

## **LUFA Deputation to the Board of Governors**

June 10, 2022

Madam Chair, Members of the Board, Fellow Stakeholders:

Thank you very much for this opportunity to speak to you today.

We know your time is valuable, so we will get right to the point. There are two reasons for our visit today.

The first is to say that the Lakehead University Faculty Association has the greatest respect for the important work that you do, and we are very pleased to reach out to you in the spirit of solidarity to assert the importance of universities as a public good in Ontario.

Too often, university boards and the faculty associations are viewed as adversaries because we sit on opposite sides of the negotiating table. In fact, we are very much on the same team, and we very much want the same things. We want a university that serves the needs of the community, that is a welcoming and nurturing place to learn, that is a safe and fulfilling place to work, and most of all, a university that is resilient and sustainable through difficult times.

The second reason we are here today, which we will spend some time elaborating, stems from the first. The partnership I am describing—according to which two governing bodies (a faculty Senate and a Board of Governors) work side by side, like the two hemispheres of the human brain in a structure of collegial, “bi-cameral” governance—is under threat and needs our attention.

### **What is collegial governance?**

For centuries, universities have been governed by an alliance of stakeholders comprised of faculty, staff, students, administrators, and community members operating in the spirit of shared responsibility, transparency, trust,

and inclusion. In contemporary systems of shared governance, decision-making authority and responsibility for the health and success of the institution is broadly shared by two sides of this ‘bicameral’ system of governance, the Board of Governors and the Faculty Senate.

Today, the transparency, trust, and inclusion upon which this system depends are being increasingly tested as university boards and administrations attempt to cope with massive government divestment in education by turning to unilateral managerial solutions and austerity measures as a coping strategy.

The rationale for this shift in governance might seem sound at first from a fiscal standpoint for the simple reason that government divestment in education, coupled with tuition freezes, puts enormous pressure on university administrations to find new sources of operating revenue.

Over the last four decades, Ontario governments have reduced their public grants for university operating revenues precipitously from a level at about 80% in 1980 to around 50% in 2004, and to only 38% in 2017 (David Leadbeater, “Laurentian University insolvency reflects a structural crisis in Ontario’s neoliberal university system,” *Monitor Mag*, June 10, 2021).

And of course, there has also been the pandemic to deal with. As Lakehead’s Livio Di Matteo writes:

Along with the program delivery, cost, and revenue disruption caused by the pandemic, universities in Ontario – which on average rely on tuition for anywhere from 40 to 60 percent of their revenues – have also been deliberately financially constrained. They are not allowed to raise tuition fees, nor are they being provided with increases in provincial government grant funding and are being subjected to increasing oversight in terms of their programs designed to make them more business-like and attuned to market conditions. And while restraining universities financially, the provincial government at the same time has increased competition in the provincial university sector by creating more universities. (“Ontario Universities: The Challenges” *Northern Economist*, March 27, 2022).

In many ways, it would appear that universities like Lakehead have done a great job withstanding these pressures, and there is certainly a good deal of truth to that impression. The entire Lakehead institution—from the board to senior administration to faculty, staff, and students—has demonstrated remarkable resilience and fortitude in dealing with a period of unprecedented disruption.

But that is only part of the story. A closer look at the ongoing crisis in higher education reveals serious collateral damage to academic programming and the emergence of significant vulnerabilities in governance. As the economist David Leadbeater explains, “Increased tuition dependence in a context of slower system growth has intensified competition among universities for students and increased administrative expenditures for advertising, recruiting, public relations, and alumni and corporate-oriented fundraising campaigns” (“Laurentian University insolvency reflects a structural crisis in Ontario’s neoliberal university system,” *Monitor Mag*, June 10, 2021).

The intense need to compete for enrollment and tuition dollars prompts a shift in staffing away from the core mission of teaching and research toward administrative and recruitment support to address the insufficiency of provincial funding. And although this quest for enrollment and tuition dollars and the corresponding shift away from teaching and research toward increased administrative expenditures, modernization, and branding efforts might seem necessary in the current climate, there are other factors to consider. **The turn toward managerialism is destabilizing universities in increasingly dramatic ways and putting their authority and autonomy at immediate risk.**

Let me explain what we mean.

In a system of collegial governance, faculty members are the custodians of the academic mission of the university. In addition to teaching and conducting research, faculty assume responsibility for the academic mission of the institution—not only in overseeing the curriculum and running their respective schools and departments, but also as members of the faculty Senate, whether as Senators or as members of Senate committees.

The reasons for this model are simple but often not well understood, in part because universities are unlike any other educational institution because of the depth of knowledge inherent in their research and teaching missions. In a university, decisions about the academic mission of the university (educational policy, curriculum development, program-requirements, methods of instruction and course delivery, faculty progress through the ranks, and the granting of degrees, to name a few) require scholarly and subject matter expertise. As Shannon Dea points out, “The experts in the field make the initial academic decisions based on scholarly standards, and then those decisions move up level by level through the university.” Likewise, collegial governance also exists “to prevent non-scholars – for instance, state or corporate organizations – from driving the academic mission” (“Two misconceptions about ‘collegial governance’” *University Affairs*, April 16, 2021). In a direct way, collegial governance safeguards universities’ authority and institutional autonomy, and faculty members are key actors in this process.

## **Why Collegial Governance Matters More than Ever**

Among the most visible manifestations of the new managerialism in universities are efforts to minimize or bypass the roles of faculty senates in university governance. Even small, incremental changes can, over time, result in big shifts in organizational structure, resulting in a transformed institution with decision-making power concentrated at the top and a university increasingly in the control of administrative groups who do their work behind closed doors with less and less transparency and accountability.

