



**ULFA Executive**

- Ilsa Wong  
Kinesiology/2232
- President  
Bryson Brown  
Philosophy/2506
- VP/President Nominate  
Rob Sutherland  
CCBN/-Neuro.Sc/3987
- Secretary/Treasurer  
Ed Jurkoswki  
Music/2342
- Academic Welfare Chair  
Trevor Harrison  
Sociology/2552
- Economic Benefits Chair  
Marc Roussel  
Chem-Biochemistry/2326
- Grievance Chair  
Kate Chiste  
Management/2139
- Board Representative  
Vacant
- ULFA OFFICE/2578  
Brenda Rennie  
Executive Office
- Sue Edwards  
Administrative  
Assistant

## *Report of the President*



Universities in Alberta face a challenging political environment. There is quite a lot of evidence for this claim, but perhaps the most straightforward and probative is the fact that spending on PSE in Alberta as a percentage of GDP declined drastically over the last twenty years, while it has increased almost everywhere else in the developed world. The recent provincial budget continues this regrettable trend, cutting funding for PSE despite granting substantial increases to other (and larger) public sectors.

As part of our response to the budget and the broader issue of PSE funding in Alberta, I wrote to the Premier in late February, arguing that the funding cuts to the University of Lethbridge, and to post-secondary education in general, were ill-advised. The Premier's response was disappointing, but I've continued to explore the evidence that can be offered to justify public investment in PSE, and the Universities in particular.

While I believe that learning is valuable in and of itself, and that a good university education contributes broadly to citizenship and quality of life, not just to wages and tax revenues, it is, of course, economic measures that resonate most with governments today, and the Government of Alberta in particular. So I want to mention some facts and figures about the economic contribution of university education to students and to society at large. Of course such figures are subject to interpretation; causal claims and counterfactuals are difficult to establish convincingly when our data are merely statistical. Nevertheless, the same holds for most efforts to justify public policy by appeal to economic data. So at worst, I think the case for investment in universities and colleges is as good as the case for investment in many other widely valued social goods.

Statistics Canada reports that unemployment among university graduates was 4.1% in 2008, compared with 4.9 % for college graduates, 6.6% for high school graduates and 12% for non-graduates. The same report states that earnings are also higher for college and university graduates (averaging \$33,000 and \$45,000 respectively). Studies in a number of countries examining social and individual returns on investments in PSE suggest returns for both in the neighborhood of 15%. Alberta's rate of participation in PSE remains the lowest in Canada, with 48% of young Albertans going on to PSE within 4 years of their high-school graduation compared to a national average of 62%.

Some have argued, on grounds of fairness or equity, that tuition rates should be set to equalize return on investment for individuals and society at large. But this ignores the deterrent effect of the fear of (increasingly substantial) debt, a worry that is especially significant for disadvantaged students.

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Worse, it ignores the broader social benefits of greater access to education. A more generous approach to funding might reduce the monetary rate of return on social investment—but it would still be a good investment, and might very well bring other benefits as well.

While I plan to continue this exchange of views with Premier Stelmach, there are, of course, more immediate issues on our plates today. Handbook negotiations are now well underway; after they are concluded, economic negotiations will begin. We're looking forward to meeting with incoming President Mahon in early May at a 'get to know you' dinner where we hope to lay the groundwork for a healthy working relationship.

As my term as President comes to its end this June, I would like to say that I am very happy to have been able to serve ULFA and its members during this very interesting year. While things have been very busy and occasionally difficult, it has been a very satisfying experience—especially because of the support of an excellent executive, who have gone above and beyond anything we could fairly expect from volunteers with serious responsibilities of their own, and the support of the ULFA staff, Brenda Rennie and Sue Edwards.

Finally, for those of you who weren't able to attend the Annual General Meeting this week, I wanted to mention that our Executive Officer, Brenda Rennie, has now been with ULFA for 25 years. During that time ULFA has grown and changed immensely, and her continuing dedication and focus on our organization and our members' needs has benefitted all of us. Thank you, Brenda.

***Bryson Brown, President, ULFA***

## *Annual General Meeting*

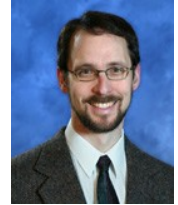
Thanks to those of you who took the time to participate in the April 19<sup>th</sup> Annual General Meeting. Congratulations to everyone who was elected by acclamation following the Nominating Committee Report. New terms of office will begin July 1<sup>st</sup>.

