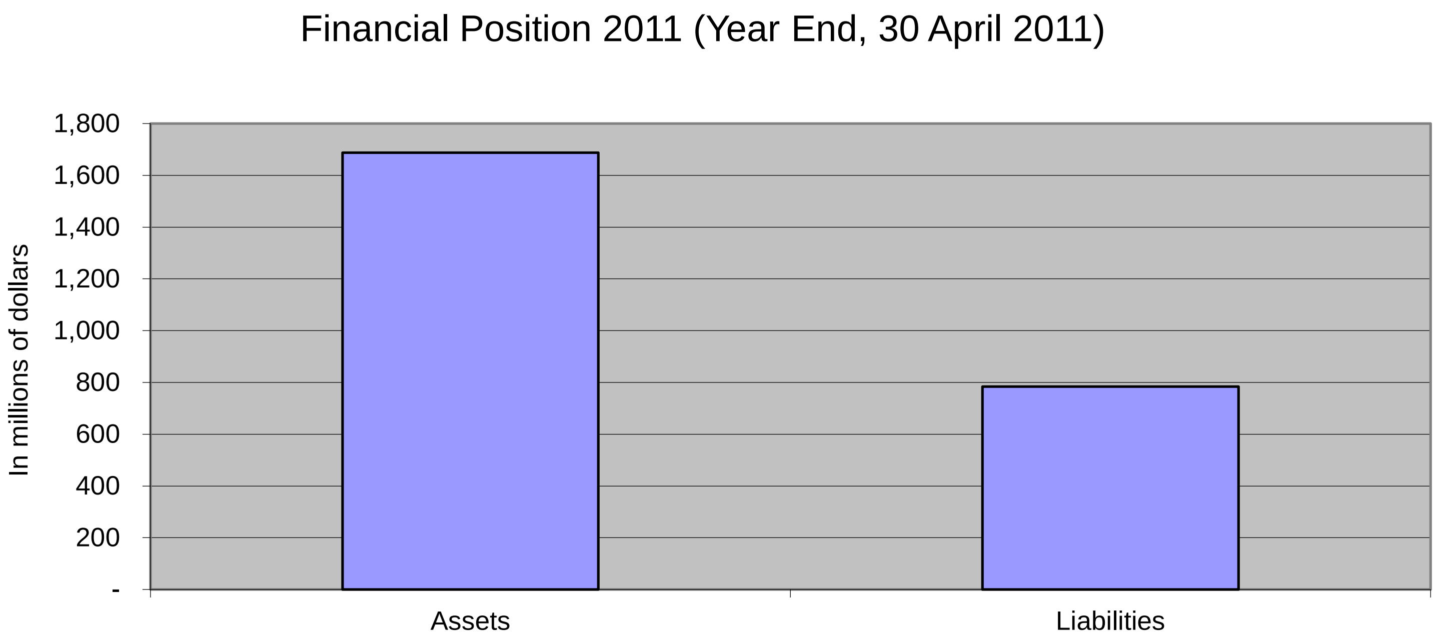
# Understanding the Financial Situation of the University of Ottawa

APUO Executive Committee
APUO Financial Analysis Committee
January 2012

# Key Messages…

- Employer is not under significant financial strain.
- In fact, the employer’s financial position is extremely healthy, with a substantial surplus.
- Over the last 10 years, the employer has chosen not to hire full time professors at same rate as student growth despite being financially capable of this.
- This has caused student-faculty ratios to increase, which has reduced student contact and increased professors workload.
- Other decisions regarding allocation of funds were and are possible for the employer.

