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BUDGET ALLOCATION AND PROGRAM APPROVAL
IN NON-UNIVERSITY POST-SECONDARY INSTITUTIONS

by



ALBERT H. WALKINGTON

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH
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The undersigned certify that they have read, and recommend
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ABSTRACT

The purpose of this study was to describe the ways in which the decision-making processes and final outcomes of budget allocation and program approval in institutions with boards differed from those in institutions without boards within the provinces of Alberta and British Columbia, and to assess the influence of boards in these two functions. The conceptual model, based upon the political model of Baldrige (1971) and the typology of Paltridge, Hurst and Morgan (1973), was used to examine the decision-making processes in terms of initiation of action, information-gathering network, political constraints, location of decisions, actions taken by boards, and the final acceptance of the decision. The behavior of boards was assessed in terms of their internal influence on the decision-making processes within the institutions, and of their external influence on the Departments which allocated grants to the institutions and approved new programs for the provincial system.

The methodology included the scrutiny of board minutes, agenda papers, correspondence, and Departmental records and policy statements, supplemented by interviews to clarify issues and to collect data which could not be obtained from the documents. Emphasis was placed upon data from records, because it was considered that these were more reliable sources of information regarding actual actions than were the memories and perceptions of individuals. The sample for the study consisted of two colleges and two provincially administered

institutions in Alberta and two colleges and one provincially administered institution in British Columbia.

As a result of the study it was concluded that the internal processes of decision-making were similar in the community colleges in Alberta, the community colleges in British Columbia, and the provincially administered institutions which did not have boards of governors; that during the fiscal year of 1973-74 the boards had failed to set priorities for resource allocation and program development within the colleges, but had responded to the priorities set by the faculty and the administration; and that the institutions with boards had been no more successful than the institutions without boards in gaining Departmental approval for their budgets or for new programs.

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CHAPTER 1

AN INTRODUCTORY STATEMENT OF THE PROBLEM

I. INTRODUCTION

The governance of post-secondary institutions in Canada has constituted a major issue in higher education. The debate as to whether boards of governors should be created for the institutes of technology and the agricultural and vocational colleges in Alberta has continued, despite the fact that comparatively little research has been undertaken into the functions actually performed by the community college boards of governors in Canada.

Most of the research undertaken in the area of college governance has been directed towards the universities and colleges in the United States of America, and to a lesser extent towards the junior colleges there. Only recently has attention been given to similar research in Canada. Consequently, it was necessary in this study to rely heavily upon the American literature on college governance, and to supplement this where possible with Canadian writings. Although a study of the literature revealed many similarities between non-university post-secondary institutions in Canada and the United States, there were also sufficient differences between the institutions within Canada and between the two countries to warrant further investigations of the relationships existing in Canada (Campbell, 1971 and 1974).

In the United States the junior college or community college was established initially as a response to local demands for higher education, so that state financial support and coordination have been comparatively recent developments. Although community colleges have been established there for many years, they have rapidly expanded in both size and numbers during the past twenty years with increasing state involvement. In Canada, however, the development has been much more recent with at least some of the initiative coming from the provincial governments. In Alberta and British Columbia, the public community colleges have been established for little more than a decade (Campbell, 1971).

In discussing the community colleges in Canada, Campbell (1971:7-8) indicated that the mission of non-university post-secondary institutions had been characterized by:

1. long- and short-term technical programs in the trades, industrial, agricultural and semi-professional field which prepared students for employment, and provided retraining for those who were already employed;
2. university parallel or pre-university courses in the liberal arts or sciences, usually providing first- or second-year credit towards a baccalaureate degree obtained elsewhere;
3. programs in continuing education, designed to meet the recreational, avocational, or occupational concerns of adult part-time students of all ages;
4. a counselling service to assist students to choose careers and to remedy deficiencies; and
5. programs serving groups interested in civic, cultural or recreational improvement of the community.

In Alberta and British Columbia, no single institution encompassed

the full range of activities listed by Campbell, although collectively they provided within each province for all five aspects of this mission statement. None of the institutes or the agricultural and vocational colleges offered university transfer courses, but the community colleges provided a wide variety of vocational courses, which in some cases included some trade apprenticeship programs.

In Alberta and British Columbia there were in 1974 three arrangements for the governance of non-university post-secondary institutions. The community colleges in Alberta were governed by provincially appointed boards of governors; while in British Columbia, the college councils consisted of school trustees representing the participating school boards and others appointed by the government under the provisions of the Public Schools Act. The institutes of technology and the agricultural and vocational colleges in Alberta and, until July, 1974, the British Columbia Institute of Technology, were administered directly by provincial departments.

Campbell (1971) argued that the institutes of technology had continued without boards of governors because, firstly, their budgets were considerably greater than those of the community colleges and presumably therefore required more detailed scrutiny; and secondly, they served a province rather than a region. Campbell asserted that Stewart, who recommended that the colleges should be administered by boards, "felt that the institutes of technology should remain under the Department of Education because they offered programs of a kind that could not be expected to be duplicated in districts outside metropolitan centres" (1971:31). It appeared that Stewart

conceived college boards in Alberta as completely local bodies because they were associated at the time of his report with school boards; but he saw no inconsistency in the universities with boards of governors operating on a provincial basis.

The report on post-secondary non-university education in Alberta, prepared under the chairmanship of Bosetti (1972), recommended that each of the institutions within the system of colleges and institutes be governed by an appointed board of governors (1972:31).

Worth, in the report of the Commission on Educational Planning, stated,

Legal authority for each college, institute and university should reside in a predominantly lay governing board. The idea that higher education is too important to be left to educators and students alone, and that it requires surveillance by the larger society, is strongly supported by many Albertans (1972:128).

Despite these two recommendations, the institutes of technology and the agricultural and vocational colleges in Alberta have continued to be provincially administered.

In British Columbia, the community colleges were established on a regional basis under the aegis of school boards whose interests have been protected by representation on the college council. This form of governance has continued following the government's decision in 1971 to meld the vocational schools with the colleges, although some change has been made in the appointed membership of the councils.

On the other hand, in July, 1974, a board of governors was established for the British Columbia Institute of Technology under the provisions of a new act.

These differences in the patterns of governance in non-university

post-secondary institutions in Alberta and British Columbia have raised questions which have been considered further in succeeding sections of this chapter, and which have formed the basis of the present study.

II. THE GOVERNANCE OF POST-SECONDARY INSTITUTIONS

The literature concerning institutions of higher education in the United States of America has invariably assumed that these institutions would be governed by a board of governors or trustees, even when they were substantially supported by state funds. This assumption was derived from tradition, or a legal philosophy, whose implications did not appear to have been examined in terms of their effects upon the institution as an organization. Henderson, in discussing the role of the governing board, said, "A College or University may be founded only in accordance with the law, the usual instrument of establishment being the corporation" (1971:98). The founding of such a corporate body might have arisen, according to Henderson (1971:99), from an explicit provision of the state's constitution, from a statute establishing the institution, from a charter granted to it under laws pertaining to corporations, or from the powers of a taxing district to appropriate moneys for educational purposes.

Whatever the legal basis for founding a college might be, it was necessary in law for some individual or group of individuals to act on behalf of the college and to have ultimate authority and

responsibility for all decisions regarding that college. As Henderson has indicated, "a corporation is a collection of individuals united by authority of law into one body under a special name and empowered to act in many respects as an individual" (1971:99). A college, like all corporations, had by virtue of its legal form the legal power to serve a corporate purpose or object, to sue or be sued, to purchase, hold or sell property, to have and to use a corporate seal, to make by-laws, and to take whatever actions might be reasonable in order to accomplish the express purposes of the corporation. This meant that legally the board of trustees, having been duly appointed according to law, had full authority to make all decisions regarding the college and had full responsibility for all actions taken in the name of the college irrespective of who actually performed the act.

Concerning this legal authority and responsibility, Henderson (1971) commented that a highly important provision in the by-laws might be the delegation of authority to the administration or the faculty. In delegating authority to act, a board did not thereby delegate its legal responsibility for any actions taken, provided the officer concerned did not exceed the authority delegated to him. Even if the charter or legislation provided for specified officers to perform certain duties, this was interpreted legally as an explicit delegation of the board's authority, because it was the only body having ultimate authority and responsibility under law. In institutions which did not have boards, the ultimate authority lay with the state or province. In Alberta and British Columbia, the ultimate authority for institutions without boards resided in the Lieutenant-Governor in Council.

The legal definitions cited above have become the implicit or explicit basis for most of the literature concerning the functions and roles of trustees. Henderson (1971:110-1), citing the opinions of Burgess and of Hughes, has suggested that the functions of the board were:

1. To fix and declare the objectives and policies;
2. To select and appoint the president;
3. To hold property;
4. To preserve and invest the assets of the college;
5. To authorize the budget; and
6. To act as the court of final appeal in all matters.

Rauh, after listing similar functions for trustees, indicated that their major concern was with the financial and management affairs of their college. He argued that "this universal concern stems from two sources: 1) the financing of the educational enterprise is a constant and pervasive problem for all institutions; 2) nonacademic matters fall within the professional competencies of most trustees" (1969:37). Herron (1969:27) also stressed that the management of finance was one of the most crucial responsibilities of trustees, and argued that boards could not "plunge whole-heartedly into the total spectrum of academic planning and curriculum control. Faculty members [would] not surrender the control of the curriculum, and to seek such control [was] highly inadvisable and misguided" (1969:29). Rauh and Herron have typified the pragmatic approach which has been adopted in much of the discussion of the functions of the board and of the role of trustees.

Bosetti (1972) assigned to the boards of governors the task of determining the operational policies of each institution; of

deciding intra-institutional resource allocations; and of assuming responsibility for the general operations of the institution. This task specifically included budget administration and planning, and maintaining the institutional purpose in response to the needs of society in general and of its community in particular. Worth (1972) argued that the prime function of a board of governors should be the long-range planning for the institution, with specific responsibility for the approval of budgets and of major changes in organization, program or activities.

The writings reviewed above, which have been typical of much of the literature, have shown that a major role, which has been traditionally attributed to boards of governors, has been obtaining and allocating financial resources. Some writers have associated with this function the task of identifying and approving programs to meet the perceived needs of the community which fell within the mission of the institution. Others have assumed that the board would determine the overall policies of the institution and approve long-range plans for its future development.

Two further issues which required examination were the composition of the board of governors (which in the traditional approach had consisted entirely of lay members from outside the institution); and the mode of governance. Kelly and Konrad (1972:8), who have discussed the participation of faculty and students in the process of governance, indicated that few evaluative studies on such participation were available in Canada or the United States.

The Report of the Task Force on the Community College in British Columbia (1974) expressed concern over the present composition of college councils in that province. Although the school trustees already bore heavy responsibilities for the development of local policy for the school system, under the current legislation some were also required to serve on the college councils. The Task Force (1974: 16) pointed out that in most cases school trustees comprised the majority of council members, but were frequently unable to give their full energies to the business of the colleges. The Task Force recognized that so long as the school boards shared in the financing of the colleges, there was a rationale for this arrangement; but the Task Force recommended that the provincial government should accept the full responsibility for financing the community colleges, as it had done with the other sectors of higher education.

Having thus disposed of the rationale for direct school board representation, the Task Force (1974:16-7) cited the Albertan experience to support its recommendation for the establishment of appointed college boards with fifteen members, two-thirds of whom would be appointed by the Lieutenant-Governor in Council from nominations from within the region served by the college, while the others would be two instructors, two students and one support staff member.

Worth claimed that a board provided for representative participation of all groups affected by the board's decisions, while at the same time giving voice to the enlightened sovereignty of the people. He argued, "Without this visible avenue of accountability to

the general public, higher education governance can become a solicitation-of-deception" (1972:128). He added that boards of governors could also be effective buffers against illegitimate pressures from special interest groups, within and without the colleges; but that they also needed to guard against becoming channels for those pressures which would divert and subvert the institution's endeavours. Worth argued that boards of governors should be representative of both the general public and the groups affected by its decisions, namely, the administration, the faculty, the students, and those who received its outputs.

Worth did not examine, however, other modes of governance to determine their shortcomings or advantages. He did not, for example, show why the functions he attributed to governing boards could not be more effectively performed by the Government or the Legislature through a government department; nor did he discuss the problems of governance in the institutes which would justify the establishment of a board of governors for each institution. In an unpublished address to a seminar on "Politics in Higher Education" Worth (1974:10) indicated, however, that the interaction of the board-of-governors operated colleges with each other, and with other members of the advanced education system, had been the focus of much speculative discussion but of only a few studies.

Konrad (1975) distinguished between two modes of operation of college boards which he described as the board of trustees mode and the board of governors mode. In the board of trustees mode, boards acted as trustees on behalf of the public by supervising and

auditing the activities of the college in order to ensure that the college was fulfilling public expectations in terms of programs; and that the college administration was not overspending public moneys or operating inefficiently without regard to the cost. In this mode the initiatives came predominantly from the administration and the faculty, while the board acted as a "watchdog" on behalf of the public.

