



ASSOCIATION DES PROFESSEURS DE L'UNIVERSITÉ D'OTTAWA  
ASSOCIATION OF PROFESSORS OF THE UNIVERSITY OF OTTAWA

# Governance Bulletin

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## Introduction

For several years now serious governance issues have been noted at universities. The University of Ottawa is certainly no exception to this trend. In our newsletter dated September 2015, the APUO President referred to governance at the University of Ottawa as a pressing issue. Several recent examples go to support this conclusion:

- the privatization of the Senate and the Board of Governors;
- the non-existent presence of APUO members (on the Board of Governors) or low representation (on the Senate);
- the arbitrary closure of the Institute of Population Health last June;
- the persistent injustices against the members of the School of Political Studies (which we shall come back to in 2016);
- the unjustifiable salary increase of Vice-President Research, Mona Nemer;
- the climate of secrecy, lack of transparency, arbitrariness and impunity that is prevalent in the central administration and in several Offices of the Dean.

A university's governance institutions and practices should be guided by the principle of collegiality and respect for academic freedom. More generally, they should also be inspired by the principles of equality, equity, inclusion, cooperation, transparency and accountability. It is in this spirit that this first newsletter focused on

governance issues is presented. In addition to an update on the negotiations for the new Collective Agreement and another on the OCUFA Conference on Precarious Work in the Academy, this newsletter includes five articles dealing with governance problems at the University of Ottawa and one article highlighting similar issues at Carleton University.

We wish you interesting reading.

## **No Representation for APUO on the Board of Governors**

The University of Ottawa, like most universities in Canada, is managed by a Board of Governors — currently, a gargantuan entity of thirty-seven honorary and regular members, which makes it larger than Ottawa’s City Council. Yet a majority of these Board members have little or no meaningful connection to the University, having day jobs as lawyers, accountants, journalists and the like. Obviously this makes for feeble governance, since unlike City Council members who live and participate in the jurisdiction that they represent, Board members are not within the “city limits” of the University and are therefore unaffected by their own decisions.

But what is really striking is how APUO members are totally — yes, totally — excluded from effective democratic representation on the Board, despite being acknowledged as one of the stakeholder groups mentioned in the Governance Framework: “the University is accountable to a [sic] many stakeholder groups and organizations including students, faculty and staff, alumni, government bodies, funding agencies, and the general public.”

You may at this point wonder: Didn’t APUO members just elect two faculty colleagues to the Board? Indeed, we did: Professors Victoria Barham and Steffany Bennett were elected to terms ending November 2018, and congratulations to them. But even leaving aside the fact that faculty occupy just two out of thirty-seven seats, the University’s [Governance Framework](#) and [Code of Ethical Conduct](#) preclude these elected delegates actually representing us.

Strangely, under the University’s *Governance Framework*, Board members such as Professors Barham and Bennett are told not to advocate for those who elected them. The University instructs that Board membership “is based on the principle of participation rather than representation.” That is, “Governors are expected to vote according to their individual consciences rather than as representatives of any particular interest group” — including those who elected them. As if to underscore this, as members of the Board, Professors Barham and Bennett relinquish membership in APUO.

But suppose that Professors Barham and Bennett do believe in electoral representation and choose to consult their faculty colleagues on Board business? Incredibly, the University mostly forbids that too. All Board members must sign a statement agreeing to the University’s *Code of Ethical Conduct*, including that they will “respect the confidentiality of any materials provided” to the Board. The Code stipulates that “No [Board] member shall knowingly divulge any such information” outside the Board.

Let us be clear: the University’s *Code of Ethical Conduct* is anything but. It abolishes any pretense of representative democracy, because if the faculty’s two elected Board members are forbidden to “divulge” any happenings within the Board, then consultation with the faculty is of course impossible. If Parliament operated in the same way, this would mean that a bill or motion would be introduced, elected parliamentarians could see it, but could never “divulge” it to the citizens who elected them!

Yet that is how the University administration and the province of Ontario have designed the Board of Governors, and it is closer to authoritarianism than democracy.

