

# **KFA Response to Employer regarding planned Regular Faculty Layoffs in Fiscal 2025/26**

## **Introduction and Overview**

The Employer has informed us that they are planning to lay off 53 FTE of regular faculty members in fiscal 2025/26. (Note: The figure 53 FTE is per most recent Employer figures, please see Appendix 1.) The primary justification provided for the layoffs is the projected University-wide international student enrollment reductions and the corresponding reduction in tuition revenue from international students.

The validity and accuracy of the data for the enrolment projections is not certain, and there is an inconsistency we can observe between the actual numbers of sections each international student registered in during the past two academic years, versus the figures being used to provide the projections. The University's projections appear to us to be too low and thus the layoffs planned appear to be unjustified.

Furthermore, the University's proposal to lay off regular faculty is unjustified in terms of financial need. There are a number of reasons we can see this is unjustified, but the baseline reason is that the projected reduction in faculty salary in the draft University budget is more than fully met without laying off any faculty at all.

Furthermore, the Employer has not provided the basic information required to support a coherent rationale for any individual faculty member layoffs.

Taking all of these into account, the KFA's position is that no layoffs are justified, and thus no layoff notices should be issued.

## **Discussion**

### **Enrolment Projections**

First of all, in respect to the enrolment projections as presented by the Employer, the projected estimates are established based on enrolments, or as they are labelled, "seats filled," that do not reflect the observable pattern in the last several years. The Employer provided these projected estimates of "seats filled" on two factors: 1. projected reductions in international student headcounts, and 2. The rate at which international students are estimated to register in sections. Both of these factors have questions associated with them.

The headcount figures are based on a presumption of lower than historic conversions of applications to registered students, which in itself may yield an under-estimation of headcounts. The other part of the basis for projecting seats filled is the rate at which the international students were estimated to register in sections. However, we can see that in the actual enrolment figures for the past two years, replicated in the table below, each international student enrolled in an average of 7.09 sections, but the Employer has used an average of 6.9 sections to make their projections. This results in an overall underestimation of institutional enrollments.

From the Employer’s document, “Enrollment Projections – KFA Feb 24 2025” (enrollments per student added):

| Scenario             | Headcounts | Int’l Headcounts | Domestic Headcounts | Int’l Seats Filled   | Domestic Seats Filled | Total Seats Filled    |
|----------------------|------------|------------------|---------------------|----------------------|-----------------------|-----------------------|
| <b>FY26 Forecast</b> | 15,177     | 4,417            | 10,760              | 30,377<br>[6.9 per]  | 62,493<br>[5.8 per]   | 92,870<br>[6.1 per]   |
| <b>Worst Case</b>    | 14,430     | 4,008            | 10,422              | 27,563<br>[6.88 per] | 60,528<br>[5.8 per]   | 88,091<br>[6.1 per]   |
| <b>FY25 Prelim.</b>  | 17,242     | 5,941            | 11,301              | 42,122<br>[7.09 per] | 69,709<br>[6.17 per]  | 111,831<br>[6.49 per] |
| <b>FY24 Actuals</b>  | 19,175     | 7,964            | 11,211              | 56,448<br>[7.09 per] | 67,909<br>[6.06 per]  | 124,357<br>[6.49 per] |

### Minimum Fill Rates?

Furthermore, in order to make the leap from a reduction in filled seats to a number of sections to be reduced, there must be an assumption of a required fill rate to be applied which will drive the number of sections in inverse proportion. In other words, if the fill rate is higher, then the total number of sections to be offered is lower. If the fill rate is lower, then the number of sections to be offered is higher. Thus, any reduction in sections to be offered is fully dependent on the fill rate.

The Employer made it explicit, in the consultation meeting held March 3, that the working assumption resulting in the planned layoffs is that the fill rates used in planning for layoffs are according to the recent historic levels of enrollment. Given that the recent historic levels of enrolment have resulted in massive budget surpluses, those historic levels cannot be taken to be a minimum threshold. But when we asked, the Employer was not transparent in what those fill rates are, and when we asked for an explanation or methodology, none was forthcoming.

