

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL

Thursday, May 1, 2003

MINUTES OF THE GOVERNING COUNCIL meeting held on Thursday, May 1, 2003
at 4:30 p.m. in the Council Chamber, Simcoe Hall.

Present:

Dr. Thomas H. Simpson (In the Chair)	Professor Ian R. McDonald
Ms. Rose M. Patten, Vice-Chair	Mr. David Melville
Professor Robert J. Birgeneau, President	Mr. Sean Mullin
Professor Mary Beattie	Mr. Colm Murphy
Dr. Robert Bennett	Dr. John P. Nestor
Professor Philip Byer	Professor Shirley Neuman
Professor Brian Corman	Mr. Elan Ohayon
Professor W. Raymond Cummins	Ms. Jacqueline C. Orange
Mr. Brian Davis	The Honourable David R. Peterson
Dr. Claude Davis	Mr. Chris Ramsaroop
The Honourable William G. Davis	Mr. Timothy Reid
Professor Sherwin Desser	Dr. Joseph L. Rotman
Dr. Alice Dong	Mrs. Susan M. Scace
Dr. Inez Elliston	Mr. Amir Shalaby
Ms. Susan Eng	Professor Carolyn Tuohy
Professor Luigi Girolametto	
Mr. Gerald Halbert	Mr. Louis R. Charpentier, Secretary of Governing Council
Professor Ellen Hodnett	
Ms. Shirley Hoy	Secretariat:
Professor David Jenkins	
Professor Brian Langille	Mr. Neil Dobbs
Ms. Karen Lewis	Mrs. Beverley Stefureak
Professor Michael Marrus	

Absent:

Mr. Mark Braun	Mr. John F. (Jack) Petch
Dr. Shari Graham Fell	Ms. Carol Stephenson
Mr. Paul V. Godfrey	Mr. John H. Tory
Mr. Gerald Halbert	Professor John Wedge
Ms. Durré Hanif	Mr. Robert S. Weiss
The Honourable Henry N. R. Jackman	
Mr. Joshua Paterson	

In Attendance:

Mr. Muhammad Basil Ahmad, Member-elect, Governing Council
Mr. Mike Foderick, Member-elect, Governing Council
Mr. Mohammed Hashim, Member-elect, Governing Council
Mr. Felix Chee, Vice-President, Business Affairs
Dr. Jon Dellandrea, Vice-President and Chief Advancement Officer
Professor Angela Hildyard, Vice-President, Human Resources

In Attendance: (cont'd)

Dr. Sheldon Levy, Vice-President, Government and Institutional Relations
Professor Rona Abramovitch, Director, Transitional Year Program
Ms. Alexandra Artful-Dodger, External Affairs Commissioner, Students' Administrative Council
Ms. Sue Bloch-Nevitt, Director of Public Relations and Advancement Communication
Professor David Farrar, Vice-Provost, Students
Dr. Beata FitzPatrick, Director of the Office of the President and Assistant Vice-President
Ms. Rivi Frankle, Assistant Vice-President, Alumni and Development
Professor Vivek Goel, Deputy Provost, and Vice-Provost, Faculty
Ms. Ranjini (Rini) Ghosh, President, Arts and Science Student Union
Ms. Georgina L. Gray, Director of University Events & Presidential Liaison (Advancement)
Ms. Lesley Lewis, Assistant Provost and Special Assistant to the Provost
Professor Derek McCammond, Vice-Provost, Planning and Budget
Mr. Ashley Morton, President, Students' Administrative Council
Ms. Maureen Somerville, Chair, College of Electors
Professor Ronald Venter, Vice-Provost, Space and Facilities Planning
Ms. Nicole Wahl, Department of Public Affairs

Chair's Remarks

(a) Welcome

The Chair welcomed members and guests to the meeting.

(b) Audio web-cast

The Chair reminded members that the meeting was being web cast.

1. Minutes of the Previous Meeting: April 3, 2003

The Minutes of the meeting of April 3 were approved.

2. Business Arising from the Minutes of the Previous Meeting

There was no business arising from the Minutes of the previous meeting.

