

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 405 OF
THE EXECUTIVE COMMITTEE

Thursday, May 17, 2007

To the Governing Council,
University of Toronto.

Your Committee reports that it held a meeting on Thursday, May 17, 2007 at 11:30 a.m. in the Boardroom, Simcoe Hall, with the following members present:

Ms Rose M. Patten (In the Chair)
Mr. John F. (Jack) Petch, Vice-Chair
Professor David Naylor, President
Mr. P.C. Choo
Ms Susan Eng
Professor Ellen Hodnett
Mr. Timothy Reid
Professor Arthur S. Ripstein
Professor Barbara Sherwood Lollar
Ms Estefania Toledo
Mr. Robert S. Weiss

Non-Voting Member:

Mr. Louis R. Charpentier

Secretariat:

Mr. Henry Mulhall, Secretary

Regrets:

Miss Coralie D'Souza
The Honourable William G. Davis
Dr. Shari Graham Fell

In Attendance:

Professor Michael R. Marrus, Chair, Academic Board and Member of the Governing Council
Mr. Richard Nunn, Vice-Chair, Business Board and Member of the Governing Council

1. Report of the Previous Meeting

Report Number 404 of the Executive Committee meeting held on April 12, 2007 was approved.

2. Business Arising from the Report of the Previous Meeting

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

3. Minutes of the Governing Council Meeting of April 26, 2007

Members received for information the minutes of the Governing Council meeting held on April 26, 2007.

4. Business Arising from the Minutes of the Governing Council Meeting

There was no business arising from the minutes of the Governing Council meeting.

5. Report of the President

(a) Faculty Awards and Honours

The President reported that the Academic Board, at its May 2, 2007 meeting had approved the appointment of two distinguished members of the faculty, Professor Brad Inwood of the Departments of Classics and Philosophy, and Professor Dwayne Miller of the Departments of Chemistry and Physics, as University Professors. In addition, the Board had approved the 2007 recipients of the President's Teaching Awards, the University's highest teaching honour. The recipients, who would serve five-year terms as members of the Teaching Academy, were Professor Marion Bogo of the Faculty of Social Work, Professor David Dunne of the Rotman School of Management, Senior Lecturer Corey Goldman of the Department of Ecology and Evolutionary Biology, Professor Susan McCahan of Mechanical and Industrial Engineering, and Senior Lecturer Judith Poë of Chemical and Physical Sciences at the University of Toronto at Mississauga (UTM). The President noted that these outstanding recipients were representative of a range of academic disciplines, university campuses, and both the teaching and tenure streams.

(b) Fundraising and Advancement

The President noted that the University had announced two major gifts in recent weeks. The Faculty of Nursing had received a commitment of \$10 million from Mr. Lawrence Bloomberg, and had chosen to recognize the donor by naming the Faculty in his honour. On May 16, 2007, Chancellor Emeritus Henry Jackman had made a \$15 million gift to the humanities at the University, doubling a similar commitment of \$15 million made five years previously.

(c) Government Relations

The President reported that the Provincial Government's Ontario Innovation Strategy had been expected for a number of months, and it now seemed likely to be released in the fall in advance of the Provincial election. The Federal Government was expected to release a research and innovation strategy paper that morning that would elaborate on funding announcements made in the Federal Budget on March 19, 2007, likely by establishing a decision framework separate from the budget process. The University would examine the paper closely, and perhaps provide a response.

5. Report of the President (cont'd)

(d) Vision 2030

The President provided members with confidential drafts of the University's preliminary Vision 2030 framing document, and asked them to provide comments and feedback to him within the following week. He intended to make a presentation on the process and substantive issues to the Governing Council at its meeting on May 30, 2007.