In the board of governors mode, the board entered directly into the management of the institution by establishing policies, setting priorities and deciding the action to be taken by the administration. Thus, the board became a board of managers which participated fully in directing the activities of the institution towards achieving the goals established by the board for that institution. According to Konrad (1975), conflict of interest, which was the traditional argument for excluding faculty and students from the membership of the board, could occur in the board of trustees mode but not in the board of governors mode.

A number of questions regarding the governance of non-university post-secondary institutions in Alberta and British Columbia have been suggested by this preliminary review of the literature on governance in higher education. What functions were actually performed by boards of governors in the colleges? How were the functions of budget allocation and program approval, which have been attributed to boards, performed in the various types of institutions involved? Were the processes involved different in institutions with boards from those in institutions without boards? How did the outcomes differ? How did

the existence of boards influence these processes and outcomes?
How did the composition of boards affect the processes and outcomes?
Which mode of governance typified the behavior of these boards?
From among the many questions which might have been raised, the
problem examined in this study was identified on the basis of the
concepts discussed in Chapters II and III.

III. THE PURPOSE OF THE STUDY

The purpose of this study was to describe and compare the
decision-making processes and the final outcomes of budget allocation
and program approval in non-university post-secondary institutions
in Alberta and British Columbia, and to assess the influence of
boards in these functions.

This problem has been delineated as the following three
subproblems:

1. To describe the decision-making processes and the final
outcomes of budget allocation and program approval in
selected non-university post-secondary institutions in
Alberta and British Columbia;
2. To compare budget allocation and program approval under
the three patterns of governance found in those provinces;
and
3. To assess the influence of boards in the functions studied.

These subproblems have been outlined in further detail in Chapter
III in which the methodology of the study has been described.

IV. THE IMPORTANCE OF THE STUDY

This descriptive and comparative study has explored an area of educational administration concerning which very little research has been reported previously. Since the establishment of the Department of Advanced Education in Alberta in 1971, the relationships pertaining at the time of Small's (1972) study have no longer applied. In British Columbia, changes were made to the composition of college councils in 1973; further changes were recommended in the report of the Task Force (1974); and a board of governors was established for the British Columbia Institute of Technology in 1974. This study has thus provided insights regarding newly developed situations in those provinces.

While the main focus of the study was upon the situation in Alberta, the comparison with certain institutions in British Columbia was regarded as a source of additional information and insights concerning the influences and functions of college boards in the two provinces. The developing situation at the British Columbia Institute of Technology has provided additional information regarding the differences between the two main forms of governance.

Campbell (1974:4) pointed to the continuing debate regarding the governance of the institutes of technology and agricultural and vocational colleges in Alberta. In 1974, the faculty of the Northern Alberta Institute of Technology pressed for the establishment of the institute as a corporate body under a board of governors, and similar issues have been discussed at the Olds College according to

Information received during the interviews for this study. These movements were based on the view that corporate status would give the institutions greater prestige, would allow the faculties greater freedom of action by allowing them to expand their activities with less hindrance from the Department, and would enable the institutions to receive more favorable treatment from the government in regard to budget allocation and program approval. This study has examined the extent to which this view was supported by empirical evidence.

This study may also have wider applications because a similar issue regarding the governance of technical colleges in Australia could probably arise in a few years. The Australian Committee on Technical and Further Education has already recommended in its report, *TAFE in Australia* (1974), that further investigations be made into means of bringing the colleges into direct contact with the community. An understanding of the situation in these two Canadian provinces would offer some guidance to administrators in Australia, provided they took account of the cultural and historical differences between the two countries.

V. DELIMITATIONS OF THE STUDY

This study has been confined to an investigation of budget allocation and program approval in selected non-university post-secondary institutions in Alberta and British Columbia. It has focussed upon the decision-making process within the institution and the provincial department, and upon the final outcomes of that process in regard to budget allocation and program approval. Other

areas of decision-making have been excluded from this study, except where they impinged upon the above issues.

In the institutions which have boards of governors the investigation has been directed towards the decisions of the board and not the actions of individual board members. In all cases, the study has been restricted to decisions taken between the beginning of the 1973-74 fiscal year and November, 1974, when the data were collected.

VI. LIMITATIONS OF THE STUDY

As an interpretative investigation, to use the terminology of Porter and Nixon (1975), this study has been essentially a descriptive and comparative analysis of the decision-making behavior within certain institutions in regard to budget allocation and program approval immediately prior to November, 1974. The conclusions drawn were only applicable to the institutions studied, although they might be relevant to similar institutions elsewhere, and might suggest areas for further research. These conclusions had no implications regarding the decision-making behavior or influence of boards beyond the specific areas of decision-making investigated.

The validity and reliability of the conclusions drawn were limited by the validity of the following assumption, which were made in this study:

1. That the minutes of the public meetings of college boards were an accurate and reliable record of the decisions made by the boards;

2. That the agenda documents supporting recommendations to the board from the college administration contained the substance of the arguments and data offered in support of the recommendations;
3. That the views expressed by those interviewed accurately portrayed the position, policy and actions of those they represented;
4. That the influence of a board in the matters investigated was indicated by the extent to which its decisions were accepted by the Department without modification; by the extent to which the college administration considered the board's probable decision in making its recommendations; and by the extent to which the board, whether in board meetings or in committees, scrutinized the recommendations of the college administration and modified those recommendations; and
5. That the influence of the administration in the matters investigated was indicated by the extent to which its decisions were accepted by the Department without modification; and by the extent to which the institution was committed to the Department's decisions.

This study has also been limited by the degree to which institutions afforded access to internal documents and correspondence. One board in particular regarded such matters as confidential to the board and allowed only limited access to documents.

VII. AN OUTLINE OF THE STUDY

A survey of the literature relevant to this study has been given in Chapter II, in which recent research findings have been discussed. Four conceptual models which have been used elsewhere to examine institutional governance have also been outlined.

In Chapter III, the problem has been examined in detail; the conceptual framework for the study, based on elements from the systems hierarchy model and the political model, has been established;

and the methodology adopted for the study has been described.

The decision-making processes and the final outcomes of budget allocation and program approval within the community colleges in Alberta, the community colleges in British Columbia, and the provincially administered institutions respectively have been described in the next three chapters. Although in general discussion, the term "board" has been used to cover both boards of governors in Alberta and college councils in British Columbia, and the term "president" to include principals, within these chapters, the correct titles of officers and institutions have been used.

In Chapter VII, the processes and outcomes in these matters in the different institutions have been compared, and the influence of boards assessed; while in Chapter VIII, the main points of the study have been summarized, and conclusions and recommendations reported.

CHAPTER II

A SURVEY OF THE LITERATURE

I. INTRODUCTION

It was indicated in Chapter I that most of the literature concerning the governance of higher education was concerned with universities and four-year colleges in the United States of America, and to a much lesser extent with the non-university sector. Because the tradition for the governance of the public community college was derived, on the one hand, from the universities and colleges, and from the high schools on the other, it was relevant here to include some consideration of writings not directly connected with community colleges.

Because of the comparative dearth of Canadian research on the governance of community colleges, attention has necessarily been given to American research. It has not been possible to examine any literature regarding the governance of provincially administered institutions. This survey has therefore been concerned with recent research regarding the role of trustees and the functions of governing boards, and with conceptual models which could be used to examine the decision-making process and its final outcomes and the influence of boards of governors on budget allocation and program approval.

II. RESEARCH FINDINGS

Some recent studies have gone beyond the traditional, prescriptive approach described in Chapter I. Hartnett (1969), for example, made a study of the backgrounds, perceived roles, and educational attitudes of college and university trustees in the United States. His approach was to distribute a very substantial questionnaire to some 10,036 trustees nominated by the presidents of 654 institutions covering all forms of higher education, including a twenty percent sample of the public two-year colleges. His findings, which were based on returns from 5,180 trustees representing 536 institutions, have only impinged marginally upon this study, which was only concerned with the characteristics of board members to the extent that these might have influenced board decisions. Because of the small number of board members involved in the present study, data similar to that gained from only four of Hartnett's questionnaire items have been collected during interviews rather than by questionnaire.

An approach similar to that adopted by Paltridge, Hurst and Morgan (1973) in their study of decision-making patterns of boards of trustees in four-year colleges in the United States of America has been utilized in this study. They argued:

If research is to inform those who make recommendations and those who make decisions, it must proceed from the surveys of board composition and their implications of representational imbalance and go beyond trustee perceptions of their roles, professed attitudes and perceived decision making authority, to an investigation of their actual performance and their decision making actions (1973:7).

Paltridge, Hurst and Morgan used a highly detailed decision coding protocol to examine board minutes, by-laws, standing orders, procedural manuals, state legislation related to charters and board authority, and other documents which would assist in the analysis of the board minutes. In addition, they obtained biographical data on individual board members to assist them in interpreting their findings.

They found that of the matters dealt with by boards, sixty percent came before the boards as recommendations, thirty percent as reports, and that less than five percent arose as independent motions from trustees. Nearly thirty percent of these matters were placed on the agenda by committees of the board, and another twenty-nine percent by the president or the administration. Regular board members raised just over seven percent of the agenda items, while those presented by student and faculty members of the board were negligible. Nearly one-third of the agenda items came from other sources outside of the board, such as the faculty or external agencies.

Of the matters handled by the boards, 83.4 percent received affirmative action without amendment, a further 1.4 percent received affirmative action after amendment, and only 0.6 percent received negative action. Boards referred, deferred or tabled 11.5 percent of the items, and on 1.2 percent took no action. Over 30 percent of the matters requiring board action, and 23.5 percent of the items requiring no action, were categorized by Paltridge, Hurst and Morgan as business and finance, while matters concerning physical plant accounted for a further 22.3 percent of action items and 21 percent of non-action items. Educational programs represented only 13.2 percent

of the action items and 10.9 percent of the non-action items. Personnel matters and student affairs were 2.2 and 2.9 percent of the action items respectively, and 10.9 and 4.2 percent of the non-action agenda items respectively.

These findings indicated that the boards of trustees acted largely by giving approval to decisions which had been formulated elsewhere. The study did not indicate, however, the extent to which individual board members participated in the actual decision-making processes through membership on board committees. When the level of decision-making by the boards was analyzed, it was found that the boards were not greatly involved in policy-formulation, and that the agenda consisted mainly of routine items for formal approval.

For their analysis of the level of decision-making undertaken by boards, Paltridge, Hurst and Morgan adopted a framework consisting of three levels, which were defined as follows:

- 1) legislative policy (designated Level I), which deals with the ethical (i.e., 'ought to' or 'should be'), the general as opposed to the specific, and the more important;
- 2) management policy (designated Level II), which deals with broad, nonethical rules, interpretation of legislative policy, control, direction, boundaries of subordinate authority; and
- 3) working policy (designated Level III), which deals with the more specific rules at the administrative level and with execution or implementation (1973:35).

Using this framework, they found that of 3,933 board matters analyzed, 296 (7.5 percent) were at Level I; 1,445 (36.7 percent) at Level II; and 1,645 (41.9 percent) at Level III; while 547 (13.9 percent) could not be coded.

When these items were dissected into decision areas, it was found that 21.6 percent of the business and finance decisions were

at Level I, 23.1 percent at Level II, and 27.6 percent at Level III. For educational issues, the situation was reversed with 32.7 percent of the decisions at Level I, 28.1 percent at Level II, and 6.9 percent at Level III, although it was noted that the volume of decision-making regarding educational matters was less than half that for business and finance. For physical plant and personnel, the respective proportions were 13.5 and 8.1 percent at Level I; 28.3 and 9.2 percent at Level II; and 17.5 and 43.1 percent at Level III.

These research findings confirmed the view held by writers such as Herron (1969) and Rauh (1969) that the major concern of trustees of institutions of higher education in the United States of America had been the management of finance and physical plant rather than educational policy. It appeared from this research that the examination of documents was a more fruitful approach than the use of questionnaires and interviews alone to obtain the trustees' perceptions of their roles and their functions in the decision-making process of college governance, because it provided hard data against which the validity of those perceptions could be evaluated. On the other hand, it was recognized that document search alone would not provide a complete picture of the processes involved and that the document approach needed to be supplemented by data from interviews.

The work of Paltridge, Hurst and Morgan (1973) in the United States suggested the possibility of a similar research approach as a means of examining the governance of community colleges in Canada. The use made of their research methodology as part of this study has been explained in Chapter III.

After the present study had been initiated, a study of the functions of college councils in three colleges in Greater Vancouver, one of which had been included in the sample for this study, became available. Gray (1974) utilized a theoretical framework based upon Strauss and others (1963), who suggested that at any given point in time, the social order of a group or organization could be viewed as resulting from a formal order and a negotiated order. In Gray's study, the formal order was established by examining the relevant legislation, rules and regulations. The negotiated order was determined mainly from interviews with the council members, supported by an inspection of the councils' minutes for 1972-73. Gray found that in the three colleges studied the major involvement of the councils was in approving decisions brought to the council by the college administration.

