

Resource Optimization

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Summary

Our report offers recommendations in the following categories:

Budget Reduction: Recommendations to achieve the 5% cost reduction target to balance the 2010-11 budget based on options presented to us by the senior leaders of the University.

Transformation: Observations and optimization initiatives to strengthen the university in the areas of service excellence, financial sustainability and financial management.

Steering Committee Mandate

- Recommend savings in expenditures or increases in revenue totalling \$25 million in order to balance the 2010-2011 budget and to fund the new strategic initiatives.
- Recommendations on the University's business processes to improve the quality of the university experience and the services provided to the University community.

Budget Reduction

Our first deliverable is a set of recommendations to balance the 2010-11 operating budget. Budget reductions are always difficult, however the 188 options included in this report achieve more than required net savings without structural impact.

The majority of budget options are in the following categories: elimination of vacant positions, targeted enrolment growth, better use of technology, systems efficiencies, and a general tightening of operating budgets.

... 188 options can achieve required net budget savings without structural impact

We recognize that some faculties struggling today to balance their budgets will be particularly challenged to meet the savings target. In these areas, special attention by the *Administrative Committee* is warranted.

Given that the optimization exercise yielded \$31.1 million in budget options, well in excess of the \$25-million target, and because the actual deficit could vary from what has been projected, we encourage the *Administrative Committee* to be strategic in the options it accepts and in the timing of implementation.

Transformation

Optimization is about much more than a simple tightening of budgets. It's about the university making best use of its resources; about striving for excellence in every facet of university operations; about achieving the goals in its strategic plan; and, about becoming one of the best universities in Canada. In this respect, the efforts undertaken by faculties and services over the summer and fall of 2009, while addressing an identified budget crunch, do not achieve true optimization.

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Over the past five years, the University of Ottawa has made great gains in building a top-tier research institution and it has made a modest improvement in its overall ranking amongst its peers. The University has also achieved impressive growth in enrolment and, until recently, realized notable financial surpluses. However, critical areas of underperformance remain.

University of Ottawa students gave responses that ranked their university 52 out of 53 in Canada

The challenges were made evident to us from what Deans, Vice-Presidents and service Directors told us about how the university functions as a whole and from various measures of performance such as surveys of students. On student experience the data are stark, and call for immediate action. Responding to the 2008 National Survey of Student Engagement (NSSE) survey question, "If you could start over, would you go to the institution you are now attending," senior University of Ottawa students gave responses that ranked their university 52 out of 53 in Canada.

It is clear that budget reductions on their own will not improve the university's reputation or its rankings. Indeed, some options could negatively impact on the student experience, with secondary impacts on fundraising and recruitment.

To bolster our understanding of the challenge, the *Steering Committee* sponsored four independent studies covering some fundamental aspects of the university experience and finance. First, we documented how the university evaluated the student experience and how the data are used by management to improve performance. Second, a survey of faculties was undertaken on the services provided by central administration. Third, the structural relationship between services and faculties was examined to identify ideas for improvement. Finally, we considered financial management and reporting issues, including the funding formula for faculties.

Our purpose is to develop an agenda for transformation.

Our purpose in undertaking these studies was to help develop an agenda for transformation.

In our view, the Administrative Committee, deans and service directors should take full responsibility for this transformation. Throughout the optimization exercise, University staff impressed us; especially with their constructive approach and positive attitude towards innovation and reform.

Our report is more than a possible roadmap; it is designed to encourage the entire University community to embrace the change needed to dramatically improve the student, faculty and administrative staff experience; as well as to strengthen financial management.

We recommend five major medium-term initiatives to the *Administrative Committee* under the themes of service excellence, research-teaching balance, and financial management.

While the specific projects could vary from those outlined, we believe there is a pressing need for initiatives in the areas of service culture, service structure, workload realignment, financial budgeting and financial reporting. In addition, the *Administrative Committee* should review the various Work Group reports for ideas to improve service.

Recommended Initiatives

Service Excellence

1. Service Culture
2. Service Structure

Research-Teaching Balance

3. Workload realignment

Financial Management

4. Financial and management reporting
5. Budgeting and resource allocation

1. Service Culture

From the survey results we have seen, from our interviews with deans, vice presidents and service directors; and from the Goss Gilroy faculty web survey, it is evident that the university has a major “service culture” problem.

We heard from deans about overly complicated systems; responsibilities not clearly assigned; staff inadequately trained or under-qualified; attitudes of indifference; slow adaptation of technology; and an absence of incentives to perform. The Goss Gilroy optimization survey pinpointed those services to faculties where the need for improvement is acute.

Poor service at the university fosters negativity, conflict and a loss of productivity in the entire University community. It also undermines a unity of purpose that leads to an environment where faculties speak about central services more in terms of “us and them” rather than “we.”

Some issues can be addressed through structural change, but what is required is a fundamental change in the culture. The culture change has to permeate the organization and it needs to be led from the top.

Recommendations

- Recognize that service to students, faculties and administrative staff is a significant challenge and a priority.
- Commit to a university-wide program of service excellence, led by the President.
- Create a unit to coordinate performance measurement and provide leadership around service improvement initiatives.
- Give responsibility to service directors to develop and maintain a performance scorecard with outcome-based metrics.
- Incorporate performance data into the staff evaluation and explore incentives to reward service excellence.

2. Service Structure

While the majority of service transformation will come from a cultural shift towards service excellence, benefits can also that can be derived from structural realignment. The Deloitte service-structure analysis identified areas where opportunities for restructuring should be considered.

Recommendations

- The respective vice-presidents should propose structural changes to improve service and performance in the following priority areas: Human Resources (recruiting and staffing); Communications; Information Technology; Registration; Teaching and Learning Support; and, Graduate Studies.
- The President should engage the newly formed Committee of the President and Deans to discuss what, how and when this restructuring could occur.

3. Research-Teaching Balance

With *Vision 2010*, the University made a strategic decision to become more research intensive. The results, as evidenced by the “research intensity index,” have been impressive.

However, the increased enrolment of graduate students in support of the research intensity, and the progressive reduction in teaching loads necessary to enable professors more time to dedicate to research activities, has caused clear financial and pedagogical pressures. The University is now in the difficult circumstance of having to determine how it can simultaneously achieve its objectives of research intensity, financial sustainability and providing an excellent undergraduate and graduate student experience.

In a book released in late 2009 “*Academic Transformation*,” sponsored by the *Higher Quality Education Council of Ontario*, it is observed:

“...the provision of baccalaureate education in Ontario is not sustainable and is in need of significant modification....The idea that the teacher-researcher model provides the best possible education – that students learn best when their teachers are active scholars ... is not supported by the enormous body of empirical research.... The irony is that a substantial proportion of undergraduate courses are not taught by teacher-researchers, but by part-time faculty who have little or no opportunity to participate in research.”¹

¹ *Academic Transformation: The Forces Reshaping Higher Education in Ontario*, Ian D. Clark; Greg Moran; Michael L. Skolnik; David Trick. McGill-Queen’s University Press, 2009. Excerpts are from pages 1 and 12.

The clear implication is that the balance of a professor's workload between research and teaching is central to the issues of research intensity, the student experience and financial sustainability.

Professors who maintain a fully-funded and vibrant research program, and who have reduced teaching loads, need to be complemented by professors who spend more time in the classroom, and who are actively engaged with students with a focus on developing innovative pedagogical methods and tools. The contributions from each of these professors, as well as the part-time professors, are equally important to the overall success of the university.

Recommendation

- VP Academic to review the methods by which teaching loads are determined in each faculty. Those professors with substantial research programs and funding should be considered for a reduction in teaching responsibilities. Professors with a more modest research program or with a strong interest in teaching should be assigned a progressively higher teaching load.

4. Financial Management

To achieve optimal use of resources the university needs ready access to relevant and reliable financial and management information. However, we were told that the financial management system is too complex; that financial reports are confusing and lacked timeliness; and, that data needed for operational decision-making are not readily available. In addition, it was clear to us that the financial literacy by the decision-makers in faculties needs to be enhanced to enable them to manage their budgets more effectively.

Finally, we are concerned that the fiscal impact of the university's strategic decisions—such as student enrolment and the nature and extent of research activity and productivity—is not fully understood and considered by the university leadership as a whole.

Recommendations:

- Recognize and highlight the *chief financial officer* (CFO) responsibilities and function to ensure the fiscal sustainability of the university's vision and various strategic decisions (i.e. financial impact of target levels of research intensity and enrolment).
- CFO to lead a work group to develop a model for a financial and management reporting by mid-2010. The work group would include representation from deans, faculty CAO's, service directors, and the senior financial team of the university. The deliverable is the design of a reporting package to address the nature, format, frequency, timeliness, level of detail (and drill down capacity), and quality control of financial reporting.

- Relocate the financial planning functions of *Institutional Research and Planning* to the Finance portfolio to improve financial and resource forecasting. Establish strong and ongoing links between *Institutional Research and Planning* and the faculties to develop the best assumptions and understanding of related risks specific to each faculty and to the University as a whole.

5. Financial Budgeting and Resource Allocation

The fundamental problem with the current budget allocation system is that it is based largely on historical precedents rather than on strategic considerations. As a consequence the formula is complex, inequitable and does not promote the most efficient use of the university's resources.

Allocating a greater portion of the university's overall costs to faculties would make them more responsible, accountable and knowledgeable about their annual operating and capital budgets; and could make them better stewards of university resources. A fundamental shift in financial budgeting and resource allocation will have profound implications and requires careful study. Background to such a study was undertaken by Deloitte as part of this optimization project.

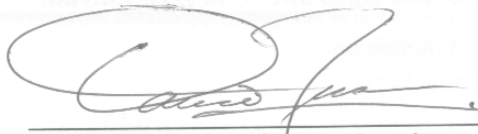
Recommendation

- Establish an expert panel, with resources attached, to make recommendations on the budget allocation formula. The panel would work closely with the *Administrative Committee*, the CFO and the Deans. The study would address: incentives to achieve the strategic plan; capital financing; strategic initiatives; tuition fee; split of revenue between host and teaching faculties; cost of service; costs related to faculty accreditation; administrative burden in cost allocation methods; ability to use of external services (in place of central services); and development incentives.

Concluding Comments

To stabilize the university's financial condition and avoid substantive deficits, spending reductions are required over the short-term. However, long-term financial sustainability and meaningful performance improvement requires more than immediate action. We encourage the *Administrative Committee* to consider the medium-term initiatives recommended in this report as the basis for consultation with the university community about next steps.

On a final note, we believe that an *optimization* exercise is healthy for the university and one that should be undertaken every five years. Each report can look to its predecessor to evaluate progress and results, as well as stimulate the necessary transformation for the University of Ottawa to achieve its next milestone.



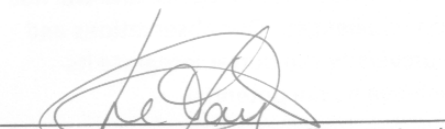
David Zussman, Chair of Steering Committee,
Resource Optimization, Jarislowsky Chair in Public
Sector Management, visiting professor and former
dean of the University of Ottawa School of
Management



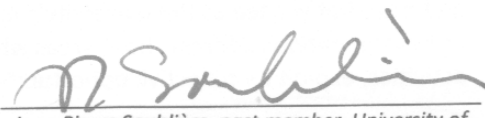
Bruce Joyce, Partner, Deloitte



Denis Prud'homme, Dean, Faculty of Health
Sciences



Marie Lemay, Chief Executive Officer, National
Capital Commission



Jean-Pierre Soublière, past member, University of
Ottawa Board of Governors



Bob Plamondon, Plamondon & Associates Inc.