As most of you know, Handbook negotiations are ongoing and economic benefits negotiations will not begin until these are concluded. You will, therefore, be requested to attend one further Special General Meeting within a matter of weeks to ratify both packages. Stay tuned.

***Brenda Rennie, Executive Officer ULFA***



I want to start this report by thanking the members of the Economic Benefits Committee (EBC) for their hard work helping to prepare the negotiating committee for the upcoming negotiations. They carried a heavy burden throughout this term. My committee members this year were Jon Doan, Abdie Kazemipur, Leslie Robison-Greene, Wayne Lippa, Marlo Steed, Rhys Stevens and Kelly Williams-Whitt.

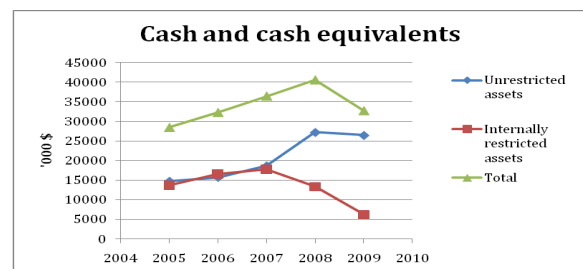


As I write this report, Academic Welfare (Handbook) negotiations are underway. The Economic Benefits (EB) negotiating committee is waiting in the wings. The EB negotiating committee consists of Trevor Harrison, Wayne Lippa, Ilsa Wong and myself. We will be negotiating both the Faculty (including Academic Assistants and Professional Librarians) and Sessional EB agreements. Our opening positions have been prepared and we're ready to go as soon as Handbook negotiations are done.

Over the course of the year, people have been asking me how I felt about negotiating in the current climate. My answer has been and continues to be that I feel upbeat. EBC has done a lot of research over the term, so we're going into negotiations well prepared to support our arguments for improvements in the overall compensation package for ULFA Members. More importantly, the University appears to me to be in a reasonable financial position given the general climate around the province. I've been reading the University's recent financial position statements, and I'll just throw out a few tidbits I've picked up that I think are indicative of the basis for my optimism.

Let's start with the cold, hard cash. The graph titled *Cash and cash equivalents* shows a couple of key account types under which the University keeps its cash. Unrestricted assets is exactly what it sounds like: This is money that has no strings attached to it and that can be spent in any way the University sees fit. Internally restricted assets are sums of money that the administration has set aside for anticipated future expenses, often capital expenditures, but possibly for other purposes as well. There is no legal requirement to create internally restricted accounts. They are essentially planning tools. Arguably then, if we want to

know how much cash the University has, we should look at the total of these two types of accounts. As of the end of the fiscal year 2008–09, the University had well over \$32 million in cash. Even if we take the conservative position that internally restricted funds are not really available since they have already been allocated to particular purposes, the University still entered the last fiscal year with unrestricted funds of over \$26 million. This is after



a year in which the University had budgeted for \$5.4 million in investment income that failed to materialize. In the same year, the University transferred \$1.2 million from unrestricted assets to externally restricted endowments (which then can't be used except for the purposes specified for the particular endowments to which the funds were transferred), not to mention moving \$405,000 to internally restricted funds for parking, almost doubling the amount of money held for this purpose (to \$852,000, which will fill an awful lot of potholes). So certainly the University entered the 2009–10 fiscal year with a significant amount of cash. I don't know what has happened to our cash position over the past year, but certainly quite a bit of money will still be available now. I'm not going to suggest that this money can be used to pay salaries of permanent staff, but it most certainly can be used for one-time expenses like voluntary retirement incentives (worth \$1.5 million, according to the administration).

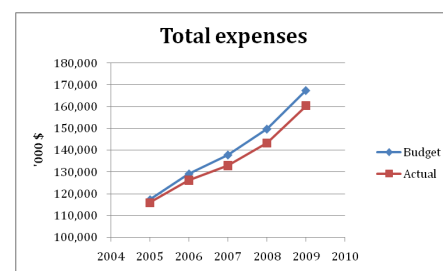
On this topic, you may recall from the last town hall meeting and announcements made around that time that the University will receive \$1.7 million in one-time funding along with its base ("Campus Alberta") grant. At the time, the administration talked about using this money to fund the voluntary retirement incentives.