6. Items for Endorsement and Forwarding to the Governing Council

(a) Publication Policy

(Arising from Report Number 150 of the Academic Board [May 2, 2007]- Item 6)

Professor Marrus reported that the revisions to the *Publication Policy* were a further outcome of the broad review of all the University's research policies led by the Vice-President, Research. There were two key changes in the Policy, a reduction in the time that sponsors might delay publication of research results and the prevention of sponsors prohibiting disclosure of research results with human subjects when such disclosure was necessary to maintain the informed consent of the subjects. There had been no discussion at the Board of the revised Policy.

A member asked that the documentation to be provided to the Governing Council clearly indicate with tracked changes the two revisions that had been made. It was agreed that this should be standard practice.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the proposed revised *Publication Policy* be approved, replacing the Policy approved by the Governing Council on February 27, 1975.

Documentation is attached to Report Number 150 of the Academic Board as Appendix "A".

(b) Copyright Policy

(Arising from Report Number 150 of the Academic Board [May 2, 2007]- Item 7)

Professor Marrus reported that this item had also arisen from the University's comprehensive review of its research policies. The only substantive change in the revised *Copyright Policy* was the enhancement of the dispute-resolution process to require the use of mediation before proceeding to arbitration. Again, there had been no discussion at the Board of the revised Policy.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the proposed revised *Copyright Policy* be approved, replacing the Policy approved by the Governing Council on June 3, 2002.

Documentation is attached to Report Number 150 of the Academic Board as Appendix "B".

6. Items for Endorsement and Forwarding to the Governing Council (cont'd)**(c) I'Anson Fund Terms of Reference: Rescinding***(Arising from Report Number 150 of the Academic Board [May 2, 2007]- Item 8)*

Professor Marrus reported that the I'Anson Fund, which at one time had totaled approximately \$20 million, currently had a value of approximately \$3.25 million, the income of which was used to support medical research. It was therefore no longer necessary to have Terms of Reference for the fund approved at the level of the Governing Council. There had been no discussion of the rescinding of the Terms of Reference at the Academic Board. A member asked for an explanation of the diminution of the fund, and the President responded that most of it had been used to provide matching funds in support of endowed chairs, and that this had been carried out in accordance with the terms of the original bequest.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the Terms of Reference of the Mary Gertrude I'Anson Fund approved by Governing Council on June 6, 1988 be rescinded.

Documentation is attached to Report Number 150 of the Academic Board as Appendix "C".

(d) School of Graduate Studies / Faculty of Medicine: Master of Science Degree Program in Community Health*(Arising from Report Number 150 of the Academic Board [May 2, 2007]- Item 9)*

Professor Marrus reported that this proposed degree program was a non-thesis, professional program that would be offered in a modular format, and would include some electronic-learning components. It would require five full-course equivalents to be completed over 12 months of full-time study. He reported that there had been no discussion of the item at the Academic Board.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

- (a) THAT the proposed Master of Science in Community Health (M.Sc.C.H.) Program at the Faculty of Medicine, Department of Public Health Sciences, be approved, effective September 2007; and
- (b) THAT the proposed Graduate Diploma in Community Health (Dip.C.H.) Program at the Faculty of Medicine, Department of Public Health Sciences, be approved, effective September 2007.

Documentation is attached to Report Number 150 of the Academic Board as Appendix "D".

6. Items for Endorsement and Forwarding to the Governing Council (cont'd)

- (e) **Long Range Budget Guidelines: 2007-08 to 2011-12, and Budget, 2007-08**
(Arising from Report Number 150 of the Academic Board [May 2, 2007]- Item 10 and from Report Number 157 of the Business Board [May 7, 2007])

Professor Marrus reported that the Vice-President and Provost had provided the Academic Board with a detailed presentation of the long-range budget guidelines and the proposed 2007-08 budget, the first to be prepared using the new budget model. In some respects the presentation had been sobering, given the significant expense containments that would be needed in order to control the accumulated deficit. During discussion it had been asked whether a gap between rich and poor divisions was emerging, given the differential impact of the budget on divisions. The Provost had replied that the new budget model provided a better understanding of inter-divisional variability, and that contingency funds would be available to assist divisions that had limited resources. A member had asked whether larger class sizes would result from cost containment measures. The Provost had replied that cost containment measures could have results other than increased class size, including the slowing down of capital projects, and reduction of one-time-only (OTO) expenses. The Board had discussed the item thoroughly, and there had been a sense among the members of the complexity of the budgetary challenges that existed, and that the course that was being proposed was the appropriate one.