3. Report of the President

(a) The Throne Speech

The President reported briefly on parts of the Throne Speech that had significance to the University. Earlier commitments to funding for the double cohort had been repeated. However, there had been no mention of the second round of the Ontario Students' Opportunity Trust Fund. He was encouraged with the announcement of an aggressive program to recruit and retain nurses; this would be important to the Faculty of Nursing and, hopefully, to the development of 155 College Street. Statements relating to the possible abolition of mandatory retirement were of concern to the University. The University recognized the worthwhile contributions of its senior members and the Memorandum of Agreement with the Faculty Association had mechanisms to allow individuals to request an appointment beyond 65. Any change to the current arrangements could have very serious implications for faculty careers, research

3. Report of the President

(a) The Throne Speech (cont'd)

capability, tenure, pension plans, salaries and benefits, etc., and should not be considered without careful consultation and management of what would need to be gradual change.

(b) Association of American Universities (AAU) Meeting

The President reported on the conference of the top 50 research universities in the United States which included two Canadian universities (McGill and Toronto). The focus for the conference had been on homeland security and the presidents had met with Secretary Tom Ridge to explain the impact on university students and faculty of measures taken by the American Government to secure their borders. Professor Javad Mostaghimi, Vice-Dean of Research and Graduate Studies in the Faculty of Applied Science and Engineering, had written a paper on the consequences of new border regulations which had reached the attention of the Homeland Security Secretary. The President was hopeful for some positive changes to alleviate the tremendous burden this situation was creating for Canadian scholars.

Professor Birgeneau indicated that he would comment during debate on the Budget Report on discussions he had had with American university presidents about the general financial situation of their universities.

(c) University of Toronto Asset Management (UTAM) Corporation

The President reported that, following the departure of Mr. Lindsey, Mr. Chee had assumed the position of President and Chief Executive Officer of UTAM for the interim, spending three days a week working there. The University was fortunate in that Mr. Chee was probably the single best person in Canada to handle the kind of investment challenge faced by the University at this time. He noted that the size of the UTAM Board had been reduced from fourteen to ten, including himself and Tom Simpson, Chair of the Governing Council. Mr. Ira Gluskin had agreed to accept the appointment as Chair of the UTAM Board of Directors, with Dr. Joseph Rotman as Vice-Chair. Mr. Chee was gradually bringing about changes to make UTAM able to respond to the needs of the University in a flexible way.

(d) Update on University Response to the Outbreak of Severe Acute Respiratory Syndrome (SARS)

Subsequent to the Provost's report to the Executive last week, the President said that Dr. David Naylor had been named by the Prime Minister to chair a panel of eight experts from across Canada to examine how the SARS crisis had been handled in Canada. The panel was expected to report within three months. Some of Dr. Naylor's duties as Dean of Medicine would be managed during that time by the Vice-Dean.

Professor McCammond and Dr. Levy were compiling an inventory of the financial impact of SARS on the University.

(e) Science in the 21st Century

The President, adding to his written comments that had been circulated prior to the meeting and placed on the table, said that he was serving on a Committee in Washington on behalf of the Secretary of Energy, Overseas Science and Technology Research in the

3. Report of the President

(e) Science in the 21st Century (cont'd)

United States. He was one of two on a sub-committee responsible to determine for the Department of Energy what might be the significant scientific challenges on a one hundred year cycle. The work was very interesting, and significant for the University of Toronto because one could see challenges that could be addressed in Canada. While five or six years ago some believed that all important problems had been solved and science was dead, it had become clear that some very difficult problems remained to be solved. The most interesting of those challenges required an interdisciplinary approach. It was becoming increasingly apparent that a single scientist in a laboratory, together with a few graduate students, would not solve these problems. This was significant for the University of Toronto, where there were numerous faculty with experience in a great range of areas. He believed this University could be in a better position to address these complex problems than institutions like Princeton or the California Institute of Technology. The article in today's *Globe and Mail* by Professor David Jenkins gave an example. President Birgeneau asked that Professor Jenkins speak briefly to the subject of his article.