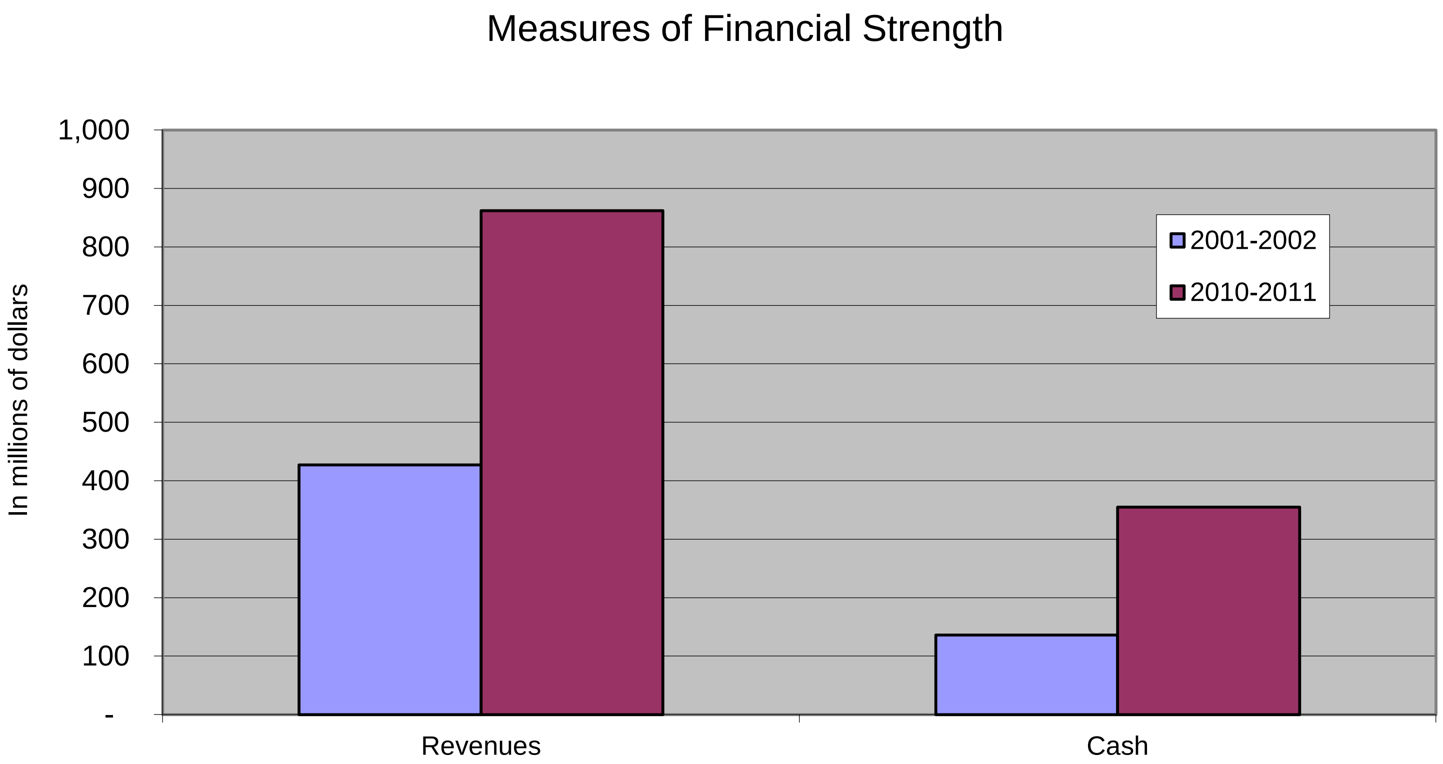
# Financial situation of the employer is very strong