We saw with painful clarity the risks that come into play when collegial governance is forsaken when on February 1, 2021 the authority and institutional autonomy of Laurentian University was shattered and the future of the institution was put into the hands of its creditors. In choosing to decline government assistance and file for creditor protection under the *Companies’ Creditors’ Arrangement Act*, Laurentian became the first public university in Canada to seek to restructure its operations using a legal process designed as a last resort for private sector entities.

The result has been catastrophic for the university. In the aftermath of choosing this path, Laurentian eliminated 36% of its programs, disrupted the academic and career plans of an estimated 932 students, terminated 195 staff and faculty, and bypassed negotiated and legally binding provisions in its collective labour agreements (“Preliminary Perspective on Laurentian University” Office of the Auditor General of Ontario)

**That such a thing could happen at a Canadian university was unthinkable. Until it happened. And now that it has happened, and we have some insight into how it happened, we need to act on what we’re learning so that it doesn’t happen again.**

So, let us ask the same question that the Ontario Auditor General has asked: How did an Ontario university that is significantly taxpayer-funded and accountable to the public end up in this position?

The answer is not poor management, but rather—and I am quoting now from the Auditor General’s Preliminary Report—“poor management *[that] was allowed to continue* in large part because of weak oversight by Laurentian’s Board, [which] lacked key operational and governance practices and expertise, and allowed transparency to decline” (emphasis added).

If ever there was a cautionary tale about the perils of ignoring collegial governance, this is it. Rather than rely on negotiated and legally binding solutions to financial exigency as laid out in its collective agreements, Laurentian stonewalled the faculty association and turned instead to lawyers and consultants to explore “strategic options.” In short, they threw collegial governance out the window in favour of the corporate playbook that failed to understand what a university is and how it functions. As the Auditor General reports, “We believe that Laurentian’s actions in this regard were significantly influenced by these external parties. As of March 3, 2022, the university had incurred legal and other financial consultant fees associated with its insolvency of more than \$24 million.”

The significance of Laurentian for Ontario universities cannot be overstated. As Robin Whitaker writes, “we should take Laurentian as a cautionary tale about the dangers of a corporatized approach to higher education for

institutions right across the country.... The situation at Laurentian is a rallying cry to defend and strengthen the shared governance oversight of their universities and colleges, including with respect to matters of budget and finance” (“Laurentian in Crisis,” CAUT, April 2021).

This is the work ahead of us. In the aftermath of a situation like Laurentian, it is important that we identify the specific deficiencies that led to this disaster. These are difficult truths to reckon with, but we cannot look away. The Auditor General’s report states the following:

We found significant deficiencies in the activities and governance of Laurentian’s Board of Governors and its committees. For instance, the Board did not ensure the administration was providing it with adequate information to fully understand and assess issues affecting the financial sustainability of the university.

The committees of the Board responsible for overseeing aspects of the financial sustainability of the university also failed to fulfil their roles. The Audit Committee, for example, did not perform its duty to ensure key financial risks were identified and managed. In its role overseeing external auditors, the committee did not ensure that the audited financial statements contained adequate information on the financial struggles facing the university—even in 2020 when Laurentian was deliberately preparing for the impending CCAA filing.

Further, the Board’s extensive use of in-camera meetings limited public transparency and accountability. We also learned that in some instances, Board members were involved in discussions and decisions that held personal or professional implications for them, raising conflict of interest concerns. (“Preliminary Perspective on Laurentian University” Office of the Auditor General of Ontario)

As I said, these are difficult truths to reckon with, and we have seen dangerous drifting away from collegial governance here at Lakehead. We are concerned with, for example:

The level of unilateral power that has been given to the President over matters such as the renewal of Vice-Presidents and the making of

decisions respecting termination of tenured faculty;

The hiring of senior academic administrators such as the Deputy Provost and an Associate Vice-President without advertisement and without fulsome policies to guide such hiring processes; and

The lack of any process for the Faculty Association to contribute to the process for the renewal of the President.

But we are not here to wag a finger at you. Our message is much more important and much simpler.

The catastrophe at Laurentian happened due to breakdowns in the system of collegial governance: weak board oversight, consolidation of power, lack of transparency, reliance on outside agents, a failure to uphold negotiated and legally binding agreements, and a failure to work with the faculty as highly accomplished professionals who are part of the team rather than simple labour units. If another Laurentian is to be avoided, universities, their boards of governors, and their faculty associations need to refocus on collegial governance and work together to ensure transparency, trust, and inclusion.

And here is our pledge to you: We can help, if you give us a seat at the table. In a bi-cameral system of governance, the Board of Governors, as a matter of principle and law, is a “stakeholder board,” where the public, faculty, students, and alumni guide the university in concert. At Lakehead, the current 18-member Board of Governors—which draws heavily on the ranks of lawyers, accountants, bank executives, and financial analysts—has only one student and one faculty member. To properly safeguard the university’s authority and autonomy, we need a more transparent and diverse board, with, ideally, more faculty representation, more student representation, and, at the very least, a faculty association representative.

We are here to help. Faculty senates and faculty unions are a vital check on the maintenance of collegial governance. Senate procedures and collective bargaining are mechanisms to ensure negotiated and legally binding solutions to common challenges. A commitment to collegial governance can restore and maintain the balance of power and the transparency and trust required to ensure Lakehead’s autonomy and sustainability. Transparency



should be the norm because if one is doing the public good, then transparency comes easily.

The Lakehead University Faculty Association looks forward to working with you in securing our shared future.

Respectfully submitted,

Dr. Gautam Das, LUFA President