Furthermore, there is no minimum enrolment figure that can be presumed. There is no such term or figure that exists in the Collective Agreement. The Collective Agreement speaks only to maximum enrollment figures, not to minimums. If there is to be a general or minimum enrollment figure established, then it must be bargained between the parties. The Employer cannot arbitrarily set a minimum figure that bears no relationship with either the terms of the Collective Agreement nor with any reasonable standard for economic feasibility or curricular/programmatic viability.

We submit that the only reasonable standard for “minimum enrolment figures” that can be justified is an institutional average or institutional overall enrollment that results in baseline financial feasibility, or in the case of discrete programs/disciplines, a minimum that results in curricular/programmatic viability. As we stated above, the planned layoffs are far in excess of what is required to maintain financial solvency at the institutional level, even at the Employer’s own low estimates for enrollments. The Employer has provided no specific figures or rationale regarding curricular or programmatic viability.

### The Draft Budget

Why is it that we say the planned layoffs are far in excess of what is required to maintain financial solvency?

The draft budget for fiscal 2025/26 lays out the financial projections of the Employer. Included in these financial projections is a planned reduction in total faculty salary of \$3.8M. The planned layoffs are not reflective of that figure.

There is no fiscal connection between the number of layoffs and the reduction in faculty salary shown in the draft budget.

The layoffs planned total 53 faculty FTE, as indicated in the most recent Employer estimate (Appendix 1). If we consider these layoffs are at top of scale, the total would be \$6.1M. This is probably too high as many faculty facing layoff would not be at the top step. If we consider that they are at Step 7, the total would be \$4.9M. This is probably too low as not many faculty enter that low, and numbers of those laid off will have progressed up the scale in any case. But even at that too-low figure, the reduction in faculty salary resulting from the planned layoffs exceeds the total reduction in faculty salary stated.

But this is in excess of the faculty salary reduction which will have already been far surpassed by other means. Retirements, attrition, and NR delivery reductions, as per the Employer's own figures (Appendix 1), totaled a reduction of 71.055 FTE in Arts and Business. This does not count the attrition, reductions in NR delivery reductions, or retirements in other Faculties. This reduction of 71.055 FTE represents a total of \$8.2M at top of scale, or \$6.6M at Step 7. In considering these faculty reductions, more of them can safely be assumed to be at top of scale as all of the retirements (30.33 FTE) and likely some of the other attrition of faculty members was certainly at top of scale. The retirements alone, without any of the other reductions, are certainly equivalent to a \$3.5M reduction in faculty salary.

Thus, there is no financial connection between the planned layoffs and the budgeted reduction in faculty salary.

### **Lack of Required Information to Justify Layoffs**

Most seriously, in direct justification of the planned layoffs, the Union was presented with what is simply a table itemizing an unsupported list of departments with numbers of sections to be reduced and numbers of faculty FTE to be laid off. (Please see Appendix 2.)

This list proposes layoffs for sections in all of the following:

- departments with reductions in projected enrolment; and
- departments with no change in projected enrolment; and
- departments with increases in projected enrolment.

There is no connection between the projected departmental enrolment reductions and the specific courses or offerings to be reduced. There also is no consistency or logic inherent with regard to the number of sections to be reduced and the number of layoffs. There is no consistent logic being applied to section reductions, no correlation apparent in FTE reductions, and no consistent logic being applied to number of layoffs as a result.

There is thus no clear basis upon which to be able to determine whether the projected section reductions within the targeted departments are reasonable. There is no rationale for decreases in sections beyond a general projected decrease in enrollments in the institution (which again is of questionable validity and accuracy). This general decrease cannot automatically be assumed to necessitate some kind of reduction in sections, and there is no evidence provided to support either section reductions or resulting faculty layoffs. There is no information given with regard to the specific faculty members to be given layoff notice and no information regarding the basis for layoff as per the Article 7 requirements.