From Parsons (1959), Gray derived four external organization problems at the institutional level (legitimation, integration, disposal and procurement) and five internal organization problems (technical functions, facility maintenance, policy implementation, integration and socialization) which were used to structure his analysis of the functions performed by the councils. He found that the councils stressed the procurement of resources and the disposal function in the form of approval of programs. While the focus of Gray's study was somewhat different from that of the present study, it afforded complementary conclusions, especially because one college had been included in the sample of both studies and the findings regarding that particular council could be compared.

III. CONCEPTUAL FRAMEWORKS

A number of different theoretical models have been used in studies of governance to describe the behavior of boards. The bureaucratic model, the collegial model, the political model, and the systems hierarchy model have been examined in the following subsections, in order to determine which would be the most relevant to this study.

Bureaucratic Model

Rational, legalistic and pragmatic descriptions of governance could be conceptualized as part of a bureaucratic model of governance, because one of the basic premises of the Weberian model was legal authority as a source of legitimation. Such a model emphasized the legal authority and responsibility of the board to establish policy, to make rules, and to appoint officers in order that the policies might be implemented by and within the organization (from the president down). In the bureaucratic model, all responsibility lay ultimately with the titular head of the bureaucracy, or in corporations with the board; and authority to perform certain functions was delegated within the hierarchy according to rational and formal rules and procedures. While such a conceptualization would be in accord with the legal position of the board, it would not adequately describe the dynamic operations of the college or its board.

Richard L. Blocker and Bender, in discussing the governance of two-year colleges, described the bureaucratic model in the following terms:

External influences are interpreted through the administrative structure which defines priorities, allocates resources, issues directives governing faculty and student performance, and controls the resultant process through the measurement of intervening or end-result variables. The basis for controlling behavior is an authority relationship created by the downward delegation of powers vested in the governing body by a legitimizing agency* (1972:109).

In their view, to interpret college governance (including the functioning of the board) in terms of the bureaucratic model not only distorted the perception of what was occurring, but also exacerbated the problems of conflict by ignoring other influences in the decision-making process. They argued that "authority and influence can be effective in the decision-making process only when the matters to be decided fall within the zone of acceptance of those to be affected by them" (1972:90). Because they believed that bureaucratic rules could not overcome this problem, Richardson, Blocker and Bender adopted a participational model.

Concerning the inadequacies of the bureaucratic model as a description of governance in universities, Badbridge claimed:

First, the bureaucratic model tells us much about 'authority', that is, legitimate, formalized power, but not much about other types of power based upon non-legitimate threats, the force of mass movements, expertise, and appeals to emotion and sentiment. . . . Second, the bureaucratic paradigm explains much about the formal structure but very little about the processes that give dynamicism to that structure. . . . Third, the bureaucratic paradigm deals with the formal structure at any point in time but does not explain how the organization changes over time. Finally, the bureaucratic model does not deal extensively with the crucial task of policy formulation. . . . In these ways, then, the bureaucratic paradigm falls short of explaining the decision-making in the university (1971b:4-5).

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bureaucratic model was used as a conceptualization of governance in colleges, other models have been examined.

Collegial Model

In rejecting the bureaucratic model for institutions of higher education, many writers have described the university as a "collegium" or "community of scholars." In so doing, they have de-emphasized the function of the board of governors, and have stressed the need for the full participation of the members of the academic community--especially the faculty--in its management. This concept, which emphasized the professional's ability to make his own decisions and his need for freedom from organizational constraints, implied that rational people working together would readily reach consensus on matters affecting the institution and that there would be no need for the board to exercise over-riding authority.

Richardson, Blocker and Bender (1972) have proposed a less extreme view of the collegial model for the two-year college in which administrators, faculty and students all participated significantly in the decision-making processes through representatives of each constituency of the college meeting together in various functional committees and the board. This consensus-developing process culminated in the college board which was representative of the community at large and of the constituencies within the college. They argued that "rather than being mediated exclusively through the administrative structure, external influences may impinge upon the internal environment through faculty and students as well" (1972:110).

Richardson, Blocker and Bender (1972:110) claimed that their participational model implied that information required for decision-making was not the exclusive property of any single group, and that it corresponded more closely to what was known about the transmission of information. They (1972:57-82) supported their position by appeal to the work of Getzel (1958), Maslow (1954), McGregor (1960), Argyris (1964), Toffler (1970), and Blake and Mouton (1964). While recognizing that the bureaucratic model described much of what occurred within the administrative structure of a college, and that bureaucratization increased the efficiency of routine administrative procedures,

Richardson, Blocker and Bender argued that to apply this model uncritically to the governance of a college ignored the inputs from all parts of the college and its environment; imputed to the board and the president an omniscience and omnipotence that they could not possess; and placed too much additional power in the hands of the administration.

The research of Paltridge, Hurst and Morgan (1973) gave some support to Richardson, Blocker and Bender, in that board members appeared to show little initiative and to act largely to ratify decisions and actions taken elsewhere. The participational model, however, implied a consensus within the college which was denied by the evidence of conflict between individuals and between groups within such institutions.

Altbach, Laufer and McVey (1971) in "Prologue: The Multiversity in Crisis" described the university, not as a unity of collegiate common purpose, but as a multiversity characterized by its variety of

interests and activities held together by a common name, a common governing board and related purposes, which have lost their sense of community. In the absence of any over-riding goal, the various elements competed for scarce resources, for prestige, and for personal advancement. They presented a common front only when this had mutual benefit. While it was probable that the degree of conflict and disparate interests was greater in the larger universities than in small community colleges where face-to-face relationships could be more extensive, the views expressed by Altbach, Laufer and McVey drew attention to the divergent interests which existed within a college, and which diverged increasingly as the college grew in size and complexity, and diversified its offerings.

Political Model

As a result of his research at the New York University, and in an attempt to explain better the decision-making processes involved in governance, Baldrige proposed a political model involving conflict processes. In developing his model, Baldrige (1971a:15) drew upon the sociological tradition of "conflict theory," the "community power" theories of political science, and the "informal group" concepts of organization theory, as a framework for analyzing the activities of interest groups as they struggled for influence. Although this model arose from the events of the turbulent sixties with their obvious conflicts demonstrated in student riots and confrontation between boards, faculty and students, Baldrige argued that the political model offered a more complete view of decision-making processes in

universities than did the models discussed previously, even though for some purposes those models provided an adequate conceptual framework. It was considered that for the present study a model that took account of political processes would provide a more appropriate conceptual framework for examining the influence of boards in the allocation of resources and the approval of programs.

According to Baldrige (1971a:15-21), the conflict theorists emphasized the fragmentation of social systems into interest groups, each with its own particular goals; the interaction and conflict processes by which each group sought to gain advantages over the others; and the way in which interest groups clustered around divergent values. The study of change was a central feature of this conflict approach. The community power theorists were concerned with the nature of power in the political system, the role of interest groups in the political arena, and goal-setting activities. They dealt with political communities with very diffuse, differentiated goal-systems, in which the goals were ambiguous, contested and changing. The sociologists' attention was given to the way in which the social structure influenced the decision-making processes; political pressures were brought to bear upon decision-makers; decisions were forged out of conflict; and policies, once established, were implemented. This model was primarily concerned with the problems of goal-setting in organizations which were crucial in the process of allocating resources between programs and approving new programs.

Baldrige (1971a:190) argued that with the development of

complex decision networks, the decision process was removed from the hands of individuals (although some still remained powerful) and placed within a network that allowed a cumulative buildup of expertise and advice. He summed up the perspective provided by the political model in the following terms:

The political model suggests the following things. First, powerful political forces--interest groups, bureaucratic officials, influential individuals, organizational salientists--cause a given issue to emerge from the limbo of ongoing problems and certain 'attention cues' force the political community to consider the problem. Second, there is a struggle over locating the decision with a particular person or group, for the location of the right to make the decision often determines the outcome. Third, decisions are usually 'pre-formed' to a great extent by the time one person or group is given the legitimacy to make the decision; not all options are open and the decisions are severely limited by the previous conflicts. Fourth, such political struggles are more likely to occur in reference to 'critical' decisions than to 'routine' decisions. Fifth, a complex decision network is developed to gather the necessary information and to supply critical expertise. Sixth, during the process of making the decision, political controversy is likely to continue and compromise, deals, and plain head-cracking are often necessary to get any kind of decision made. Finally, the controversy is not likely to end easily. In fact, it is difficult even to know when a decision is made, for the political processes have a habit of unmaking, confusing, and muddling whatever agreements are hammered out (1971a:191).

Decisions regarding budget allocation and program approval appeared to be the type of 'critical' decisions in which the political struggles suggested in Baldrige's fourth point would be evident. In the present study the political model provided the basis of a conceptual framework for examining the problem.

Systems Hierarchy Model

Another useful basis for conceptualizing the functions of college boards was found in Parsons' (1958) model of the institutional, managerial and technical levels of an organization as a social system.

Parsons argued that rather than having a continuous vertical hierarchy, organizations were divided into three levels whose decision-making functions were quite discrete and whose goals were different.

In his analysis, the technical level was responsible for the operations which produced the products of the system. In a college, this was the faculty which performed the teaching function and which was responsible for all decisions related to the educational process. The goal of this level was to produce the best possible product irrespective of cost and to obtain the resources needed to achieve that goal.

The managerial level was concerned with acquiring the resources (financial, material and personnel) necessary for the technical processing, and with allocating these resources between the subsystems of the technical level. To do this, the managerial level assessed the needs of its environment and marketed the product to satisfy those needs. In the college, the administration corresponded to the managerial level of Parsons' model. The goal of this level was to allocate the scarce resources available to it in competition with other organizations so as to achieve the best possible output mix from those resources, and to increase the total resources available.

At the institutional level, the organization was responding to the community as a whole in order to fulfil its functions in the total societal context. The institutional level was responsible for identifying the mission of the organization; for interpreting the needs of the community; and for allocating resources not only between

the internal subsystems of the organization but also between the organizational mission and other sectors of the community. Within the college, the college board constituted the institutional level, while at the college system level this function rested with the government. The goal of the institutional level, as Parsons saw it, was to utilize the resources available to the community and to allocate them in such a way that the total needs of the community were met so far as possible.

Parsons argued that the expertise required differed from level to level because the decisions made had a different basis. At the technical level, the expertise required was the professional skills and knowledge essential to the processing involved; while at the managerial level, the stress was upon administrative decision-making which demanded skills in identifying community demands and allocating resources to meet those demands. Because the function of the institutional level was articulating with society in general, its expertise needed to be representative of society rather than of the technical processing of the organization. This was essentially a political skill which would not allow the institutional level to become involved in decisions regarding the technical processing but would equip it to make decisions regarding the organization's priorities.

Parsons' model of the systems hierarchy provided a conceptual basis for distinguishing between the functions which could be attributed to each level of the college and the college system, and for analyzing whether a board was operating at the institutional,

managerial or technical level within the college. It also supplied a theoretical basis for relating the level at which decisions were made in the organization to the types of objectives upon which those decisions would be based. In regard to the present study, Parsons' model provided a conceptual basis for examining the board's function in allocating resources and approving programs. (

IV. CHAPTER SUMMARY

Although much of the literature on governance in higher education followed a traditional, legalistic and pragmatic pattern, recent research findings have provided new insights into the functions of boards and the roles of trustees. In particular, the findings of Paltridge, Hurst and Morgan (1973) have provided evidence regarding the decision-making patterns of boards in the United States of America. In the absence of similar data on community colleges in Canada, it was felt that there was a need for an investigation of the way in which college boards functioned in this country and of their influence upon the colleges.

While the bureaucratic model and the collegial model offered some insights into administrative behavior within the institutions, it was considered that the political model outlined by Baldrige (1971a) provided the conceptual basis best suited to examining the decision-making process at the college board level. At the same time, Parsons' (1958) model of the systems hierarchy established a theoretical basis for identifying the functions of the boards.

Elements from these two models and the research methodology of Paltridge, Hurst and Morgan have been used in establishing the conceptual framework for this study, which has been described in Chapter III.

CHAPTER III

THE CONCEPTUAL BASIS AND METHODOLOGY

OF THE STUDY

It was indicated in Chapter I that this study was based upon the interpretative paradigm in that a descriptive and comparative approach, rather than an experimental approach, was adopted. In this chapter, a conceptual framework for the study has been developed and the methodology outlined.

I. THE CONCEPTUAL FRAMEWORK

In the development of the conceptual framework for this study, the systems hierarchy model was used to establish the functions of college boards and their setting within the total governance of the institutions, while the political model has been utilized to examine the process of decision-making and its outcomes in each of the institutions studied. The model of institutional decision-making, which was derived in this way, was employed as a basis for describing and comparing budget allocation and program approval in the institutions and for assessing the influence of boards in these functions.