Referring to his article and to a notice of motion given to the Chair prior to the meeting, Professor Jenkins outlined his proposal to establish an Institute of Virology and Microbiology at the University of Toronto. The SARS challenge had exposed a vulnerability in the health care system and the research enterprise and had provided an enormous opportunity for the University to secure external funding for a world-class, multi-disciplinary institute to detect viruses and develop vaccines for their cure, in a city that was demographically and geographically well suited for such an endeavour. A successful endeavour to establish such an institute would bring prestige to the University and be positive from a financial, human resources, research and academic perspective.

The President agreed that the University of Toronto was extremely well-placed to pursue such a proposal. In responses to questions from members, he indicated that Dean Naylor's secondment and the insight he could offer at the federal level would be a positive factor in government consideration of such a proposal.

Speaking to the issue of inhibited border crossings, a member asked if the President had had discussions with government officials and if he would be willing to work with other groups to assist in resolving the problem. To the first question, Professor Birgeneau replied that he had spoken to the Honourable Bill Graham. To the second, the President said that he or others on his behalf would be happy to work with community groups to address this issue.

A member recognized that, with the Ontario Confederation of University Faculty Associations supportive of the abolition of mandatory retirement, it would likely be necessary to achieve a balanced outcome, and this would require resources. The President responded that the issue went beyond resources. There were also the questions of assuring balanced careers and quality education in the classroom while achieving an outcome that was consistent with respect for the University's faculty members.

There was discussion conceptually supporting the idea of a world class institute. Members believed that the interdisciplinary approach would also include the social sciences.

3. Report of the President
(e) Science in the 21st Century (cont'd)

Commenting generally on the President's report on *Science in the 21st Century*, the Chair agreed that the University of Toronto must play a role in defining the future of research in this country. To fulfill its mission, the University must be at the frontier of knowledge and this was the kind of thinking that would lead into achieving its academic objectives.

A member asked about news that the proposed investment for the International Thermal Experimental Reactor (ITER) had increased substantially. The President responded that, if the project were to be located in Ontario, the expected investment would likely be in the order of \$1.2 billion. If the team were to go somewhere else, it would more likely be at the \$400 million level. Professor Mostaghimi would be setting up a Committee to advise provincial and federal governments on whether or not this project should come to Canada, and if so whether it be in Ontario. If the project were to be located in Ontario, it would be phenomenal for the University of Toronto. Almost every aspect of it would be challenging to the Faculty of Applied Science and Engineering. If it were to be located in Spain, the other major contender, implications were more complicated.

A member referred to changes on the UTAM Board and suggested that the addition of a student member might be considered. Another asked about the implications of the announcement relating to mandatory retirement for the pension plan and the University's diversity/equity hiring objectives. The President responded that reliable information on those factors was not yet available.

4. School of Graduate Studies: Proposal for a New Master of International Trade in Forest Products (M.I.T.F.P.) Program
(arising from Report Number 118 of the Academic Board – April 10, 2003)

Professor Cummins explained that this was a proposal for a professional master's degree, taken over a 16-month period, and targeted at individuals with strong professional experience in high level positions in government or industry. It was self-funding.

On motion duly moved and seconded,

It was RESOLVED

THAT the new Master of International Trade in Forest Products (M.I. T.F.P.) program, as described in the submission from the School of Graduate Studies, dated February 10, 2003, a copy of which is attached to Report Number 118 of Academic Board as Appendix "A", effective January 2004, be approved.

5. University of Toronto at Scarborough: Discontinuation of 15-Credit B.A./B.Sc. Program
(arising from Report Number 118 of the Academic Board – April 10, 2003)

Professor Cummins recalled that the 15-credit B.A. and B.Sc. programs at the University of Toronto at Mississauga and at St. George had been discontinued. The University of Toronto at Scarborough was now proposing to do the same. Demand for the program had continued to decline dramatically and that were no resource implications to its discontinuation. Among the academic reasons for its discontinuation was the belief that a 20-credit program was required to provide the breadth and depth of study necessary for academic excellence. Also, it was considered important that the University of Toronto should have a one-degree

5. University of Toronto at Scarborough: Discontinuation of 15-Credit B.A./B.Sc. Program (cont'd)

format in these programs, to removed any confusion about the meaning of these degrees from the University of Toronto.