Mr. Nunn reported that the Business Board was responsible for advising the Governing Council on the financial prudence of the budget plan. It needed to consider such questions as whether the University would be able to bring the deficit back to 1.5% of operating revenue by the end of the new planning period in 2012, whether the budget assumptions were realistic, and whether the level of risk was prudent?

The Business Board had also received a full presentation from Professor Goel at its meeting on May 7, 2007. In addition, it had received a detailed statement from the President. He had assured the Board that the assumptions about revenue and expense were reasonable and prudent, and that the risk involved was being managed effectively. The President had also assured the Board of his endorsement of the basic strategies of the new long-range plan: moving immediately to annual balanced budgets and paying down the \$80-million cumulative deficit over the five years of the new plan rather than the three years of the old plan. After a thorough discussion, the Business Board had voted to concur with the recommendation of the Academic Board that the Budget Guidelines be approved.

A member expressed his approval of the proposed budget which, in his view, was realistically based on facts rather than hopes. He noted that he had participated in the budget discussion at the Business Board and had asked a question regarding the extension of the period during which the accumulated deficit would be reduced to the required level. Specifically, he had asked if there was a formal policy limiting the deficit to 1.5% of revenues and, if so, whether it was intended to revise that policy. Professor Goel had replied that the policy, which limited both any cumulative operating surplus or deficit, remained in place, but that the Governing Council had permitted exceptions to the policy through its approval of a series of long-range budget guidelines permitting a larger deficit. The member was of the view that this should be made clear when the budget was presented to the Governing Council.

The member noted that approximately \$83 million of capital expenditures were planned for the 2007-08 fiscal year, to be funded from University sources rather than government funding or donations. He recommended that this be considered a fundraising opportunity, which, if managed successfully would allow the University to free up some of these operating funds for other uses. The President responded that this suggestion would be taken into consideration, but noted that many of the capital projects planned for the upcoming year were for renovations to existing

6. Items for Endorsement and Forwarding to the Governing Council (cont'd)**(e) Long Range Budget Guidelines: 2007-08 to 2011-12, and Budget, 2007-08 (cont'd)**

buildings. It was much more challenging to raise funds from donors for existing buildings than it was for newly constructed ones.

A member stated his view that a budget should include all sources of revenue. He asked if it would be appropriate to include a footnote in the University's budget document to explain that not all sources of revenue, specifically those raised by student fees and those accruing to the Federated Universities, had been included. He was concerned that, without such a footnote, the budget underestimated the total revenues that were being used to achieve the University's objectives and to support its mission. The President responded that he was open to this suggestion as it would be useful to have greater clarity with respect to the total revenues that were being utilized. He noted that negotiations with the Federated Universities regarding renewal of their Memorandum of Agreement with the University would begin in the coming months, and that the possibility of a shared balance sheet could be explored.

A member stated that he had had some difficulty understanding the advantages and disadvantages of the new budget model, and suggested that members of the Governing Council might not have received the same sort of detailed information that had been provided at lower levels of the governance structure. In his experience, informal discussions with members of the University administration often provided more useful information about specific issues than did formal governance meetings. The President responded that the challenge of refining the governance system to promote more engaged, detailed and substantive discussion of issues would be addressed in the University's upcoming vision document. With respect to the new budget model, the President noted that there had been very detailed discussions among the University's Deans regarding its advantages and disadvantages, including issues of necessary cross-subsidies and redistribution given the inherent bluntness of the government 'BIU' per-student granting system. The new budget model took the existing redistributions as a starting point, given that they reflected academic decisions over the course of many years. But its goal prospectively was to provide disincentives to the establishment of financial 'silos' and incentives towards greater efficiency, and to allow greater transparency and open debate with respect to central and divisional costs.