Board Functions

The systems hierarchy model was used to select two main functions of the board as the institutional level of a college. These were identifying the mission of the college in relation to the needs

of society, and allocating resources at the societal level.

Mission identification could be described as the function of interpreting the community's needs for post-secondary education and ensuring that the college acted to meet those needs. In this study, this function was perceived as being performed through the establishment of program priorities as demonstrated by the approval of new programs by the board.

Resource allocation could be defined as the function of relating the college's resource needs to other uses of those resources in society and ensuring that the resources allocated to the college were utilized effectively to accomplish the mission of the college. This function was seen as being performed through the establishment of expenditure priorities as demonstrated by the process of budget allocation.

Although other functions of college boards might have been identified also, these two were identified from the systems hierarchy model as two crucial functions of the institutional level represented by the board. Throughout this study the terms "budget allocation" and "program approval" have been used because these were terms used at all levels of the institutions and would be more readily understood by those interviewed. They are also the organizational manifestations of resource allocation and mission identification.

Decision-making Processes

Five of the functions, budget allocation and program approval, were derived from Baldrige's (1971a, 191) summary of a political model of institutional governance. The sixth element for investigation, an analysis of the actions taken by boards, was derived from the study by Paltridge, Hurst and Morgan (1973). In the model of institutional decision-making, "initiation of action" arose from the first point in Baldrige's summary, "information-gathering network" from the fifth, "political constraints" from the sixth, "location of decisions" from the second and third, and "final acceptance" from the seventh; while the cruciality of the decisions involved was covered by the fourth point which suggested the application of the political model to the study.

Accordingly, six process elements were identified as follows:

1. Initiation of Action. Who initiated the actions which set the decision-making process in train, and determined the subjects upon which decisions were made?
2. The Information-gathering Network. What forms of information did the decision-makers seek? Who controlled access to this information? Through which channels was this information received?
3. Political Constraints. Where did negotiations occur in the decision-making process? Who made the trade-offs? Who established the priorities? How were the decisions enforced?
4. The Location of Decisions. Where were the decisions accepted by the board actually made? Were decisions "pre-formed" before they were legitimated by the board? If so, by whom?
5. Actions taken by the Board. What proportion of the board's business was concerned with finance and with programs? What proportion of the board's business was directed towards legislative policy, towards management policy, and towards working policy? What were the sources of the board's business in terms of committees, the administration, individual board

members, and others? What action did the board take on the matters placed before it?

6. Final Acceptance. To what extent were decisions accepted as final? To what extent were the members of the institution committed to the decisions?

The relationships between these elements have been expressed diagrammatically in Figure 1. The first four and the sixth elements were shown as covering all three levels of the systems hierarchy model because initiative, information-gathering, political constraints, decision-making and final acceptance could occur at all three levels. The box labelled "Departmental Decision-Making" has been included to indicate that provincially administered institutions would relate directly to the Department, while in institutions with boards the actions of the board would be an intervening variable which could affect the location of the decision and also the final acceptance by the institution of the decisions made.

The actions of the board were also shown in relation to the Department's decision-making because in institutions with boards, the board was the major form of articulation between the institution and the Department.

Using this conceptual framework, the study has addressed the problem of describing and comparing the decision-making process and the final outcomes of budget allocation and program approval in selected non-university post-secondary institutions, and of assessing the influence of boards in these functions.

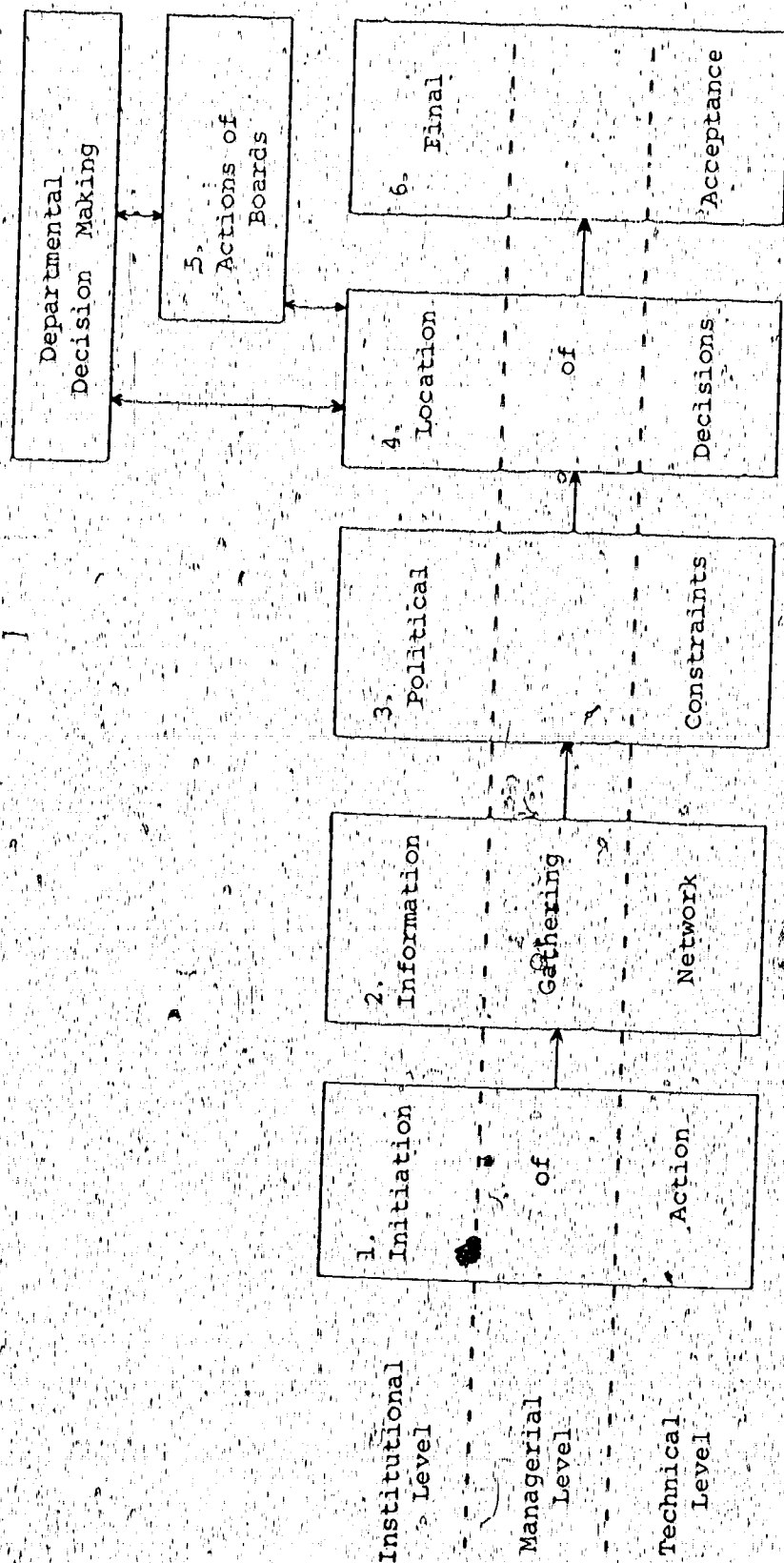


Figure 1

A MODEL OF INSTITUTIONAL DECISION MAKING

11. RESEARCH METHODOLOGY

In order to study the problem delineated above, a rationale for the investigation had to be established. As many of the previous studies of the functions of boards of trustees in the United States of America had been based on interviews and questionnaires, which had yielded largely subjective interpretations of the functions of the boards, it was decided to base this study as far as possible upon documentary evidence. Because it was recognized that documentary evidence alone would provide an incomplete, and perhaps distorted, interpretation of the functions of boards in institutional governance, the documentary approach was supplemented by subsequent interviews with selected personnel in the colleges and the Departments. In this way, the interviews were designed to clarify issues which were unclear in the records, while at the same time the documents provided an objective check on the validity of the perceptions of those interviewed.

Sample

A sample of colleges in Alberta and in British Columbia, and of the provincially administered institutions was selected on the basis of its representativeness of the three patterns of governance to be studied and of its manageability in the time available for the study. In Alberta, the sample contained two community colleges, one of which was located in a large city and the other in a rural town, an institute of technology and an agricultural and vocational college. The sample for British Columbia consisted of an institute of technology and two community colleges, one of which was in a large

city and the other in a rural town. An agricultural and vocational college could not be included in the sample for British Columbia, because such institutions did not exist in that province.

Initial contact was made with college and institute presidents, and with Departmental officers involved in budget allocation and program approval, to gain their cooperation in the study. Where it was possible, the initial contact was by telephone, followed by a letter which described the nature of the study and of the data to be sought from documents and interviews.

Documentary Sources of Data

The legislation and official policy statements of the responsible Department in each province were the sources of data concerning the powers, duties and obligations of the boards of the institutions to be investigated, and of the legal standing of institutions without boards. Institutional calendars provided data regarding the scope and philosophy of the individual institutions.

Preliminary budget estimates prepared within the institutions, budget estimates submitted to the Department, and, where these were available, correspondence between the institution and the Department were the prime sources of data concerning budget allocation for the 1974-75 fiscal year; while program submissions and, in Alberta, institutional mission statements were sources of data regarding program approvals. In Alberta it was also possible to refer to Departmental records containing recommendations to the College Budget Review Committee, and to the status report regarding program submissions up to November, 1974.

In those institutions with boards of governors, the minutes of public sessions of the board during the 1973-74 fiscal year and the related agenda documents were the data sources with respect to the board's actions during that period. Where possible, these were supplemented from the relevant correspondence between the college and the Department.

Verbal Sources of Data

To supplement the data obtained from documents, institutional presidents and/or senior administrators nominated by them were interviewed. They were asked to clarify details which were not clear from the documents examined, and to describe briefly the way in which the preparation of budget estimates and program approvals were handled in that institution. They were also asked the extent to which the decisions they made regarding these matters were conditioned by their perceptions of what would be acceptable to the Department, and where applicable to the board. These officers were asked to comment on the extent to which the Department and/or the board modified the administration's recommendations with respect to budget allocation and program approval, although the prime source of data on this matter was the board minutes and correspondence.

In those institutions with boards, the president or the bursar (who in British Columbia was by law secretary to the college council) was asked to describe the composition of the board in terms of the age, sex, occupation and educational level of its members. Age was estimated within decades, and educational level was described in terms

of whether the member held a university degree.

Senior Departmental administrators concerned with either budget allocation or program approval were interviewed to clarify details of those processes within the Department; to determine the criteria used by the Department in reaching decisions in these matters; and to obtain their perceptions of the influence of college boards in these processes.

The chairman of the board, or a member of the board nominated by him, was asked to describe the board's perception of its function in the governance of the college. He was also asked to comment on the priorities, if any, that the board had set for budget allocation and program development for the college. In all the colleges, except one in which the board met in closed sessions, a board meeting was attended to observe the manner in which the board dealt with its business. In order to obtain further insights into the degree to which the board examined matters placed before it, either by committees or by the administration. The inputs received in this manner were used to prompt further questioning at the interviews rather than as data for the study.

Initial Analysis of Data

The data collected at the provincial level were analyzed to determine the legislated requirements for the establishment of colleges, the powers and responsibilities of college boards, the manner in which the provincial Departments approached budget allocation and program approval, and the legal status of the provincially administered

Institutions and their relationships with the provincial Department. The data used for this purpose were derived from the provincial documents, legislation and policy statements and from interviews with Departmental officers.

Initially, the data collected from each institution studied were analyzed separately using the model of decision-making outlined in the previous section. The use made of the data collected regarding the actions taken by boards has been described in a subsequent subsection because a detailed explanation was necessary. The nature of the other elements in the model has already been discussed in outlining the model. The questions contained in each element were therefore used to analyze the data collected.

From the data on the board membership provided by the college administration, the composition of each board was analyzed with a view to providing a tentative explanation of observed differences between boards when comparisons were made later. From agenda documents and from information gained during interviews with the college administration, the committee structure of each board was described.

Analysis of Actions taken by Boards

The actions taken by each board in regard to the matters placed before it during the fiscal year of 1973-74, as recorded in the minutes of its public sessions, were analyzed in terms of a modification of the typology used by Paltridge, Hurst and Morgan (1973). Firstly, each action taken by the board was categorized according to whether it concerned finance, programs, or other matters.

Because almost all decisions implied some expenditure by the college, an item before the board was classified as a financial matter if it was clear that expenditure was a crucial issue in the decision. For this reason, for one college where personnel decisions also included references to salary, these items were classified as "other" because the salary was already determined by the position and the establishment of the college already provided for the position. On the other hand, decisions on salary contracts were classed as financial decisions, even though the salary agreements were not part of the minutes.

Items were classified as program matters if they referred to existing or proposed programs for the college or to decisions to offer particular courses at a particular time. The remaining items were classified as other matters for the purpose of this analysis.