You may think that this has to be illegal; that it must violate the rule of law since at the very least it violates the intention of holding elections. However, under Ontario law, and specifically the 1965 *University of Ottawa Act*, the Board can pass [bylaws](#) deciding its composition — so today’s Board, in effect, structures tomorrow’s Board, rather like a Politburo does. Currently, the Act guarantees two Board seats for alumni, a whopping eight seats for the administration of Saint Paul University (why?) and zero seats for University of Ottawa faculty. That we currently have two seats, for Professors Barham and Bennett, is purely by grace of the Board, and the Board could revoke those with a quick bylaw change at any time. So too with students: they are not guaranteed any seats either.

Clearly, this is unsatisfactory. The Wynne government should amend the Board’s composition, and if the Board refuses to change its secretive governance and codes, the government might have to fix that too. Regrettably improving university governance has not been a priority for the Ontario liberal government, but it should be.

APUO is currently discussing with the Ontario Confederation of University Faculty Associations how to resolve this problem, and would appreciate hearing from members whether this is a priority.

## **APUO Victory at Ontario Labour Relations Board**

APUO filed a labour relations complaint against the Dean of Social Sciences this past summer for threatening and intimidating one of our members. The Dean stated that because APUO requested information regarding the terms of the contract, that the member’s contract would not be renewed. This was a clear and blatant violation of the collective agreement since APUO is entitled to information regarding contract renewals. It was also an unnecessarily aggressive action.

In September, APUO met with a mediator from the Labour Relations Board where a settlement was reached. The Dean apologized, agreed that he was wrong to threaten the member’s employment, and acknowledged that APUO is entitled to information regarding contract renewals. He also admitted to the member that his employment was never truly in jeopardy. You can view the letter [here](#).

## **CAUT Rebukes Carleton U Board of Governors for Secrecy**

The Canadian Association of University Teachers has issued a strong rebuke of Carleton University’s Board of Governors for holding meetings in secret. “All publicly funded institutions have an obligation to be responsive to the communities they serve by being transparent in their policies, administration, and decision-making processes,” CAUT executive director David Robinson stated in a [letter](#) written to Carleton President Roseann O’Reilly Runte. “With the exception of dealing with a very narrowly defined set of confidential matters, there is absolutely no justification for holding Board meetings in camera.”

Students, faculty, and staff at Carleton recently issued an open letter charging that the Board is becoming less accountable, diverse, and open. CAUT warns that this runs contrary to basic democratic traditions and academic values. “Secrecy undermines fundamental principles of democratic accountability and collegial governance, and runs contrary to the values of open debate, academic freedom, and freedom of expression that should lie at the very heart of our universities and colleges,” writes Robinson.

During its Council meeting on November 28 2015 [CAUT](#) condemned Carleton's Board of Governors for a new policy banning members from speaking publicly about meetings. At least one Board member, [biology professor Root Gorelick](#), has refused to sign this new policy and continues to take issue with Board decisions in his public [blog posts](#).

## **Erosion of Collegial Governance: Alarming Developments at the Faculty of Health Sciences**

The Faculty of Health Sciences is currently engaged in a strategic exercise to define the focus of its activities for the coming years. This exercise takes place in a difficult context to the extent that faculty participation in a process that should be transparent, democratic and collegial is being undermined. Since 2013 the members of the various faculty committees have had a confidentiality agreement forced upon them restricting any exchange between the committee members themselves and their colleagues – a practice that has been strongly criticized by the APUO. A contract of this type devised to impose systematic confidentiality duly reflects the atmosphere of mistrust under which members currently have to work.

Recently, under the pretext of optimizing resources where efficiency and standardization of the processes are highlighted, the Faculty Council members had to reach a position with regard to certain significant changes in faculty regulations presented by the Office of the Dean, i.e. a change in the role of the Council and its composition. In addition to the changes proposed in the role of the Council, which require special consideration, the proposed changes to the composition significantly reduce involvement of professors, students and support staff in the Council. The suggested ratio between voting members of the administration and the teaching staff is alarming in view of the changes the Faculty is facing. In this case it is a matter of reducing the ratio between the number of professors elected to Council and the voting members of the administration, thus restricting professors' votes in the Faculty's decision-making process.

Faculty members are encouraged to question the changes taking place within the faculty in order to protect the democratic processes of decision-making and collegial governance. All in all, the proposed changes to the Faculty Council should re-centre our focus on the fundamental issues that appear to be absent from the discussions: who has the decision-making power within the university structure and what happens to the role of the professors in these decisions/discussions?