A reduction in sections resulting in layoff of regular faculty individuals can only be the case if there is:

1. a demonstrated reduction in applicants/enrolments within a particular department discipline/program;
2. transparent baselines being used to establish fill rates for courses which must include consideration given to program/cohort viability;
3. a transparent demonstration that there are no non-regular faculty remaining in the department discipline/program: layoff order is clearly established in the Collective Agreement and requires non-regular work to be reduced first before regular faculty are laid off;
4. visible evidence of lower FTE for the individual(s) to be laid off or a demonstrated mismatch between courses to be run and individual faculty qualifications.

We have received none of this information.

Thus, there is no reasonable rationale for issuing layoffs to individuals, because there is:

- no connection between projected institutional enrollment declines and enrolments in any specific academic offering, and
- no connection between any specific academic offering and a rationale for a particular number of section reductions, and
- no connections between program viability and any proposed section reductions, and
- no connection between fill rates and section decreases, and
- no connection between section reductions and individual faculty FTE and their qualifications.

## **Conclusion**

In conclusion, the Employer has provided no reasonable or supportable rationale for layoffs of faculty members.

There is a questionable link being drawn between applications received/projected, and enrollment projections based on numbers of sections per registrant that is lower than recent historical data.

Even if we were to accept the project enrollments as reasonable, there is no basis at all to maintain recent historic fill rates, and thus overall enrollment reductions are not in themselves sufficient rationale for any layoffs at all.

There is also no financial justification for any layoffs at all.

There is also insufficient information provided to determine whether layoffs of individual faculty members are justifiable, even if we were to disregard all of the issues itemized above.

Thus, we can only conclude that no faculty layoffs are justified or necessary in fiscal 2025/26.

## **KFA Proposals**

1. The KFA proposes that no faculty layoff notices are issued, and no faculty layoffs occur in fiscal 2025/26.

If there is a real diminishment of enrollments or a projected further financial tightening over the longer term past fiscal 2025/26, the KFA furthermore proposes the following:

2. Initiate and maintain a Strategic Enrollment Management Plan for the institution which has meaningful faculty input and is transparent to all.
3. Initiate a hiring freeze on all excluded employee categories.
4. Negotiate access to the large sums in the accumulated surplus as well as the remaining deferred proceeds of the land sale.
5. Reductions in numbers of faculty, should they become necessary, should be achieved without issuing layoff notices, by attrition and/or by offering more retirement incentives.
6. Adjust maximum enrollments in sections to spread out the student population amongst course sections and avoid class section cancellations.
7. Provide a workload adjustment in the form of offering a “service section” to all faculty for the purpose of curriculum innovation and refreshment, and for other purposes such as program enhancement and recruitment efforts.
8. Target the projected CPS growth to bargaining unit faculty workload to mitigate workload reductions.

We look forward to receiving the Employer’s response regarding the Employer’s consideration of our proposals.

*(Appendices on pages following.)*

# Appendix 1

## Workload Reductions in Faculty of Arts and Melville School of Business

This document is an update of the document delivered earlier on February 28 2025. It includes a small reduction in FTE layoffs for Arts, and a small addition in layoffs for Business. In addition, sections offered for Business has been updated, using actual workload sections to correspond with Arts. The FTE equivalent of section reductions has therefore changed for Business, to better reflect actual workload changes.

Table 1 provides information on capacity reductions in terms of offering fewer sections, as well as leaves, time releases and alternative work assignment, presented as FTE equivalents. This includes the number of sections offered in the Faculty of Arts and the Melville School of Business in fiscal years 23/24 and 24/25, [Employer footnote on this: For these purposes, a fiscal year spans Summer, Fall and Spring semesters] as well as the number planned in FY25/26. Also included is the decline in the number of sections offered from FY24 to FY26 due to the decline in student demand. The fifth column provides an estimate of the faculty FTE equivalent if all sections were equivalent to 1/8 of an FTE workload. The six column provides an estimate of the FTE associated with faculty not assigned sections, either due to alternative workload assignments or other releases in FY24/25, with the exception of chair and coordinator releases, which will continue in FY25/26. The final column provides the total FTE reduction from FY24 to FY26.

