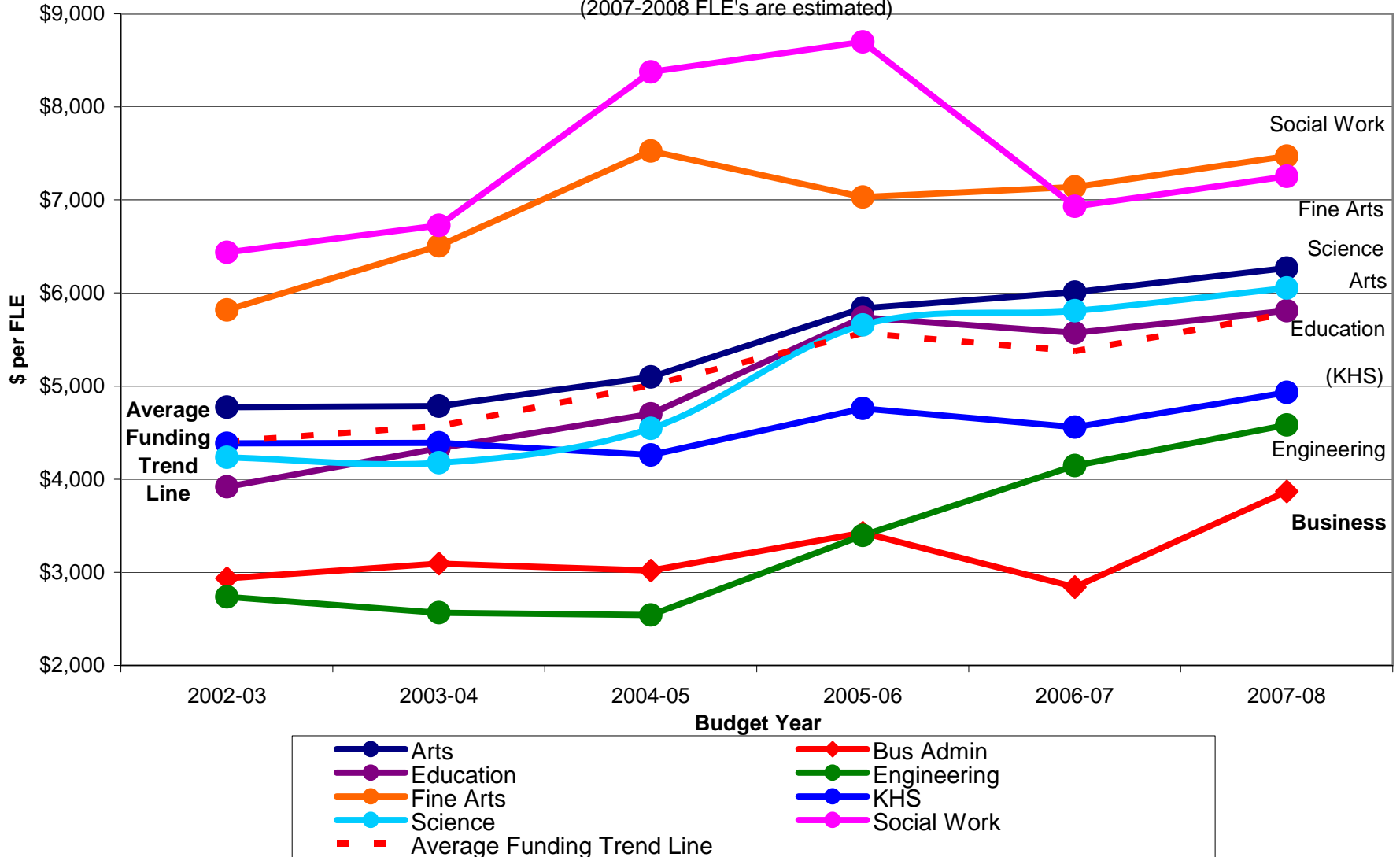
Graph A: % of Weighted CCE-Adjusted FLE Funding Received By EACH Faculty
 (Current Year FLE BY Current Year Operating Budget)
 2007-2008 FLE's are estimated



Operating Budget divided by Discipline-weighted CCE-adjusted SUFM FLEs

Graph B: Current Year Operating Budget divided by Current Year Discipline-weighted, CCE-adjusted SUFM FLEs

(2007-2008 FLE's are estimated)



Implications

- Faculty members are teaching **one or two** overload course(s) per year, at the expense of their research.
- 3rd and 4th year classes are capped at 45 students– but demand **exceeds capacity**, so we have been admitting up to 65 students
- We **cannot enter** into any new partnerships or programs – no room in our classes!
- We **will not be able to handle** further enrolment growth in undergraduate or graduate programs.
- The quality and quantity of our research, teaching, and service is in danger of being **negatively affected**.

So what steps have we taken?

- 1. We are in the process of increasing the GPA required for access into our BBA program**
 - This will reduce our incoming undergraduate enrolment by 10-15%
- 2. We intend to apply for AACSB Accreditation**
 - The accreditation process will highlight the Faculty's deficiencies in funding, and will point to the areas in which further investment is critical.

Clearing up some Myths...