On motion duly moved and seconded,

It was RESOLVED

THAT the proposal for the discontinuation of the 15-credit B.A. and B.Sc. degrees, as described in the University of Toronto at Scarborough submission, dated February 26, 2003, a copy of which is attached to Report Number 118 of Academic Board as Appendix "B", be approved, effective for students registering at the University of Toronto at Scarborough in the Summer of 2004.

6. Capital Project: - Faculty of Arts and Science, Economics Building - Project Planning Report
(arising from Report Number 118 of the Academic Board – April 10, 2003)

Professor Cummins indicated that this project had been proposed in response to an urgent need for faculty and graduate student space, as well as for classroom space. The project was presented in two phases. Funding for the first phase was already in hand and fund-raising for the second phase was underway. Design of the project would proceed immediately and the decision about whether to proceed with one or both phases would be made in December 2004, when the design phase was expected to conclude.

On motion duly moved and seconded,

It was RESOLVED

1. THAT the project planning report for the Department of Economics, a copy of which is attached to Report Number 118 of Academic Board as Appendix "E", be approved in principle. The project has two phases and the initial design will incorporate both phases in the design stage. The two phases will only be constructed concurrently if all funding is secured; presently only the funding for phase 1 has been defined.
2. THAT the project scope of 1880 nasm of new space and 450 nasm renovated space be approved at an estimated total project cost of \$14,300,000 (May 2004), with funding as follows:
 - (i) Financing of a mortgage in the amount of \$6,000,000 to be repaid over a 25-year amortization period at 8% per annum by the Faculty of Arts and Science to coincide with needs of the project. This contribution will address the first phase of the project.
 - (ii) \$8.3 million to be raised from external sources by the Faculty of Arts and Science for the second phase of the project. The second phase of the project will only proceed to construction once all funds are secured.

7. Budget Report 2003-04

Professor Cummins reported that there had been a very good discussion of the Budget Report at the Academic Board. A motion to refer back had been defeated and the Budget Report had been subsequently approved with an overwhelming majority.

It was duly moved and seconded,

THAT the Budget Report, 2003-04, be approved.

The President congratulated the Provost and her staff for a wonderful job in bringing forward a responsible budget, based on realistic assumptions, during this very difficult fiscal time. It was a conservative document and he hoped that the University would be successful in raising more resources than predicted. At the AAU conference, he had had conversations with presidents of American universities about their fiscal environment. To put this Budget Report in the context of those conversations, all with whom he had spoken were facing 6 - 10% budget cuts for the second year in a row; some were faced with tuition increases of 35% across-the-board and another had decided to manage its difficult situation with large numbers of staff layoffs. The situation in the United States was a reflection of the American economy and, in comparison, the University of Toronto was actually in a better position, both in economic terms and in its success rate in recruiting faculty.

The Provost was invited to make a powerpoint presentation similar to that provided for the information of the Planning and Budget Committee, the Business Board, the Academic Board and the Executive Committee. Professor Neuman did so, explaining: the context in which the budget had been developed; the impact of unrealized revenue assumptions and increased expenses; revised assumptions for the next year; the impact of losses in pension plan investments and increased liabilities under the plan; the consequence of needing to renew pension plan contributions earlier than anticipated; the reduction in the endowment payout; the proposed distribution of revenue from increased enrolment; major causes for the budget problem; funding comparisons between the University of Toronto and other provincial jurisdictions in Canada and when the University of Toronto was viewed among universities in the Association of American Universities; the continuing and significant commitment to the Library acquisitions budget and graduate student assistance; challenges posed by deferred maintenance; the impact of the provincial budget announcement; and, finally, why the administration had opted for budget cutbacks rather than changed guidelines. Some members of governance had suggested that the administration should ask the Governing Council for a change in guidelines which would permit presentation of a deficit budget this year and a increased accumulated deficit. The administration had decided against taking that easier route because of the very significant financial challenges in the years ahead, some of which she reviewed. Proceeding with a budget that met the guidelines set by Governing Council for the final year of a six-year cycle seemed the most prudent approach. Professor Neuman also commented briefly on areas of increased revenue that had come to light following consideration at the Planning and Budget Committee, but which had been discussed at the Business Board and Executive Committee.