Charles-Antoine St-Jean, Partner, Ernst & Young

Part I: Message from the Steering Committee

The primary task of the Steering Committee was to recommend \$25 million in net budget savings for 2010-11 to achieve a balanced budget in the university's operating fund.

While the Steering Committee will be identified as the source of these recommendations, our primary role was one of facilitation and validation. It was the insight, creativity and hard work of the faculties, services and optimization work groups that produced the options that are included in our report.

For its part, the Steering Committee approved work plans, monitored progress, scrutinized ideas and ultimately endorsed the options that we believe will strengthen the university over the long term.

While optimization was challenging, we were impressed by the constructive approach taken by university staff throughout this process. We are grateful for their many hours and difficult deliberations given over the relatively short timeframe when this work was done.

As we reflected upon the looming budget crunch, our unique vantage point allowed us to see how the university operates in the whole; and drew us to the broader issues and challenges related to our optimization mandate. As our report indicates, we believe that the \$25 million in net savings will not provide long-term financial sustainability to the university. They will not change the low rankings on the student experience and will not address what we see as the university's most serious challenges. Our observations and recommendations, therefore, address those areas where the university can better integrate its activities, exploit its collective creativities, opportunities and achieve its full potential.

Our report is designed to serve as the basis for a discussion by the *Administrative Committee*, and then more widely within the university community. We are grateful for the opportunity given to us by President Rock, who after presenting us with our mandate offered no further direction in how we undertook our work or reported our findings.

We are enthused about the capacity of the University of Ottawa to emerge from the current financial challenges stronger and more competitive than ever.

Part II: Mandate and Methodology

Mandate

The Steering Committee mandate was to:

- Recommend changes to the University's business processes in order to improve the quality of the university experience and the services provided to the University community.
- Generate savings in expenditures or increases in revenue totaling \$25million in order to balance the 2010-2011 budget and to fund new strategic initiatives.

In this process we challenged those with budget responsibility to answer these questions about their operations:

- How can programs and services become more responsive to students, faculty, staff and the community while at the same time less costly?
- Can programs and services be discontinued or provided more effectively and efficiently?
- Could existing spending be reallocated for purposes of higher priority, and that would have a greater impact on students' university experience?
- Are there potential business opportunities that would generate additional income while at the same time respecting the University's mission and strategic plan?
- Can changes to the organization's operating structure improve the quality of the university experience?
- How can the elements of the university (faculties, services, central administration) work together with greater effectiveness and efficiency?
- Have external sources of revenue been fully considered and developed?
- What are the implementation challenges and risks of optimization initiatives?
- Are the net savings options sustainable and is there adequate tracking going forward?

The Steering Committee assessed the options put forward by faculties and services in light of the following criteria:

- Consistency with the strategic plan
- Enhanced the university experience – particularly for students
- Best practices in university administration
- Constructive relations and effective coordination between faculties, services and central administration without duplication of effort
- Clear accountability for performance and outcomes
- Consistent and predictable rules for financial management
- Qualitative criteria: simplicity; transparency; equity; participation and engagement

Methodology

While most universities in Ontario are currently undergoing some form of budget realignment, not every institution has taken the same approach.

Before the *Steering Committee* was formed the university had determined it would take a “bottom up” approach to optimization. Rather than engage independent consultants to undertake in-depth operational reviews, the University of Ottawa approach was to empower its leadership—those who know and understand the operations best—to make recommendations on how to achieve better outcomes with a reduced net investment. Given the timeline associated with this project, and the need to approve the 2010-11 budgets early in 2010, the *Steering Committee* found this approach to be effective.

At the outset of our work the *Administrative Committee* estimated that the budget shortfall in 2010-11 was about \$25 million: about 5% of the operating budget. The next significant decision was how to allocate this amount across the university. While each budget unit faces unique financial circumstances and challenges, the decision was made by the university to begin the optimization project by allocating the 5% target *across-the-board*.

However, the *Steering Committee* endorsed a variable allocation of the target based on an impact assessment and other strategic considerations. Similarly the *Administrative Committee* can apply its strategic lens to how and where the net budget savings are realized.

Each faculty and service undertook the task of developing the savings options in their area. In addition, eleven Work Groups were established to take a multi-disciplinary perspective to optimization opportunities. These groups were formed in areas of substantial interaction, and possibly overlap, between faculties and services.

The Work Groups were established in the areas of:

- Alumni Relations and Development
- Communications
- Computing Services
- Faculties and Services
- Human Resources
- Physical Resources
- Research Management
- Strategic Enrolment Management (SEM)
- Scholarships and Financial Aid
- Ancillary Services
- Assessment of Ideas

The optimization project was officially launched in April 2009. Work plans were reviewed and approved by the Steering Committee in late spring. The Steering Committee met with each faculty and service over the course of the summer and autumn to assess progress and to share ideas.

The Steering Committee also met on a weekly basis over the summer, and more frequently beginning in September. Over the summer the Steering Committee also undertook a high-level review of the approach taken by other Canadian universities to the economic challenges.

In the end, more than one hundred meetings were held in support of the optimization exercise and more than one thousand pages of material was submitted in support of the faculty and service proposals.

Faculties, services and work groups concluded their work with a report and presentation to the *Steering Committee* in September, October or early November. Of note, the options generated by the work groups were reflected in the submissions of the relevant service area.

In the course of summer meetings with Deans, work groups and service leads, the *Steering Committee* identified a number of over-arching issues that it believed would not be adequately addressed in the context of a “bottom-up” optimization review. Consequently the *Steering Committee* took the lead in sponsoring four independent research studies under the following themes:

- Best practices in the measurement of the student Experience
- Performance of central services in meeting faculty needs
- Financial allocation formula for faculty budgets
- Structure of central services

We were not given the task of conducting broad or open consultation on optimization. Our mandate was to review and validate the options formulated by the university’s management structure and offer recommendations broadly related to the optimization of resources. In this sense our document is intended to serve as the basis for consultation with the broader university community.

Part III: The Environment

Economic Challenges facing Canadian Universities

The education sector is not immune from the effects of the global economic crisis. The decline in the financial markets has reduced the value of endowments, placed substantial pressure on the funding of pensions, and has effectively eliminated, for the foreseeable future, the use of investment earnings to fund ongoing operating costs. Donors are less able to maintain, let alone grow, their contributions in support of education. And while governments have not resorted to spending reductions at present, we expect that rising and unprecedented deficits will result in funding shortfalls in the university sector. Students are also feeling financial pressures from the current economic downswing and are not in a position to absorb higher costs.

Simply stated, unless spending is realigned with declining and uncertain revenues the financial condition of universities will deteriorate. We conclude the current financial model is not sustainable.

Approaches of Other Universities to Resource Optimization

Every Canadian university is re-examining their operations in light of challenging economic circumstances. Most have established high-level committees, often led by their president or by a senior management team, specifically to develop a strategy to respond to the new economic reality.

The actions emanating from many of these reviews have had an immediate and drastic impact on students, faculty and support staff. Some examples include:

- **Human resources:** hiring freezes, layoffs, and wage adjustments
- **Operations:** Business processes are being modernized and facility costs are being reduced through environmental and efficiency measures. Some facilities are being closed over the summer period or the Christmas holidays.
- **Discretionary:** Major chunks of discretionary spending, such as travel and conferences, are being eliminated or substantially reduced. Many publications are moving from print to electronic media.
- **Academics:** Low enrolment programs are being eliminated and low enrollment courses curtailed.

Because of the availability of federal and provincial infrastructure stimulus initiatives most of the capital programs at Canadian universities are continuing.

Fiscal Reality for the University of Ottawa

The University of Ottawa has not been impacted by the financial crisis as significantly as have many other Ontario universities. While other universities have relied upon earnings from endowment funds to sustain and grow operations, the University of Ottawa has been less reliant on this funding source.

In the years that preceded the recession, the university experienced substantial surpluses owing largely to a strategic decision to take advantage of available government funding to grow enrolment at the undergraduate and graduate levels.

However, while impressive surpluses were realized over the past five years, for 2009-10 the university was essentially break-even. Looking ahead, substantial deficits are projected: \$24.4 million for 2010-11; and \$34.0 million for 2011-12. The cumulative surpluses are being used to fund the current year projected deficit, but direct action is required to balance the 2010-11 budget to avoid imperiling the university's financial position.

It is evident from our analysis that the capacity of the university to continue to grow its revenue from enrolment is limited. First, its physical facilities are at or near full capacity. Second, given the current fiscal situation, it is unlikely that the provincial government will fully fund a general growth in student population. With constraints on revenue, spending reductions are required to balance the budget.

Those who know the University understand that it operates under a culture of *thrift*. As a result, there is no stream of options where "excess" can be skimmed off the top to balance the books. Rather, there is a need to undertake a diligent review of all processes, procedures, technology and workload to achieve permanent savings.

While layoffs and voluntary freeze on wages could be used to balance the budget, these approaches would not help the university achieve its strategic objectives. While these alternatives may yet be required should finances warrant, a first step is a fundamental review of how the university spends and uses its financial and human resources respectively, while keeping in mind the university's key priority of improving the experience of the entire University community.

When given our mandate we were informed that \$25 million in net savings was required to balance the books for 2010-11. However net savings of this magnitude in 2010-11 will not stabilize university finances thereafter. Unless government grants, tuitions fee, donations and other revenues increase sufficiently to cover inflation and staff wage progression the university will need another optimization exercise before too long. Consequently, our committee proposes a broader set of initiatives in this report that will help to address long-term financial challenges.

With a 5% optimization target allocated “across-the-board” to faculties and services the total was \$28,148,000. The excess over the target provides some strategic flexibility to the *Administrative Committee*.

Key Challenges

While every cost reduction exercise is challenging, this was the first time since the recession in the early 1990’s that university leaders had been asked to develop net budget savings of this magnitude. As a result, faculties, work groups and services needed to develop skills in the conduct of an operational review that did not exist in many faculties and services.

Some areas within the university were better positioned than others to enact expenditure reductions. Smaller faculties have less predictable retirements (as a means to reduce salaries expenses). Faculties that have not grown over the past five years were already struggling to balance their budgets before optimization was announced. We encountered a number of instances where faculties indicated that they had been historically underfunded due to weaknesses in the resource allocation formula. The Steering Committee considered all of these limitations and challenges in making its recommendations.

Finally, and perhaps most important, we note that the university has limited control over its revenue stream. There is risk to the university that the province will not fund growth in student enrolment in good years, let alone when the province is facing a \$25 billion deficit. Further, the level of tuition fees is not within the control of the university.

Part IV: Optimization Options

Introduction

The *Steering Committee* reviewed each option against the criteria noted in Part II of this report. We also verified the estimates with *Finance* to ensure accuracy in the computations; and that there was no double counting of savings across services and faculties. We also considered whether there were any consequential financial impacts to an option. For example, if a faculty increased revenue through enrolment we needed to include not only their 45% share of tuition fees and government revenue, but also the 55% share that would accrue to Central Administration.

Our report provides a summary list of the 188 options we reviewed. The Steering Committee indicates its concurrence or rejection for the feasibility of each option as follows:



Acceptance of option



Rejection of option



Further review and examination by Administrative Committee is recommended

The table on the following page provides a summary of the optimization target for each budgeting unit of the University.