The source of the item was defined in terms of the person or persons placing the item on the business agenda of the board. Items were classified as originating from a committee, if they appeared on the board agenda as a report or recommendation of a committee. An item was classed as arising from a board member if it arose within a board meeting from an individual member directly; or from the administration if it was raised within the board meeting by the president or other administration officer without first going to a committee. Items were classified as arising elsewhere if they came directly before the board without being considered by a committee; or by the administration, or were not raised by a board member.

It was clear from the minutes that many matters considered by

committees had originated with the administration or from elsewhere.

For the purpose of this analysis, these items were classified as arising from a committee. Although it was recognized that this would have the effect of increasing the number of items attributed to committees, it was considered that these definitions would provide a clearer presentation of the way in which the board handled its affairs, and also provided a measure of the influence of the committees as distinct from the board. Because in some boards, certain matters were raised in the board before being referred to a committee, it would have been difficult to trace every item to its original source, and to do so would not have contributed further to this particular analysis.

Each item or decision within the board was treated as a separate action. If a matter was tabled or referred to a committee or to the administration, that matter was counted as one action; and when it appeared again on the agenda of the board it was considered to be a separate item. Similarly, if an agenda item created more than one action within the board, then each action was counted separately. For example, if a routine item caused the board to determine a new policy or to review policy as well as to decide the particular issue, the two actions were treated separately, and each attributed to whichever source was applicable to the particular action taken.

The actions taken by the board were classified as approved; approved after amendment within the board; rejected outright; tabled, deferred or referred to a committee or to the administration for further consideration, advice or action; a request for information

(usually from a board member); or received for information only. Where two discrete actions arose from one item, each was classified separately.

The actions taken were further classified in relation to the level of decision-making involved, using again the typology of Paltridge, Hurst and Morgan (1973), which was discussed in Chapter II. Items were classified as Level 1, if they involved either college mission and policy statements or responses to legislation. They were classed as Level 2, if they involved policies or matters of major policy implementation, and relationships between parts of the college. Level 3 items were routine matters of implementing policy, such as the approval of monthly expenditure statements, course offerings in continuing education, or personnel appointments among the clerical staff or part-time instructors. These levels were described as legislative policy, management policy, and working policy, respectively.

The reliability of the placement of items into the various categories was checked by having two independent researchers categorize a sample of items from the minutes of a college. The product-moment correlations between the levels assigned in this study and those assigned by the two independent researchers were 0.85 and 0.90, respectively.

From the analysis described in this subsection, it was possible to describe more succinctly and precisely the decision-making behavior of each board, and to determine where its emphasis lay. In particular, the analysis provided an assessment of the board's involvement in budget allocation and program approval.

Reporting the Results of this Analysis

In reporting the results of this initial analysis of the data, a separate chapter was devoted to a particular pattern of governance. The functioning of the wholly provincially financed public colleges with provincially appointed boards was described in Chapter IV; the functioning of colleges in British Columbia, with councils receiving partial funding from school boards and with some school trustee members in Chapter V; and the functioning of the provincially administered institutions in Chapter VI.

At the beginning of Chapters IV and V, the legal status of boards in Alberta and British Columbia, respectively, was described. This was followed by a statement of the budget allocation and program approval processes from the provincial perspective. These statements were syntheses of the information derived from provincial documents and from interviews with Departmental officers.

Description of Budget Allocation

The description of the budget allocation process and its outcomes was based upon the analysis of data obtained from budget documents both within the college and the Department, the correspondence available, the public session minutes and agenda documents for those institutions with boards, and from the interviews with the personnel involved. The budget approved by the board or the administration was examined in detail and, where possible, compared with the budget proposals prepared for the administration in order to determine where changes had been made and the extent to which changes had been made.

Although preliminary budget estimates were prepared in British Columbia, it was only possible to obtain figures for those in one college, because in the other college all such matters were considered confidential to the board. It was therefore necessary to determine some details of budget changes from interviews within the college. From a synthesis of these data, the budget allocation process for each institution was described in a separate section of Chapter IV, V or VI.

For British Columbia, a description of the budget allocation process at the provincial level was composed from interview data, and from correspondence and minutes of a meeting of departmental representatives with board members and the college administration of one of the colleges. It was possible to obtain from documents in both of the colleges details of the changes made to the budget by Departmental decisions.

For Alberta, a similar description was based upon an analysis of data from a letter regarding budgets sent by the Department to the colleges, internal Departmental documents regarding budget approvals, other correspondence between the institutions and the Department, the Estimates 1974-75 presented to the Legislature, and from interviews with Departmental officers. From these sources, the budget approved for each institution for the 1974-75 fiscal year was obtained.

Description of Program Approval

In general, an analysis of the data obtained from interviews, program approval submissions to the Department, minutes of public sessions of the college board meetings, and in Alberta the Department's Program Coordination Policy and programs status report, and the institutions' mission statements provided a synthesis of the way in which program approval was handled within each institution and by the Department. For each college, a particular program was selected as an example of this process and of the documentation required to have programs approved.

Validation of Descriptions

After the description of budget allocation and program approval in each institution was completed, it was submitted to the institution for comment and criticism in order to validate the observations made. After any necessary corrections had been made, the description was incorporated in this study as a section of the appropriate chapter.

General Comparison of College Boards

From the data synthesized in Chapters IV and V for each of the colleges, it was possible to compare the actions of the boards in the different colleges. This comparison consisted of an analysis of the way in which boards differed in terms of the volume of business transacted during the 1973-74 fiscal year, the proportion of that business devoted to finance and to program matters, the source of that business, the level of the decisions made and the type of action taken. From these analyses, differences in perceptions of the

role of the board became apparent so that the degree of supervision, the attention given to routine matters and the emphasis on personnel matters were found to be distinguishing features.

The composition of the boards was compared in terms of age, occupation, and method of appointment, in order to provide a tentative explanation of the differences in the behavior of one board in comparison with the others. The membership of boards in Alberta and of councils in British Columbia was compared to provide some explanation of differences observed between the two provinces.

Comparison of Governance Patterns

From the descriptions contained in Chapters IV, V and VI, the processes and outcomes of budget allocation and program approval in the seven institutions were compared within the framework of the model described previously in this chapter. The elements of initiation of action, the information-gathering network, the political constraints, the location of decisions, the actions taken by boards, and final acceptance were used to determine the similarities and differences among the decision-making processes within these seven institutions; and an assessment was made of the differences between institutions with boards and institutions without boards in order to determine what differences, if any, in the process and final outcomes of budget allocation and program approval could be associated with the presence of boards.

This analysis have been presented in sections I

er VII.

Assessing the Influence of Boards

Once the differences observed between institutions with boards and those without boards had been established, the influence of boards was assessed in terms of the differences that the presence of a board made to each of the elements discussed above. The influence of boards was considered from the viewpoint of the internal influence of boards on the decision-making within the institution, and of the external influence of boards on decision-making in the Departments concerned.

Internal influence on budget allocation was assessed on the basis of the following criteria. What changes did boards make in the budget allocations decided at other levels of the college? To what extent were decisions "pre-formed" when they were presented to the board? To what extent was the administration constrained by the perceptions of what would be acceptable to the boards? What was the degree of scrutiny given by the boards to the actions of the administration?

External influence on budget allocation was assessed on the basis of the percentage change which the Departments made to the budgets submitted by the institutions, and the degree to which the boards conformed to the guidelines set by the Departments. A second criterion was the degree to which boards accepted the decisions made by the Departments.

Internal influence on program approval was assessed by the extent to which boards provided priorities in program development; the extent to which boards rejected programs initiated by the faculty

and the administration; and the extent to which the board required changes in program proposals before they were approved by the board.

External influence on program approval was assessed on the basis of the extent to which the Departments endorsed the programs approved by the boards; and the extent to which the Department's decisions were accepted as final.

In each of these spheres of influence the outcomes in institutions with boards were compared with the corresponding outcomes in institutions without boards in order to determine whether any differences could be attributed to the different pattern of governance. As a result of these comparisons, the overall influence of boards in regard to budget allocation and program approval was assessed. The results of this assessment of the influence of boards have been reported in section V of Chapter VII.

CHAPTER IV

COMMUNITY COLLEGES IN ALBERTA

I. THE PROVINCIAL PERSPECTIVE

Legislation

With the exception of Grant MacEwan College, the community colleges in Alberta were established under the provisions of the Public Junior Colleges Act, 1958. This Act empowered school boards, individually or jointly, to establish junior colleges with the approval of the Minister of Education, and to maintain these colleges by means of provincial grants and local taxes. Originally the college board was vested in the school board establishing the college, but the 1959 amendment to the Act gave to the colleges corporate status, while continuing the existing financial arrangements.

In the Colleges Act, 1969, the Alberta Colleges Commission was created to administer the college system in Alberta; the provincial government accepted full financial responsibility for the public colleges; and the Public Junior Colleges Act was repealed. At the same time, the college boards were reconstituted as boards of governors, established by an order of the Lieutenant-Governor in Council, and consisting of the president of the college, a member of the academic staff nominated by the academic staff association, a student member nominated by the student council, and five others appointed by the Lieutenant-Governor in Council. Appointed members had a

three-year term, which could be extended for a second three-year term; but after the second term, there had to be a break of three years before a person could be appointed for a third term.

Following a change of government, the Department of Advanced Education was created in 1971, and the enabling legislation embodied in the Department of Advanced Education Act, 1972. Under this Act, the Minister of Advanced Education was empowered to make regulations for distributing moneys appropriated by the legislature for advanced education, and for the establishment, operation, administration and management of vocational, technical or agricultural schools or institutes, or agricultural and vocational colleges. Under the same Act, the Colleges Act was amended to transfer the powers previously held by the Minister of Education to the Minister of Advanced Education, and the Agricultural and Vocational Colleges Act was repealed, thus vesting in the Minister of Advanced Education the powers previously held by the Minister of Agriculture in respect to those institutions.

The Colleges Amendment Act, 1973, which became effective on May 30, 1973, disbanded the Alberta Colleges Commission and transferred the powers previously held by it to the Minister of Advanced Education. Under the Colleges Act, 1969-73, the Minister was empowered to

- (a) require each college board to submit to him such reports and information as he required; and
- (b) regulate and prohibit the extension, expansion or establishment of any service, facility or program of study so as to reduce or avoid an undesirable or unnecessary duplication within the college system, or the establishment of a new school, facility or department by any member of the college system.

For the purposes of the Colleges Act, the college system consisted of each public college and each provincially-owned institution declared

to be a member by an order of the Lieutenant-Governor in Council. The position of the provincially administered institutions has been considered further in Chapter VI.

The Minister was expressly empowered to approve or disapprove the capital and operating budgets of the college system; and to review, approve, amend or disapprove all requests for capital expenditures from college boards.

The college board was empowered under the Act to provide courses of general, academic, vocational, cultural or practical nature, subject to the approval of the Minister, and to provide short courses or programs to meet the needs of special interest groups. With the approval of the Minister, the board could establish admission requirements, and prescribe tuition fees for both full-time day programs and part-time and evening courses.

The Act placed upon the college board the duties of submitting annual reports and other returns required by the Minister; of ensuring that the business and affairs of the college were conducted in accordance with the Act and its regulations; of determining the general policies with respect to the organization, administration, operation and courses of instruction of the college; of assuming full responsibility for the expenditures of the college from the funds provided and for accounting for those expenditures; and of providing for the full and accurate recording of its proceedings, transactions and finances. The board was empowered to appoint the president at a remuneration approved by the Minister; to appoint academic staff and to enter into negotiations with them in order to reach agreement on salaries and conditions; and

to appoint non-academic staff and to determine their conditions and remuneration.

The expenditures of the board were limited under the Act, by prohibiting it from accepting any liability or making any expenditures for any purpose which could not be met from existing funds or from the annual income for that year, without the approval of the Minister. Thus, each board was constrained by the provisions of the Act to act in accordance with government policy. Two duties specifically enjoined upon the board were financial accountability to the government and determination of general educational policies for the college.

The Department and Budget Allocation

In Alberta, the fiscal year for the colleges was from July 1 to June 30 of the following year, even though the government's fiscal year ran from April 1 to March 31 of the ensuing year. The 1974-75 budget for the colleges was the first budget developed under the Department of Advanced Education rather than the Alberta Colleges Commission, although the procedures adopted by the Department tended to follow those used by the Commission because many of the same staff were involved.

In Alberta, governmental budget discussions for the 1974-75 budget began in June, 1973. The Department of Advanced Education submitted its budget estimates to the Treasury in August, 1973, so that these estimates could be examined and priorities set in negotiations between representatives of the two departments. These estimates were

submitted to the Priorities Committee of Cabinet (which consisted of the Premier, the Provincial Treasurer, and six senior ministers) for its consideration and decision. At meetings of the Priorities Committee during November, 1973, departmental officers were required to explain the basis of their estimates, and to indicate provincial priorities as they saw them. As a result of the decisions of the Priorities Committee, the colleges were advised at a meeting with departmental officers in November, 1973, that there would be comparatively slight increases in the expenditure in 1974-75; and that they should budget on the basis of a seven percent increase in costs after allowances had been made for changes due to projected enrolments. These budgets were required to be approved by the college boards and to be submitted to the Department by February, 1974.