A member commended the administration for meeting the targets set out by Governing Council, and asked for a clarification of the Academic Priorities Fund (APF). Professor Neuman replied that the APF was a redistribution instrument with sources of funding as described on page 9 of the Budget Report. To give an example, the Faculty of Law, despite its increases as a result of revenue from higher tuition levels, still required a subsidy from this re-allocative process.

7. **Budget Report 2003-04** (cont'd)

Expressing concern about the ability of the divisions to sustain quality programs in the face of budget cuts to largely already committed budgets, a member asked what strategies were under consideration to meet the goals of this budget. The President responded, making several points. First, it was intended that faculty recruitment and hiring would proceed concurrent to the academic planning exercise. This was necessary despite the budget situation. The University also remained fully committed to maintaining strong financial aid programs for students. This could not change. The answer to the financial challenge was in continuing to work with the Government for increased resources. There had been major successes in the announcement of the Quality Assurance Funds and in the achievement, at the federal level, of the recognition of indirect costs of research. There were signals of major provincial support for the Faculty of Nursing and the administration was hopeful that continued lobbying would bring about increased funding for graduate students. The President also said that he was confident that sources of research funding would continue to increase.

The Provost said that academic planning would have to involve careful thinking about choices. The demographics indicated that large numbers of faculty and staff would be retiring in the near future and that would provide flexibility in recruitment. Making good choices would require discipline and rigor. As well, she believed that there were ways in which the University could save money. Capital expansion was being reviewed to determine which projects could be delayed or not done at all. The administration would be looking at various business practices to determine if things could be done more effectively and efficiently, at less cost. The President added that some of the very best academic planning could be done under these rigorous circumstances. Constrained budget situations could bring about new ways of looking at things that could result in good choices.

A member expressed satisfaction with what, in his view, was a prudent, responsible budget with a manageable accumulated deficit and one that had continued to address accessibility by significant commitment to financial aid programs.

A member expressed some concern with tuition and unease with how budget cuts might affect programs. He hoped that the administration would agree to work with the students to argue for full government funding of a public system that might eliminate the need for cuts. The member's second concern was with the decision to continue with UTAM. In his view, the establishment of UTAM had turned out to be problematic, not only from the point of view of effective investing but also by what he saw as lack of transparency and the possibility of unethical investing. In his view, UTAM should be disbanded. Finally, he thought the budget should be reconsidered and he proposed that it be referred back to the Business Board. At the suggestion of the Chair, the speaker agreed to allow debate to continue before proceeding with the motion to refer back.

A member commented on positive and negative aspects of what was, in the member's view, a comprehensive budget report. It was good that the University had been adept at finding sources of funding other than the provincial government. However, he saw everything else as less positive. His concern focused on how the divisions would manage to sustain quality programs with this budget cut coming on top of successive cuts of the past. He wondered if it was time to send a dramatic message to the Government.

Professor Neuman responded. She recognized the challenge in not directing full revenue back to the divisions, but felt confident that, in most cases, quality programming could be maintained at both the undergraduate and graduate level. In some cases, significant

7. Budget Report 2003-04 (cont'd)

changes would need to be made. Some hiring could not proceed. Some divisions might not be able to continue to offer all programs. However, she did not see a diminishing of quality. Class sizes would become larger but there was ample evidence to indicate that larger class sizes did not necessarily lead to a poorer quality program. She acknowledged that there would need to be improvement in funding by the time the full impact of the double cohort was felt or there was a chance of reduction in quality of programming.

A member thought there should be a clear goal to reduce the accumulated deficit and to address deferred maintenance. With respect to the latter, the member suggested a funding raising objective, perhaps a "preserving our past" campaign.