A member noted that the accumulated deficit was projected to total approximately \$80 million by the end of the 2006-07 fiscal year, and to be reduced under the proposed long range budget guidelines to the required levels by payments of approximately \$11.2 million per year over the next five years. He asked whether the University had considered applying the \$40 million of one-time-only funding recently received from the Province to reduce the accumulated deficit immediately by approximately one-half. The President responded that it had been decided to treat the \$40 million of funding as in-year revenue, rather than to apply it to offset the accumulated deficit. It was considered to be more prudent to take a decentralized approach by distributing the revenue to the divisions on a pro rata basis, and allowing the divisions to make decisions about their own offsets. The more graduated process of annual payments would be used to reduce the accumulated deficit.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the "University of Toronto Long Range Budget Guidelines: 2007-08 to 2011-12", dated April 16, 2007, including the 2007-08 Budget, be approved.

Documentation is attached to Report Number 150 of the Academic Board as Appendix "E".

7. Policy on Appointments and Remuneration: Revision

The Vice-Chair reported that this item was a recommendation for revisions to the *Policy on Appointments and Remuneration*, as well as a related revision to the Terms of Reference of the Executive Committee. The last substantive revision to the Policy had occurred in 1999. Similar to the current proposal, those revisions had been intended to enable the Senior Salary Committee to concentrate more on compensation programs rather than on individual compensation decisions. The proposed revisions had arisen from the work of the Senior Salary Committee and the University administration over the previous three years to enhance the Committee's practices and to establish clear frameworks for compensation decisions and reporting.

The Vice-Chair referred to the cover sheet that highlighted the principles underlying the proposed changes to the overall Policy. These included: preserving Governing Council's sole authority for the most senior appointments; systematically delegating responsibility for other appointments to the Executive Committee or the Senior Salary Committee, to be renamed the Senior Appointments and Compensation Committee (SACC); facilitating responsive decision-making with respect to appointments; strengthening the Committee's focus on matters of compensation policy and strategy; and maintaining accountability and transparency, both for appointments and for compensation.

With these principles in mind, the role of the Executive Committee with respect to the suspension and removal of officers had been clarified. The roles of the Vice-President, Human Resources and Equity and the Vice-President and Provost as assessors to the Senior Appointments and Compensation Committee had been formalized, and the role of the SACC with respect to compensation programs for staff whose compensation was not determined through collective negotiations had been defined more clearly. Finally, the responsibilities of the SACC with respect to compensation policies and practices for corporations established by the University of Toronto had been specified.

At its meeting on May 7, 2007 the Business Board had approved revisions to the Terms of Reference of the Senior Salary Committee (SSC), to be re-named the Senior Appointments and Compensation Committee. Currently, the SSC itself approved the Regulation that governed the details of how it operated. Under the proposed revision, the SACC would continue to have this authority. Finally, the Vice-Chair clarified that the Executive Committee had primary responsibility for the overall Policy that established the original SSC and would create the SACC.

Mr. Nunn reiterated that the Business Board was responsible for just one aspect of the *Policy on Appointments and Remuneration*, the Terms of Reference of the Senior Salary Committee, the future Senior Appointments and Compensation Committee. At its May 7, 2007 meeting, the Board had given its full support to the proposed changes to those Terms of Reference. One minor revision had been suggested and subsequently incorporated into the document, a note to specify that the President, like the Vice-Presidents, would absent himself or herself from meetings during discussions of the President's own compensation.

7. Policy on Appointments and Remuneration: Revision (cont'd)

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the proposed revised *Policy on Appointments and Remuneration*, dated March 7, 2007, be approved.

THAT the terms of reference of the Executive Committee be revised to include the following: “The Executive Committee approves appointments to various senior University positions as determined from time to time by Governing Council policy.”