Faculties	Faculties	12,427,000
École de gestion Telfer	Telfer School of Management	860,000
Arts	Arts	2,237,000
Éducation	Education	711,000
Médecine (sans secrét. Med et GFT)	Medicine	2,269,000
Secrétaires médicales		2,000
GFT's		5,000
Sciences de la santé	Health Sciences	1,038,000
Sciences	Science	1,359,000
Génie	Engineering	925,000
Sciences sociales	Social Sciences	2,264,000
Droit civil	Civil Law	266,000
Common Law	Common Law	491,000
Services Globaux	Global Services	4,851,000
Services Globaux	Global Services	
Bibliothèque	University of Ottawa Library	1,116,000
Programme d'enseignement coopératif	Co-operative Education Programs	23,000
Ressources humaines	Human Resources	146,000
Informatique et communications	Computing and Communication Services	737,000
Immeubles & Location d'édifices		2,180,000
Immeubles	Physical Resources Service	2,113,000
Location d'édifices		67,000
Service d'appui à l'enseignement et l'apprentissage	Teaching and Learning Support	248,000
Relations universitaires	External Relations	401,000
Cabinet du recteur et des vice-recteurs	President and Vice-Presidents	595,000
Cabinet du recteur et des vice-recteurs		
Cabinet du recteur		117,000
Conseiller juridique	Legal Services	0
V.R. aux études	Vice-President, Academic and Provost	96,000
V.R. à la recherche	Vice-President, Research	164,000
V.R. ressources	Vice-President, Resources	17,000
V.R. relations universitaires	Vice-President, External Relations	15,000
V.R. gouvernance	Vice-President, Governance	78,000
V.R. adj. recherche institutionnelle	Associate Vice-President Institutional Research and	48,000
Administration générale et centrale		
Vérification interne	Internal Audit	18,000
Comités et autres		
V.R adjoint études	Associate Vice-President Academic (International_	3,000
Administration générale et centrale		40,000
Vice-recteur aux études	Vice-President, Academic and Provost	3,248,000
Vice-recteur aux études	Vice-President, Academic and Provost	
Faculté des études supérieures & postdoct.	Graduate and Postdoctoral Studies	178,000
Bureau international	Associate Vice-President Academic (International_	63,000
Registraire	University Registrar	147,000
Aide financière et bourses		
Service d'appui au succès scolaire (SASS)	Student Academic Success Service	167,000
V.R adjoint gestion des effectifs scolaires		176,000
Bourses AF		1,647,000
Bourses FESP		870,000
Vice-recteur aux ressources	Vice-President, Resources	665,000
Vice-recteur aux ressources	Vice-President, Resources	
Protection	Protection Services	157,000
Environnement & santé-sécurité au travail	Office of Risk Management, Environmental Health	173,000
Progr. act. commun.- Centre services spirituel	Community Life Service	6,000
Service des réservations-logement	Housing and Conventions Service	4,000
Sports - Installations sportives	Sport Services	28,000
Vice-recteur aux ressources - Ressources financières		
Vice-recteur aux ressources - Ressources financières		
Vice-recteur aux ressources - Finances		
Planification financière	Financial Services	297,000
Approvisionnement et services	Financial Planning Service	30,000
	Materials Management Services	49,000
Vice-recteur aux ressources - Finances		184,000
Finances - Service des finances	Financial Services	
Finances - Trésor.&caisse retr.	Treasury	
Finances - VRA,Res.fin.-adm		
Administration centrale - Finances		34,000
Administration centrale	Central Administration	6,210,000
Administration centrale		6,210,000
Vice-recteur à la recherche	Vice-President, Research	128,000
Vice-recteur à la recherche	Vice-President, Research	
Centre des droits de la personne	Common Law	9,000
Valorisation rech. & transfert technologie	Technology Transfer and Business Enterprise Serv	46,000
Subv. de recherche & déontologie	Research Grants and Ethics Services	73,000
Vice-rectrice à la gouvernance	Vice-President, Governance	24,000
Vice-rectrice à la gouvernance	Vice-President, Governance	
Intervention en matière d'harcèlement	Harassment and Discrimination Prevention Officer	4,000
Archives UO	Archives of the University	20,000
		12,427,000
		15,721,000
		28,148,000

Summary of Options Developed

In total, \$30.3 million in options were developed through the optimization exercise from faculties and services.

Optimization Options	Amount
• Faculty options	\$ 12,518,326
• Services Options	14,582,670
• Incremental revenue to Central administration from enrolment growth	3,239,500
	\$30,340,496

Note: Graduate Studies is included in the Services category.

Category of Option from Faculties	Amount
• Full time professors (vacancy and attrition)	\$ 3,515,202
• Part time teaching	1,422,245
• Support staff regular	(195,000)
• Support staff contract	65,000
• Student assistants	185,000
• Operating expenses	4,460,869
• Tuition fees from enrolment increases	4,060,910
• Student fees – laboratories etc.	582,000
• Other revenues	80,000
• Offsetting investments	(1,657,900)
	\$12,518,326

Category of Option from Services	Amount
• Support staff regular	2,883,777
• Support staff contract	84,775
• Operating expenses	7,182,726
• Student fees (graduate applications and graduation)	264,171
• Student Aid - Graduate	870,000
• Student Aid - Undergraduate	1,600,000
• Other revenues	2,710,504
• Offsetting Investments	(1,013,283)
	\$14,582,670

Offsetting these on-going budget savings are one-time capital investments in energy-efficiency projects of \$8,650,000.

The 188 options are presented in summary format by faculty and service.

Faculty Options

Faculty of Management – Target \$860,000		Expense	Revenue	Other	
1	Reduction of 3 vacant positions	303,721			
2	Cancellation of 3 visiting professors	90,000			
3	Reduction of 53 course sections	406,245			
4	Travel and operating expenses	60,000			
		859,966			
	Total			\$859,966	
	Target			<u>\$860,000</u>	
	Excess (shortfall)			(\$34)	
	Summary by Category:				
	Academic Staff – Full Time			\$303,721	
	Academic Staff – Part time			496,245	
	Support Staff			0	
	Student Staff			0	
	Operating expenses			60,000	
	Student fees			0	
	Other			0	
				\$859,966	
	Notes:				
	Impact of cutting 53 courses requires additional analysis				

Faculty of Arts – Target \$2,237,000		Expense	Revenue	Other
1	Reduction of 6 vacant positions	389,100		
2	Reduction of 2 vacant positions	295,550		
3	Reduction of 2 vacant positions			319,700
4	Savings from 3 new appoints at entry salary level	175,000		
5	Savings from 4 new appointments at entry salary level			292,000
6	Increased studio fees in Visual Arts.		6,000	6,000
7	Adjustment of budgeted revenue form the Institute of Official Languages and Bilingualism		80,000	
8	Reduction in the cost of part-time teaching through changes in class sizes or program offerings in numerous programs.	390,000		28,000
9	Reductions in the number of administrative course releases in several departments.	56,000		
10	Reduction in the cost of Teaching Assistants	75,000		
11	Reduce the replacement of computers in Faculty computer laboratories	50,000		
12	Changes in operating budgets at the Departmental and Faculty levels.	79,000		
		1,509,650	86,000	645,700
	Total			\$2,241,350
	Target			<u>\$2,237,000</u>
	Excess			\$4,350
	Summary by Category:			
	Academic Staff – Full Time			\$1,471,350
	Academic Staff – Part time			474,000
	Support Staff			0
	Student Staff			75,000
	Operating expenses			129,000
	Student fees			12,000
	Other			80,000
				\$2,241,350

Faculty of Education – Target \$711,000		Expense	Revenue	Other
1	Reduction of 3 vacant positions	360,000		
2	Savings from 2 replacements	110,000		
3	Savings from 2 replacements.	80,000		
4	Increase class sizes.	70,000		
5	Decrease "Other Expenses" (i.e. on-salary).	51,000		
6	Reduce the number of assistantships awarded to students who did not receive admittance scholarships.	40,000		
		711,000		
	Total			\$711,000
	Target			<u>\$711,000</u>
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$550,000
	Academic Staff – Part time			70,000
	Support Staff			0
	Student Staff			40,000
	Operating expenses			51,000
	Student fees			0
	Other			0
				\$711,000

Faculty of Medicine – Target \$2,276,000		Expense	Revenue	Other	
1	Revenue Generation: New undergraduate student BIU and Tuition Fees.		550,000		
2	Revenue Generation: New Postgraduate student BIU revenues		500,000		
3	Decrease in expenses: Transfer from Budget Stabilization Fund (from saving on expenses)			917,000	
4	Decrease in expenses: Non-recurring retroactive compensation costs	750,000			
5	Decrease in expenses: Non-recurring accreditation and curriculum update, translation and copyright costs.	600,000			
6	Decrease in expenses: Reduced consulting fee and retirement-related labor costs.	250,000			
	New investments			(1,291,000)	
		1,600,000	1,050,000	(374,000)	
	Total			\$2,276,000	
	Target			<u>\$2,276,000</u>	
	Excess			\$0	
	Summary by Category:				
	Academic Staff – Full Time			\$0	
	Academic Staff – Part time			0	
	Support Staff			0	
	Student Staff			0	
	Operating expenses			1,000,000	
	Student fees			0	
	Other			<u>1,276,000</u>	
				<u>\$2,276,000</u>	
	Notes: The areas in yellow indicate a caution over whether these reductions are sustainable and whether provincial revenues can be secured.				

Faculty of Health Sciences – Target \$1,038,000		Expense	Revenue	Other	
1	Decrease in general faculty reserves.	263,000			
2	Increase the number of master's students in nursing and rehabilitation sciences programs and in the new health sciences PhD program.	(186,000)	641,000		
3	Re-evaluate course rating (A, B, C, D) based on evaluation methods.	80,000			
4	Restructure the Faculty's graduate scholarship program: Eliminate Faculty admission scholarships to students receiving scholarships from external organizations.	140,000			
5	Decrease budget-reduction objective to take into account the physical makeup of the Faculty facilities, i.e. across 4 campuses and housed in 5 different buildings as well as the necessity of meeting the technical and computing needs of our researchers and graduate students in hospital research units. This situation will worsen with the School of Nursing's temporary move to the Alta Vista campus for the next few years.			100,000	
		297,000	641,000	100,000	
Total					\$1,038,000
Target					<u>\$1,038,000</u>
Excess					\$0
Summary by Category:					
Academic Staff – Full Time					\$
Academic Staff – Part time					80,000
Support Staff					0
Student Staff					0
Operating expenses					403,000
Student fees					0
Other					<u>555,000</u>
					\$1,038,000
Notes:					
Caution due to risk of achieving net savings from options					

Faculty of Science – Target \$1,359,000		Expense	Revenue	Other	
1	Reduction of 5 vacant positions	559,134			
2	Savings from 1 replacement	67,209			
3	Reduction of 12 part-time assignments	84,000			
4	Reduction of budget for TAs	70,000			
5	Reduce the start-up fund budget for new professors.	150,000			
6	Non renewal of 2 term support staff positions	65,000			
7	Charge incidental fees for lab courses.		275,000		
8	Reduce renovation budget.	88,657			
		1,084,000	275,000	0	
	Total			\$1,359,000	
	Target			<u>\$1,359,000</u>	
	Excess			\$0	
	Summary by Category:				
	Academic Staff – Full Time			\$626,343	
	Academic Staff – Part time			84,000	
	Support Staff – Part-time			65,000	
	Student Staff			70,000	
	Operating expenses			238,657	
	Student fees			275,000	
	Other			0	
				\$1,359,000	
	Notes:				
	Review of lab fees is recommended				

