

UNIVERSITY NEWSBEAT

Prepared and paid for by the Communications Department, S802 Ross, 667-3441

President Macdonald Reports on

UNIVERSITY FINANCIAL ARRANGEMENTS

Students reading the article in the *Excalibur* last week about University financial arrangements could be excused for feeling confused about the matters reported upon in the story. Because I believe any interested member of the University community should have the opportunity to understand both the facts and the arrangements governing such matters in the University, I had under preparation for this column in *Excalibur* a brief outline of the procedures in York University. Because some of the illustrations in the article provide a useful background for this commentary, I will refer to them as well.

Board of Governors

(1) The Board of Governors is responsible for the general financial management of the University. It has interpreted that responsibility, throughout the history of York, to ensure that the University either lives on the financial means at its disposal or has some plan for discharging accumulated financial obligations.

In the earlier years of York, the Board undertook capital debts in order to put the buildings and the facilities in place. For example, when I became President in 1974, there was some 4.5 million dollars of capital debt outstanding; there is presently just under 2 million dollars still to be paid off. By the same token, in 1972-73, when the University faced a severe enrolment and revenue shortfall, the Board of Governors decided to take on an operating debt of approximately 1.6 million dollars. That debt has now been discharged.

The policy of the Board of Governors throughout that period has been not one of opposition to deficit financing, but rather, one of not adding further to the existing debt unless it was clear that the financial outlook would be more favourable in the future. The Board has not been convinced that the outlook for university financing is such that it should take on further debt, nor has the Ontario Government given any encouragement to do so.

Indeed, at the most recent meeting of Chairmen of the Boards of Governors and Presidents of Ontario Universities with the Premier, the Treasurer of Ontario, and the Minister of Colleges and Universities on September 7th, the Government reiterated that it considered universities should be responsible for their own future and that it would not be coming to the rescue of those who did not live within their financial means.

Liquidation of Debts

On the other hand, the Board has demonstrated a willingness throughout to provide the University with as much latitude as possible within its overriding policy. For example, in dealing with the liquidation of debts, it has never insisted that there should be a budgeted line each

year calling for debt reduction — a normal practice in many institutions.

Surpluses

Reference has been made to the fact that York University has produced surpluses over the past two or three years. That is correct in an arithmetic sense. However, had it been the practice to include a provision each year for discharge of, say \$300,000 a year discharge of, say, \$300,000 a year from the operating debt and some sum from the capital debt, then of course, such surpluses might not have occurred. In fact, the Board has never insisted that a first claim on any surpluses must be the discharge of debt and has, in fact, made special arrangements in recent years for a significant portion of excess revenue over expenditure to be carried forward into the next fiscal year to meet requests for supplementary funding within the University.

(2) The President is responsible for financial allocations and for financial management within the University. There may be those who might prefer that this were not so, but the fact remains that the President cannot escape responsibility for the preparation of the budget and the allocations within it. This, again, is the practice in most universities with which I am familiar. However, a prudent President is governed by a great deal of input and advice from the university community, and we certainly do not suffer a shortage of such advice in this University.

Policy Committee

(3) The principal sources of advice to the President are the Policy Committee composed of the Vice-Presidents and Deans, each of whom has a responsibility for his or her own budget, and the Senate's Academic Policy and Planning Committee. The Senate Committee advises on the academic plans and priorities for the University, just as the planning committees in each Faculty undertake that responsibility for their particular Faculty. The Policy Committee is responsible for considering the manner of translating the general academic policy of the University into a budgetary strategy and budgetary allocations. In turn, when the President has digested that advice, then it is his responsibility to make the final decisions.

Let us, then, consider the circumstances of the past fiscal year, which provide a good example of the process. One should not think of budgets or of decisions in the University as taking place within a static framework or under unchanging circumstances. Finances ebb and flow at all times, and it is the responsibility of the President of the University to manage the finances in such a manner as to give maximum support to the academic objectives and the academic support requirements of the University.

Last spring, it became clear, as a result of regular financial reports made to me, that the University

income would exceed the forecast and that there had also been considerable underspending within the various budget lines in the University. The net result was that extra funds would become available to undertake some of the initiatives and meet certain of the requests that had been placed before me by the Vice-Presidents and Deans.

Such changes in the flow of funds provide a welcome opportunity to assist the University in meeting certain policy objectives. They provide intermittent rays of sunshine through otherwise dark clouds such as those portrayed in the Ontario Council on University Affairs' report of last week: "System on the Brink — A Financial Analysis of the Ontario University System 1979".

Summer Authority

When those decisions were under consideration, we were within the summer period when the Board of Governors gives to the Chairman of the Board and to the President power to act without reference to the Board under "summer authority." However, it seemed to me and to the Chairman prudent to have some consultation with members of the Board.