Myth #1

- **\$4 million Levene gift**
 - Have only received \$1 million; balance is a planned gift
 - Levene fund only for things we could not otherwise afford – NOT for regular operating expenses
 - Have interpreted this very liberally, because so many things we can't afford under our current operating budget!
 - Currently using Levene fund to pay Director's salary, APT / CUPE staff, and ads/promotional expenses
- ... but this first \$1 million will soon run out!**

Myth #2

- **\$10 million Hill gift**
 - **By Dec. 31, 2008, we only receive \$5 million, of which \$3.7 goes to scholarships & Ivey partnership**
 - Leaves only \$1.3 million in discretionary endowment
 - Remaining \$5 million for discretionary endowment received later, possibly as planned gift
 - **Faculty does not get any interest on endowment until 2010**
 - Interest on endowment for discretionary spending equals \$65,000/year at first
 - When full donation is received from years from now, interest on endowment will only be \$310,000 annually.

Myth #3

- **Faculty ‘slush’ funds**
 - We have provided full details on revenues and expenditures for our special-project funds

Balance at May 1, 2007:	\$547,440
Expenditures in 2007/08:	\$88,235
Projected Balance at April 30, 2008:	\$459,205

- These special-project funds consist of external funding used for specific faculty activities
 - e.g., faculty travel, faculty research; student activities
- Donors have designated these funds for specific uses

Budget Request

Operating Budget Request – Hill UG

Existing Positions Release the two faculty positions that are being 'held' (\$65,000 X 2)	\$130,000
New Positions Three faculty positions in base budget to meet current student demand (\$65,000 X 3)	\$195,000
<u>One APT advisor position</u> in base budget to meet first year student counseling demand (\$50,000)	\$50,000
<u>Convert CUPE Technician 1 position</u> to base budget (\$48,000)	\$48,000
TOTAL Hill Undergrad:	\$423,000

Operating Budget Request – Levene Grad

New Positions	
Create a Director position in base budget (\$100,000)	\$100,000
Two base-budget faculty positions to meet current student demand (\$65,000 X 2)	\$130,000
<u>One APT advisor position</u> in base budget to meet graduate student needs (\$50,000)	\$50,000
<u>One CUPE support staff position</u> in base budget to support grad program (\$32,000)	\$32,000
TOTAL Levene Grad:	\$312,000

Operating Budget Request – SUMMARY

HILL – Undergraduate Positions	\$423,000
LEVENE – Graduate Positions	<u>\$312,000</u>
SUB-TOTAL Positions:	\$735,000
Equipment Fund	\$38,200
Initiatives Funding	\$0
Capital Project Requirements	<u>\$13,000</u>
TOTAL:	\$786,200

Revenue-generating suggestions

- 1. Revenue sharing on new Master of Leadership program, with tuition set at \$1,900 per course**
- 2. Increase MBA tuition & Master's certificate tuition to \$1,900 per course, to match MHRM & Leadership degrees**
- 3. Allow faculty to retain larger share of Executive MBA revenue**
 - **Currently 20% of amount over base tuition goes Central (i.e., \$66,360 on 21 students)**
 - **Would like to see this changed to 10%**
 - **Many expenses associated with this program**
- 4. Institute 20% tuition increase (in the form of new course fees) for Business Administration undergraduate students; revenue to be shared with Faculty**

Future Opportunities

- **Many future opportunities for Faculty of Business Administration...**
 - **But it takes money to make money...**

Future Opportunities

- **Expanded International Programs**
 - **Increased recruitment activities to attract additional visa students from Korea, Mexico, Colombia, Japan, and Taiwan**
 - **Take in 2+2 students from Hunan University (40 to 50 per year)**
 - **New 2+2 program with China (50 students per year)**
 - **New 2+2 program agreement with Korea (25 students per year)**
- BUT... Every additional 45 international students requires 2 additional professors and an additional half-time APT Counsellor!**

Future Opportunities

- **Continue to Expand Enrollment**

- **Both student registrations and credit hours taught could continue to increase**
- **Expand and offer additional course sections and new courses to:**
 - **Students across all Faculties**
 - **Additional admissions to the Faculty**
 - **Students in Economics & Computer Science**

BUT... Every additional 180 student enrolments requires one additional professor!

Future Opportunities

- **Certificate of Business Administration (Cert. Bus. Admin.)**
 - **Establish a new 30 credit hours program**
 - **Available to all non-business faculties and programs**
 - **Designed to be awarded in conjunction with other undergraduate degree**
 - **Offered as “service classes/program” across the University**
- BUT... Every 45 additional students in this program would require 1 extra professor.**

Future Opportunity Summary

- 1. Growth in graduate programs**
- 2. Growth through international recruitment**
- 3. Growth through high school recruitment**
- 4. Introduction of certificate in Business Administration, offered in conjunction with other Faculties**

We want to help the U of R grow...

- **Business Administration offers one of the greatest student growth opportunity areas**
 - *But we can't grow any further without additional teaching personnel in our faculty*
- **It's time to stop giving each faculty back its historical positions**
 - *Vacant positions need to be pooled and re-assigned to growth areas*

Where to from here?