Faculty of Engineering – Target \$925,000		Expense	Revenue	Other
1	Increase number of students		500,000	
2	\$100 incidental fee per student		280,000	
3	Reduction of 2 vacant positions	220,000		
4	Reduce the number of course sections with fewer than 10 students.	35,000		
		255,000	780,000	
	Total			\$1,035,000
	Target			<u>\$925,000</u>
	Excess			\$110,000
	Summary by Category:			
	Academic Staff – Full Time			\$220,000
	Academic Staff – Part time			35,000
	Support Staff			0
	Student Staff			0
	Operating expenses			0
	Student fees			280,000
	Other			<u>500,000</u>
				\$1,035,000
	Notes:			
	Consider impact on Francophone students of reducing the number of small class			

Faculty of Social Sciences – Target \$2,264,000		Expense	Revenue	Other
1	Reduction of 5 vacant positions			503,788
2	Savings from 4 replacements			380,000
3	Restructure operating budgets	71,212		
4	Cuts to the general reserve			195,000
5	Research centre financing	64,000		
6	Reduce the number of courses being taught by part-time professors	300,000		
7	Reduce base budget for new professor orientation funds as a result of proposed reduction in hiring (professors)	200,000		
8	Reduce anticipated mortgage cost	225,000		
9	Eliminate base funds not invested.			325,000
		860,212		1,043,788
	Total			\$2,264,000
	Target			<u>\$2,264,000</u>
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$883,788
	Academic Staff – Part time			300,000
	Support Staff			0
	Student Staff			0
	Operating expenses			1,080,212
	Student fees			0
	Other			<u>0</u>
				\$2,264,000
	Notes: Reduced mortgage costs may be shared across faculties			

Graduate Studies – Target \$870,000 Scholarships and \$178,000 operations		Expense	Revenue	Other
1	Reduce the admission scholarship lump sum payment for master's with research project or paper from \$2,000 to \$1,000.	110,000		
2	Eliminate the doctoral research scholarship. Give a scholarship similar to GEB to doctoral students who are in the process of writing their thesis.	40,000		
3	Change admission scholarship from (tuition plus \$1,000/year) to (\$2,500/session) for master's programs and from (tuition + \$2,500/year) to (\$3,000/session) for doctoral programs	500,000		(430,000)
4	Eliminate other contributions – master's and doctorate	1,000,000		
5	Pay the entire cash portion of admission scholarships for all students in science faculties	(500,000)		
6	Simplify the process for Dean's Scholarship and reduce amounts.	150,000		
7	Savings from attrition of 1 vacant support staff position	95,000		
8	1) Reduce fees paid to thesis examiners from \$150 to \$100. 2) Increase the cost of additional bound thesis copies from \$15 to \$20. 3) Offer electronic copies instead of paper copies.	16,000		
9	Increase in revenue from admission fees		120,000	
		1,411,000	120,000	(430,000)
	Total			\$1,101,000
	Target			<u>\$1,048,000</u>
	Excess			\$53,000
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff – Full time			95,000
	Student Staff			0
	Operating expenses			886,000
	Student fees			120,000
	Other			0
				\$1,101,000
	Note: The graduate Studies submission proposes additional "revenue neutral" options to improve operations			

Civil Law– Target \$266,000		Expense	Revenue	Other	
1	Slight increase in the number of students registered in the LL.L. program		85,000		
2	Increase the number of students in the Canadian law program.		117,000		
3	Increase the number of students in the National civil law program (LL.L.)		28,300		
4	Increase the number of students in the minor in law (French only program)	(27,000)	46,600		
5	Create a minor program in English	(100,000)	160,000		
6	Begin charging a fee for grade review requests		7,000		
7	Begin charging a fee for supplemental exams		8,000		
8	Abolish courses with low registration numbers	40,000			
9	Various administrative savings	82,000			
10	Investments	(180,900)			
		(185,900)	451,900		
	Total			\$266,000	
	Target			\$266,000	
	Excess			\$0	
	Summary by Category:				
	Academic Staff – Full Time			\$0	
	Academic Staff – Part time			(87,000)	
	Support Staff			0	
	Student Staff			0	
	Operating expenses			82,000	
	Student fees			15,000	
	Other (Growth \$436,900 less Investment \$180,900)			<u>256,000</u>	
				\$266,000	
	Notes:				
	Caution due to risk in realizing revenues				

Common Law– Target \$491,000		Expense	Revenue	Other	
1	New cohort of 70 students – YR1	(450,000)	542,220		
2	YR2	(310,000)	464,760		
3	YR3 (Note:Creation of 6 new positions due to new cohort)	(205,000)	426,030		
		(965,000)	1,433,010		
	Total			\$468,010	
	Target			<u>\$491,000</u>	
	Excess (Shortfall)			(\$22,990)	
	Summary by Category:				
	Academic Staff – Full Time			(\$540,000)	
	Academic Staff – Part time			(30,000)	
	Support Staff			(195,000)	
	Student Staff			0	
	Operating expenses			(200,000)	
	Student fees			0	
	Other			<u>1,433,010</u>	
				\$468,010	
	Notes:				
	Risk that funding from the province will not be available for increased enrolment – YR 3 in 2011-2012				

Services and Administration

	Library– Target \$1,116,000	Expense	Revenue	Other	
1	Reduction of the Library collections	604,678			
2	Savings from attrition of 13 vacant support staff positions	531,025			
3	Capital investment needed to maintain quality of services to students			(124,800)	
4	Improvement of services to library users			(82,000)	
		1,135,703		(206,800)	
	Total			\$928,903	
	Target			<u>\$1,116,000</u>	
	Excess (shortfall)			(\$187,097)	
	Summary by Category:				
	Academic Staff – Full Time			\$0	
	Academic Staff – Part time			0	
	Support Staff – Full Time			531,025	
	Student Staff			0	
	Operating expenses			604,678	
	Student fees			0	
	Other			(206,800)	
				\$928,903	
	Notes:				
	Capital investments are one-time while savings are permanent				

Information Technology– Target \$737,000		Expense	Revenue	Other
1	Reduction in software licenses & maintenance costs	350,000		
2	Infrastructure reassessment	234,000		
3	Savings from outsourcing of reprography	275,000		
4	Royalties from IT partners		25,000	
5	Savings due to 3 management positions already abolished	375,688		
6	Investments			(500,000)
		1,234,688	25,000	(500,000)
	Total			\$759,688
	Target			\$737,000
	Excess			\$22,688
	Summary by Category:			
	Academic Staff – Full time			\$0
	Academic Staff – Part time			0
	Support Staff–Full time			375,688
	Student Staff			0
	Operating expenses			859,000
	Student fees			0
	Other			25,000
	Investments			(500,000)
				\$759,688
	Notes:			
	No evaluation undertaken by Steering Committee of investments			

International Bureau– Target \$63,000		Expense	Revenue	Other
1	Reduction from WSP	29,200		
2	Operating expenses: room rentals, cut computer equipment purchases, freeze on purchases of office supplies, printing jobs and office furniture	20,800		
3	Reception	3,000		
4	Reduce interuniversity administrative duties related to international mobility programs	10,000		
		63,000		
	Total			\$63,000
	Target			<u>\$63,000</u>
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff – Part-time			29,200
	Student Staff			0
	Operating expenses			33,800
	Student fees			0
	Other			<u>0</u>
				\$63,000

Co-Op– Target \$23,000		Expense	Revenue	Other
1	Resource optimization will be achieved by making cuts to some operating budget expenditure accounts.	23,000		
		23,000		
	Total			\$23,000
	Target			<u>\$23,000</u>
	Excess			\$0
	Summary by Category: Academic Staff – Full Time Academic Staff – Part time Support Staff Student Staff Operating expenses Student fees Other			\$23,000

Sport Services – Target \$28,000		Expense	Revenue	Other
1	Increase recovered costs at sports facilities in self-financed Sports Services sector		28,000	
			28,000	
	Total			\$28,000
	Target			<u>\$28,000</u>
	Excess			\$0
	Other			\$28,000

Human Resources – Target \$146,000		Expense	Revenue	Other
1	Reduce commission rate paid to benefits consults from 2.5% to 2% beginning May 1, 2010.	76,000		
2	Transfer a minimum of 40% of the direct costs of salary and benefits associated with the administration of the pension fund	100,000		
		176,000		
	Total			\$176,000
	Target			<u>\$146,000</u>
	Excess			\$30,000
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff			0
	Student Staff			0
	Operating expenses			0
	Student fees			0
	Other revenues			76,000
	Other sources			<u>100,000</u>
				\$176,000

Financial Resources– Target \$297,000		Expense	Revenue	Other
1	Use electronic billing for tuition fees.	45,000		
2	Student contribution remittance paid by students based only on the amounts collected instead of the amounts billed. Objective: Reduce bad debts/defaulted accounts		40,000	
3	Offer a travel credit card	(70,000)	140,000	
4	Offer members of the university community the possibility of purchasing their personal computer from authorized suppliers		140,000	
5	Phone administration program	(10,000)	100,000	
6	Standardize decentralized purchases.	(40,000)	155,000	
7	Put in place a service for temporary specialized staffing, such as financial officer. Cancel contracts with external agencies for specialized accounting/financing staff.	(10,000)		
8	Optimize computer and online procedures	(100,000)		
9	Savings in faculties and services – Action 5	10,000	(100,000)	
		(175,000)	475,000	
	Total			\$300,000
	Target			<u>\$297,000</u>
	Excess			\$3,000
	Notes: Need to ensure these reductions will not increase expenditures to faculties.			
	Summary by Category: Academic Staff – Full Time Academic Staff – Part time Support Staff Student Staff Operating expenses Other revenues Investment			85,000 435,000 <u>(220,000)</u> \$300,000

	Physical Resources – Target \$2,180,000	Expense	Revenue	Other
1	A series of 14 large-scale renovation projects aimed at reducing energy costs and increasing the efficiency of campus facilities - net of investment of 480K- Savings are realized over a period of 5 years (net saving of 1M\$ in 2010-2011 only)	2,186,250		
2	A series of four initiatives aimed at reducing purchases of furniture, paper and bottled water. Implement a number of eco-efficient practices in the sports complex.	374,000		
3	Savings in faculties and services – Action 2	(374,000)		
		2,186,250		
	Total			\$2,186,250
	Target			<u>\$2,180,000</u>
	Excess			\$6,250
	Summary by Category:			
	Academic Staff – Full Time			0
	Academic Staff – Part time			0
	Support Staff			0
	Student Staff			0
	Operating expenses			2,186,250
	Investment in Capital			\$8,650,000

Protection– Target \$157,000		Expense	Revenue	Other
1	Savings due to 1 support staff position already abolished	65,000		
2	Various cuts to operating budget.	58,000		
3	Transfer direct cost associated with salaries for security at 200 Lees		34,000	
		123,000	34,000	
	Total			\$157,000
	Target			<u>\$157,000</u>
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff – Full time			65,000
	Student Staff			0
	Operating expenses			58,000
	Other sources			34,000
				<u>\$157,000</u>