Each college's budget was examined by the College Budget Review Committee, which consisted of the Deputy Minister, the Assistant Deputy Minister (Administrative Services) and the Directors of Finance Planning Services, Finance Operations Services, College Programs Services, and of Administrative Services for College and University Affairs. For the committee, the Director of Finance Planning Services prepared an analysis of each college's budget in terms of the projected enrolments, the seven percent increase, and amounts for special items in the expenditure; and on this basis recommended the grants to be made. These recommendations were considered by the committee and a final decision made concerning the grant for each college. These decisions were reached on an incremental basis from the previous year's average cost per full-time equivalent student rather than from a complete

analysis of the expenditure's proposed.

When the government's budget had been presented in March, 1974, and the Appropriation Bill passed, the colleges were advised of the grant to be made; and following further discussions in which the probable effects of the budget were examined with the college administration, the final budget for each college was established. These Operating Budgets did not provide for the establishing of new programs, which were financed from a separate fund within the Department of Advanced Education. This will be discussed in the following section.

The Operating Budget did not provide for either major expenditure on renovations or equipment, or for new buildings. Under the Alberta Colleges Commission there was established a capital budget for each college of ten percent of the Operating Budget to provide for capital maintenance and new equipment. Under the Department of Advanced Education, the basis for Capital Budgets was ten cents per square foot of floor space for the maintenance and renovation of college buildings; and an allowance of fifteen percent of the furnishing and equipment inventory (which is assessed by the Department at 4.50 dollars per square foot of floor space) for the replacement of equipment and furnishings. Capital expenditure for new buildings required ministerial approval under the Colleges Act and was the subject of separate negotiations between the college administration and the Department. Capital building grants were granted under an Order in Council after consideration by the Cabinet.

The Department and Program Approval

All programs in advanced education required the approval of the Department of Advanced Education before they could be implemented. The policy of the Department on program coordination was set out with guidelines and procedures in a document dated March, 1974. Its policy was that "instructional programs in the Alberta system of advanced education will be coordinated to ensure the availability of effective educational experiences and to avoid unwarranted duplication of effort in institutions." Each institution (university, college and institute of technology) was required by the Department to submit to it a mission statement, setting out its current program offerings and its plans for developing new programs, which reflected the mission and capabilities of the institution.

Under the procedures adopted by the Department, each college retained the primary responsibility for preparing proposals for new programs and for ensuring that all appropriate reference groups had been satisfied; but the Department retained the right to reject proposals which would not be consistent with the role of the college, or which would create unwarranted duplication throughout the province.

When a college considered commencing a new program, it forwarded a letter of intent to the Department to facilitate the allocation of new programs prior to the preparation of formal proposals, and to enable the Department to appropriate funds in advance of the implementation of the program. The letter of intent was required to outline the program area proposed, a tentative implementation schedule, preliminary enrolment estimates over the first three to five years,

preliminary estimates of annual operating and capital costs, the approximate date by which the formal proposal would be submitted, and other relevant information (such as groups to be consulted).

All letters of intent were considered by the Department's Program Review Committee, which consisted of the Assistant Deputy Minister, Program Services, and directors of the Program Services and the Administrative Services Divisions. The policy document stated that new programs would be evaluated on the basis of the following criteria:

1. Appropriateness of Philosophy and Purpose of the Proposed Program;
2. Benefits of the Proposed Program;
3. Suitability of the Curriculum;
4. Economic Considerations; and
5. Special Considerations.

All programs, irrespective of whether they were submitted by universities, colleges or institutes of technology, were treated in the same way, with a recommendation brought to the committee by the director responsible for that type of institutional program. In the case of college programs, the recommendation was made by the Director of College Programs. On the basis of the above criteria and the subjective judgments of the committee members, a decision was made for the institution to proceed with the development of the formal proposal; or to defer its development; or to provide additional information; or not to proceed at all. If a possible role inconsistency was identified, the institution was advised to defer further development until the role inconsistency issue was resolved.

If approval was given for the institution to proceed with the

development of the formal proposal, the funds required for initially implementing the proposal were reserved in the budget for the phase-in period, and the institution proceeded to develop its proposal. The proposal was required to include the title of the program and the credential to be awarded to graduates; the purposes and benefits of the program; the nature of the program and a summary of the curriculum; enrolment predictions; an implementation schedule; estimated costs directly and indirectly attributable to the initial implementation of the program; a summary of the findings of those consulted; a statement of the relationships of the proposed program to other programs in the college, to the resources available, and to the system of advanced education; transfer arrangements, if any, with other institutions; proposed growth limits; and procedures for the institutional evaluation of the program. Before a program proposal was accepted by the Department, it had to have been approved by the board of governors. When the formal proposal had been received, it was again evaluated by the Program Review Committee, with a recommendation from the Director of College Programs, and a final decision made as to whether the program would be approved and financed.

If there were insufficient funds to support all the programs which were approved in principle by the Department, then it would be necessary for the Department in consultation with the institutions to decide priorities among the programs, on the basis of the Department's perceptions of the needs of the province.

To keep the institutions informed regarding program developments throughout the system of advanced education, status reports were issued

periodically by the Department to the institutions. In the period between March and October, 1974, 152 letters of intent and proposals had been processed by the Program Review Committee. Of these, 59 were approved, 41 not approved, 25 deferred, and 29 tabled pending further information from the institution. Of these, 66 had been received from public colleges, of which 20 were approved, 20 were not approved, 11 deferred and 15 pending. As a result of other institutions being informed of letters of intent and program proposals, role inconsistency challenges were received by the Department, which then had to decide between the institutions on the basis of their mission statements, the facilities available and the provincial needs.

According to the Assistant Deputy Minister, Program Services, program proposals from all institutions were treated in the same way, and the existence of boards of governors did not influence the Department's decision. The Department did not experience any lobbying from college boards, although occasionally other organizations attempted to influence decisions regarding particular programs. The Department's policy was to seek equitable, rather than equal, treatment by taking into account the circumstances of the individual institution.

Conclusion

Although the Departmental officers interviewed did not consider that the existence of boards of governors influenced their decisions regarding either program or budget approvals, they still thought that the boards influenced the way in which the colleges were administered. Firstly, the presence of the board was an additional constraint upon

the administration, which was thereby required to make decisions or recommendations in terms of its perceptions of what the board would accept, and to establish arguments and data to support those recommendations to the board. Secondly, institutions with boards were not bound by the Public Service Act or the Financial Administration Act, or by regulations made under them; and therefore could be more flexible and responsive to change. Thirdly, an institution with a board could be more readily required to live within its budget than could a departmentally-directed institution. As a separate corporation, the public college, while depending upon government grants, had no legal power to commit the government to additional expenditure; it was therefore required to accept responsibility for its own expenditure decisions. If it overspent in any fiscal year, it could allow for this by short-term borrowing, utilizing surpluses from previous years or trading some of its assets. Fourthly, the public college had control of its revenues as well as its expenditures, so that increased service to students or to the public, whether in courses or in food services, for example, could be met from increased revenues from that service, at least in part. These comments were examined further in Chapter VI when the Institutes of Technology were being discussed.

It was felt, on the other hand, that boards took time to understand college management and members often left the board before they could make a substantial contribution to college governance. Because of inexperience in personnel management and contract negotiations, boards often allowed too rigid statements of conditions to be negotiated, which limited the administration's capacity to

utilize faculty and staff effectively. Those interviewed thought that boards tended to accept the administration's recommendations too readily, instead of assessing them independently. They felt that generally the public colleges with boards of governors had, however, advantages which outweighed these difficulties.

II. INSTITUTION A

Establishment and Composition of the Board

Institution A was established by the Government of Alberta in a large city in 1970. Initially the board of governors consisted of five lay members appointed by the Lieutenant Governor in Council. To these were added the president, when he was appointed, and the faculty and student representatives after courses were established in 1971. As the lay members terms of appointment expired a number of changes were made by the new government elected in 1971, and for a time some positions remained vacant.

In mid 1974, the board consisted of four men and three women, with one position vacant. Two of the men were in the fifty to sixty age group, one in the forty to fifty age group, and one in the twenty to thirty age group. One woman was in the twenty to thirty age group, one in the thirty to forty age group, and one in the forty to fifty age group. It was reported that four of the members had degrees, including the president, the faculty member and two lawyers, while the other three were a housewife with real estate interests, an independent businessman and the student member.

To expedite the business of the board, three main standing committees had been established. The Finance Committee examined all matters relating to the operating expenses of the college; the Property Facilities Committee handled matters involving the acquisition of sites and the maintenance, alteration and construction of facilities; while the Management Committee was responsible for the remaining matters, including program approval. It has been shown in the next section that almost all the board's business passed through these committees before it was considered by the board. There were also committees like the Negotiations Committee which operated as the need arose.

According to the board chairman, the board saw its main function to be policy-making and the management of finance. In budgeting, the board sought to limit the expenditure on administration in order to direct as much as possible towards instruction within the limits set by the government. The board had not set direct priorities for program development beyond the college mission statement and, because some of its members sat on the Academic Council and the Management Committee, it did not need to examine program proposals at the board level. The chairman acknowledged that at present more of the initiatives came from the administration, although earlier when initial policies were being established the board had taken the lead.

Actions Taken by the Board

From an analysis of the actions taken by the board in its public sessions between July 1, 1973, and June 30, 1974, the results

of which have been summarized in Table I, it was found that of 548 items brought before the board, 117 (21.3 percent) directly concerned financial decisions, and 131 (23.9 percent) involved program development and educational policy. In terms of the level of decision-making (as defined in Chapters II and III), 407 items (74.4 percent) were working policy matters, 140 (25.5 percent) were management policy items, and only one (0.2 percent) was classified as a legislative policy matter. Board committees placed 407 items (72.4 percent of the matters handled by the board) on the agenda; 23 (4.2 percent) were presented directly by the administration; 11 (2.0 percent) were raised by individual board members; while 107 (19.5 percent) came to the board from elsewhere. The latter group included the one matter of legislative policy with which the board was concerned; this was a letter from the Department of Advanced Education regarding its policy on student transferability, which was received for information.

When these 43 items were analyzed in terms of the actions taken by the board, it was found that 277 items (50.5 percent) were approved without amendment, and a further 24 (4.4 percent) with amendment. Of these 301 items, 262 (87.5 percent of the items approved) had been considered previously by a committee of the board. Only seven items, including five matters recommended by a committee (none of which concerned either finance or programs), were rejected by the board; while 189 items (34.5 percent of the total) were received for information only. Of the latter, eight came from the administration directly, 110 from the committees, and 71 from elsewhere. A total of 44 items (8.0 percent of the total) were tabled, or referred back to a

TABLE I

ANALYSIS OF ACTIONS OF THE BOARD OF INSURANCE

Decision Area	FINANCE				PROGESS				OTHER				TOTAL				GRAND TOTALS												
	C'tes		Mbr		Adm.		Ext.		C'tes		Mbr		Adm.		Ext.		C'tes		Mbr		Adm.		Ext.						
Source		Adm.		Ext.		C'tes		Mbr		Adm.		Ext.		C'tes		Mbr		Adm.		Ext.		C'tes		Mbr		Adm.		Ext.	
Action		Level																											
Approv.	1																												
	2	9	1																										
	3	70																											
Approv.	1																												
	2	3																											
	3	2																											
Amend.	1																												
	2																												
	3																												
Reject	1																												
	2																												
	3																												
Refer.	1																												
	2																												
	3																												
Request Inform.	1																												
	2																												
	3																												
Rec'd for Inform.	1																												
	2																												
	3																												
TOTALS	1	17	1	6		19	1	5	23	39	1	5	35																
	2	87				89				95			95																
	3									312	7	17	336																
GRAND TOTALS		104	1	12	12	108	4	13	125	307	11	23	341																

committee or to the administration for further investigation and consideration. It appeared from the board minutes that the board preferred to refer a matter back for further consideration rather than to reject a recommendation without further consideration.

The fact that the board only rejected seven items out of 308 matters upon which it actually made a decision should not be interpreted to mean that the board necessarily acted in a pro forma manner merely to ratify decisions reached elsewhere. It appeared from the evidence that if the board could not reach ready agreement on a matter that item was referred to a committee for further investigation in order to save the board's time. This was shown by the way in which some matters arose on a number of occasions until a satisfactory decision was reached. An example of this process was the way in which the board required the divisions of the college to re-structure their establishment charts until the board was satisfied that a sound structure had been established.

It was probably more significant that the board had not given attention to matters of legislative policy concerned with the mission and priorities of the college, and had concentrated its attention almost entirely upon management policy (internal structure and relationships, and the approval of programs initiated through the faculty), and on working policy (implementary decisions).