**Source: University of Ottawa Financial Statement, 2011**

# Employer is financially healthier now than 10 years ago






**Source: University of Ottawa Annual Financial Statements, 2002, 2011**

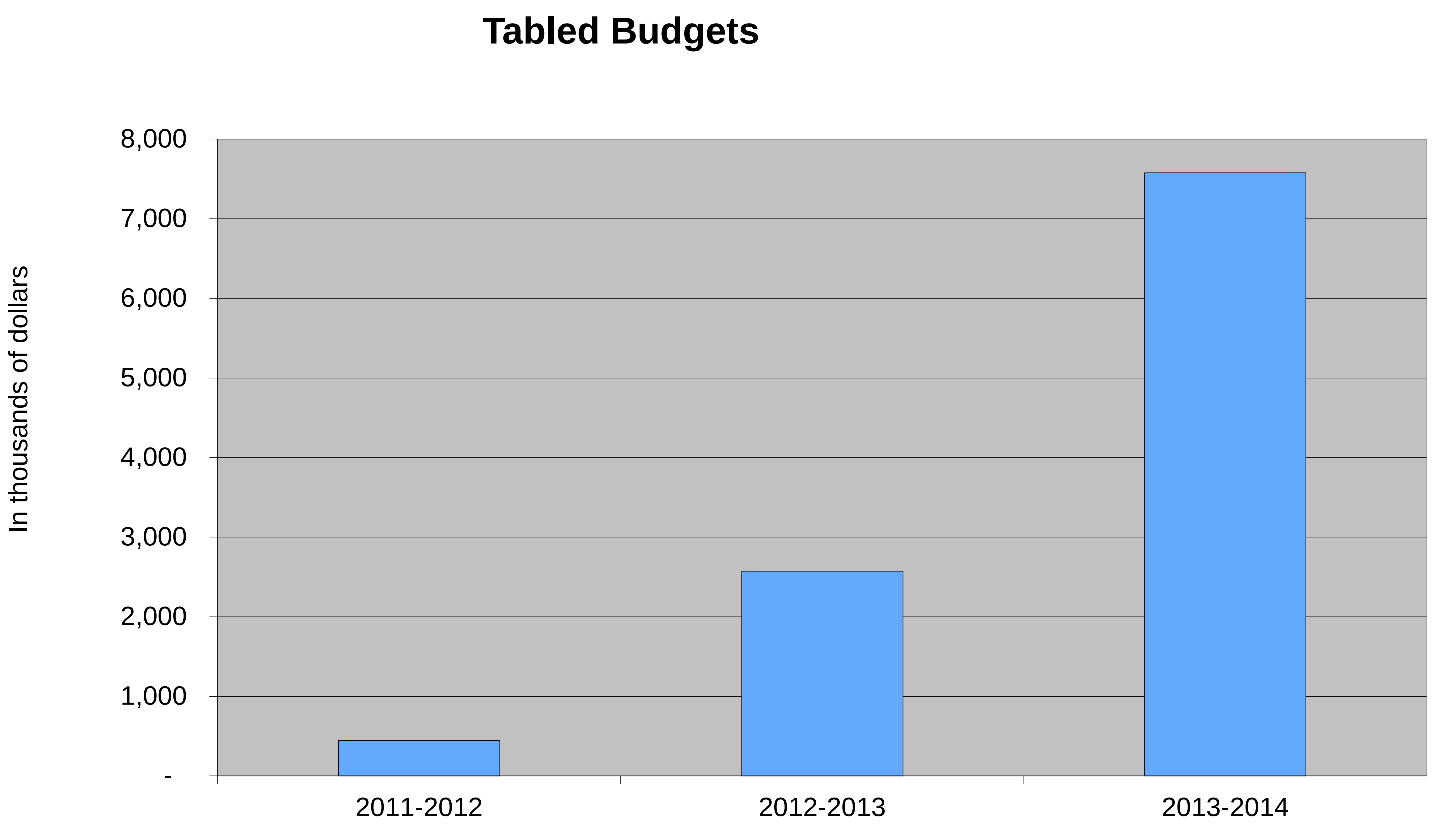
# Employer’s financial strength following its decision to spend much less than it received over the last 10 years


Surpluses made during the last 10 years represent $ 500 million



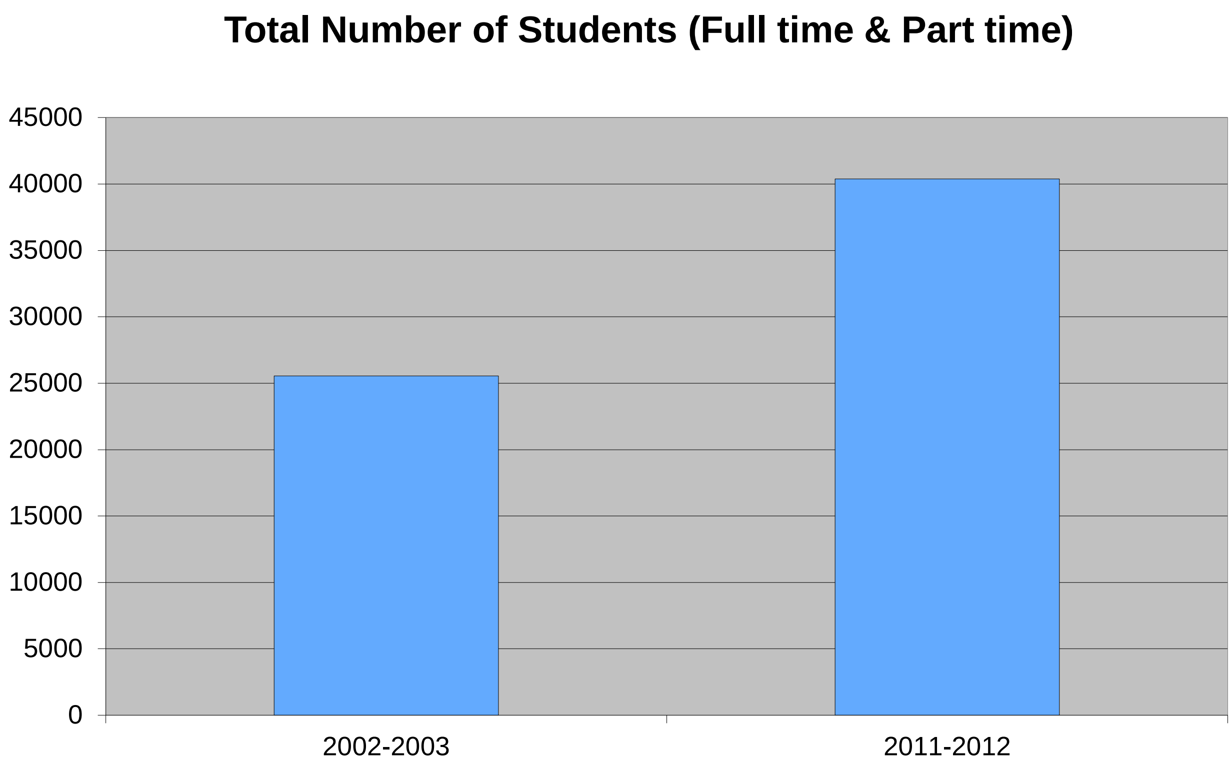
**Source: University of Ottawa Financial Statement and Budget, 2001-2011**