Teaching Learning Support Services –(TLSS) Target \$248,000		Expense	Revenue	Other
1	Transfer direct cost associated with salaries to AVP office	8,575		
2	Installation of a small new videoconference rooms in MacDonald Hall (Room 322), which is expected to generate additional external revenues.		30,000	
3	Invoice St. Paul University for the use of the videoconferencing infrastructure and services provided by CMTL		2,000	
4	Sharing the cost of the license for the Blackboard VISTA Learning Management System (LMS) with St-Paul University.			6,000
5	Review the billing rates for external clients of the Multimedia Distribution Service (MDS) and the Centre for Mediated Teaching and Learning (CMTL).		20,000	
6	Returning to the Central Administration the payment to professors as an "administrative supplement" for providing distance education courses.	67,200		
7	Centers around the payments made by CMTL in salaries to certain professors teaching distance education.	12,400		
8	Generating revenues (or potentially reducing costs) by offering corporate sponsors promotional opportunities related to 3 of our videoconference rooms.		7,500	
9	Expanding the interaction between the University of Ottawa and Conventions and Catering and the general increase in the use of multimedia services.		35,000	
10	Maximizing the potential benefits during the renewals of presentation technology contracts by requiring vendors to include a 2% buy-back payment or some other similar benefit.	6,000		7,500
11	Reduction in base budget.	7,125		
12	Generating revenues through a "Summer Institute" program.		5,000	
13	Funds budgeted for a part-time lecturer for the courses ESG5300 and ESG5500.	10,000		
14	Opening up some of the internal events to external participants for an entrance fee.		2,000	
15	Inviting corporate sponsors (in the fields of technology or pedagogy) to attend and charging a fee for the booths where they can display their products or services.		3,000	
		111,300	104,500	13,500
	Total			\$229,300
	Target			\$248,000
	Excess (Shortfall)			(\$18,700)
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff Contract			8,575
	Student Staff			0
	Operating expenses			102,725
	Other			118,000
				\$229,300

Office of Risk management – Target \$173,000		Expense	Revenue	Other
1	A service fee will be applied to the provision of insurance policies to self-funded organizations.		20,000	
2	A processing fee will be required for all insurance claims that are paid.		15,000	
3	Recover costs of third party waste removals	10,000		
4	Realign TDG Training Expenditure with Cost Recovery Approach for Similar Training.	18,000		
5	Reduce external consultants to review and prepare Certificates of Approvals for the Ministry of the Environment	25,000		
6	Targeted adjustments Sewer sampling for the City of Ottawa.	1,225		
7	The cost for recycling of batteries to be eliminated	2,000		
8	Turnover in the Office of Risk Management typically runs 1-2 positions per year, at a cost of \$14,000 each for advertising	14,000		
9	Non-mandatory training provided on a cost recovery basis -- add a percentage overhead fee to cover costs of room rental, rental of presentation equipment, photocopying, etc)	1,000	4,500	
10	For the past four years, ORM has carried a budget for construction based on the need to renovate offices and work spaces. Reduce this budget by 75%.	3,000		
11	ORM has maintained a budget for annual Co-op students under the work-study program (reimbursement of 60% of salaries). ORM will eliminate all future co-op placements.	2,000		
12	Travel and conference registration fees will be cut by close to 47.6%.	20,000		
13	The office retreat will be eliminated or held within the office space at the University (as long as it is no cost). Also more meetings via teleconferencing.	6,800		
14	Increase the cycle for new computers to four years.	10,000		
15	Hazardous materials management - it is not anticipated that this entire budget will be needed.	21,000		
		134,025	39,500	
	Total			\$173,525
	Target			<u>\$173,000</u>
	Excess			\$525
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff			0
	Student Staff			0
	Other expenses			106,025
	Internal Billing			35,000
	Other revenues			<u>32,500</u>
				\$173,525

External relations – Target \$416,000		Expense	Revenue	Other
1	Savings from attrition of 2 vacant support staff positions	64,896		
2	Office of Vice President, External Relations	15,000		
3	Relationship Building	25,000		
4	Language Services: Abolish vacant position of translator; remaining funds to be used for free lance translators	38,790		
5	Government Relations	7,189		
6	Ceremonies and Events	9,351		
7	Strategic Enrolment Management/Faculty of Graduate & Postdoctoral Studies: Publications	18,472		
8	Savings from attrition of 1 vacant support staff position	135,000		
9	Communications Office Discontinue printing of the University Gazette (printing and postage costs)	48,592		
10	Alumni Relations & Annual Fund	50,110		
		416,000		
	Total			\$416,000
	Target			\$416,000
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff – Full time			176,442
	Student Staff			0
	Other Expenses			239,558
				<u>\$416,000</u>

Student Academic Support services – Target \$167,000		Expense	Revenue	Other
1	Savings due to 1 management position already abolished. Reduction in hours for 2 administrative positions	85,062		
2	Cuts to expenses related to computer purchases	10,000		
3	Cuts to expenses related to travel expenses	5,000		
4	Increase revenues by charging for a service		35,000	
5	Cuts to staff training expenses	5,000		
6	Cuts to various expenses	26,398		
		132,000	35,000	
	Total			\$167,000
	Target			<u>\$167,000</u>
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff – Full time			77,814
	Student Staff			0
	Operating expenses			54,186
	Student fees			0
	Other			35,000
				<u>\$167,000</u>

Office of the President– Target \$117,000		Expense	Revenue	Other
1	Cancel one lecture in the President’s Lecture Series. The series would then consist of three lectures per year instead of four.	44,400		
2	Savings due to 1 management staff position already abolished	75,604		
		120,004		
	Total			\$120,004
	Target			<u>\$117,000</u>
	Excess			\$3,004
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff – Full time			75,604
	Student Staff			0
	Operating expenses			44,400
	Student fees			0
	Other			0
				<u>0</u>
				\$120,004

Internal Audit – Target \$18,000		Expense	Revenue	Other
1	Present audit findings—potential savings, missed opportunities, gaps—related to effectiveness and efficiency.			18,000
				18,000
	Total			\$18,000
	Target			<u>\$18,000</u>
	Excess			\$0
	Other			\$18,000

Central administration – Target \$40,000		Expense	Revenue	Other
1	General administration: reduce operating expenses like office supplies, building maintenance and other expenses.	30,000		
2	Reduce budget for computer replacement	5,000		
3	Reduce budget for Works of art	5,000		
	Total			\$40,000
	Target			<u>\$40,000</u>
	Excess			\$0
	Operating expenses			\$40,000

Institutional Research and Planning – Target \$48,000		Expense	Revenue	Other
1	Cease printing Scorecards (graphics). Make available only PDF or electronic version. Reduce budget amounts allocated to the following categories (Director, Organizational Development, budget): travel and conferences, professional fees, training at other universities.	5,000		
2	Reduce travel expenses and training budget	21,000		
3	Reduce student survey budget	15,000		
4	Reduce VPA-IRP research allocation	7,000		
		48,000		
	Total			\$48,000
	Target			<u>\$48,000</u>
	Excess			\$0
	Operating expenses			\$48,000

Vice-President Academic– Target \$99,000		Expense	Revenue	Other
1	Eliminate budgets for various activities	10,000		
2	Interdisciplinary initiatives – maintain program but reduce to one submission per year	70,000		
3	Reduce international mobility budget	12,000		
4	Reduce annual course and teacher evaluation budget	4,000		
5	VRA -Reduced expenditures budget	3,000		
		99,000		
	Total			\$99,000
	Target			\$99,000
	Excess			\$0
	Operating expenses			\$99,000

Vice-President Governance– Target \$102,000		Expense	Revenue	Other
1	UNIVERSITY OF OTTAWA ARHCIVES: Reduce operating costs of the digitization project	20,000		
2	OFFICE FOR THE PREVENTION OF SEXUAL HARASSEMENT AND DISCRIMINATION: reduce operating expenses.	4,000		
3	FIPPA: Reduce funds to cover administrative support costs: an administrative assistant position; student position (work-study program)	47,000		
4	Reduce budget for the Board of Governors and Senate Committees	31,000		
		102,000		
	Total			\$102,000
	Target			<u>\$102,000</u>
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part Time			0
	Support Staff – Part Time			47,000
	Student Staff			0
	Operating expenses			55,000
	Student fees			0
	Other			<u>0</u>
				\$102,000

	Strategic Enrolment Management (SEM) Scholarships – Target \$1,6 M	Expense	Revenue	Other
1	Changes to renewable admission scholarship grid	520,000		
2	Abolish Telfer School of Management Dean's Leadership Scholarship	123,250		
3	Eliminate FAAS brochure. Information will be included in the recruitment publication, Viewbook, from now on.	8,400		
4	Change registrar's special awards program "Top-up"	100,000		
5	Savings due to 1 support staff position already abolished	61,000		
6	Reduce new budget envelope for tuition fee set-aside allocated to FAAS by central administration for 2009-2010	787,350		
	SEM Operations – Target \$370,000			
1	Savings due to 1 management staff position already abolished	101,520		
2	Transfer direct cost associated with 1 support staff position transfer to CCS	60,420		
3	Contract an outside firm to handle the gowns and hoods and charging an administrative fee to students when they register for convocation. Proposed graduation fees.		144,170	
4	Reduce base budget for mailings	63,890		
		1,825,830	144,170	
	Total			\$1,970,000
	Target			\$1,970,000
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part Time			0
	Support Staff – Full- Time			216,191
	Student Staff			0
	Operating expenses			1,609,639
	Student fees			144,170
	Other			0
				\$1,970,000

Central Administration– Target \$6,210,000 + 17,000		Expense	Revenue	Other
1	Financing of Development Office budget with donations		642,000	
2	Financing of matched funds for OGS and OGSST scholarships with donations.		900,000	
3	Use portion of indirect OHRI research costs for the operations budget instead of leaving in a research reserve		100,000	
4	Reduce central funds reserved for various projects and initiatives	1,502,000		
5	Reduce central administration's contributions to self-financed services.	185,000		
6	Change salary increase assumptions for various groups of employees	1,200,000		
7	Change fee increase assumptions for benefit programs for 2010-2011 and 2011-2012.	650,000		
		3,357,000	1,642,000	
	Total			\$5,179,000
	Target			<u>\$6,227,000</u>
	Excess (Shortfall)			(\$1,048,000)
	Notes: Need to coordinate the sharing of costs with the development office.			
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff - Full time			1,200,000
	Student Staff			0
	Operating expenses			2,337,000
	Other			<u>1,642,000</u>
				\$5,179,000

Spiritual Centre - Target \$6,000		Expense	Revenue	Other
1	Closing of the Centre for spiritual services and the Center for adults	92,978	(500)	
	Investment in student programming activities			(86,478)
		92,978	(500)	(86,478)
	Total			\$6,000
	Target			<u>\$6,000</u>
	Excess			\$0
	Summary by Category:			
	Academic Staff – Full Time			\$0
	Academic Staff – Part time			0
	Support Staff – Full Time			71,013
	Student Staff			0
	Other expenses			21,965
	Other revenues			(500)
	Investment			(86,478)
				<u>\$6,000</u>

Vice-President, Research – Target \$292,000		Expense	Revenue	Other
1	Generate new revenues - eligible but not claimed indirect costs from ORF (provincial) and CFI (federal)		292,000	
			292,000	
	Total			\$292,000
	Target			<u>\$292,000</u>
	Excess			\$0

Part V: Independent Research Projects

Need for Studies

Over the course of the summer the Steering Committee met individually with the leaders of the faculties and services on campus. It was evident that University leaders were clearly committed to achieving the 5% optimization target. At the same time Work Groups met to provide a multi-disciplinary perspective to optimization.

When reviewing the work plans for those involved in the optimization process it became clear to the Steering Committee that some fundamental aspects of financial sustainability and the university experience would not be examined.

For example, while everyone was focused on how their areas might impact on the university experience there was no project that considered whether the University is following the best practices when it comes to measuring that experience in a way that delivers real-time operational insight to University leaders.

Similarly, while we heard both positive and critical reports from faculties about central services, there was no optimization project focused on how this performance is measured and data of this sort could be used to make improvements.

On a related note, both faculties and services told us that changing the structural relationship between them could result in improvements.

Finally, we heard from some deans about a perceived inequity in the funding formula for faculties. We also heard from Central Administration that the funding formula might need to be updated given current challenges and priorities.