## **Update on APUO Negotiations with Employer 2015**

As APUO members are doubtless aware, the APUO and the employer began negotiations for the next collective agreement this November 2015, as the current agreement expires in May 2016. The APUO has submitted its initial package to the employer containing proposals on fair and equitable working conditions, quality of education, improved conditions for librarians, CLTPs and language teachers, as well as open, transparent and fair governance. This last section contains numerous proposals which aim to re-establish collegial and transparent governance practices and turn the tide on the corporatization of our University.

Information relating to the latest proposals by both the APUO and the employer contained in the negotiations updates is available on the [APUO website](#).

## **OCUFA Conference on Precarious Work in the Academy**

In early November, APUO announced that it would award \$ 1000 to an APUO member to attend the [OCUFA conference](#) Confronting Precarious Academic Work, which is due to take place on February 11-12 2016. APUO offered the grant to CLTP and Replacement members initially hoping that someone from this group would be interested. We are glad to announce that a Replacement Professor will be attending this conference and hope that it will create greater awareness among our members of the growing problem of temporary, short-term, zero hours contracts that are now common in our sector. OCUFA has adopted this as one of its main goals for 2015-2016, and APUO will be negotiating to get better working conditions and employment security for our members who are in precarious positions.

The exceptional rise in precarious work in universities is largely due to shortfalls in provincial funding. This year was the first year that the University of Ottawa received less than half of its operating budget from the province. The rest of our income comes from ever increasing tuition fees, research grants, private donors, interest on investments and endowments. As a result, ours and other universities rely more and more on private donations (which often come with strings attached), public-private-partnerships and of course, part time professors. Please make sure you are informed about these issues! OCUFA has issued a review of the [funding formula](#), created a [brief](#) to the provincial University Funding Model Consultation and another on [contract academic faculty](#).

## **Faculty of Arts raises Concerns over Appointment Process for new Dean**

On September 8, 2015 30 members from the Faculty of Arts wrote to the Vice-President Academic and Provost expressing concerns over the selection process for the new Dean. This was in no way a complaint about the candidate selected, but rather about the lack of transparency and staff involvement in the selection process. The timing, the method, the lack of consultation, the obscurity over letters of recommendation, the involvement of an external company in the selection process and possible gender bias were all factors for these serious concerns expressed by the members of the Faculty of Arts.

As far as timing was concerned, in order to have a new Dean in place for July 2014, members should have been consulted in spring 2013. This was not done, with the result that the outgoing Dean was re-appointed for a period of one further year. As this second appointment was due to expire in June 2015, Faculty Council should have elected its representatives to the selection committee in winter 2014, which was again not adhered to. This delay in the selection process had the effect of denying Faculty Council its proper role in the selection process. Faculty members thus recommend drawing up a schedule for the process and that this schedule be submitted to Faculty Council for approval.

The lack of consultation is worrying: professors neither received the long list of applicants, nor were they consulted in drawing up a short list. Members strongly recommend being informed about selected candidates and the criteria for their selection. Professors are asked to submit letters of recommendation, but it is unclear what happens to these letters (or even if they are ignored). Members recommend that all letters of recommendation be provided to all members of the selection committee and circulated (without identifying information). Moreover, the involvement of an external company in the selection process is alarming in that it is unclear what precise role the company plays in the process.

Finally, the issue of gender equity is concerning, as this is the second time in recent history that strong, shortlisted female candidates were passed over. Members note that this is symptomatic of a longstanding and

persistent pattern of gender inequality: despite having a strong pool of female candidates, the Faculty of Arts has never had a female Dean.

These concerns were raised in the interest of increasing transparency, participation and equity. Members stress that an open, participatory and equitable selection process lends greater legitimacy to the Dean, boosts morale and increases staff engagement.