# The employer does not expect financial problems in foreseeable future, with surpluses predicted for next 3 years




**Source: University of Ottawa 2011 Budget presented to the Board of Governors**

# Financial strength has been fuelled by 1) massive growth in student enrolments, and…

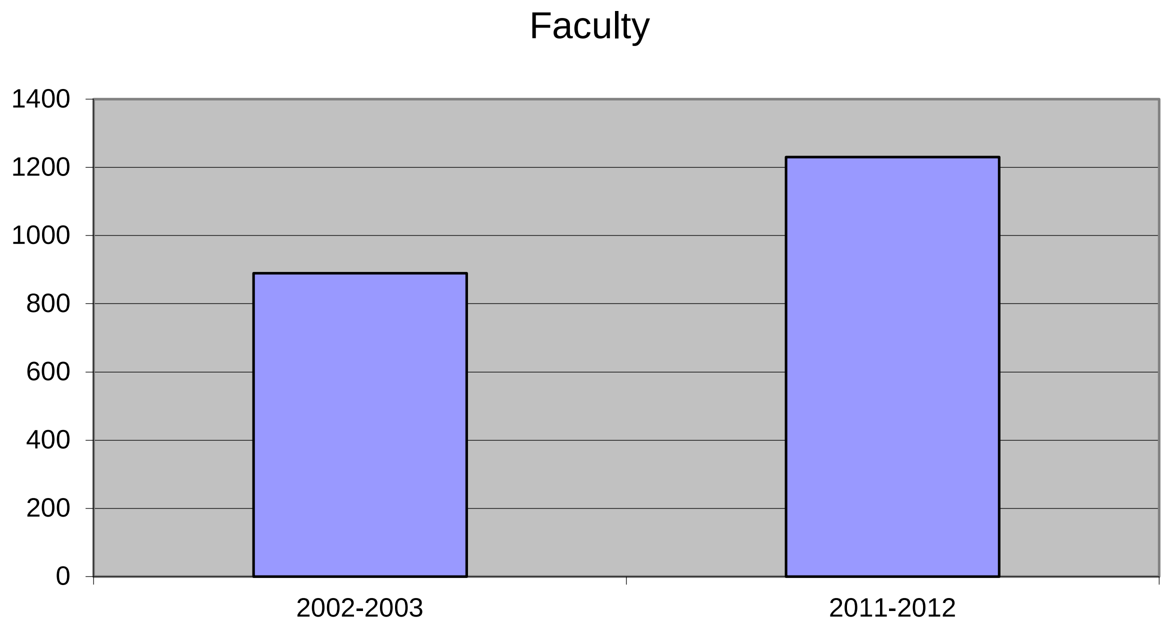



Enrolments have increased by **58%** over the past 10 years



**Source: University of Ottawa, Quick Facts: Enrolment, 2002, 2011.**

# … 2) the decision not to hire full-time faculty at same rate as the increase in student enrolments




Number of full time faculty positions have only increased by **38%** over the past 10 years

**Source: APUO membership list**

# The employer's decision not to hire professors in proportion to students has led to an increase in student-faculty ratio

Student-faculty ratio grew by **25%** from 1999-2008/09, meaning less contact for students and more work for profs