Our objective in pursuing these four areas is to initiate a dialogue on issues that affect the university experience and impact on the long-term financial sustainability of the University.

Two independent research firms were engaged and each completed two studies. What follows is a summary of their reports and findings.

Research projects

1. Funding formula for faculties and services
2. Measuring student experience
3. Structural relationship between faculties and services
4. Performance of central services

A. Student Experience (*Goss Gilroy*)

One of the mandates of the Steering Committee was to weigh the optimization options against their impact on the quality of the university experience. Of course, managing the university experience requires relevant performance data.

To this end, Goss Gilroy Inc. was commissioned to assess the methodology and approach in measuring student satisfaction with non-academic university services. Specifically, the project:

- Documented current methods used by the University of Ottawa to measure student satisfaction;
- Documented best practices from other universities (in Canada and the US); and
- Developed an approach and methodology to measuring student satisfaction.

Research methods used for this project included: Internet searches; literature review; document review; data review; and, key informant interviews.

The study identified a number of areas of strength in the current system of measuring student satisfaction, as well as areas where improvements can be made. Goss Gilroy provided five recommendations.

1. Develop a Strategic Approach

There is a need to develop a strategic approach to monitoring and improving student satisfaction. Currently, there is no clear mandate or budget for moving forward with initiatives to improve on the student satisfaction ratings. The measurement strategy should include academic and non-academic services since it is likely they are interrelated. A strategic approach with a multi-year vision will provide a rationale for sample sizes, areas of questioning and the reporting process.

2. Establish an Ongoing Senior Executive Committee to Provide Oversight and Direction

A senior executive committee should be established to provide oversight and direction for the monitoring and improvement of student satisfaction with academic and non-academic services. This committee is essential to ensure a broad strategic vision is brought into the process and also to create ownership, which is essential to create action and sustain interest and resources for this process over the long term. This process should result in a strategic direction that will improve the identification of the drivers of student satisfaction, allocate resources for analysis and reporting, and develop action plans and systems of accountability.

3. Consolidate Survey Activity

Although the use of the National Survey of Student Engagement (NSSE) and Canadian University Survey Consortium (CUSC) surveys to provide comparative information with other universities is endorsed, the University of Ottawa should establish a parallel survey process that complements these surveys. While it may be possible to add questions to the NSSE and CUSC questionnaires, the required changes and enhancement to the standard questionnaires would likely not be feasible since these questionnaires are controlled to ensure comparability across institutions.

Instead, the University of Ottawa should undertake additional survey activity that replicates the core questions of the NSSE and CUSU but also adds diagnostic questions for academic and non-academic services; samples students throughout the school year and not just during a short fixed timeframe; and, allows for targeting/oversampling specific sub-groups of the student population. Ideally, there would be no need for separate surveys to address specific areas of student satisfaction, such as food services. This approach would substantially reduce the number of different surveys students would be asked to complete and possibly increase the student response rate.

4. Integrate Performance Measurement and Alternate Methods of Data Collection

The development of a strategic approach to measuring and monitoring student satisfaction should not just focus on traditional survey methodologies; but expand to include administrative data sources, and unique and creative tools for collecting student satisfaction information. Silos of information are far less effective than information that is integrated and used jointly. One idea is to have comments cards available in service areas so that students can complete these immediately after services when their memory of the service is fresh. A creative way of engaging students in a comprehensive assessment of services in a timely fashion is to use Phantom Shopper style assessments.

It is important to keep up with current trends in communication. Some key informants reported that students are not reading emails as frequently or with as much attention as they previously did. Instead, students are now using social networking sites such as FaceBook and Twitter. So, these may be better forums through which to engage them on issues of service satisfaction. Also it may also be advantageous to develop electronic means of assessing student satisfaction immediately following the use of on-line services and better publicize tools such as the President's "Let's Talk Suggestion Box" and the "Good Ideas" contest.

5. Improve Utilization and Reporting of Satisfaction Results

There is a need to improve utilization of the student satisfaction data that is collected by the University of Ottawa. While there are substantial efforts to collect data such as the NSSE and CUSC surveys, there are limited resources for in-depth analysis of this data to examine the inter-relationships among variables, in particular the key drivers of student satisfaction. The University of Ottawa should mobilize internal resources to enhance the analysis and reporting on student satisfaction data. The University of Ottawa should access the wealth of expertise, both in terms of professors and students, and encourage the use of the satisfaction data for research and teaching purposes.

Currently, much of the reporting of the satisfaction survey results and related measures is through publishing the reports on the university website. The University of Ottawa should consider more active direct contact with students, such as through e-mail, focus groups and newsletters, to distribute results and communicate actions taken by the University of Ottawa to improve services and student satisfaction with those services.

B. Satisfaction of Central Services from Faculties (Goss Gilroy)

The relationship between central services and the faculties is critical to the success of the university.

Evidence from Steering Committee interviews with Deans suggests the relationship is strained in particular areas, but this evidence is primarily anecdotal. A more systematic assessment of the relationship will provide stronger evidence of how the various central services are meeting the needs of faculties (students, faculty and staff) and how services might be improved to be more cost-effective.

Goss Gilroy (GGI) was hired to assess the relationship between faculties and the central services at the University of Ottawa, and make recommendations for improvement. The assessment was based on the perceptions of key stakeholders from both the faculties and the central services.

The following research methods were used:

- Internet search;
- Literature and document review;
- Key informant interviews; and
- Online survey of faculties at the University of Ottawa.

Evidence from Key Informant Interviews

Several key informants from case study universities stressed the importance of having staff that are knowledgeable in terms of survey development, administration, analysis, and interpretation. There must be a core group of individuals with these skills in order to train others. This becomes particularly important in the interpretation and use of survey results. Survey results must be compiled and presented in an easy-to-use form so that service areas can use the information in order to improve services. According to key informants, survey samples must be strategically selected in order to yield the best response rates possible.

Interviews with University of Ottawa central service leaders indicate they are actively trying to respond to faculty needs as efficiently and as effectively as possible. Service leaders generally reported collaborative relations with faculties, although some challenges and areas for improvement were identified.

A new computer system has caused some dissatisfaction with services in some areas (e.g., payroll). Faculty concerns are being addressed as they arise and further training will be necessary on how to use the new system more efficiently.

Several central service leaders spoke about the lack of understanding of their services amongst faculty members and other service providers. Some service areas (e.g., Office of Risk Management, Financial Resources, Human Resources, and Convention Services) are very complex and awareness amongst those outside of the service area is limited. Training and educational workshops were recommended as a way of increasing understanding of each other's responsibilities and mandates. Service leaders also recognized that different faculties had different needs and that sometimes it was difficult for them to understand the source of differences and the importance of having customized procedures for some faculties. Faculty representation on central service committees can help increase understanding and lead to more collaborative relations.

Some key informants indicated that communication with faculties has been challenging at times. Some faculties have their own communication systems and this can cause challenges in communication. Other key informants noted challenges with getting messages to staff and students. Some service leaders stated that information sent to Deans never reached staff or students. Service leaders understood that Deans are busy, but were disappointed with the inability to transmit information to staff and students.

Several service leaders stressed that it is important to have a more client-centered approach throughout the university. Many key informants indicated that they were working towards this with their staff, but that a change in culture throughout the university is needed. Informants stressed the importance of keeping broader goals and priorities in mind while continuously improving client relations overall.

All key informants mentioned a lack of resources as a barrier to improving services and this was sometimes linked to tensions between service areas and faculties. All service areas are trying to "do more with less"; however, many admitted that it is not always possible to meet faculty needs because the resources are not available.

Another issue identified by key informants is that faculties and central services have different priorities. Faculties are concerned with education and research, whereas the service areas (e.g., sports, health & safety, and food services) have other priorities. Sometimes this creates friction and misunderstanding. Roles and responsibilities are not always understood within faculties. Education is necessary in order to inform faculties of the roles/responsibilities and challenges experienced by central services. On the other hand, central service representatives would like to be informed about the specific needs of faculties, as needs often vary from faculty to faculty. The services that are administered centrally at the University of Ottawa are often so vast and complicated that faculties do not understand or use them.

Evidence from Faculty Web Survey

The purpose of the online survey was to assess the nature and quality of support from each central service. GGI surveyed representatives of all faculties on their perceptions of central services. As important, since this is the first attempt at measuring faculty satisfaction, baseline data is created and methodologies tested (in the case a web survey).

In total 62 representatives from 10 faculties responded to the online survey. The distribution of respondents (Table A) was not even across all faculties, with some faculties being represented by 6 to 16 respondents, while others had just one respondent.

Faculty	Respondents
Arts	2
Education	1
Engineering	16
Graduate and Postdoctoral Studies	7
Health Sciences	6
Law	7
Medicine	10
Science	1
Social Sciences	1
School of Management	11
Total	62

Table B shows the distribution of the respondent's position within the university. There was a wide spectrum of respondent from Deans and Assistant/Associate Deans to Administrative Clerks and Officers. While the survey may not be representative of all faculties and faculty members (e.g., professors), the survey provides a range of views from faculty leaders and administrators on the performance of central services.

Position	Respondents
Dean/Acting Dean	10
Vice-Dean	6
Assistant/Associate Dean	8
Department Chair	2
Chief Administrative Officer	5
Finance Manager/Finance	3
Academic Administrator	10
Administrative Officer/Clerk	4
Research Facilitator	5
Manager	3
Professor	2
Other	4
Total	62

Table C shows the percentage of the survey respondents who stated they had interactions with specific central services over the previous 12 months. The main purpose of this question was to lead into the questions about their satisfaction with their interactions involving the central service. Since only those respondents who stated they had an interaction with a central service could answer the satisfaction questions, the total number of respondents providing satisfaction ratings for a central service varied substantially, ranging from 20 to 45.

Services	%	n
Computing Services	79%	58
Human Resources Office (staffing)	75%	60
Research Grants and Ethics Services	59%	58
Protection Services	58%	57
Physical Resources Service	53%	58
Finance (non-payroll)	53%	60
University Libraries	53%	62
Payroll	50%	60
Office of Risk Management, Environmental Health and Safety	48%	56
Office of Institutional Research and Planning	46%	57
University Bookstore	43%	58
Parking Office	42%	57
Office of the Registrar	42%	60
Teaching and Learning Support	41%	59
Benefits and Pension section of the Human Resources Office	37%	60
Conference and Reservation Services	36%	56

Table D shows the survey respondents' overall satisfaction ratings for the central services they had an interaction with during the previous 12 months.

Service	% Satisfied	% Dissatisfied	Mean	n
Protection Services	94%	0%	4.5	33
University Libraries	97%	3%	4.5	31
Teaching and Learning Support	79%	4%	4.1	24
Office of the Registrar	84%	4%	4.0	25
Parking Office	75%	4%	4.0	24
University Bookstore	84%	8%	3.9	25
Human Resources Office (benefits and pension)	70%	10%	3.8	20
Office of Institutional Research and Planning	65%	8%	3.8	26
Computing Services	62%	18%	3.5	45
Research Grants and Ethics Services	52%	24%	3.4	33
Finance (non-payroll)	39%	19%	3.3	31
Office of Risk Management, Environmental Health and Safety	50%	23%	3.3	26
Conference and Reservation Services	45%	35%	3.0	20
Physical Resources Service	42%	42%	3.0	31
Human Resources Office (staffing)	33%	47%	2.7	45
Payroll	24%	55%	2.4	29

This section contains the results for the more detailed satisfaction ratings or diagnostic measures for the eight services with the *lowest* overall ratings.

