

# UNIVERSITY NEWSBEAT

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## President Macdonald's Report to Senate

The following report on current budget planning was delivered to Senate by H. Ian Macdonald on Thursday January 25.

I would like to advise Senate of the background to our present budgetary discussions and also describe the procedures presently underway with a view to reaching decisions on allocations for the 1979-80 budgetary year. In any university, a broadly participatory process is a time-consuming task and frustrating to those who would prefer, for valid reasons of academic planning, decisions both quick and benevolent. However, in my opinion, members of the York community have been seeking more, not less, involvement in and understanding of the budgetary process and assurance that the academic objectives of the university remain pre-eminent. As will be apparent in the description of the process, this requires both time and energy.

This year, in particular, the process was impeded by the delay in the formal announcement of university funding levels, an announcement made just over two weeks ago. However, during the later weeks of 1978, our Policy Committee reviewed the interim financial forecasts for 1979-80, pending the formal announcement of university funding levels by the Ministry of Colleges and Universities and the plan for distribution of grants which is still to be determined by the Ontario Council on University Affairs (OCUA). In those meetings, we established a basic framework of financial requirements for 1979-80 and agreed upon the allowances which we should make for employee compensation, inflation, equipment, the library, recurring contingencies, and discretionary reserve. Depending upon the assumptions of provincial funding, student enrolment and other variables, the increase in revenue was estimated to fall short of our expenditure requirements by \$2.6 to \$3.1 million.

Subsequently, the Ministry of Colleges and Universities (MCU) announced that the 1979-80 operating grants would increase, in global terms, by 5 percent across the system, including permission for a 5 percent increase in student academic fees. When this is discounted by reason of certain special purpose allocations, and the anticipated

decline in enrolment, this University can expect its effective increase in grant and fee income to be about 4 per cent over last year. In contrast, the Council of Ontario Universities had estimated the minimum revenue increase needed for 1979-80 at 6.9 percent. In addition, the Minister has acknowledged that the increase granted does not fully meet the assessment of the needs of the university by the government's own advising body, the Ontario Council on University Affairs, which recommended an increase of 6.15 percent.

In my report to the Board of Governors earlier this month, I stressed once again that the University will have difficulty maintaining its academic quality in the face of continued underfunding. The importance of Board members and all concerned members of the York community supporting the University in the pursuit of its basic objectives in these difficult times, and the necessity of impressing upon the public and the governments at all times the essential importance of universities in society and the price of debasing their intrinsic effectiveness is more urgent than ever.

I believe there are five guiding stars by which we should be setting our course:

(1) above all, the responsibility to maintain and enhance the academic performance and reputation of York University;

(2) the importance of providing a sense of occupational security to those who have committed their working lives to this institution;

(3) the need to maintain a fair and reasonable compensation policy for all groups employed here;

(4) the necessity of applying the standard of academic excellence to all our programs and then seeking to ensure that we are encouraging and facilitating enrolment in York University wherever a potential demand exists; and,

(5) the urgency of ensuring that we have a strategy for attracting private financial support for the varied activities of the University.

I need not remind members of Senate, after the turbulence at the beginning of our academic journey this year, of the difficulty of reconciling some of those ob-

jectives. However, I am pleased to report that the Board of Governors has accepted our proposed plans for a new fund-raising structure which will be conducted in concert with the 20th Anniversary Celebrations of York University.

To return to the chronicle, while we still do not have confirmation of the final distribution of grants from MCU as recommended by OCUA, we do have sufficient information as the result of our own analysis of the general funding announcement and the staff work at COU to have a reasonably accurate picture of the income outlook for next year. In designing the budget, I wanted to be guided by two further operational criteria:

(i) as far as possible within limited resources, to ensure that primary consideration was given to academic requirements and potential consequences before the final distribution of reductions was determined;

(ii) to recognize that the first criterion could be compromised by continuing across-the-board reductions and to retain the capacity for some discretionary changes.

The first step in that process was concluded during the past two weeks in the form of individual discussions which I have had with each Dean and with Vice-Presidents together. A similar discussion took place earlier with the Director of Libraries and one remains to be completed with the Dean of the Faculty of Administrative Studies when he recovers from his present indisposition. These meetings provided me with a clearer view of the current problems and opportunities of each division, as well as knowledge of individual views about our general outlook.

As I indicated earlier, the Policy Committee established last month a potential gap of \$2.6 to \$3.1 million, and I suggested that the Vice-Presidents, Deans, and Director of Libraries should consider forthwith the consequences of budgetary planning to meet such a shortfall. As a second step in the process, I have suggested today a proposed target for each division of the University, based on an overall reduction in the base budget of \$2.7 million. May I also note that the budgetary targets assume that we increase student fees by the 5 per cent

designated by the Ministry. There is modest provision in the budget for discretionary funds at the disposal of the President.

In addition I believe that efforts should be continued to minimize expenditures in every possible way for the balance of the 1978-79 fiscal year. As an incentive, I am proposing that, after meeting certain critical library, equipment, and computing expenditures this year, a major portion of any unspent funds be added to the discretionary fund which will be used to support those activities which will sustain or increase our income and, where possible, to mitigate pressures on budgets of individual programs that could frustrate our objectives or threaten the effectiveness of those programs. May I stress that we are in the midst of discussions on all such matters in the Policy Committee and considerable modification could occur before final decisions are reached.

The third step involves the role of the Academic Policy and Planning Committee (APPC) of Senate. The Committee has scheduled, over the next three weeks, a meeting with each Dean, Vice-President, and the Director of Libraries. In those meetings, I would like APPC to assess the impact of such target reductions on the programs of each division and, in turn, to provide advice as to how we can develop new initiatives and sustain growth in areas under change, while mitigating the overall consequences of the reductions.