## **The *Responsibility Center Management* budget model: or depletion of collegial governance at the University of Ottawa?**

The budget model known as *Responsibility Center Management* (RCM) seems to raise more and more interest from the central administration at our university. It was briefly mentioned during a workshop on the university's budget process this fall<sup>1</sup>, and US consultants were invited to give a presentation about this model to the vice-presidents, deans and administrative directors last October<sup>2</sup>. Furthermore, the fact that this model has already been implemented for some years now at the University of Toronto, which is THE reference of our own central administration, it seems reasonable to believe that this interest in RCM will only become more acute in the foreseeable future. So what are the principles of RCM? What benefits can the central administration derive from it? What are its disadvantages? And what are its negative effects? Although this article does not, in so few words, present a detailed analysis of this budget model, the remarks that follow clearly highlight the challenges, issues and problems that are inherent to it and which we believe make it much less interesting for anyone who places value on collegial governance at our university.

### *An archaic innovation?*

RCM is definitely not a new budget model. Originally presented at the University of Pennsylvania in 1974, even today it still causes considerable discussion in Ontario (and elsewhere in Canada)<sup>3</sup>. To our knowledge, it has been implemented at only three universities in Ontario, i.e.: the University of Toronto, Queen's University and McMaster University. It comes as no surprise that implementation of this budget model takes place in different ways from one university to another, and that the results attributed to it seem to vary depending on who is the evaluator: whereas administrators, external consultants and certain researchers tend to be generally positive, faculty associations, student associations and other researchers are on the other hand far less enthusiastic, even highly critical. Globally speaking, it does seem to be a general observation that the results are usually mixed, i.e. they are never only positive, but also entail their own drawbacks. Contrary to what several proponents suggest<sup>4</sup>, there is thus no evidence to hold RCM up as a universal solution, as intrinsic progress over an incremental or zero-based budget, or even as a vector of transparency and institutional accountability.

### *A quick but unsettling overview*

In brief, the RCM budget model exists in two types of *Responsibility Centered Units*, i.e. *revenue center units* (RCU) and *service center units* (SCU). As their respective titles suggest, RCUs comprise units responsible for

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<sup>1</sup> *Workshop - Understanding the Budgeting Process at uOttawa*, Centre for Academic Leadership, September 29 2015.

<sup>2</sup> The first book on this topic originally referred to as 'the Bible' by converts was: Whalen, Edward H. (1991) *Responsibility Centered Budgeting: Responsibility Center Budgeting: An Approach to Decentralized Management for Institutions of Higher Education*, 1st Edition, Bloomington (IN), Indiana University Press.

<sup>3</sup> University of Arizona, *Responsibility Centered Management - Frequently Asked Questions* <http://rcm.arizona.edu/faq-page?destination=faq-page> (accessed December 3 2015).

<sup>4</sup> Even the apologists for this budget model admit that it is not applicable to all contexts, or to all academic institutions. See in particular Mark A. Kretovics (2011) *Business Practices in Higher Education : A Guide for Today's Administrators*, New York: Routledge and presentations at symposium *We Mean Business in Higher Education*. (<http://www.usask.ca/tabbs/documents/RCM,%20what%20it%20is%20and%20how%20it%20works> (accessed October 22 2015)).

education and research and thus generate income, i.e. faculties (although in reality it is school and departmental programs that generate income), while SCUs include units providing administrative or technical support, which generate no external income, e.g. registrar, library, IT and facilities, to name a few. A third category, sometimes included in SCUs, comprises the Offices of the President and Vice-Presidents<sup>5</sup>. RCU income therefore varies depending on the income variations associated with government transfers and tuition fees (and associated fees), while SCU income (and items included in the third category) are based on compulsory service provision imposed on RCUs and are allocated using a method to be determined among several available<sup>6</sup>.

In other words, while income from SCUs is predictable and guaranteed, even pre-determined, RCU income is uncertain, variable and difficult to predict. It is thus easy to understand why bodies designated as SCUs are more eager than those that are to become RCUs with regard to the implementation of the RCM budget model. Incidentally, we should note that schools and departments may (or may not) themselves become smaller RCUs within the faculties that are usually the main RCUs. Among the options that this budget model offers, faculties can be both RCUs in relation to the central administration and also SCUs in relation to their constituent parts. As SCUs, the Offices of the Dean and the Vice-Dean may therefore impose a compulsory service provision on schools and departments and thus rely on partly predictable and guaranteed funding.