It was duly moved and seconded,

THAT the time of adjournment be extended by 15 minutes to 7:15 p.m.

It was duly moved and seconded,

THAT the motion be amended to extend the time of adjournment by 30 minutes to 7:30 p.m.

The vote was taken on the motion to amend. The motion was defeated.

The vote was taken on the main motion. The motion carried.

A member expressed concern that this budget might cause staff layoffs. With respect to the financial aid commitment, he noted that there did not seem, as yet, to be a commitment to financial aid for part-time students. Such a commitment would be a good strategy to attract mature students. He believed that the administration should have requested permission to increase the deficit. He urged continued and vigorous lobbying of the provincial government to make them aware of what, in his view, was a crisis in funding at the University of Toronto, the results of which were decreased accessibility and unacceptable levels of tuition.

A member recalled that the University of Toronto, several years ago, had indicated that it would take additional students but only if full average funding was provided to maintain the quality of education. Now, it appeared that the University must take these additional students just to maintain the status quo. Putting the budget in perspective, things had changed. Divisions across the University would be required to make hard choices. The problem was that often things that could be cut did not involve significant savings. His conclusion was that there needed to be enhanced sources of revenue and that the University needed to consider structural change. He hoped that the upcoming budgetary process would involve deep thinking at the highest level about how the University could be different without a different mission or profile.

A member spoke to concerns about deferred maintenance. This was important for all members of the community and this was a public concern. He was cautious about the suggestion that private money should be sought. This was a public university and its important needs should be publicly funded. It was also extremely important to listen to the students who, by and large, were anxious to join the administration in its approach to the Province to look for increased funding. The suggestion of a joint effort had been made some time ago, but he saw no evidence of it going forward.

7. Budget Report 2003-04 (cont'd)

It was duly moved and seconded,

THAT the Budget Report 2003-04 be referred back to the Academic Board with the proposal that the University reconsider the money it spends on managing investments.

It was duly moved and seconded that the question be put.

A member, on a point of order, indicated that it was usual to hear one or two speakers on a motion to refer back.

The Chair indicated that the question had been called and that it would go to a vote.

It was duly moved and seconded

THAT the ruling of the Chair be appealed.

The motion to appeal the ruling of the Chair was defeated.

The motion to put the question was carried.

The vote was taken on the motion to refer back. The motion was defeated.

The vote was taken on the motion to approve the Budget Report 2003-04. The motion was carried.

8. Reports for Information

Reports Number 117 and 118 of the Academic Board, Number 123, 124 and 125 of the Business Board, and Number 357, 358 and 359 of the Executive Committee were received for information.

Referring to Report Number 359 of the Executive Committee, a member recalled the ongoing discussion about full and fair representation for all students on the Governing Council. While the students in the Academic Bridging Program and the Transitional Year Program had been approved for eligibility for nomination to the Governing Council, those with special student status still were excluded. He urged the Executive Committee to continue the process toward recognition of all students.

9. Date of the Next Meeting

The Chair reminded members that the next meeting of the Governing Council was scheduled for Thursday, May 29, 2003, beginning at 4:30 p.m.

10. Question Period

A member noted that the University of Toronto was employing sub-contractors that were engaged in pay violations. He requested that the President meet with the Chief Executive Officer of the sub-contracting firm to resolve this unfair practice. The President asked to have the issue forwarded to him in writing so that appropriate action could be determined. The member agreed.

11. Other Business

Notice of motion was given that:

All Governing Council of the University of Toronto meetings, including meetings of the Council, its Boards, Committees and related events are to be held in accessible locations.

On motion duly moved and seconded, it was RESOLVED

THAT the time of adjournment be extended by two minutes to 7:17 p.m.

A member spoke in support of the notice of motion. He also wished to welcome the new executives of the student governments, many of whom were present. He particularly congratulated Mr. Ramsaroop for being elected President of the Association of Part-time Undergraduate Students.

The meeting adjourned at 7:17 p.m.

Secretary

Chair

May 23, 2003