
Money trouble at Trent; University sounds alert in wake of multimillion-dollar shortfall

Posted By Sara Deeth (sdeeth@peterboroughexaminer.com)

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Trent University faces a 2007-08 budget shortfall of \$10.5 million that will likely result in layoffs for the local post-secondary institution, The Examiner has learned.

Don O'Leary, vice-president of administration, said the university managed to alleviate \$3.4 million of the deficit through other resources, leaving the university with a \$7.1-million operating budget shortfall.

University officials blame lower enrolment, government underfunding, the effects of inflation on expenses and significant costs associated with running the large Symons camps, plus the downtown campus and facilities in Oshawa, for the deficit.

Trent's base budget is \$85.5 million and the deficit represents a shortfall of 12.2 per cent.

All department heads are being asked to trim five to 11 per cent of their budgets, O'Leary said, and in some cases more cuts will be made.

Salaries and benefits account for 85 per cent of Trent's budget, he said.

"When you make cuts as significant as these there are going to be some staff reductions," O'Leary said.

It's too soon to comment on any job losses, he said, but that will be reviewed once budgets come in from the various departments.

Trent has obligations to its employees and collective agreements to abide by, O'Leary said. Any staff vacancies will be reviewed on a case-by-case basis before being filled.

The changes will have no impact on the quality of education for Trent students, he said.

The cuts seem drastic, he said, but if the university doesn't deal with the problem now it will only crop up later.

Alex Atfield, vice-president of Canadian Union of Public Employees Local 3908, which represents part-time faculty at Trent, said it's too soon to tell what the shortfall means for its members.

Information about the deficit has been circulating since September, he said, and it has been a topic of discussion for the university's senate.

"It isn't entirely a surprise," Atfield said.

But, he said, the \$10.5-million number was.

The deficit can mean two things for part-time staff, he said.

If Trent opts not to replace retiring full-time faculty with another full-time member, he said, it's likely that job will go to a part-time staffer working on contract.

"It could mean we'll have more of our members filling those positions," Atfield said. "But it could mean that we're the first on the chopping block."

The deficit is to be discussed Monday at a union executive meeting, he said.

Peterborough MPP Jeff Leal said the province has already boosted funding to Trent University and Fleming College.

"We've certainly increased the base budgets of both Trent University and Fleming College," Leal said, adding the province has also provided significant funding for capital projects at both institutions.

Leal said he realizes post-secondary institutions face increasing operating costs.

The issue of funding for post-secondary institutions will be addressed by Colleges and Universities Minister Chris Bentley as the province readies for Finance Minister Dwight Duncan's March 25 provincial budget, Leal said.

In the red

Trent University's explanation for its \$10.5-million 2007-08 deficit:

- \$5 million: shortfall due to 400 fewer undergraduate students (200 intake and 200 retention).
- \$3.5 million: structural deficit that is managed through various one-time funding appropriations at year-end.
- \$1 million: shortfall in government funding for accessibility and quality.
- \$1 million: inflation and increased costs associated with collective agreements and annual operating cost increases.

Trent facing major budget crunch
Layoffs likely in face of \$7.1 million operating budget shortfall
Posted By Sara Deeth (sdeeth@peterboroughexaminer.com)
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Trent University faces an budget shortfall of \$10.5 million that will likely result in layoffs for the local post-secondary institution, The Examiner has learned.

Don O'Leary, vice-president of administration, said the university managed to alleviate \$3.4 million of the debt through other resources, with leaves the institution with a \$7.1 operating budget shortfall.

Lower enrollment, lack of government funding, the effects of inflation on expenses and significant costs associated with running the large Symons camps, plus the downtown campus and facilities in Oshawa are being blamed for the deficit.

Trent's base budget is \$85.5 million, and the deficit represents a shortfall of 12.2 per cent.

O'Leary said all department heads are being asked to trim five to 11 per cent of their budgets, and in some cases more cuts will be made.

Salaries and benefits account for 85 per cent of Trent's budget, he said.

"When you make cuts as significant as these there are going to be some staff reductions," O'Leary said.

He said it was too soon to comment on any job losses, but said the matter will be reviewed once budgets come in from the various departments.

Trent has obligations to its employees and collective agreements, O'Leary said and that staff vacancies will be reviewed on a case by case basis.

O'Leary said the changes will have no impact on the quality of education for students at the post-secondary institution.

The cuts seem drastic, he acknowledged, but if the university doesn't deal with the problem now it will only crop up later.

Alex Atfield, vice president of Local 3908, the union that represents part-time staff at Trent, said it's too soon to tell what the shortfall means for its members.

Information on the deficit has been circulating since September, Atfield said, and its been a topic of discussion in the senate.

"It isn't entirely a surprise," he said.

But, he said, the \$10.5 million number was.

The deficit can mean two things for part-time staff, he said.

If Trent opts not to replace retiring full-time faculty with another full-time member, he said, it's likely that job will go to a part-time staffer working on contract.

"It could mean we'll have more of our members filling those positions," he said. "But it could mean that we're the first on the chopping block."

Atfield said the deficit would be discussed Monday at a union executive meeting.

Peterborough MPP Jeff Leal said the province has helped Trent University and Fleming College.

"We've certainly increased the base budgets of both Trent University and Fleming College," Leal said, adding the province has also made significant capital contributions to both institutions.

Leal said he was aware that post-secondary institutions face increasing operating costs.

The issue of funding for post-secondary institutions will be addressed by the Minister of Colleges and Universities as the province readies for it's March 25 budget, Leal said.

Aside

Deficit Breakdown:

- \$3.5 million - structural deficit that is managed through various one-time funding appropriations at year-end.
- \$5 million - shortfall due to 400 fewer undergraduate students (200 intake and 200 retention)
- \$1 million - shortfall in government funding for accessibility and quality
- \$1 million - inflation and increased costs associated with collective agreements and annual operating cost increases

Trent faces \$10.5 million deficit
myKawartha.com - Monday March 17, 2008
By Lauren Gilchrist
<http://www.mykawartha.com/news/article/27544>

Trent University is facing a \$10.5 million budget deficit that has departments crunching numbers and scrambling to make cutbacks that will likely include layoffs.

"There's no one particular reason for it, there are numerous reasons," says Don O'Leary, vice-president of administration at Trent.

The \$10.5 million shortfall is for the 2007/08 year. Trent's operating budget for that period is \$90 million.

Mr. O'Leary cites lower enrollment as one of the reasons for the deficit. The problem of enrollment is compounded by the fact that fewer students means less government funding.

The deficit is also a result of simply doing business.

"Just the overall cost for us to do business is higher for us than probably any other sector because 85 per cent of our budget is salaries," explains Mr. O'Leary.

He notes Trent has never faced a budget deficit to this extent.

"We knew this problem was happening. We've known it for some time," he says.

"Within this present budget year we've made some reductions already, those will be carried forward into the new budget year."

Mr. O'Leary says departments are already examining how they can make cutbacks, but layoffs are a good possibility.

"We will try to avoid it as much as possible," he says.

But Mr. O'Leary notes it is hard to chip away at a deficit when so much of the university's budget is comprised of fixed salaries.

"This is something we've been working on here," he explains.

"At this point we will be bringing a budget to the board in early April."

Mr. O'Leary notes through cutbacks they have already reduced the deficit by \$3.5 million, leaving the total shortfall coming in at approximately \$7 million.