#### *The primacy of the subsidy pool: discretionary flexibility or arbitrary trend?*

Furthermore, RCM always comprises a *subsidy pool* that is usually 20% of income in relation to tuition fees (and other fees) and a minimum of 10% of administrative overheads for research grants<sup>7</sup>. This discretionary fund, which would have been some \$84.5 m. last year at the University of Ottawa, is usually placed under the authority of the President or Vice-President Academic and Provost, who can then directly influence, or even re-define, the educational priorities of the faculties, schools and departments<sup>8</sup>. It must be admitted that such an aspect is worrying in the current climate where the central administration sometimes refers to transparency, but acts in a rather non-transparent way by switching discretionary power and arbitrary decisions. Several other issues also come with the RCM budget model, including acute competition between schools and departments (RCUs are by definition mutually opposed), the creation of disincentives for interdisciplinarity and co-operation, a focus on short-term outcomes (i.e. the current financial year) at the expense of long-term outcomes and at times quality<sup>9</sup>. It thus seems evident that RCM does not contribute towards collegial governance, which requires dialogue, co-operation, time and long-term vision.

By way of conclusion, we should mention an issue rarely discussed in relation to the RCM budget model, i.e. anti-union pressure or, at the very least, a negative bias opposing collective bargaining of wage conditions. Indeed, as this model is intended to transfer control of income and expenditure to faculties (RCUs) and wages and benefits account for more than half of their expenditure, what scope does RCM leave for setting wages by

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<sup>5</sup> Curry, John R., Andrew L. Laws and John C. Strauss (2013) *Responsibility Center Management – a guide to balancing academic entrepreneurship with fiscal responsibility*, National Association of College and University Business Officers, 2<sup>nd</sup> edition, 141 pages.

<sup>6</sup> The choice of allocation method is of fundamental importance in implementation of RCMs.

<sup>7</sup> According to the consolidated financial statements of the university on April 30 2015, tuition and other fees accounted for \$346,911,000 and research grants and contracts \$150,991,000 [https://www.uottawa.ca/financial-resources/financial-planning/sites/www.uottawa.ca.financial-resources.financial-planning/files/2015-04-30\\_university\\_of\\_ottawa\\_wfs\\_eng\\_au\\_15\\_sept.pdf](https://www.uottawa.ca/financial-resources/financial-planning/sites/www.uottawa.ca.financial-resources.financial-planning/files/2015-04-30_university_of_ottawa_wfs_eng_au_15_sept.pdf) (accessed December 1 2015).

<sup>8</sup> \$69,382,200 (20% of \$346,911,000) + \$15,099,100 (10% of \$150,991,000). To illustrate the magnitude of this budgetary discretion in real terms, such a figure is four times greater than the originally planned funding for the infamous School of Government project (SoG) led by the Office of the President. Under the current incremental budget model, financing of the SoG relies heavily on external sources, which still need to be found. Under the RCM budget model, the President himself could have ensured all of its funding from the *subsidy pool*.

<sup>9</sup> University of Florida, *Why not Responsibility Center Management Budgeting?* <http://cfo.ufl.edu/media/ufledu/content-assets/cfo/ufledu/documents/Why-Not-Responsibility-Center-Management-Budgeting.pdf> (accessed December 3 2015).

means of collective bargaining? Does its logic even not require the Dean, who has somehow become a Chief Executive Officer (CEO), to have direct control over all expenditures or, in other words, he/she can define salary scales, promotion and budget increases on his/her own accord?

*RCM: an unstated shift in governance*

Ultimately, it should be borne in mind that the RCM budget model is in no way a guarantee of greater transparency, and even less a guarantee of greater equity. Although some people at the university would be at an advantage if it were adopted, many others would be at a disadvantage. The fragmentation of units in RCU or SCU, the arbitrary nature, competition, anti-unionism as well as the erosion of collegial governance that it entails make it a highly uninteresting model for our university. Neither new nor innovative, it rather represents a form of privatization by transforming schools, departments and faculties into commercial entities which have to focus on increasing income and, implicitly, on reducing costs. The lack of budget transparency is not caused by the incremental model which we currently have, but rather by its implementation, i.e. by the dean's and academic administrations that prefer, by choice and not by obligation, non-transparent budgets. If there is nothing to suggest that the overall budgetary transparency of our university and our faculties would be better with the RCM model, the increase in arbitrary decisions at the level of the Office of the President and the Office of the Dean, however, leaves no doubt.

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*If you have any feed-back on this e-bulletin, please contact APUO.  
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