

SFUFA Bargaining Bulletin 5

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**The primary mission of the University is Teaching and Research.
Why, then, has the proportion of the general operating budget spent on
academic salaries declined over time (Table 1, left)?**

Table1. Percentage of general operating budget spent on academic salaries by fiscal year.	
1989	34.9
1990	34.5
1991	33.7
1992	33.7
1993	33.4
1994	32.8
1995	32.5
1996	31.8
1997	31.9
1998	32.1
1999	30.6
2000	31.6
2001	31.4
2002	30.2
2003	28.9
2004	26.4
2005	26.2
2006	26.2
2007	26.2
2008	27.5
2009	27.9

The data in Table 1 has been taken from SFU report on the breakdown of expenditures by category found at <http://www.sfu.ca/content/dam/sfu/irp/documents/Finance/> (Section 3) and data from the Canadian Association of University Business Officers (http://caubo.ca/resources/publications/financial_information_universities).

The proportion of academic salaries for many years prior to 1990 was usually around 1/3 of the operating budget; in recent years it declined to 26% of the operating budget before a slight rebounding in recent years.

This decline is not unique to SFU. For example, the University of Toronto Faculty Association (<http://www.utfa.org/>) in their newsletter of 2012-01-09 and the University of Victoria Faculty Association (<http://uvicfa.ca/>) in their bargaining bulletin 2012-03-19 have also pointed out the decline over time.

This seven-percentage point decline corresponds to about \$26 million dollars that has been shifted from academic salaries to other expenditures based on an operating budget in 2009-2010 of about \$375 million dollars!

So, if the percentage of the operating budget being spent on academic salaries has been declining, which portions have been increasing (Table 2)? Some of the decline in the proportion has been a dilution effect of increased tuition fees where more money has come into the operating budget with the absolute amount spent on academic salaries not changing. Some of these increased tuition fees have been channeled into increases in scholarships and bursaries.

However, the largest change as been in benefit expenditures. The proportion of the operating budget allocated to benefits were relatively stable for many years, but have increased dramatically in recent years. These expenditures represent benefits for ALL employees and include the recent increases in Canada Pension Plan rates, medical insurance premiums, extended health and benefit plan costs, and supplementary pension contributions for other pension plans at SFU to make up their pension shortfall.

Table 2. Summary of the breakdown of expenditures from general operating budget.