Accordingly, on June 28th, we held a special meeting of the Executive Committee of the Board of Governors to provide approval for a major portion of the 1978/79 excess of revenue over expenditure to be carried forward into the fiscal year, 1979-80, and allocated for purposes of meeting some of the requests put forward by the Vice-Presidents and Deans. It then became a matter of deciding which of the various requests should be met. In making those decisions, I was guided by the two principal policy objectives which had been agreed upon during many discussions in the Policy Committee during the winter:

- that every effort should be made to support initiatives leading to increased enrolment;

- that every effort should be made to support academic initiatives that would be of an income-generating nature.

Accordingly, I scrutinized each request in the light of those two objectives to insure that the allocations were directed at meeting those objectives.

Discretionary Fund

The fancy label, "President's Discretionary Fund", would suggest that the process of allocating such excesses of revenue over expenditure is somehow different from the process governing the whole of the University budget. The President's responsibility is to allocate the total university budget. In fact, only a small percentage of the total university budget (1-1½ per cent) is presently in the so-called "discretionary" category. Neither the President and the Policy Committee, nor APPC for

that matter, have much impact on the multitude of decisions that go into the allocation of the budget as a whole.

Scrutiny

I believe that if the University is to be flexible, responsive and progressive, then the whole budget must be the subject of scrutiny in the Policy Committee and its academic context on the agenda of APPC. That is one of the reasons why I have established a committee under the leadership of the Vice-President (Academic Affairs) to review our budgetary process. In fact, I believe that all policies within the University should be reviewed, debated, and assessed as widely as possible and that changes should be made on that basis. This is what others mean as well in encouraging greater planning within the University. I support that concern which is one of the principal reasons for the appointment of the Vice-President (Academic Affairs), who must undertake that responsibility on a daily basis.

In the light of this discussion, let me comment on some of the items in last week's *Excalibur* article:

- Decisions on the disbursement of \$232,150 over the summer were, in fact, made within the context of the process described above. Actually, those particular funds are expected to generate new income resulting in a net outlay of only \$40,000 in 1979/80, while providing the relative additional enrolments to maintain our income in subsequent years.

- "Discretionary funds" are allocated as the result of a great deal of thought and consultation on the part of the President of the University.

- To prefer a different form of approval procedure is not the same thing as suggesting that the present procedure is not being followed responsibly and properly.

I hope this commentary will assist the student community in understanding the current financial process in York University.

FAMILY AND CANADA SERIES FEATURED

During the next week the Centre for Continuing Education is opening two four-session seminar series: one in Family Life, the other in Canadian Studies.

The Family Life symposia series begins October 12 with "Media and Youth", a one-day seminar with Toronto freelance producer Rachel McAfee discussing "The Media as a Forum for Teenagers", and Dr. Bader, assistant professor in the University of Toronto's Faculty of Medicine, talking about "Teenage Response to Film Education".

Other Family Life seminars planned for the future are: "Sex, Sin and Sanity — A New Look at Sexual Morality"; "Forum on

Child Abuse"; and "Family Systems: Metaphors and Tactics".

The Canadian Studies symposia starts October 19, with "Canadian Unity", a talk by York Chancellor the Honourable John P. Robarts, former premier of the Province of Ontario.

Other topics in the Canadian Studies area will include "Canadian Social History", "The Canadian Mosaic", and "Canadian Foreign Policy".

General admission is \$15 per day, though special half-price student rates are available. For information and registration contact the Centre at 667-2502.

Footnotes

Teatro de los Buenos Ayres, Argentina's most controversial theatre company, pays a special one performance visit to Toronto at Burton Auditorium on Wednesday, October 17 at 8:00 p.m.

The company will present a new version of "Historias Para Ser Contadas" (Tales To Be Told) by leading Argentine playwright, Osvaldo Dragun.

Narrated in simple, direct language, the play centres on the problem of how man loses his identity when, in order to survive, he is forced by circumstances to distort his distinct human nature.

Tickets are \$6.50 for the general public, and \$4.50 for students and senior citizens. For reservations, call the Burton Auditorium box office at 667-2370.

The Faculty of Fine Arts promises top-flight entertainment when it presents the '79 Homecoming Revue as part of the University's

Homecoming celebrations, Saturday, October 13.

Open to the general public, there will be two performances at 6:30 p.m. and 9:00 p.m. in Burton Auditorium on the main campus.

The fast-paced variety show will include music, skits, stand-up comics, drama and dance by Faculty alumni. Also performing will be a gymnastics team and the York Choir.

Admission to the '79 Homecoming Revue is \$2.50. For further information contact the Alumni Office at 667-3154 or Burton Box Office at 667-2370.

Stong College celebrates the tenth anniversary of its founding with a rededication ceremony at 7:30 p.m. Friday October 12. All members of the Stong community are invited to attend this ceremony, which will be followed by the tenth Anniversary Banquet, addressed by Alfred Stong Jr., M.P.P. and Associate Fellow of Stong College.