

July 22, 2008

Dear Colleague,

In late June the McMaster University Faculty Association issued the Annual Report of the Budget Advisory Committee. While we do not wish to comment on the report point by point we do want to provide a few general remarks.

We have long held that it is imperative for faculty members to understand the budgetary situation of the University and thus we welcome the new focus of MUFA on budgetary matters. We have involved a broad cross section of faculty members in discussions as McMaster's financial and academic strategies have been developed and we will continue to do so.

The Annual Report of the Budget Advisory Committee of MUFA makes the point that there is not adequate funding for our institution. We have been stating this ourselves for a number of years, although our focus has clearly been on conversations with key government leaders who are potentially able to rectify the situation. We also agree that the reputation of our institution is determined primarily by the quality of our faculty and that it is therefore imperative that we recruit and retain exceptionally talented faculty members.

We appreciate the work that has gone into the recommendations in the report and note that most of them relate to actions already underway.

- The Refining Directions Implementation Plan Committee has begun its work to present a plan to meet McMaster's strategic goals.
- The Alternative Budget Model Committee is developing a plan to change our internal budgeting to better align our funds with our strategic goals, enhance transparency, and foster more effective planning.
- The Task Force on Evaluation, Accountability and Measurement is at work to identify a set of key performance indicators that can be used to establish benchmarks against university goals and identify trends.
- The Board of Governors approved a plan last year to provide early retirement incentives so that we could enhance faculty hiring and promote faculty renewal. The hiring of new faculty has already begun and will continue over the next few years based on each Faculty's strategic plan.
- Thanks largely to advocacy by university executive heads and the Council of Ontario Universities (COU), capital renewal projects in post-secondary education are being included as part of the new Ontario infrastructure renewal program, which will put us in a stronger position to meet pressing space needs.
- The Board of Governors has consulted with both internal and external university financing experts and established new guidelines for prioritization and financing of capital projects.

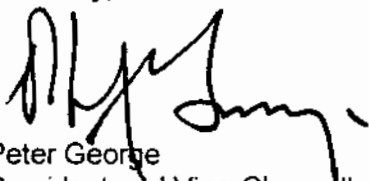
As researchers we all understand that good decisions must be based on good quality data. It was disappointing that a significant amount of the data presented in the MUFA report does not rise to the level of normal research standards. One example is the data presented in Figure 5. The data used is known to be wrong and a corrected version was submitted to MUFA several months ago. The corrected numbers show that over the past five years McMaster has been well above the average for the percentage of operating budget spent on academic salaries when compared to the six G13 universities in Ontario.

Important decisions are being made about McMaster's future and we encourage all faculty members to participate productively in the process. Please agree to serve on important committees if asked, attend town hall meetings and contribute when requests for input are sent by the Task Forces and Committees mentioned above. It is part of each group's mandate to include broad consultation in developing recommendations.

Please continue to share your ideas and perspectives with us as we move forward to build a stronger, better McMaster.

Thank you.

Sincerely,



Peter George
President and Vice-Chancellor



Ilene Busch-Vishniac
Provost and Vice-President (Academic)