



# Memo from the President

September 16, 1986

Dear Colleague:

**RE: Priorities and Operating Grant Request for 1987/88**

As the winter session gets underway our enrolment is virtually the same as it was last year. In many fields student demand exceeds our capacity by a wide margin. We enrol good students and we continue to be committed to giving them a good education. Our ability to do so is constrained by the priorities we set and the resources we receive. I want to say something about priorities and resources as reflected in our budget submissions for 1987/88.

## **Operating Grants**

Outstanding teaching and research depend, above all, on recruiting and supporting outstanding faculty and staff. Our Board of Governors has adopted a policy of regaining a fully competitive position in faculty salaries within a three-to-five-year period. As we move towards a balanced budget next year, we have requested (with SFU and UVic) an operating grant allocation for 1987/88 to begin this process. Faculty recruiting (both to and from UBC) takes place in an international market and that is the market in which we must compete.

Recent public and private sector comparisons show that, in most categories, staff salaries have fallen behind the relevant (local) markets. To maintain the outstanding staff for which UBC has been known, we have requested an allocation to permit us to address merit and market considerations.

Few faculty members are reaching normal retirement age in the next few years but in the mid 1990s, as more retirements take place, we will be competing with universities throughout North America for scarce candidates for appointment. The quality of our recruiting will be enhanced and the transition smoothed if we are able to encourage early retirements and to make early appointments. We have asked for an annual allocation for such "faculty renewal".

The three B.C. universities have documented the fact that non-salary expenses, whether for library books or laboratory materials, have in recent years escalated faster than the C.P.I. This year we received a higher level of support for the library acquisitions budget and we further supplemented that by retaining salary savings for book purchases. Both policies are projected for continuation next year. In addition to seeking adequate funding for these costs, we have proposed that the province fund equipment replacement in a systematic way. The province of Alberta, for instance, provides an annual allocation equivalent to 10% of the cost price of the universities' entire equipment inventory - for teaching, research and general operations. Our proposal is that British Columbia phase in such a policy over three years.

In each of the past two years the Ministry has given a modest designated grant as a Research Quality Fund. This year we are allocating U.B.C.'s share on a competitive basis in response to proposals. It is particularly helpful as seed money for projects with potential for obtaining external grants. In addition, this year the Ministry allocated \$2.4 million to the three universities from the Federal Jobtrac program to support career-related employment (assistantships) for graduate students. We have asked that the Research Quality Fund be increased in each of the next three years and that the fund for graduate student support be consolidated and continued as a commitment of the provincial government.

All the budget proposals outlined above were made in conjunction with Simon Fraser University and the University of Victoria. The major source for any increase in the operating grant is the Fund for Excellence in Education (F.E.E.) which is to increase by a further \$110 million for 1987/88. School districts, colleges and universities will all be seeking operating grants from the fund. The three universities place a higher priority on these essential supplements to our operating budgets than on the funding of new ventures. In addition to the operating budget request submitted jointly with SFU and UVic, we have applied for support to help with the continuing cost of developing administrative systems at UBC (financial systems, student information systems, alumni record system).

All three universities have submitted letters of intent for centres of excellence with proposals to follow by October 15th. On the basis of last year's decisions, we expect to receive funding in the fields of biotechnology, Chinese law, computer systems, forestry and international finance. If our basic operating budget requests are funded, we will be asking for F.E.E. support in several additional areas this year. Our

proposals are based on demonstrated academic excellence and provincial needs.

### **Capital Grants**

Premier William Vander Zalm and the Honourable Russell G. Fraser, Minister of Post-Secondary Education, announced last week the funding of a major new building at SFU. Our Chemistry/Physics building is now the number one priority for any further capital announcements in the university sector. We are now reviewing our procedures for establishing space priorities, reallocating space and submitting capital proposals for provincial funding. In addition we are planning to launch a major fund drive about two years from now. Clear priorities for capital projects will be essential to the success of that campaign.

### **The Context**

The past few years have been difficult financially. Since my arrival I have been working to ensure that cabinet ministers, M.L.A.s and senior officials in Victoria understand the importance of universities in general, and UBC in particular, to the province and to the nation. We are now in the second year of implementing retrenchment decisions made in 1985/86 and budgeted operating expenses still exceed revenues. However, we were fortunate to receive a modest increase in 1986/87 rather than a further reduction. In effect, we were able thereby to avoid another major retrenchment on top of those already planned. The reductions scheduled for 1987/88 and the savings associated with the implementation of a number of cost-saving measures will bring us closer to a balanced budget and the operating grant increases we have requested should enable us to begin to address the priorities essential to our future as a major university. These include the capacity to attract and retain outstanding faculty and staff, a strategy for renewal, support for the equipment and materials required for outstanding teaching and research and for the essential infrastructure.

I am confident that, with appropriate support, the University of British Columbia will continue to be a dynamic institution of international calibre. Its contribution will be central not only to economic recovery but to the intellectual and cultural health of the province. The survival of a great university and maintenance of conditions essential to its continuing self-renewal must be our first priority.

Yours sincerely,



David W. Strangway  
President

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