Category of Expenditure	Fiscal Year																				
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Academic Ranks	27.9	27.5	26.2	26.2	26.2	26.4	28.9	30.2	31.4	31.6	30.6	32.1	31.9	31.8	32.5	32.8	33.4	33.7	33.7	34.5	34.9
Other Instructors/Research	7.3	8.3	8.0	7.8	7.8	7.0	5.6	5.5	5.7	5.8	7.0	7.1	7.1	7.4	7.7	7.5	7.7	7.8	8.0	7.2	6.0
Total Academic Salaries	35.2	35.8	34.2	34.0	34.0	33.3	34.5	35.8	37.0	37.4	37.6	39.2	39.0	39.3	40.2	40.3	41.1	41.4	41.7	41.7	40.9
Other Salaries and Wages	26.5	25.4	25.5	24.6	25.7	24.9	25.9	26.3	27.1	26.3	26.4	27.0	26.9	27.0	27.0	27.4	27.4	27.6	26.8	26.5	26.9
Benefits	14.6	13.1	12.5	11.7	11.4	11.3	11.2	11.7	12.0	12.0	12.3	11.5	11.6	11.6	11.4	11.1	10.9	10.7	10.0	9.2	8.4
Total Salaries and Benefits	76.3	74.4	72.2	70.3	71.0	69.6	71.7	73.7	76.1	75.6	76.2	77.8	77.5	78.0	78.6	78.7	79.4	79.8	78.5	77.3	76.3
Travel	1.9	2.2	2.3	2.4	2.2	2.1	2.1	2.1	2.2	2.4	2.0	1.9	1.9	1.6	1.7	1.5	1.6	1.9	2.4	2.4	2.6
Books and periodicals	2.2	2.4	2.3	2.8	2.5	2.9	2.9	3.0	3.5	3.4	3.3	3.2	3.2	2.9	2.6	2.5	2.2	2.2	2.0	1.9	2.0
Office supplies and expenses	3.7	4.2	4.0	3.3	3.9	4.0	3.5	4.6	3.5	3.3	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operational expenditures	5.2	4.8	5.3	5.3	5.6	5.4	5.2	4.9	4.6	5.1	5.1	8.3	8.3	8.4	8.6	8.8	8.4	7.2	7.0	7.0	7.2
Utilities	1.3	1.6	1.5	1.2	1.4	1.2	1.4	1.5	1.5	1.9	1.7	1.5	1.5	1.5	1.6	1.8	1.9	1.7	1.5	1.6	1.7
Renovations and alterations	0.5	0.6	0.8	1.0	0.8	0.6	0.7	0.6	0.7	0.6	0.5	0.4	0.3	0.4	0.4	0.3	0.3	0.2	0.4	0.6	0.4
Scholarships, bursaries and przs	4.7	4.5	4.8	4.8	5.0	5.5	4.4	3.1	2.8	2.7	3.0	2.9	3.1	3.0	3.0	2.7	2.5	2.9	3.2	3.4	3.3
Externally contracted services	1.6	1.6	1.5	1.2		1.1	1.0	1.1	1.2	1.2	1.0	1.0	1.1	1.1	1.0	1.6	1.8	1.6	1.4	1.5	1.6
Professional fees	1.6	1.8	2.1	2.5	2.4	3.9	3.4	2.6	2.0	1.9	1.8	1.4	1.4	1.2	1.1	0.8	0.8	0.8	0.8	1.7	1.8
Furniture and equip. purchase	1.6	2.1	3.2	4.2	3.5	3.8	3.1	2.4	1.6	2.0	2.6	1.9	1.9	1.9	1.6	1.5	1.3	1.6	1.5	1.6	1.6
Equipment rental and maint.	0.9	1.2	1.2	1.0	1.0	0.9	1.1	1.1	1.1	0.7	0.7	0.9	1.0	1.2	1.3	0.8	0.9	1.1	2.1	2.2	2.5
Internal sales and cost recoveries	-1.4	-1.3	-1.3	0.0	-0.4	-1.1	-0.7	-0.6	-0.9	-0.9	-1.1	-1.2	-1.2	-1.1	-1.5	-1.1	-1.1	-1.0	-0.8	-1.1	-1.0
Non-Salary Subtotal	23.8	25.6	27.8	29.7	29.0	30.4	28.3	26.3	23.9	24.4	23.8	22.2	22.5	22.0	21.4	21.3	20.6	20.2	21.5	22.7	23.7
Operating Budget (\$millions)	376	378	359	342	329	292	265	236	203	189	184	174	172	170	167	162	154	146	141	124	108

Figures from 1989-2009/2009 taken from Table FF-3 of the Institutional Research and Planning

Figures for 2009/10 taken from CAUBO.

Table 3. Summary of Expenditures for SFU from CAUBO 2009-2010.

EXPENDITURES by FUND: By TYPE and by UNIVERSITY

Fiscal Year ended in 20

Simon Fraser University

(in thousands of dollars and in column percentage)