Documentation is attached hereto as Appendix “A”.

8. Policy on Presiding Officers for Convocation

The President stated that this recommendation was for approval of a new policy, the *Policy on Presiding Officers for Convocation*, to replace the resolution approved by Governing Council in 2005 entitled *Convocation Substitutes for the Chancellor and President*. The proposed Policy reflected the directions that had arisen from the comprehensive review of convocation carried out in 2006-07. In addition to the preamble, the major change was the extension of the ability to Principals and Deans to serve as presiding officers at convocation ceremonies in specific circumstances. This would allow greater flexibility in sharing responsibilities among the senior officials of the University for presiding at convocation ceremonies that currently numbered 28 each year, and were expected to increase in number in the years ahead.

A member stated that he had previously expressed his concern that convocation ceremonies retain their University-wide standing and symbolism, and that the presiding officer should ideally be a University officer. He was satisfied that this was the intention of the Policy, and that division heads would preside only rarely. However, he wished to recommend that the University consider the idea of appointing distinguished citizens as Vice-Chancellors of the University of Toronto at Mississauga (UTM) and the University of Toronto at Scarborough (UTSC). They could preside when needed and appropriate at convocation ceremonies, and in addition could represent the University at UTM and UTSC events and ceremonies when the President or Chancellor were unable to attend. The President agreed to take this suggestion under consideration.

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the proposed *Policy on Presiding Officers for Convocation*, dated May 7, 2007, be approved replacing the resolution regarding convocation substitutes approved by the Governing Council in 2005.

Documentation is attached hereto as Appendix “B”.

9. Governing Council and Executive Committee Meeting Dates, 2007-08

The Vice-Chair noted that revised documentation had been placed on the table incorporating three revisions to the meeting schedule that had been necessitated in recent days. He reminded members that By-law Number 2 required that at least five regular meetings of the Governing Council be held

9. Governing Council and Executive Committee Meeting Dates, 2007-08 (cont'd)

during each academic year. The dates and times of such meetings were to be determined annually in advance by the Executive Committee not later than June 30th preceding the period of those meetings. The Executive Committee could cancel at most one of the regular meetings of the Governing Council in each academic year, for lack of sufficient business.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

The 2007-2008 meeting dates for the Governing Council and Executive Committee, as set out in the revised memorandum from the Secretary of the Governing Council dated May 10, 2007.

Cycle	Executive Committee Usual time: 5:00 – 7:00 p.m. Location: Board Room	Governing Council Usual time: 4:30 – 6:30 p.m. Location: Council Chamber
Orientation		Friday, September 7, 2007, 8:30 a.m. – 2:00 p.m.
Cycle 1	Wednesday, October 17, 2007	Tuesday, October 30, 2007
Cycle 2	Monday, November 26, 2007	Thursday, December 6, 2007
Cycle 3	Wednesday, January 9, 2008, 12:00 – 2:00 p.m.	Thursday, January 17, 2008
Cycle 4	Monday, February 25, 2008	Tuesday, March 4, 2008
Cycle 5	Monday, March 31, 2008	Thursday, April 10, 2008
Cycle 6	Monday, May 12, 2008	Wednesday, May 21, 2008
Cycle 7	Monday, June 16, 2008 Monday, June 23, 2008, 3:00 – 4:00 p.m.	Monday, June 23, 2008 at 4:00 p.m.

10. Annual Report of the Freedom of Information and Protection of Privacy Office

The Secretary noted that this was the first annual report of the activities of the Freedom of Information and Protection of Privacy Office to be received for information by the Executive Committee in keeping with its oversight responsibility for issues of access and privacy. This office had been established the previous year to coincide with the application of the *Freedom of Information and Protection of Privacy Act* (FIPPA) to publicly funded Ontario universities as of June 10, 2006. The Report outlined the activities undertaken by the University to comply with the legislation, and indicated that the new office had been very responsive to requests for access to information and to privacy concerns raised over the year. Further refinements of practice would be undertaken in the coming year, along with additional educational initiatives across the University. A member asked if the application of the legislation to the University had affected the way in which the Governing Council and its boards and committees conducted their business. The Secretary responded that there had been little or no effect on the University's governance practices because, under the *University of Toronto Act*, so much of its business was carried out in open session and reported publicly.