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This is greatly puzzling to me given the University's cash position, outlined above. After all, the voluntary retirement incentives are one-time expenditures, exactly the sort of thing that your savings (the unrestricted funds) are for. It is even more puzzling when you consider that \$1.7 million is a big chunk of the \$2.5 million reduction in funding the University is suffering. Shouldn't this one-time funding be used to fund operations? If nothing else, it could be used to extend some positions for another year while we wait to see what the government will do next year.

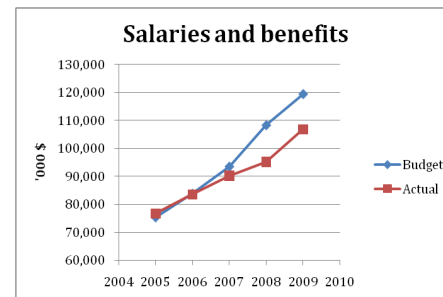
The fact that the University has some cash certainly gives it some flexibility, but the question of course is whether ongoing revenues can support the ongoing expenses. At the town hall, we were told about a \$9 million budget gap. As I understand it, we have been promised lights-on (operating) funding for Markin Hall, so now it's just an \$8 million budget gap, even if we take everything we've been told at face value. Let me now direct your attention to a couple of other graphs.

The graph titled *Total expenses* shows the University's budgeted and actual total expenses, as reported in the annual audited statements, for the last few years. You may notice that budgeted expenses have been consistently larger than actual expenses. In the most recent fiscal year for which audited statements are available, 2008–09, the University spent less than it had budgeted by more than \$7 million. The interesting thing about this number is that it is of the same order of magnitude as the projected shortfall for the current (2010–11) fiscal year. The gap between budgeted and actual expenses on salaries and benefits is even larger (see graph), reaching \$12.6 million in 2008–09.



The point I'm trying to make with these figures is that we have to be careful not to let ourselves get too agitated about budget figures. Budgets are useful planning tools, but we have to be aware that they do not predict the future with perfect accuracy. In particular, the extraordinary conservatism both of our University's budgets and management practices mean that budgets will almost always overestimate expenses.

None of what I have written is meant to deny the fact that the University faces tough times. The recent layoffs in the Facilities department are certainly a painful testament to that fact. However, even these layoffs reflect choices made by people in the administration. We do not know what factors were considered in coming to these decisions, nor do we know what alternatives were or could have been considered.



I am also not blind to the possibility that I may be misreading the University's position. Much of my analysis is based on information that is, for the most part, over a year out of date. Given the piecemeal manner in which information has been shared with the University community, for the moment that's the best I can do. If I have badly misunderstood the University's finances, then it will be up to the Board's representatives to provide me with up-to-date figures and to correct my misconceptions in negotiations.

There is one more thing that I would like to pass along before I end this report, a composite of comments made to me over the years by a number of senior faculty members: You, the ULFA membership, *are* the University. There are a lot of important things that the administration can do with the University's money, but you have to be right at the top of their list of priorities.

I hope you have a good summer.

**Marc R. Roussel**  
Chair, ULFA EBC

## *Handbook Negotiations*

Handbook negotiations have commenced. The Handbook negotiating team (consisting of Trevor Harrison, Leona Jacobs, and Rob Sutherland) held two meetings with the Board on March 22 and March 26. A third meeting is scheduled for April 20 with other dates already established. The meetings have been frank and productive. Further information will be provided as negotiations proceed.

Trevor Harrison, Chair, Handbook Committee

## *Date for your diary/ calendar* *ULFA Annual Picnic*

This year's annual family picnic will be held on **Monday 20th September 2010** from 6pm to 10.30pm at the John Martin Recreation Area, Pavan Park, Lethbridge.



Further details will be sent out in August.

## *Poem: Spring in New Hampshire*

Too green the springing April grass,  
Too blue the silver-speckled sky,  
For me to linger here, alas,  
While happy winds go laughing by,  
Wasting the golden hours indoors,  
Washing windows and scrubbing floors.

Too wonderful the April night,  
Too faintly sweet the first May flowers,  
The stars too gloriously bright,  
For me to spend the evening hours,  
When fields are fresh and streams are leaping,  
Wearied, exhausted, dully sleeping.

Claude McKay (1889—1948)  
Jamaican Poet & Writer

## *And Finally:*

Spring is nature's way of saying, "Let's party!" ~ *Comedian/ Actor: Robin Williams*