Table 1: Estimate of FTE Equivalent of Capacity Reductions

| Faculty  | Sections Offered |       |       | Section Reduction from to FY26 | FTE Equivalent of Section Reduction | FTE Not Assigned Sections in FY25 | Total FTE Reduction for FY26 |
|----------|------------------|-------|-------|--------------------------------|-------------------------------------|-----------------------------------|------------------------------|
|          | FY24             | FY25  | FY26  |                                |                                     |                                   |                              |
| Arts     | 1,704            | 1,576 | 1,409 | 295                            | 36.875                              | 31.000                            | 67.875                       |
| Business | 1,738            | 1,493 | 1,230 | 508                            | 63.553                              | 17.625                            | 81.178                       |

The workforce is being reduced in three ways:

- In FY25, fewer NR1s and NR2s were used, which we have assumed will continue into FY26 in the same amount;
- Some faculty have accepted retirement incentives, with different effective dates in FY26; and
- Some faculty will be laid off, effective September 1 2025.

Table 2 provides the number of FTEs in each category with the total faculty FTE reduction for FY26.

Table 2: Faculty FTE Reductions for FY26.

| Summary  | Reduction in |             |         | Total reduction |
|----------|--------------|-------------|---------|-----------------|
|          | NR1/NR2 use  | Retirements | Layoffs |                 |
| Arts     | 18.580       | 16.830      | 8.750   | 44.160          |
| Business | 22.145       | 13.500      | 44.375  | 80.020          |

## Appendix 2

### Overview – Faculty Layoffs

Layoff effective date: August 31, 2025

### Melville School of Business

| Program  | Enrollment Reduction (from 2024 to 2025) | Section Reduction from 2024 to 2025) | FTE Targeted for Layoff | Number of Impacted Faculty |
|--|--|--------------------------------------|-------------------------|----------------------------|
| Accounting                                       | 174                                      | 6                                    | 5                       | 6                          |
| Business Quants                                  | 187                                      | 7                                    | 3.375                   | 5                          |
| Business   | 303                                      | 8                                    | 11.5                    | 12                         |
| Computer Business Systems                        | 47                                       | 2                                    | 2.5                     | 3                          |
| Applied Communications                           | 55                                       | 2                                    | 5                       | 5                          |
| CSIT/INFO  | (72)                                     | (2)                                  | 1                       | 2                          |
| Economics  | 56                                       | 0                                    | 4                       | 4                          |
| Bachelor of Business Admin                       | 21                                       | 0                                    | 2.5                     | 2                          |
| Graduate Business Diploma                        | 277                                      | 1                                    | 1                       | 2                          |
| HRMT/Post Baccalaureate HRMT                     | 52                                       | 1                                    | 1.5                     | 2                          |
| Marketing  | 184                                      | 10                                   | 4                       | 5                          |
| Post Baccalaureate (OSCM, TMAS, BUSM 5000 Level) | 270                                      | 9                                    | 1                       | 2                          |

### Faculty of Arts

| Program                           | Enrollment Reduction (from 2024 to 2025) | Section Reduction from 2024 to 2025) | FTE Targeted for Layoff | Number of Impacted Faculty |
|-----------------------------------|--|--------------------------------------|-------------------------|----------------------------|
| Anthropology                      | 420                                      | 12                                   | 1.5                     | 2                          |
| Interdisciplinary Expressive Arts | 106                                      | 3                                    | 1                       | 2                          |
| Education Assistant               | 245                                      | 7                                    | .5                      | 1                          |
| English                           | 100                                      | 4                                    | .5                      | 1                          |
| Geography & the Environment       | 210                                      | 6                                    | 1                       | 1                          |
| Language & Culture                | 595                                      | 17                                   | 2.25                    | 3                          |
| Political Science                 | 210                                      | 6                                    | 1                       | 2                          |
| Sociology                         | 315                                      | 9                                    | 1.5                     | 2                          |