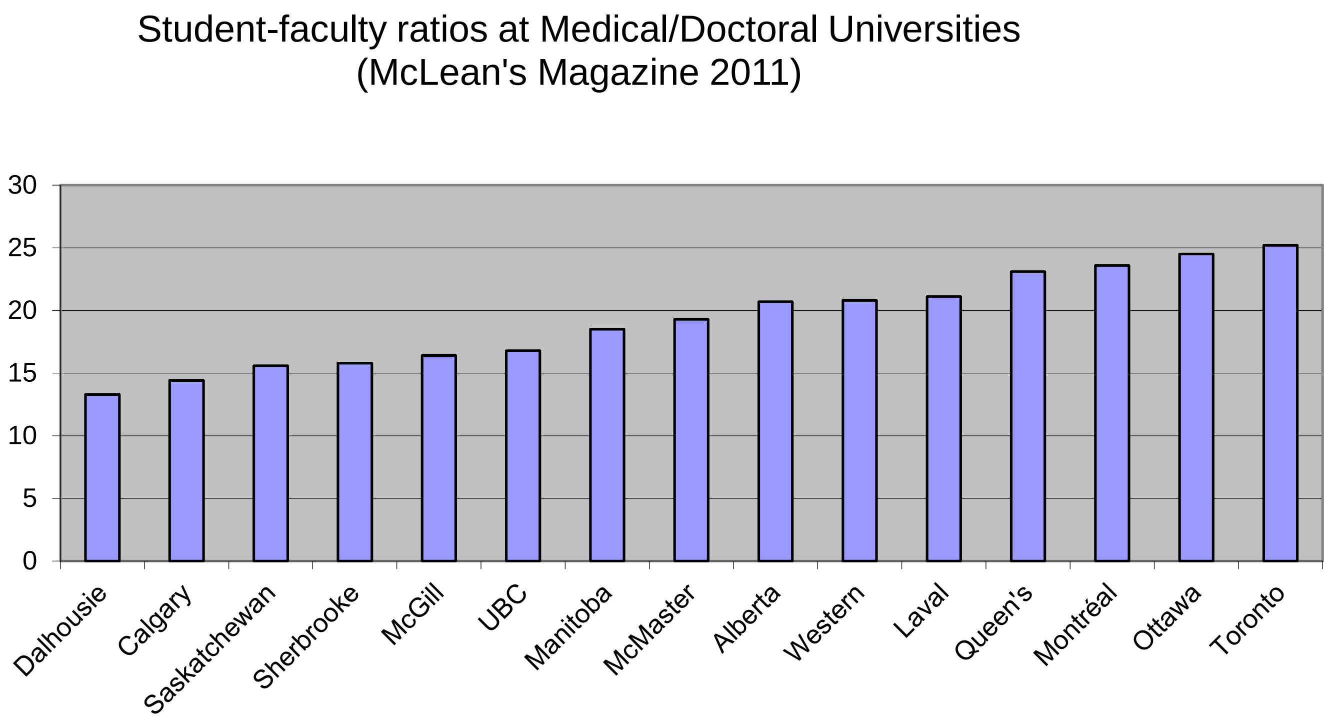
| | # FTE (full time equivalent) students | # FT (full time) professors | Student-faculty Ratio |
|---|---|---|---|
| 1999 | 18,630 | 883 | 21.1 |
| 2008-2009 | 31,798 | 1,209 | 26.3 |

- Student enrollment has increased by 13,168 (71%).
- FT Faculty has increased by 326 (37%).
- Student-faculty ratio has increased by 5.2, so an increase of 25%.



**Source: Statistics Canada via CAUT Almanac, 1999 and 2008-09.**

# New comparative student-faculty ratios problems: A consequence of the employer's decision to hire professors at a lower rate than that of student increases




**Source: Maclean's Magazine, University Rankings Issue, October 2011**

# If employer had invested in hiring new professors at the same rate of growth of student enrolment, it would have meant **176 more professors** than current levels

| | | |
|---|---|---|
| **Existing** | Increase in FT Professors since 2002-2003: **38%** | Current # of FT Professors: **1,230** |
| **Hypothetical** (If on par with rate of student enrolment) | Student enrollment increased **58%** since 2002-2003, therefore, had FT professors been hired at the same rate… | …we'd currently have **1,406** FT professors<br><br>(176 more than we have now) |

Source: APUO Membership List

# In Summary…

- The Employer is not under significant financial strain.
- The Employer’s financial position is extremely healthy, with a substantial surplus.
- The employer has been financially capable of hiring full time professors at the same rate as student growth but has chosen not to.

## The choice is ours:

- Today, we are talking about a choice –to hire full time regular stream faculty (RSF) or Teaching Stream Faculty (TSF).
- Whatever decision we make, both choices are available to us.
- The chief concerns that should guide this decision should be those around quality of education and not perceived budgetary constraints.