Types of expenditures	Funds		General operating		Special purpose and trust		Sponsored research						Ancillary		Capital		Endowment		Total funds			
			\$'000	%	\$'000	%	Entities consolidated		Entities not consolidated		Sub-total		\$'000	%	\$'000	%	\$'000	%	\$'000	%		
							\$'000	%	\$'000	%	\$'000	%										
Salaries and Benefits																						
1. Academic ranks	104,775	27.9	573	1.8	3,591	5.5	0	0.0	3,591	4.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	108,939	18
2. Other instruction and research	27,421	7.3	4,267	13.3	27,875	43.0	7,181	62.3	35,056	45.9	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	66,744	11
3. Other salaries and wages	99,507	26.5	4,421	13.8	327	0.5	0	0.0	327	0.4	4,449	12.4	0	0.0	0	0.0	0	0.0	0	0.0	108,704	18
4. Benefits	54,953	14.6	-2,403	-7.5	2,252	3.5	0	0.0	2,252	3.0	918	2.6	0	0.0	0	0.0	0	0.0	0	0.0	55,720	9
Total Salaries and Benefits (lines 1 - 4)	286,656	76.2	6,858	21.4	34,045	52.6	7,181	62.3	41,226	54.0	5,367	15.0	0	0.0	0	0.0	0	0.0	0	0.0	340,107	58
5. Travel	7,089	1.9	2,672	8.4	4,755	7.3	314	2.7	5,069	6.6	42	0.1	0	0.0	0	0.0	0	0.0	0	0.0	14,872	2
6. Library acquisitions	8,303	2.2	7	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	8,310	1
7. Printing and duplicating	2,733	0.7	158	0.5	185	0.3	0	0.0	185	0.2	734	2.0	0	0.0	0	0.0	0	0.0	0	0.0	3,810	0
8. Materials and supplies	9,623	2.6	780	2.4	5,932	9.2	1,920	16.6	7,852	10.3	338	0.9	0	0.0	0	0.0	0	0.0	0	0.0	18,593	3
9. Communications	1,404	0.4	215	0.7	169	0.3	44	0.4	213	0.3	68	0.2	0	0.0	0	0.0	0	0.0	0	0.0	1,900	0
10. Other operational expenditures	19,372	5.2	3,666	11.5	639	1.0	345	3.0	984	1.3	2,504	7.0	0	0.0	0	0.0	0	0.0	0	0.0	26,526	4
11. Utilities	4,899	1.3	65	0.2	84	0.1	469	4.1	553	0.7	2,181	6.1	0	0.0	0	0.0	0	0.0	0	0.0	7,698	1
12. Renovations and alterations	1,898	0.5	227	0.7	594	0.9	0	0.0	594	0.8	744	2.1	4,138	6.7	0	0.0	0	0.0	0	0.0	7,601	1
13. Scholarships, bursaries and prizes	17,851	4.7	9,304	29.1	0	0.0	7	0.1	7	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	27,162	4
14. Externally contracted services	6,199	1.6	8	0.0	0	0.0	0	0.0	0	0.0	4,216	11.7	0	0.0	0	0.0	0	0.0	0	0.0	10,423	1
15. Professional fees	5,858	1.6	4,852	15.2	5,728	8.8	239	2.1	5,967	7.8	85	0.2	0	0.0	0	0.0	0	0.0	0	0.0	16,762	2
16. Cost of goods sold	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	12,128	33.8	0	0.0	0	0.0	0	0.0	0	0.0	12,128	2
17. Interest	0	0.0	181	0.6	12	0.0	24	0.2	36	0.0	1,427	4.0	8,422	13.6	0	0.0	0	0.0	0	0.0	10,066	1
18. Furniture and equipment purchase	6,098	1.6	1,424	4.5	11,310	17.5	934	8.1	12,244	16.0	1,006	2.8	0	0.0	0	0.0	0	0.0	0	0.0	20,772	3
19. Equipment rental and maintenance	3,325	0.9	234	0.7	275	0.4	0	0.0	275	0.4	399	1.1	0	0.0	0	0.0	0	0.0	0	0.0	4,233	0
20. Internal sales and cost recoveries	-5,196	-1.4	1,345	4.2	1,050	1.6	0	0.0	1,050	1.4	4,648	13.0	-1,847	-3.0	0	0.0	0	0.0	0	0.0	0	0
21. Sub-Total (lines 5 - 20)	89,456	23.8	25,138	78.6	30,733	47.4	4,296	37.3	35,029	45.9	30,520	85.0	10,713	17.3	0	0.0	0	0.0	0	0.0	190,856	32

NOTE: Percentage figures may not add to totals due to rounding.

NOTE: This interim report does not include data for Québec.

The breakdown of the 2009-2010 operating budget (the latest available from CAUBO), is presented in Table 3. The total operating budget for that fiscal year was about \$375 million of which academic salaries were just over \$100 million or 28%. Other instructional and research spending includes sessionals and TAs. Other salaries and wage represent the non-instructional and research salaries. Benefits for all employees at SFU total about 15% of expenditures. All in all, about 75% of the operating budget is spent on salaries and this number has been remarkably consistent over time (Table 2).

Rather surprisingly, the proportion of the budget spent on scholarship and bursaries (4.7%) has not increased as dramatically as you would expect given the large increases in tuition fees and actually has fallen in recent years.

Some interesting categories of expenditures that “beg for more details” include

- \$7.1 million on travel. This includes money for faculty recruitment (e.g. costs of bringing in faculty for interview, startup costs, etc.).
- \$1.4 million on communication (vision statements, rebranding, etc.)
- \$5.8 million on professional fees (what are we getting for these expenditures)?
- \$6.1 million on furniture and equipment.

Notice that these values DO NOT include costs charged to externally funded research grants such as NSERC, CIHR, or SSHRC, which is in the sponsored research column of Table 3.

It is difficult to extract comparable figures for more recent years (e.g. from <http://www.sfu.ca/finance/publications.html>) because the information is not organized along the CAUBO lines which were set up to make comparisons between Universities easier to do.

What is hidden in the previous tables is a breakdown of salaries paid to Senior Administrators. We are all aware of the proliferation of administrative positions at SFU, the large increases in Senior Administrator remuneration, and the reduction in support positions from our departments. Future bulletins will examine the change in Senior Administrative positions and remuneration over a comparable time frame.