



# UMFA Bargaining Newsletter

FOR MEMBERS OF THE UMFA BARGAINING UNIT ONLY

SEPTEMBER 2016  
ISSUE #6

## Financial health, but at what cost?

### A note on University finances and bargaining

Parameters on the **use of performance metrics**, clearer **limits on workload**, **increasing the power of Members meeting in committee**, ensuring the administration **exercises its management rights in a way that is fair, reasonable, and equitable**, the administration committing to **seek the approval of the Association when major policy changes are proposed** – these are some of UMFA's core demands.

Why?

After UMFA's [bargaining newsletters](#) on the financial situation at the University, the administration is now acknowledging that the University of Manitoba is in a healthy financial position. However, there has been little discussion of the state of the University's academic life.

We hear often enough about strategic priorities, but little about our core mission and the academic integrity of the University's various programs.

The reality is that the UM's core functions are ailing. In the recent past we've seen:

- a report released by the Faculty of Arts that shows that many of the academic **needs of faculty and students are not being adequately met**;
- **workload increases are coming to the Faculty of Science**, following in the footsteps of the Faculty of Arts [See [September's newsletter, page 4: UMFA raises major concerns over workload changes](#)];
- [layoffs of library support staff](#) and even the **temporary closure of libraries because of understaffing**;
- **fewer administrative supports for Members** in using systems like Concur, fewer supports for the financial administration of research monies [[March newsletter, page 3: University Policies and Collective Bargaining](#)], and maintenance staffing that is so low UMFA Members are being asked to do the work of janitorial staff.

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In response, UMFA is proposing...

- that **Members have the power to vote on unit-level workload provisions and tenure guidelines** to ensure that those who do the work have a say in how faculties are administered;
- **adequate administrative support** for systems like Concur;
- A binding commitment from the administration to **exercise its management rights in a fair, reasonable, and equitable way.**

The administration, however, has very different ideas about how to solve these problems.

## A new budget model is the answer?

In the months ahead the central administration will claim that a new budget model will help address these problems. While the current budgeting system isn't perfect, UMFA has significant concerns about the one under development. This is because it will resemble a 'performance management system' that uses highly problematic quantitative [performance indicators](#) as one of its driving forces.

While at the bargaining table the administration claims there have been no decisions made as to what the new budget model will look like, their choice of consultant – Huron Consulting – suggests otherwise. Huron specializes in helping universities create performance management systems that go by the names “**responsibility centre budgeting,**” “**activity based budgeting,**” and “**incentive based budgeting.**”

Generally speaking, these models involve:

- calculating the number of research dollars and student funding/tuition associated with each unit;
- allocating resources based on the costs of administering those research dollars and instructing those students (for example, the cost of 'rent' for facility use);
- 'taxing' each unit's 'revenues' in order to create a fund used to support services like HR departments and to fund strategic priorities and special projects.

Huron tells its university clients to focus on the benefits of the new model and to create 'a bold and repeatable story.' We've already begun to hear such a story at the UM: we need greater flexibility, we face financial problems, we need to modernize, we need to embrace our strategic initiatives.

But here are some of the negative aspects of this type of budgeting:

- They are 'decentralized' in the sense that tuition dollars and research dollars associated with a unit are the primary drivers of budget allocations. Each unit is transformed into an 'entrepreneur' looking for ways to increase 'revenues';
- This 'entrepreneurial spirit' undermines units' core mission (teaching, research, and service) as they focus on new ways to generate 'revenue.'
  - In a report produced by the University of Alberta in 2015, for example, it's suggested that creating professional graduate programs and the 'indirect



“It isn't all about money, but it was mostly about money”  
– administrator at U of T on their new budget model. Cited in Tertiary Education and Management, 20:3, 2014

costs of research' are such ways. This suggests changing one's academic focus in a bid to charge higher tuition, and finding ways to tax researchers. At the UM right now, for example, the administration continues to charge Members to park University-owned research vehicles, against UMFA's protests and a formal grievance. Examples like these could multiply under an activity based budget model;

- The entrepreneurial system gives the central administration greater power to allocate resources **based on centrally-monitored performance indicators (PIs)**. When these types of systems were introduced at UCLA, the University of Minnesota, and the University of Michigan, the administration made units sign performance agreements that had to be met in order to maintain their 'revenue' allocations;
- While a 'tax' system has been used to mitigate the extremes of the entrepreneurial system, **PIs can be used to determine how 'tax dollars' are spent**;
- The competition for revenue and 'tax dollars' creates inter-unit friction and strains collegiality, as units are pushed into a dog-eat-dog incentive system.
- Units can more easily be **denied financial support due to their financial (and other) 'underperformance', as measured by performance indicators**;
- These models often result in the growth of the administration, as decentralization inevitably leads to duplications of function;
- The 'entrepreneurial spirit' drives units into an even greater reliance on contract faculty in order to 'contain costs'.

All of these possibilities are serious threats to both academic freedom and program integrity in that market incentives, rather than academic needs, are the central drivers of decision making. **We're already seeing inklings of how this will work.** In the **Faculty of Science** the Dean is telling faculty that the Dean's office is **'rewarding success'** in undergraduate and graduate teaching recruitment, as well as research output, in the Biology department **by taking more than \$90,000 from other departments' budgets and reallocating it.** This is what the new budget model will look like.

Every budget is a choice made by the administration. These types of choices – like the choice of budget model – are one of the reasons that UMFA is demanding that **PIs not make up any part of any system of governance or review**, and that **the administration exercise their management rights in a way that is fair, reasonable, and equitable.**

This is also why we need a collective agreement that's shorter than we usually ask for – as a new budget model is developed, one of the strongest defences we have is the ability to collectively bargain how it will affect UMFA Members. Having a shorter agreement will mean that we can better intervene in this process as it unfolds.

## Bargaining since April, with few results

UMFA is proposing strict parameters for the use of so-called performance indicators,



"It is possible, if not probable, that budgetary decisions will come to drive academic decisions in this model, no matter the intentions for the model now; for example, the effects of incentivizing performance depend on how performance is defined" – York University Faculty Association's report on the new budget model proposed at their university



stronger language on workload, increasing the power of Members in setting workload and tenure/promotion guidelines, and that the administration hold themselves to the fair, reasonable, and equitable exercise of their management rights. **We're also demanding a raise that would lift UMFA Members higher on the salary scale of the 'U15' group of universities.**

While the administration has made some movement at the table, the vast majority of our demands haven't been adequately addressed. It's time that we start having serious discussions about next steps. To that end:

- **Contact your UMFA Board Representative** and ask them to schedule a constituency meeting, if they haven't already. A list of existing reps can be found here. If you don't yet have a Board Rep for your Unit, contact [FAUM@UMFA.ca](mailto:FAUM@UMFA.ca) to arrange a constituency meeting.
- Watch your email for the **announcement of a Special General Meeting** to discuss bargaining strategy. The Executive Council will be scheduling such a meeting in the near future.

If you have any comments or questions, please contact the UMFA office by calling 204.474.8272 or emailing [FAUM@UMFA.ca](mailto:FAUM@UMFA.ca).

## UMFA Executive Council

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