The College Board and Finance

Financial matters were a major board consideration during the fiscal year of 1973-74, constituting directly 21 percent of the board's

business. Of the 117 financial matters considered by the board, 104 (88.9 percent) came to the board from a committee, although this was not always the Finance Committee since the Property Facilitation Committee usually considered capital expenditure.

Seventy of the items at the working policy level, which were approved by the board on the recommendation of the committee, were routine approvals of expenditures of amounts greater than three thousand dollars which had already been undertaken by the administration and which required the examination and approval of the Finance Committee. Other items were the approval of membership dues for particular organizations with which the college was associated, and the approval of costs incurred for the attendance of faculty at conferences and workshops. Only nine of the finance items were at the management policy level. These were concerned with the college budget, the transfer of allocations from one section to another, and with the faculty salaries.

Each month the board received from the Dean of Administrative Affairs a statement of operating expenditures and revenues for the period ending on the last day of the month approximately six weeks before the board meeting. The statement was examined in detail each month by the Finance Committee which reported to the board on any matters requiring the board's attention. The minutes indicated that the board during the last months of the fiscal year made post hoc adjustments to the budget allocations for certain sections on the basis of financial data which were six weeks out of date and which did not provide any information regarding expenditure commitments. The monthly

statement showed the total expenditure to date as a percentage of the total budget allotment for that item, with the statement to April 30, 1974, showing that the expenditure by departments varied from 54.0 to 102.2 percent of the amount allotted to that department for the fiscal year, even though only two months remained to the end of the fiscal year.

At its meeting on May 8, 1974, the board, on the recommendation of the Finance Committee, resolved to draw the attention of one division to its financial position; to direct the administration to transfer funds to certain accounts to cover over-expenditure under those allocations; and to request a breakdown on the budget allocation for the board's expenses during the 1974-75 fiscal year.

At the meeting on June 19, 1974, the board decided on the recommendation of the Finance Committee that the administration should advise each division which could be overspent that any deficit would be carried forward and applied against the 1974-75 budget. It appeared that the board was exercising post hoc adjustment of the budget rather than examining reasons for deviations from the budget, because there did not appear to be any attempt to relate the actual expenditure of a division to its actual enrolments or to require explanations of the reasons for overspending. The only other action taken ~~was~~ when tenders were being considered; as a subsidiary motion, the administration was asked to investigate and report on the excessive use of paper by the office.

As indicated above, matters of capital expenditure were processed by the Property Facilities Committee. The minutes for the board's

meetings in December, 1973, and April, 1974, recorded expenditures totalling over 173,000 dollars for alterations, ~~renovations~~, and new furniture. None of these matters were referred to the Finance Committee because they were already covered by budget provisions.

Although the minutes for the fiscal year of 1973-74 did not show that the board had dealt with applications to the Department of Advanced Education for major capital expenditures, it was stated in the interviews that the administration with the knowledge and approval of the board had negotiated directly with the department, and when agreement had been reached advised the board of the outcome. Thus, at the meeting in March, 1974, the board received for information correspondence from the Department of Advanced Education in which the college was advised that the government had approved a grant of six million dollars for the acquisition of some existing buildings and for the construction of buildings on a new campus.

At its meeting in May, 1974, the board approved the recommendation of the Property Facilities Committee that "each campus location should be equipped with or have easy access to gymnasia. The agenda papers did not indicate that any attempt had been made to estimate the cost of this policy or to assess the amount of use such facilities would receive. Nor was any provision made for the implementation of this policy."

In its report to the board meeting in December, 1973, the Finance Committee indicated that there had been a meeting of the finance officers of the colleges with officers of the Department of Advanced Education at which it had been stated that the increase in the

colleges' budget would not be substantial; that Institution A would receive a larger proportion because enrolments there would continue to increase while those elsewhere were declining; and that new programs would not be included in the budget estimates, but would be approved separately and financed from a special fund of 1.5 million dollars held for this purpose by the Department of Advanced Education.

It was also reported that the following schedule of meetings had been set up by the Dean of Administrative Affairs to establish the budget for 1974-75:

- 11 December 1973--Meeting with division heads--preliminary budget discussions;
- 20 December 1973--Budgets to be submitted by the instructional divisions and reviewed by the directors;
- 3 January 1974 --Second draft of instructional budgets to be submitted for review;
- 7-11 January 1974--Review of all budgets by the President, Dean of Administrative Affairs, Dean of Academic Affairs and senior officers concerned;
- 14-18 January 1974--Preparation of final budget submission;
- 21-25 January 1974--Submission to a special meeting of the board;
- 31 January 1974 --Revisions, if necessary, and transmittal to the Department of Advanced Education.

The Dean of Administrative Affairs was asked to submit an estimate of enrolments upon which the budget could be based.

At its meeting in January, 1974, the board approved the estimated enrolment of 2,000 full-time equivalent students in 1974-75 as a basis for establishing the budget. Non-credit course enrolments were excluded because these did not receive financial support from the Department as part of the budget.

In preparing the budget, the administration followed the process outlined in the schedule above. The preliminary estimates totalled in excess of five million dollars, but these were reduced during the

review to four million dollars by negotiations within the college, on the basis accepted of 2,000 full-time equivalent students at an average cost of 2,000 dollars per student, because it was considered that this was the extent to which the Department of Advanced Education would support the college's operating budget.

The budget estimates were submitted to the board at a special closed meeting on January 23, 1974, without prior review by the Finance Committee. After discussion, the board adopted the budget as submitted of 3,950,000 dollars for the fiscal year 1974-75, with the request that the Department of Advanced Education provide a grant of 3,380,000 dollars and approve the release of 50,000 dollars held by the college for course and program development and the utilization of 200,000 dollars held as a surplus from the fiscal year of 1973-74.

The budget was submitted to the Department of Advanced Education in the format required by the Department with a covering letter dated January 31, 1974. The budget summary gave a breakdown of the budget by items of expenditure but not by instructional divisions. It was estimated that 400,000 dollars would be received from tuition fees and 20,000 dollars from special fees and sundries. The budget submission did not contain any arguments in support of the budget, beyond the estimates of an enrolment in existing programs of 2,000 full-time equivalent students, because the budget was presented in person by the president who spoke to the submission. The total submission was approved by the Department of Advanced Education, although it was learned in interviews with Departmental officers that the Department did consider reducing the grant by 16,000 dollars.

From the minutes, and from the interviews with the college administration, it appeared that the administration was mainly involved in the preparation of the budget and in negotiations with the Department; that the Finance Committee had no involvement in the budget allocation; and that the board in discussing the budget did not give detailed scrutiny to individual items or modify any of the allocations. The chairman of the board indicated that amount of funds the government was prepared to grant was a major limiting factor in establishing the college's budget. There was evidence that the college conformed to the Department's guidelines of a seven percent increase in the per capita cost.

The College Board and Programs

In Institution A, a formal structure had been established for the consideration of new programs and course development. An Academic Council was established to provide an opportunity for students, administrators, faculty members, and the board of governors to work together and with members of the community in the development, review and improvement of the educational opportunities offered by the college. There had also been created a Course and Program Development Department within the college to undertake the basic research and development necessary for new programs. The board of governor's Management Committee usually reviewed all programs and courses before they were placed before the board for approval.

Of the 131 items involving program approval and educational policy, which came before the board during the 1973-74 fiscal year,

108 (82.4 percent) were submitted through the Management Committee, 15 (11.4 percent) arose from outside the formal channels of the college, and 4 (3.1 percent) from the administration directly. The board approved 66 items (50.4 percent), and a further 11 (8.4 percent) were approved after amendment, while 37 items (28.2 percent) were received for information only. Thirteen items (9.9 percent) were tabled or referred back to the Academic Council for further consideration. Of the 131 items considered by the board, 105 (80.0 percent) were working policy matters concerned with approval of courses to be offered in the following year, and with arrangements for such courses, while only 26 (19.9 percent) were concerned with management policy decisions.

Seventy-nine of the items considered by the Management Committee were received from the Academic Council, although many of these were not concerned with educational programs. On the other hand, nine items which reached the board for decision without first going to the Academic Council were approved in principle and referred to the Academic Council for further consideration. During interviews in November, 1974, it was indicated that during 1973-74, the Management Committee of the Board of Governors had tended to operate along the same lines as the New Courses and Programs Review Committee of the Academic Council. The college had commenced in November, 1974, a complete review of its organizational structure and processes.

After a need for a new program had been identified letters of intent were sent to the Department of Advanced Education with the approval of the board. Once approval to proceed had been received

from the Department, the Course and Program Development Department of the college, in cooperation with the faculty concerned developed the proposal for presentation to the Department of Advanced Education. This proposal was examined critically by the review committee of the Academic Council which made decisions on its curriculum content and its implications for the internal operations and organization of the college. Once the Academic Council had approved the program proposal, it was submitted to the Management Committee of the Board of Governors. The main concern of the Management Committee was with the place of the proposed program in the overall mission of the college and its implications for increased staffing and for funds required. The Management Committee's recommendation on a program proposal was usually given formal approval by the Board of Governors, which authorized the submission of the proposal to the Department of Advanced Education.

Of 11 letters of intent received from Institution A by the Department of Advanced Education and listed in the November, 1974, Status Report, only two, that for a certificate in Extended Care Nursing, and that for a diploma in Real Estate and Property Management were approved for proposal development. In three cases, the Department's decision was to advise the college not to proceed with the proposal; while in six cases the decision was to defer the preparation of the proposal as the area was under review by the Department. The Status Report also indicated that approval had been given for six programs to be implemented at Institution A. These included a program in Educational Management, which the minutes of the board meeting in August, 1973, showed was deferred by the Department because no budget

had been provided for it in 1973-74. Three others approved by the board in December, 1973, were also included. In April, 1974, the board received advice to defer further action on three other programs which the board had approved in December, 1973. It was also advised that role inconsistency challenges had been filed by both the institutes of technology in regard to the program for landscape planning technicians. This program had been included by the college in its mission statement as a proposed future development without any challenge from the Department at that time. Although the outcomes of the institutes' challenges was not recorded, it was reported in the interviews that the Department had upheld the challenge and had allocated the program to an institute of technology, even though all the developmental work had been done at Institution A after the professional body concerned had approached it to undertake the program because an institute could not satisfy its requirements.

The above evidence showed that the Department had rejected half of the proposals approved by the board during the period under consideration. This suggested that the board had not exercised constraint upon the administration or the faculty in regard to program development. The faculty's understandable drive to expand its activities had not been curbed by the board which had not rejected one proposal presented to it. There was no evidence that the board had taken the initiative in 1973-74 by setting priorities for program development, but had largely responded to initiatives from the faculty and administration in response to requests from other bodies.

Conclusion

An analysis of the data collected indicated that in Institution A the administration initiated action on budget allocation by gathering information from the divisions of the college regarding their projected financial needs for the 1974-75 fiscal year. As the budget was raised within the college, tradeoffs were negotiated so that the budget was pruned to an acceptable level and was largely "pre-formed" by the time it was presented to the board for its approval. The board's emphasis in financial matters was upon a relatively detailed supervision of the financial transactions of the college on a post hoc basis.

Although action on program development could be initiated at all levels of the college from the faculty to the board, information-gathering was handled by the faculty. The programs developed were thus dependent upon faculty support as they were processed through the faculty, the Academic Council and the Management Committee. Decisions on program approvals were "pre-formed" by the time they were presented to the board for formal approval.

The Department of Advanced Education did not appear to have been influenced in its decision-making by the existence of the board. In fact, in some areas of program approval, its decisions favored the institutes (which did not have boards) rather than Institution A with its board. In the budget allocation, the board's decision conformed to the guidelines set by the Department.

In the two decision areas of concern in this study, budget allocation and program approval, the board of governors at Institution A

during the fiscal year 1973-74 was not greatly involved in decisions regarding college policy and priorities. This should not be interpreted to mean that the board had not previously established overall policies and priorities for the college, although there was evidence that in recent years the board had tended to respond to initiatives from the faculty and the administration rather than to create those initiatives.

III. INSTITUTION B

Establishment and Composition of the Board

Institution B was established in 1964 with corporate status under the provisions of the Public Junior Colleges Act, 1958-63, by seven school boards acting in cooperation with the Department of Education. Following grave administrative difficulties, the board of governors was dismissed and an administrator appointed by the Lieutenant-Governor in Council acting under his powers in the Colleges Act, 1969. A new board was appointed and took office in 1973, and a new principal was appointed in July, 1973. This board had the task of establishing new college policies and formulating the by-laws under which it would operate.

In November, 1974, when these data were collected, the board of Institution B consisted of five members appointed by the government (one of whom was the chairman), the president, a faculty member and a student member. Of the six male members of the board, two were in the fifty to sixty age group, two in the forty to fifty age group, one in

the thirty to forty age group, and one under thirty years of age; while one of the women was in the forty to fifty age group and the other in the thirty to forty age group. Six board members held degrees,

including a medical practitioner, a lawyer, two housewives, the president and the faculty member. The other lay member was a businessman.