11. Reports for Information

Members received the following reports for information.

- (a) Report Number 149 of the Academic Board (April 5, 2007)
- (b) Report Number 156 of the Business Board (April 11, 2007)
- (c) Report Number 140 of the University Affairs Board (March 13, 2007)
- (d) Report Number 141 of the University Affairs Board (April 17, 2007)

12. Date of the Next Meeting

Members were reminded that the next regular meeting of the Executive Committee was scheduled for Thursday, June 14, 2007 at 5:00 p.m.

13. Other Business

A member reported that he had recently attended an event called ‘Dinner with 12 Strangers’ organized by the Division of University Advancement. These were events which brought together students, faculty, alumni and governors for an informal meal and discussion, with the goal of enhancing the student experience. During the discussion, three students had raised the issue of the University’s grading system, specifically its apparent impact on students’ breadth of interests and willingness to engage in learning outside the classroom, the possible need for pass-fail options when students purposefully took challenging courses outside their academic discipline, and the broader issue of how to develop a transcript that reflected achievements beyond just course grades. The member asked whether the University could undertake to examine this latter issue of alternative transcripts, and report back within a year on approaches taken by other Canadian and American universities, and the advantages and disadvantages of different methods of assessing and reporting students’ educational achievements.

The President responded that the President and Vice-Presidents (PVP) group would be discussing grading issues the following week, including data from the National Survey of Student Engagement (NSSE) that reported student impressions of grading practices at the University as compared to other Canadian universities. While survey data seemed to support the validity of student impressions regarding grade deflation, more extensive and more useful data was needed. Any examination of grading policies would need to involve departmental chairs and deans. In addition, it was important to recognize that grading practices should be established primarily by the teaching faculty, those who were directly involved in teaching and evaluation. Grading policies and practices should be based on faculty members’ professional expertise, and should not be imposed administratively. Such options as pass-fail courses would need to be considered with great care given their potential impact on admissions to graduate and professional programs, and the possibility that they could be open to gaming. The President agreed to consider the options and to report back his findings.

There was no other business.

On motion duly moved and seconded,

IT WAS RESOLVED

THAT, pursuant to sections 28 (e) and 33 of *By-Law Number 2*, consideration of items 14 and 15 take place *in camera*, with the Board Chairs admitted to facilitate the work of the Committee.

In Camera Session

14. Board and Committee Assignments, 2007-2008

On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED to the Governing Council for consideration the recommendation

THAT the proposal from the Chair for Board and Committee assignments for 2007-08, dated May 10, 2007 be approved.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

THAT, pursuant to Section 38 of *By-Law Number 2*, this recommendation be considered by the Governing Council *in camera*.

15. Senior Appointments

(a) On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

to the Governing Council for consideration the recommendation for a senior appointment contained in the memorandum from the President dated May 17, 2007.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

THAT, pursuant to Section 38 of *By-Law Number 2*, the recommendation for the senior appointment be considered by the Governing Council *in camera*.

(b) On motion duly moved and seconded,

YOUR COMMITTEE ENDORSED AND FORWARDED

to the Governing Council for consideration the recommendation for a senior appointment contained in the memorandum from the President dated May 17, 2007.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

THAT, pursuant to Section 38 of *By-Law Number 2*, the recommendation for the senior appointment be considered by the Governing Council *in camera*.

(c) Update on Senior Appointments

The Committee was briefed by the President on upcoming Senior Appointments.

The Committee returned to closed session.

The meeting adjourned at 1:15 p.m.

Secretary

Chair

May 27, 2007