Given number of services and the potential impact on the length of the questionnaire, these individual factors or diagnostic measures were not comprehensive but covered some key aspects of the service delivery for each central service (e.g., timeliness, professionalism). In addition, qualitative results from the comments to open-ended questions are provided for each service.

Payroll

Payroll services received the lowest satisfaction ratings of any of the central services included in the survey. Over half of the survey respondents (55%) stated they were dissatisfied or very dissatisfied with the service interaction they had with the Payroll Office, and less than one quarter (24%) were satisfied or very satisfied.

The qualitative comments regarding the interactions with the Payroll Office noted:

- Serious problems with the implementation process of the new system for payroll as the source of their problems;
- Constant errors with processing payroll;
- Slow corrections; and
- Overall the process for payments could be very slow.

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with Payroll Services	24%	55%	2.4	29
Timeliness with which inquiries are handled	19%	59%	2.4	27
Accuracy of pay and deduction amounts	30%	50%	2.6	30
Professional and helpful staff	38%	35%	3.0	26

Human Resources Office (Staffing)

The Human Resources Office satisfaction ratings related to staffing services received the second lowest overall rating of any of the central services included in the survey. Nearly half of the survey respondents (47%) stated they were dissatisfied or very dissatisfied with the service interaction they had with the Human Resources Office, as only 33% were satisfied or very satisfied. The qualitative comments regarding the interactions with the Human Resources Office related to staffing noted:

- Serious delays, too slow;
- Quality of the experience varies between staff;
- Needs more resources, especially more staff; and
- Systems are problematic.

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with Human Resources (staffing)	33%	47%	2.7	45
Helpfulness in finding the best candidate for a job opening	22%	44%	2.7	36
Timeliness with which enquiries are handled	9%	70%	2.0	44
Professional and helpful staff	49%	35%	3.1	43

Physical Resources Service

The Physical Resources Service was tied for the third lowest overall satisfaction rating along with Conference and Reservation Services. An equal percentage of the survey respondents indicated they were satisfied or very satisfied with their interactions with Physical Resources, 42%, and 42% stated they dissatisfied or very dissatisfied.

The qualitative comments regarding the interactions with the Physical Resources noted:

- Costs were too high;
- Communications difficult; and
- Problems arose due to poor project management.

Table G Overall Satisfaction with Interactions Involving Physical Resources Service In Past 12 Months

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with Physical Resources Service	42%	42%	3.0	31
Understanding of my needs	42%	42%	3.0	31
Value for money	23%	54%	2.4	26
Professional and helpful staff	55%	23%	3.4	31

Conference and Reservation Services

As noted above, Conferences and Reservation Services was tied with Physical Resources Service for the third lowest overall satisfaction rating. More of the survey respondents were satisfied or very satisfied with their overall experience with Conference and Reservations Services, 45%, than were dissatisfied or very dissatisfied, 35%.

There were few qualitative comments regarding the interactions with the Conference and Reservation Services, those provided included:

- Have to deal with multiple units, need one stop shopping;
- Expensive; and
- Long delays.

Table H Overall Satisfaction with Interactions Involving Conference and Reservation Services In Past 12 Months

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with Conference and Reservation Services	45%	35%	3.0	20
Understanding of my needs	40%	40%	2.8	20
Timeliness with which enquiries are handled	45%	40%	3.0	20
Professional and helpful staff	53%	32%	3.4	19

Office of Risk Management, Environmental Health and Safety

The Office of Risk Management, Environmental Health and Safety received the fourth lowest overall satisfaction rating. Half of the survey respondents, 50%, were satisfied or very satisfied with their overall experience with their interactions with the Office of Risk Management, Environmental Health and Safety, only 23%, were dissatisfied or very dissatisfied.

There were few qualitative comments regarding the interactions with the Office of Risk Management, Environmental Health and Safety those provided included:

- Needs to be decentralized; and
- Slow responding.

Table I Overall Satisfaction with Interactions Involving Risk Management, Environmental Health and Safety In Past 12 Months

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with the Office of Risk Management, Environmental Health and Safety	50%	23%	3.3	26
Understanding of my needs	42%	23%	3.2	26
Timeliness with which enquiries are handled	38%	25%	3.1	24
Professional and helpful staff	63%	13%	3.6	24

Finance (Non-Payroll)

When asked to rate their overall satisfaction with interactions with the Finance Office for non-payroll related matters, 39% stated they were satisfied or very satisfied only 19% were dissatisfied or very dissatisfied.

The qualitative comments regarding the interactions with the Finance Office on non-payroll matters included:

- While the faculty has its own finance unit, they are bound to central systems and reporting
- Financial reports are partial, difficult to understand:
- The system difficulties have be the source of many problems;
- Difficulties with research staff/research accounts; and
- Quality of experience varies between staff.

Table J Overall Satisfaction with Interactions Involving Finance Office (Non-Payroll) In Past 12 Months

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with the other (non-payroll) sections of the Finance Department	39%	19%	3.3	31
Timeliness with which enquiries are handled	40%	37%	3.1	30
Accuracy of financial statements	38%	35%	3.0	26
Professional and helpful staff	52%	17%	3.4	29

Research Grants and Ethics Services

Just over half of the survey respondents, 52%, were satisfied or very satisfied with their interactions with Research Grants and Ethics Services, 24% were dissatisfied or very dissatisfied.

The qualitative comments regarding the interactions with the Research Grants and Ethics Services included:

- RTIS system out of date/needs to be improved;
- Serious problems with system implementation; and
- Ethics approval slow, delays have cost money and partners.

Table K Overall Satisfaction with Interactions Involving Research Grants and Ethics Services In Past 12 Months

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with Research Grants and Ethics Services	52%	24%	3.4	33
Understanding of my needs	48%	30%	3.3	33
Accessibility of information	50%	35%	3.2	34
Timeliness with which enquiries are handled	48%	36%	3.2	33
Professional and helpful staff	72%	6%	4.0	32

Computing Services

Nearly two-thirds of the survey respondents, 62%, were satisfied or very satisfied with their interactions with Computing Services, 18% were dissatisfied or very dissatisfied.

The qualitative comments regarding the interactions with the Computing Services included:

- Changes to operations caused problems/server issues;
- Don't understand user/client problems; and
- Speed of service problematic/not personal.

Table L Overall Satisfaction with Interactions Involving Computing Services In Past 12 Months

	% Satisfied	% Dissatisfied	Mean	n
My overall experience with Computing Services	62%	18%	3.5	45
Timeliness with which enquiries are handled	55%	27%	3.4	44
Accessibility of information	55%	20%	3.5	44
Professional and helpful staff	71%	16%	3.8	45

C. Structural Relationship between Central Services and faculties (Deloitte)

Deloitte was commissioned to explore how to improve the effectiveness and efficiency of central services based on a potential shift in service delivery models. More specific objectives of the project were to:

- Document the current central services models used by the University;
- Identify potential efficiencies or areas for improvement;
- Outline the logic and criteria that can inform key structural questions in the future; and,
- Identify areas where further analysis may be required.

Based on documentation obtained and interviews conducted with a selection of Deans and service leads, the key observations on the current state are as follows:

- The University is already using a mixed model, in that the services are not purely nor uniformly centralized or de-centralized;
- Most services are highly centralized in the current models.
- Many of services that are partially decentralized, such as Office of the Registrar or Computing and Communications, were not decentralized strategically but were rather the product of circumstance.
- There is generally a good match between the theoretically suggested model and the current model for the smaller and specialized services.
- The only examples of co-location in the current models are within CCS and HR, who are currently conducting pilot programs, and Library Services, which has some elements of co-location in its current model.
- There are seven services that warrant a more in-depth review.

The key findings were organized into four broad themes:

1. The current high-level service delivery model appears to be reasonably well adapted to the needs of the University

Based on the interviews conducted, a review of the current state, and a comparison of the current state to the fundamental models, it appears that the current service delivery model is reasonably well adapted. Centralization has been employed to increase efficiencies in many services while a certain amount of decentralization has been employed to increase the effectiveness of delivery in a number of specific areas.

Small and specialized services, such as Food Services and Internal Audit, are highly centralized. This is appropriate as the faculties do not have specialized needs in these areas, the services should be standardized, and there are often opportunities to realize

economies of scale. Similarly, several larger and highly specialized services, such as Library Services, are appropriately centralized.

Selective decentralization has also been used in the larger services where faculties often have more specialized requirements; there are fewer standard processes; and the nature of the services is less transactional. Finance, for example, has decentralized budgeting to the faculties to increase fiscal accountability while retaining a central role. Budgeting includes budget development, monitoring progress against the budget and managing operating costs. Central Finance drives the University budgeting process, provides advisory services, manages central policies, manages the financial systems, compiles faculty budgets, and manages the distribution of funds throughout the University.

With the diversity of both the services provided and the clientele, no one model can be broadly used to meet the University's needs. The model needs to be tailored according to the service and, in many cases, also by the faculty. While there are some opportunities for adjustments, the current service delivery models used by the University are unlikely to be major contributors to efficiency or service delivery issues.

2. Certain services may benefit from a shift in service delivery structure

While the macro level service delivery model is sound certain services may benefit from a shift in service delivery structure, namely:

- Human Resources;
- Computing and Communications Services;
- Office of the Registrar;
- Teaching & Learning Support;
- Graduate Studies; and,
- Physical Resources.

3. It is unclear what level of specialized services are required by the professional faculties

In discussions with a sample of service leaders and Deans, it appears as though the professional faculties have a number of unique services requirements in the areas of:

- Computing and Communications Services;
- Admissions; and,
- External Relations.

The professional faculties tend to have their own internal IT groups. Computing and Communications Services is currently in discussions with professional faculties to understand their requirements and are implementing co-location pilots to explore the possibility of increasing the level of centralization. Admissions and registration are also handled by several of the professional faculties but the degree of uniqueness of their requirements is not clear.

The centralized External Relations structure appears to cause the greatest concern for professional faculties. The professional feel that they are able to do a better job of liaising with alumni and industry for external relations and fundraising.

It is likely that the professional faculties need some level of specialized service delivery yet it appears that the current model is not yet optimized. Some services, such as CCS and Admissions, may be overly centralized while External Relation may not be specialized enough. This can lead to both duplication of effort and poor service delivery.

4. Many of the service delivery challenges appear to be grounded more in issues related to service culture or process (i.e., rather than service delivery model structure)

Regardless of the service delivery model used, there was consistent feedback from interviews suggesting that many of the current service delivery challenges are foremost founded in a lack of service delivery culture in central services, from processes that are not supporting faculty needs or from skills gaps in central services.

Recommendations

In summary Deloitte offered the following key recommendations and areas that may warrant further analysis:

Service Delivery Model Recommendations:

1. Review the service delivery model for recruiting and staffing within Human Resources.
2. Consider implementing the recommendations from the recently presented IT Organization Structure Reassessment Initiative.
3. Consider increasing the degree of centralization for Registration.
4. Review in-class support model currently delivered by both Teaching and Learning Support and CCS.
5. Consider increasing the roles of faculties in graduate student administration.
6. Review policies regarding mandatory use of Physical Resources for select services.
7. Review delivery of external relations for some faculties.
8. Perform review of research administration.

Service Culture, Process and Personnel Recommendations:

9. Examine service culture, process and personnel issues in parallel with service delivery model opportunities.
10. Review financial processes, tools and operating structure.

D. Funding Formula for Faculties and Services (Deloitte)

The research objectives of the budget allocation research project were to:

- Profile the university's current budget allocation mechanism; including its strengths and challenges;
- Research how budget allocation is done in select peer universities; and,
- Present key findings and possible areas for further study.