In addition, I have invited the executives of each of our unions to meet with me to consider the various issues facing the University. I have arranged a meeting for Monday, January 29, with the members of CYSF and the heads of each student governing body as well as members of the Student Senator Caucus, and a joint meeting of the Executives of the Senate and Board of Governors is scheduled for February 2. I expect that these meetings will provide additional input to the final discretionary decisions about the budget.

These plans merge into the fourth step which is consideration of the longer term in planning the academic future of York. I am convinced that our morale, our sense of security and, in turn, our enthusiasm and effectiveness can be greatly enhanced if we can have a clearer plan for the future. At the

same time, it would permit us to consider budgeting and financial management over a longer planning horizon. I do not suggest this is easy; indeed, it is most difficult as anyone familiar with planning is aware from the casualty-littered battlefield. However, we must try, and I believe that the new Vice-President (Academic Affairs) will play a vital role in facilitating that process. Consequently, in its current review, APPC will begin simultaneously an assessment of the variables in a longer-term academic plan. Similarly, we will be presenting to the Policy Committee and, subsequently, to APPC as well as the joint meeting of the Board and Senate Executive, a five-year forecast based on certain assumptions about revenue, enrolment, and future program costs in order to set the stage for longer-term decisions.

In that connection, let me comment on the seductive term "deficit financing." First, the term holds no fear for me, personally. In a different capacity, I had some responsibility for administering deficits in the millions for fiscal policy reasons. To the question: "What is a prudent level of debt?", my answer always was: "It all depends on the capacity to discharge it in the future, a large part of which may be generated by the deficit itself." Second, York University is not bound to a balanced budget; on the contrary, we still carry nearly \$3 million in combined operating and capital debt and the Board has never insisted that a regular annual reduction be budgeted. Rather, when this question has been raised each year, the Board has always replied that it would examine seriously a multi-year plan, if provision for debt liquidation was an integral part of the plan. I believe that our responsibility is to undertake the preparation and to reach agreement upon the contents of such a plan. In so doing, we must provide satisfactory evidence of the manner in which our academic excellence is being compromised. That is the task to which I suggest we turn our immediate attention.

Finally, I have not provided complete and detailed financial information in this already over-long report. However, an edition of *York Reports* is under preparation which will provide a complete account of our present financial status and the budgetary outlook.

### Soviet Satire performed at York & downtown

The third year performance students of York's Theatre Department perform Nikolai Erdman's *The Mandate*, February 5 through 9 at 8 p.m. with matinees on February 6 and 8 at 2 p.m., in Atkinson Studio. The production will also run February 15-17 at 8 p.m. at YUFAM 596

### Latin-American Festival Continues

Founders College continues its Latin-American Festival with music, film, and theatre events. Today at noon in Founders 202B is Glauber Rocha's film "Antonio das Mortes," and at 7 tonight is a concert of Latin American music performed by El Grupo Llantú (Chile), La Familia Filici (Argentina), and El Grupo Victor Jara (Chile) in Founders Junior Common Room.

Markham St.

*The Mandate*, a satirical farce about two families and an arranged marriage, takes place in Moscow just after Lenin's death.

Admission is free to all performances. To reserve tickets call 667-2370.

The role of women in contemporary Cuba is investigated in the film "Buenos días Compañeras", which will be shown in Founders 202B on Friday February 2 at noon. The same night "Ti-jean and His Brothers", a play by Derek Walcott, is performed by York's West Indian Performing Group at 7:30 in the Founders Junior Common Room.

All events are free. For further information call 667-2208.

## 40'S

"CANADA IN THE FORTIES," an intensive 3-day conference sponsored by Winters College explores federal and provincial relations, labour relations, politics, art, writing, filmmaking, humour, and growing up in Canada during and after World War II. Speakers include the Honourable Jack Pickersgill, the Honourable Alvin Hamilton, Louis Dudek, Heather Robertson, Don Harron, Ken Pagniez, and Winters fellows William Kilbourn, Eli Mandel, Clara Thomas, Miriam Waddington, and John Warkentin. All talks and panels February 8 and 9 are free. Tickets for the opening dinner Feb. 7 are \$7.50 general admission, and \$6.50 for Winters students. Contact Pat Ralston, 269 Winters (667-2204).

### Thomas Shaffer next 'Or'Emet Lecturer

"Moral Discourse in the Practice of Law" will be discussed by Thomas L. Shaffer, former Dean of Law at Notre Dame University, during the second annual 'Or'Emet Public Lecture.

The lecture is scheduled for Friday, February 2 at 4:00 p.m. in the Moot Court, Osgoode Hall. Prof. Shaffer has written eight books and numerous articles and essays in the fields of law,

behavioural sciences, and ethics. He has directed law teaching clinics and served as a director of many professional and community organizations.

The series, whose Hebrew name translates as "the light of God's truth," was established in 1976 to promote through public discussion an examination of the significance of religion, ethics, culture and history in the development of the legal system.

### Recitals and Concerts

•Friday February 2 at 2 p.m. in the Stong Junior Common Room: "The Bulgarian Ritual Calendar in Music and Dance" with Tim Rice and K. Varimezov. Free.

•Sunday February 4 at 3 p.m. at York University Fine Arts on

Markham (596 Markham St.): "Recital by pianist Mark Yolleck." A contribution may be requested.

•Tuesday February 6 at 12 noon in Bethune 340: "Concert by Shambu Das, North Indian Sitarist." Free.