

5. Governance and Administration

It has been said that the administration and governance of the University of Toronto is more complicated than that of the Canadian federation itself. Despite radical demographic changes, Canada has retained its original provinces ranging from Ontario to Prince Edward Island; and the University likewise has retained divisions with deep-rooted traditions ranging from Arts and Science to Forestry or Information Studies. We have many Departments that are larger than Divisions, just as many Canadian cities are bigger than provinces. Indeed, the University is 'ahead' in one respect. We encompass many variations on sovereignty-association and asymmetric federalism in our immediate and extended academic family – exemplified by the east and west campuses, the federated universities, and, very importantly, ten fully-affiliated teaching hospitals. Like Canada, we have enjoyed remarkable success. And as is also true for our great nation, the University's citizens sometimes wonder whether our success is because of – or in spite of – these complex federal arrangements!

Administration

The University's three-campus structure is administratively asymmetric. As noted earlier, the east and west campuses function as divisions, but take responsibility for a variety of functions that are funded centrally for the divisions on the St. George campus. Conversely, all academic divisions on the St. George campus are expected to carry out similar administrative roles, but their size varies to such a degree that many smaller divisions strain to be effective in specialized areas ranging from fund-raising to human resources.

These challenges have been placed in high relief as a result of the new budget model that will be initiated in 2007-08. Under the current system, the annual budget for any faculty reflected a remote historical baseline, more recent adjustments made through strategic allocations to support academic objectives, and, starting in the 1990s, ad hoc revenue-sharing for new or expanded faculty programs. The new model calculates gross revenues for each academic division, attributes costs for both unique divisional expenses and shared academic and administrative services, and generates a net-revenue budget. The revenue drivers of the model are at once a weakness and strength. The imputed revenues derive from crude BIU approximations to program costs along with tuition levels that reflect politically-driven provincial regulation rather than reasonable cost-sharing with students and families. However, those revenues reflect our current fiscal realities and we ignore those realities at our peril. The implementation of the model accordingly incorporates a central pool called the University Fund, designed to avoid disruptive changes resulting from imputed revenues and vitiation of allocations made through academic priority-setting in the recent past. The University Fund will be allocated to divisions based on their academic plans and budget circumstances.

The new model provides incentives to academic divisions to increase revenues. More importantly, it should improve cost management of university-wide services. Useful debate has already unfolded as major divisions have considered the substantial costs of shared academic services such as facilities maintenance and libraries.

The model also clearly highlights differential spending on services across divisions, and is raising important questions of fairness in the treatment of UTM and UTSC. It has catalyzed dialogue within and among divisions as to how they might band together to achieve more effective and efficient operations. A few members of the University community have quietly wondered about the conversion of small divisions into departments within larger divisions, while others ask whether large divisions contribute to alienation among undergraduate students and should be functionally disaggregated.

In fact, there are other options to consider that would maintain small divisional identities or the multi-disciplinary character of larger divisions while promoting a more effective set of administrative structures. For example, a Faculty of Health Sciences could serve as the administrative home for academically autonomous Schools, or a Health Sciences Administrative Group could be constructed to serve all the health science faculties. Other groupings for administrative efficiency without compromising divisional governance could be made on the basis of proximity (as now occurs with human resources for Social Work and OISE), or disciplinary synergy (Forestry and Information Studies aligned with allied Departments in Arts and Science). In the final analysis, one could imagine five broad academic divisional groupings on the St. George Campus, each well-positioned to capitalize on the new budget model and provide more effective administration to serve the needs of students, staff, and faculty alike.

Last, the new budget model has also opened up a useful dialogue between divisions and the central administration as to ‘who should be doing what’ in our complex federal system. Inherent challenges for any future organizational model have been illuminated: for example, decentralization may enhance academic and administrative functions, but legal and financial accountabilities are almost entirely vested with the University as a single corporate entity. For reasons already stated, the dialogue has a different character depending on the division and its administrative capacity. What matters most, arguably, is that the issue of divisional versus central responsibility is now on the table and being discussed.

Governance

The University of Toronto has had a unicameral system of governance since 1972. The Governing Council, a 50-member body, oversees the academic, business, and institutional affairs of the University. In contrast, most North American institutions of postsecondary education have a Faculty Senate and a separate Board of Governors or Trustees to divide the academic and other oversight functions.

The single-chamber council provides a voice to each major constituency of the University community. Twenty-five members of the Governing Council are from within the University: 12 teaching staff, 8 students, 2 administrative staff, the President and 2 senior officers appointed by the President. The other 25 members consist of 16 appointees of the provincial government, 8 elected alumni and the Chancellor, who is also elected by the alumni. The Governing Council annually elects a Chair and Vice-Chair from among the members appointed by the province.

In view of the size and complexity of the University and the extensive duties of the Governing Council, it operates with the assistance of an Executive Committee and has delegated authority for various matters to three boards – the Academic Board, the Business Board, and the University Affairs Board. Six Committees operate under the three Boards. Members of Governing Council normally sit on at least one of the Boards.