In addition to a document review interviews were conducted with the individuals from University of Ottawa (Finance, faculty representatives) and with financial leaders at the following universities:

- Carleton
- York
- McMaster
- Toronto

Carleton University

The university has recently implemented two new elements to their budget allocation process, both of which incent faculties to grow their enrolment:

- 40% of provincial operating grants and student tuitions generated from growth in student enrolment re allocated to faculties.
- 80% of the tuition fee revenue generated from growth in summer enrolment.

When service teaching occurs, 60% of the enrolment growth-related revenue is allocated to the teaching faculty, and 40% is allocated to the degree-granting faculty.

Overall, the University of Ottawa's budget allocation mechanism comprises similar features to that of Carleton University. The University of Ottawa however, applies its growth formula based on projected student enrolment at a much greater level of detail.

McMaster University

Faculties and Institutional Support Services operating units are responsible for managing all of their direct operating costs: including salaries, benefits, and supplies and equipment. In addition, inflationary costs, incurred by operating units must be managed within their envelope allocation. Any surpluses or deficits at the envelope level are carried forward to the following year.

The base portion of the budget envelopes is equivalent to the budget that was allocated to the envelope in the previous year. The University has an Academic Priority Fund from which funds are allocated to Faculties for priority academic activities based on alignment with the strategic objectives of the university, through an allocation process under the direction of the Provost.

The University's indirect operating costs such as utilities and cost of debt are managed through the central budget. The Central Budget consists of a base portion equivalent to the budget allocation from the previous year, as well as any incremental revenue that has been allocated in line with the incremental revenue allocation framework.

100% of the enrolment growth related revenue is allocated to the student's faculty of registration and no additional budgetary support is allocated to the teaching faculty.

Overall, the University of Ottawa's budget allocation mechanism comprises similar features to that of McMaster University. Some of the key differences include:

- Employee benefits are managed centrally at the University of Ottawa as opposed to by the individual Faculties and Services; and,
- 100% of enrolment growth revenue is allocated to the faculty of registration. This may result in faculties being less willing to welcome students registered in other faculties in the courses they offer, as there is only a negative financial impact on their budget for doing so.

York University

York University's current budget allocation model was developed to deal with the significant growth expected from the double cohort of students in 2003, and the Ontario Government's Reaching Higher Plan. The mechanism is built on two principles:

- Significant additional capital capacity is required to accommodate the expected growth; and,
- The expected growth should not erode the student to faculty ratio (based on the 2002 ratios).

A portion of all new operational funding received by the university is allocated to a capital fund in order to finance cost related to new construction, renovations and financing charges.

The university's five divisions are allocated a portion of the operating fund. It is then up to the division heads to further allocate their portion the budget within their division. For example, it is the responsibility of the VP Academic and Provost to allocate the budgets to the faculties. The VP Academic must allocate sufficient funds in order to

maintain the faculty to student ratio that existed in 2002, based on the average ratio of the three previous years.

Within their budget allocations, faculties are responsible for paying for salaries and other costs such as supplies, equipment and travel. Other administrative costs (e.g. HR, Finance, IT) are centralized.

A portion (approximately \$60,000 for each full-time professor) of the operating fund is set aside for administrative services and support services, such as IT and Human Resources. In addition, divisions can also submit business cases for funding to support new initiatives.

General institutional costs, such as employee benefits, scholarships, utilities, and interest are also paid for from the administration budget.

When service teaching occurs, 100% of the enrolment growth related revenue is allocated to the teaching faculty regardless of the faculty of registration.

York University conducted a review project to assess the effectiveness of its budget process to support the realization of the institution's strategic objectives. The review was conducted from February 2006 to February 2007, and included the review of the university's budget processes, the examination of internal perceptions as well as external experience, and research on alternative approaches to budget planning. The review revealed a number of strengths; however, the review also showed that the budget processes were viewed as complicated, historically based, poorly understood, disconnected and resource intensive.

The key recommendation that emerged from the project was that "York must implement a fully integrated resource planning framework" in order to ensure a coordinated and explicit linkage between strategic and academic objectives and plans. Since 2007, several steps were taken to address the findings from the review. The University continues to examine potential avenues to enhance its budgeting process including the evaluation of alternative budget allocation approaches in place at other universities (e.g. the model recently implemented at the University of Toronto).

The University of Ottawa's budget allocation mechanism comprises similar features to that of York University. One key difference is that at the University of Ottawa budgets are directly allocated to the Faculties, while at York University the budget is allocated to the VP Academic for subsequent allocation to the Faculties.

University of Toronto

A description of the University of Toronto budgeting system was included due to the significant changes that the university has implemented and the uniqueness of this model relative to other universities in Ontario.

In 2004, the University of Toronto established a task force to review the way funding was allocated to operating units, and to propose alternate allocation approaches that would address the issues that were identified with the current model. The review of the university's budget model revealed that the model was complex, had a lack of incentives for increasing revenue and decreasing costs, and had an overall lack of transparency.

The recommendation of the task force was that the university should implement a budget allocation mechanism that incorporates the benefits of expense-based and revenue-based models. The approach that has been implemented consists of the following elements:

- Faculties retain all of the revenues that they generate, net of an amount (approximately 10% of revenues) contributed to The University Fund;
- Funds from The University Fund are allocated to Faculties based on approval of needs identified through their strategic academic plans; and,
- Faculties are required to pay for the use of common services such as IT, Human Resources and Facilities from their operating budgets based on an established cost model for services.

The new model promotes transparency, and provides incentives for maximizing revenues while minimizing costs. Although the University of Toronto has completed the implementation of this new budget allocation model, a continuous process is in place to fine tune and refine this new model. For example, in 2008 the university conducted an analysis of service teaching to ensure quality of teaching and equity in the sharing of revenues and costs in interdivisional teaching agreements. The objective of the analysis was to ensure that these factors were incorporated into the budget allocation mechanism.

The model implemented at the University of Toronto is fundamentally different than that of the University of Ottawa. By making faculties and services fully accountable for their revenues and expenses, the University of Toronto model inherently incents overall efficiency, rather than only enrolment growth. However, this model also has drawbacks, which may include providing an advantage to certain faculties over others (e.g. it may be easier for a business school than for others to raise funds due to its relationship with large organizations or businesses).

Overall Analysis of Budget allocation Formula at the University of Ottawa

A number of criteria were considered to conduct the analysis of the University of Ottawa budget allocation mechanism including:

- Clarity;
- Transparency;
- Fairness to faculties and central services;
- Alignment to strategic objectives;
- Overall efficiency of the allocation mechanism;
- In-year budget predictability for faculties and central services; and,
- Simplicity of administration.

The analysis identified the following strengths of the current budget allocation mechanism:

- No arbitrary allocation of incremental revenue as it is based on the growth formula;
- High degree of predictability as the base budget is carried forward from one year to the next and the Institutional Planning and Research group provides faculties with the enrolment projections that are used to determine the budgets;
- Allocation method, at a high-level, is well understood (i.e. faculties receive a base budget +45% of the growth in revenue);
- Proportion of revenue growth allocated to faculties has increased from a range of 28%-40% in 2005, to a current allocation of 45%;
- Process that allows faculties to seek approval for the funding of new initiatives that are aligned with the university's strategic objectives;
- Mechanism ensures funding for graduate studies;
- Mechanism recognizes service teaching, which provides faculties with an incentive to make their courses available to students registered in other faculties; and,
- Formula acts as an incentive to retain students since budget levels are maintained in so doing.

Key Challenges

The analysis also identified a number of key challenges regarding potential areas for improvement of the current budget allocation mechanism.

- There is a perception among Faculties that the current process is not sufficiently transparent to instil confidence in the equity of the allocation of budgets. Feedback collected during interviews included:
 - The criteria for the approval of business cases for new initiatives is not clearly outlined, and feedback is not clearly communicated to substantiate the associated decisions;

- The components of the 2005/06 base budget are not clearly documented; and,
 - Using the unadjusted 2005/06 budget as the historical base budget may have resulted in the carrying forward of any perceived inequities that existed at the time.
- The current budget allocation mechanism was developed in consideration of Vision 2010, during a period of expected significant growth and in response to the Government of Ontario's 2005 Reaching Higher Plan. As Vision 2010 sunsets, and as the university examines its capacity to continue to grow in the future, there may be a need to review the basis for the budget allocation formula.
- The link between the budget allocation mechanism and the cost of operations is unclear. However, no costing exercise was conducted to establish the base budget in 2005/06. The perception of some faculties is that by carrying forward the 2005/06 base budget without any adjustments impedes the current budget allocation mechanism from reflecting the true cost of teaching, operating a faculty, or delivering a service. Further contributing to the perception that the budget allocations do not reflect the cost of teaching is the fact that the program weightings for the operating grants received by universities from the Government of Ontario have not been re-evaluated by the province in over 30 years. Additionally, it appears as though the cost of services has not been assessed, and therefore may not be properly reflected in the budget allocation mechanism.
- At an operational level the budget allocation mechanism is not well understood by Faculties and Services due to its inherent complexity. The forecasted value of both the Operating Provincial Grants and tuition fees to faculties is directly dependent on the projected number of students enrolled in each program and faculty. This makes the budgeting exercise very complex, as there is a need to estimate the number of students for the coming year at the lowest level of detail in order to determine how much funding can be allocated to faculties and services. The exercise must therefore be completed on a faculty-by-faculty, student-by-student, and course-by-course basis.
- There is a lack of predictability of the final budget allocations. For instance, if there is a decrease in actual student enrolment, the decrease in the associated revenue is removed from the affected faculty's budget. This can create significant challenges, as actual enrolment levels are only known late during the fall or even a few months before the end of the year. As a result, there have been instances where faculties have been required to return significant amounts of funds to the central budget when they had already spent or committed a significant percentage of their total allocation.

Recommendations on Budget Formula

The following recommendations should be considered by the University to enhance its budget allocation mechanism:

- The University should consider conducting further research on the other budget allocation methods used in other Ontario universities to identify specific enhancements to its current model. For instance, the University could explore whether some of the characteristics or aspects of the “profit centre” type model in place at the University of Toronto could be applicable or desirable for the University of Ottawa.
- The University should consider changing growth as a formula driver with other drivers that would be aligned with the Vision 2020 or with other fundamental behaviours that the university would like to encourage (e.g. student engagement or satisfaction, research excellence or funding). Depending on the driver selected the University may consider including the faculty of Graduate Studies and the Library in the allocation formula. The university should consider incorporating a specific incentive for growth during slower periods during the year (e.g. Carleton allocates 80% of tuition fee revenues to faculties who experience growth during the summer).
- The University should consider reviewing the budget development and in-year adjustment process, as there were instances where variations in the Ministry’s funding or in the University’s projections close to the end of the budget year were “pushed down” to the faculties and central services’ budgets.
- The University should consider simplifying the current budget allocation mechanism and developing a budget allocation guide that would clarify the objectives and rationale for the allocation mechanism, describe the allocation process and key requirements and outputs, as well clarifying the process and the criteria used to evaluate business cases submitted by the faculties or central services.
- While beyond the scope of this study, there may be value in revisiting the basis for the base budget (i.e. conducting a comprehensive costing review to determine the cost of delivering courses while meeting certain criteria (e.g. quality of teaching, student satisfaction, student to professor ratio). This would enable the University to determine if the carry forward of the base budget is appropriate to cover the “typical” costs of delivering a certain program within specific parameters, and to address the perception that the budget allocation may not be fair between the different faculties and central services.

End of Report: Please note that the conclusions, recommendations and summary of the Report of the Steering Committee on Resource Optimization can be found on pages 1-8.