The last review of the governance structure and processes was in 1987-88. At that time, the Governing Council commissioned Professor Edward J. Stansbury of McGill University to conduct a survey of the University community about the governing structure and its effectiveness. His report prompted a review, chaired by St. Clair Balfour, then Chair of the Governing Council, that resulted in the creation of the three Boards. Among these boards, the Academic Board was established to serve most of the functions of a Faculty Senate in other universities. The Balfour review also led to the articulation of a set of principles that has guided our governance for the last two decades, and the definition of some process changes.

The University of Toronto Governing Council is responsible and accountable for a large, complex and highly decentralized organization on three campuses. Not only has the institution grown dramatically in the last decade, but there has been increased pressure on universities and their governance for more detailed and sophisticated approaches to accountability and performance measurement. At present, our governance bodies receive almost 20 major accountability reports annually, as well as regular oral and written reports on a variety of matters at each meeting.

Notwithstanding these pressures, the governance system at the University of Toronto continues to function smoothly and avoids the tension that can arise between university Senates and Boards in bi-cameral governance. There has been gradual evolution in the function of boards and committees, and a succession of governors has selflessly dedicated themselves to the growing demands of our changing University and the postsecondary environment.

The University's governance is characterized by values essential to the University and to collegial decision-making: transparency, openness, consultation, and fair debate, complemented by a strong and mutually supportive working relationship with the Administration. The workings of our governance ensure the opportunity for scrutiny of a great range of issues, but also result in repetition of presentation and debate as matters proceed through various bodies. Many items for approval

“To my mind, it is the great strength of the U of T Governing Council that we can make decisions with the full and active participation of representatives from both academic and fiduciary backgrounds. Coming from a corporate world that can often be characterized by fast decision making, and being at least a bit less consensus oriented, I am amazed how smoothly this more complex structure works.”

Rose M. Patten, Chair of Governing Council, in an address to the National Association of University Board Chairs and Secretaries.

move through multiple governance Committees and all three Boards before reaching the Executive Committee and ultimately the Governing Council.

Thus, while there is widespread wariness about seeking amendments to the *University of Toronto Act*, a number of governors, administrators and faculty members have raised questions about the efficiency of our processes. Advance planning to intercept the various governance cycles has become a logistical challenge for divisions and the central administration. The transactional load on committees and boards is enormous, and at times constrains opportunities for broader strategic debate. Some of the most illuminating exchanges occur at off-line meetings between administrators and subgroups of governors from specific constituencies. Furthermore, additional full-Council off-line meetings have become necessary to provide Governors with more time to review and discuss strategic issues.

Even as questions have been raised about improvements to University-wide governance, divisions have given considerable attention to governance over the past three years as a result of the changes in oversight of graduate education. Greater delegated decision-making authority to the academic divisions meant that their councils' constitutions required revision. In a process that is still ongoing, academic divisions have reviewed their constitutions; clarified their decision-making, advisory and communication roles; and examined structures, membership and terms of reference of standing committees with a view to renewing and updating their processes and systems. Cross-divisional consultation means that there has also been a greater level of consistency in governance structures across divisions. With these improvements and refinements in hand, a larger number of governance approvals could perhaps be delegated to divisional or campus councils.

Only the Governors themselves can determine if it is timely to examine whether and how our governance procedures might be streamlined. However, the senior administrative team and the Governing Council secretariat alike would welcome the opportunity to support such a process, and strategic questions to this end are accordingly set out below.

Our Administration and Governance in 2030

The University of Toronto today is very different than it was three decades ago when the foundations of our current administrative and governance arrangements were laid. UTM and UTSC were comparatively new and very small campuses. The St. George campus was much smaller and much less research-intensive. Over 80% of the institution's revenues came from provincial grants that tracked enrolment. The absolute disparities in the size of divisions were smaller, and the complexity of administration was dramatically less. As well, the accountability requirements for governance were radically different. Changes over the last three decades, together with the new budget model and the continued financial pressure on the institution, all suggest that some questions must be raised about the ways that our University will administer and govern itself over the next quarter-century.

TOWARDS 2030: Some strategic questions to promote dialogue ...

Is the distribution of revenues and responsibilities across the three campuses equitable and sustainable? If not, what changes are fair and feasible?

Do we have an optimal distribution of administrative responsibilities across divisions on the St. George campus? Or should there be a re-thinking of the current configuration as regards academic or administrative functions?

Should the University's budgeting and planning processes be oriented to facilitate more inter-divisional or institution-wide perspectives?

In the light of current best practices, is the University's current governance model optimally structured to:

- a) facilitate inclusive debate and decisions on issues of importance to the long-term interests of the institution?
- b) ensure accountability at the appropriate levels within the University while providing efficient assessments and approvals of key initiatives?
- c) provide the appropriate linkages with relevant internal constituencies and external communities?
- d) address the unique governance and oversight needs of a three-campus institution?

Is the distribution of responsibility among the Governing Council and its Boards and Committees appropriately balanced? Is the division of responsibility between the central governing bodies and the divisional governing councils appropriately balanced?

If there are concerns about our current governance, what changes to the structures and processes would improve efficiency and responsiveness in decision-making, while building on current strengths and sustaining our standards of transparency and accountability?