Prior to taking office, this board had worked with the administrator for a period, during which administrative guidelines had been set. It was understood by board members that their function was to establish policy, to exercise general oversight of the administration, to represent the public interest particularly in matters of finance, and to maintain liaison between the public and the college by responding to expressions of public opinion and presenting the college to the public. Board members sought to be sensitive to public concerns and to ensure that the college programs met the needs of the public.

The board preferred to act as a committee of the whole, except in negotiations with the staff. When matters required a small group's attention such as for negotiations, a special committee was established for that occasion.

Actions Taken by the Board

From an analysis of the actions taken by the board in its meetings between July 1, 1973 and June 30, 1974, the results of which have been summarized in Table II, it was found that of 119 matters brought before the board, 36 (30.2 percent) directly concerned financial policy and five (4.2 percent) involved program development and educational policy. In terms of the level of decision-making, 80 items (67.2 percent)

Table IX

A COMPARISON OF BUDGETARY CHANGES FOR 1974-75

Institution	Total of Departmental Estimates	Total Institution Estimates	Budget Approved by Board	Budget Approved by Department
	\$ '000	\$ '000	\$ '000	\$ '000
A	5,500	3,950	3,950	3,950
B	2,540	2,460 ^a 2,320 ^a	2,390	2,302
C	n.a.	7,286	7,286	7,127
D	n.a.	4,400	4,400	4,077
EEA	13,350	12,900	--	12,217
FAA	n.a.	1,850	--	1,805
GAA	n.a.	9,633	--	9,752

n.a. - not available from the institution's records

EEA - institutions without board.

a - estimates based on 12 and 18 percent increases

At Institution B, as there was no Finance Committee, the estimates were considered by the board as a committee of the whole. It has been shown that the college administration presented to the board three alternative budgets based upon 12, 15 and 18 percent increases in the total expenditure. After considering the implications of each of the alternatives, the board adopted the middle alternative.

At Institution A, the budget preparation schedule was so arranged that there was no time for the estimates to be examined by

the Finance Committee. Instead, they were considered at a special board meeting in late January, 1974. As the estimation prepared by the administration conformed closely to the guidelines set by the Department, they were adopted without change by the board, after some questioning of the details.

The principal indicated that in the budget allocation process, he attempted to retain the administration's initiatives over any cuts by having the board establish only the total amount of the budget and leave details to the administration. From the data collected, it appeared that this practice was followed in all colleges to a large extent by allowing insufficient time for detailed consideration by the board, or by offering the board alternatives any of which would be reasonably acceptable to the administration.

Once the budgets had been approved within the institutions, they were submitted to the Departments for final decision. In Alberta, any negotiations between the institution and the Department were conducted by the administration irrespective of whether there was a board. In British Columbia, the public stance adopted by the Department was one of negotiating with college councils and with the participating school boards. At Institution C, the chairman of the Finance Committee, with the advice of the college administration, conducted the negotiations on behalf of the college.

A further level of negotiation occurred between the Education Departments and the Treasury Departments in order to determine the total amount to be made available for each appropriation, whether it be for the total college budget or for an individual provincially administered

institution. Ultimately, the budget negotiations were conducted at the level of the Priorities Committee of the Cabinet in Alberta and of the Treasury Board in British Columbia, since these made the final decision on the total amounts to be budgeted.

In this political process of negotiation and trade-offs, the priorities were largely set and decisions "pre-formed" by the time they were presented to the boards. The priorities were determined by the programs established by the department heads, who decided to a large extent what the institution would forego if cuts were necessary. The administration, by the way in which it had arranged the institution's budget and had negotiated the cuts with the department heads, had "pre-formed" the budget for presentation to the board, or to the Department. The president, by being present at all committee and board discussion, could also influence any decisions as they were being made. This has been discussed further in the following sub-section.

The Location of Decisions

In the preceding sub-section, it was indicated that the department heads, the finance officers of the administration, and the presidents had been able to effect negotiations and trade-offs before the budget was presented to the boards, or to the Departments, because the procedures used for the preparation of the budget gave them the power to make key decisions. There was no evidence that any board had established priorities for its budget. For example, nowhere had a decision been made as to which programs were more crucial at this stage of the institution's development, except that at Institution E,

the administration had established a policy of giving first priority to apprenticeship programs. No criteria for making budget cuts appeared to have been made by the board, and the administrations tended to force boards to allow them to make priorities decisions.

Some boards attempted to retain control over the college's finances by exercising a close scrutiny over its expenditures. At both Institution A and Institution C, the Finance Committee performed this function by scrutinizing statements of expenditure and approving large expenditures before they were incurred. Because the major expenditure in the form of salaries was already committed, it was impossible for a committee or a board to exercise any effective constraint upon the college's expenditures except by withholding approval for new appointments.

Although the Departments had a major role in determining the total expenditures of the institutions, they did not have the machinery to effectively monitor the payments and commitments of the institutions, even if they had wanted to do so. In Alberta, the Department's decision-making was restricted to establishing the total grant for each college on the basis of its previous expenditures expressed as a cost per full-time equivalent student. This meant that the colleges which had established high overhead costs previously, or which had low student/instructor ratios, continued to receive proportionally higher grants, unless the institution's administration deliberately restricted its development.

In British Columbia, the Department examined the budgets in more detail, because it was necessary for the Department to decide

which programs and expenses would be met totally by provincial grants and which partly by local levies through the school boards. Since the Department depended upon the college administration for the data from which it made its decisions, the college was in a position to influence those decisions to some extent at least.

This analysis of the data suggested therefore that the decision-making power rested initially with the department heads, who established the priorities for each department and largely determined where expenditures would be made. This meant that decisions regarding the institution's priorities were being made at the technical level of the system rather than the institutional level by the board. The administration by directing negotiations within the institution and between the institution and the Department was able to modify those priorities to some extent by re-allocating the expenditures between departments, which meant that the priority decisions made at the technical level were modified at the managerial level according to the administration's perspectives.

The total amount of each institution's 1974-75 budget was determined by the Government's decisions expressed through the grants allocated to the colleges and the appropriations made for the provincially administered institutions. This meant that in the colleges with boards the major decisions regarding the college's budget were located at the level of the provincial Department or at the level of the department heads and the administration of the college, and that decisions were largely "pre-formed" by these groups for the board's approval.

The Actions Taken by Boards

It has already been shown in Table VII that the boards' involvement in the colleges' financial affairs varied considerably among the four colleges studied. The fact that in the four colleges, none of the financial matters raised by the administration, and only one raised by a committee, was rejected suggested that the board's role in financial matters was largely one of supervising the actions of the administration rather than one of deciding the actions to be taken. This was supported by the fact that the board's decisions were mostly post hoc, and at least three-fifths of the decisions were at the working policy level, while none were at the legislative policy level. In only two boards were management policy items more than a quarter of the financial matters handled. Further details of these comparisons have been summarized in Table X.

The data summarized in Table IX showed that in only one college did a board make a decision regarding the budget which involved a choice between alternatives. In the other three colleges, the board adopted, after examination and discussion, the budget proposed by the administration. It has already been shown that the administration was constrained in making its recommendations regarding the budget by its perceptions of the total amount each board would accept as a reasonable budget. On the other hand, it has also been stressed that none of the boards established priorities for the college before the budget was prepared, but that the boards accepted budgets formulated on the basis of the priorities set at the technical level by the heads of the departments, and for the managerial level by the administration. As a result of the

Table X
A COMPARISON OF ACTIONS TAKEN BY
BOARDS ON FINANCE

Board Constitution	Totally Appointed by Government (Alberta)				Partially Appointed by Government (British Columbia)			
	A		B		C		D	
Institution	#	%	#	%	#	%	#	%
Actions on FINANCE as % of total	117	21.3	36	30.2	57	16.0	59	21.4
N =	548		119		357		276	
SOURCE as % of actions on FINANCE:								
Committee	104	88.9	2	5.6	44	77.2	52	88.1
Member	1	0.9	17	47.2	2	3.5	3	5.1
Administration	—	—	11	30.6	7	12.3	3	5.1
External	12	10.3	6	16.7	4	7.0	1	1.7
LEVEL:								
1	—	—	—	—	—	—	—	—
2	24	20.5	10	27.8	24	42.1	14	23.7
3	93	79.5	26	72.2	33	57.9	45	76.3
ACTIONS TAKEN:								
Approved	82	70.1	27	75.0	35	61.4	48	81.4
App'd + Am'd	5	4.3	—	—	2	3.5	—	—
Rejected	1	0.9	2	5.6	—	—	1	1.7
Tabled, etc.	5	4.3	1	2.8	—	—	—	—
Request Info.	2	1.7	—	—	2	3.5	—	—
Rec'd Info.	22	18.8	6	16.7	18	31.6	10	16.9

failure of the boards to establish institutional level priorities for expenditure, the provincial Departments tended to make the institutional level decisions regarding the college budgets.

The influence of the boards on decisions within the colleges could be assessed firstly on the basis of the extent to which the boards amended decisions made by the administration and the faculty, and secondly by the extent to which the administration modified its decisions in order to conform to the perceived expectations of the boards.

In terms of the first criterion, the influence of college boards was not very great because they did not alter the decisions made by the administration regarding the budget allocation in three colleges, and in the fourth the board accepted the second (middle) alternative presented by the administration without amendment.

In terms of the second criterion, the evidence was less conclusive. At Institution A, the administration was influenced more by the guidelines given by the Department of Advanced Education than it was by the acceptability of its budget to the board. At Institution B, the board had some influence on the administration, because the administration gave the board the final decision on the three alternatives presented to it. At Institution D, the participating school boards, exerting influence through the trusted members of the college council, determined the overall amount of the budget by limiting the local levy, while at Institution C, the influence of the council on the administration did not appear to be great in ultimate effect, although the Finance Committee carefully scrutinized its financial transactions.

Final Acceptance

It was shown in Table IX that for five out of the seven institutions, the budget allocation decisions of the Departments reduced the budget estimates approved by the institution; increased the allocation to one institution; and left the budget for the other unchanged. The amount and percentage of the changes have been shown in Table XI. These percentages suggested that overall the colleges with boards had not been any more successful in maintaining their original estimates in negotiations with the Departments than had the provincially administered institutions.

Table XI

A COMPARISON OF BUDGETARY CHANGES FOR 1974-75 BY PERCENTAGES

Institution	Budget Approved by Institution	Budget Approved by Department	Percentage Change
	\$ '000	\$ '000	
A	3,950	3,950	0
B	2,390	2,302	-3.7
C	7,286	7,127	-2.2
D	4,400	4,077	-7.4
E	12,900	12,217	-5.3
F	1,850	1,805	-2.4
G	9,633	9,752	+1.2

Of greater significance was the degree to which the institutions were committed to those decisions once they had been made. As corporate bodies in Alberta, or as separate institutions under the aegis of the school boards as corporate bodies, the community colleges were forced to be responsible for any expenditure beyond that granted by the Minister, while at the same time they were prohibited by the Act from accepting any liability beyond the level of the budget. When the grant proved inadequate as it did in Institution B mid-way through the 1974-75 fiscal year, the college was forced to enter into new negotiations with the Department without any guarantee of additional grants being made.

On the other hand, the provincially administered institutions as part of a government department did not have the same constraints and, in the absence of adequate accounting procedures, were able to commit the Department to over-spending. As a result, the Department was forced to approve in November, 1974, additional spending by Institution E to the amount of 694,000 dollars, following which the institution requested a further 192,000 dollars. At Institution F, the principal estimated that the college would actually spend over two million dollars in the 1974-75 fiscal year. This meant that these two institutions in Alberta would finally spend about the amount that the heads of departments had originally estimated. In the view of those interviewed in the Department of Advanced Education in Alberta, the provincially administered institutions were less committed to the Department's budget decisions than were the college boards, because the Department was legally obligated to meet the expenditures incurred by the institutions.

IV. A COMPARISON OF PROGRAM APPROVAL PROCESSES AND OUTCOMES

In Chapters IV, V and VI, program approvals in each of the institutions were described in some detail for the 1973-74 fiscal year. In this section, the program approval process and its outcomes have been compared to identify similarities and differences between institutions and between different patterns of governance. Figures 2 and 3 have depicted the governance structures and relationships for budget allocation and program approval in Alberta and British Columbia respectively. In these diagrams, budget allocation, which was discussed in the previous section, and program approval have been shown separately.

Initiation of Action

In all the institutions studied, the development of new programs was mainly initiated by the faculty as a result of contacts with the industry or professions, or of their perceptions of the community's needs. Occasionally, a board member suggested a new program because of his interest in a particular area of training; or the administration identified needs from its contacts with the public.

Information-Gathering Network

Although in all the institutions the development of the curriculum for new programs was basically the responsibility of the faculty who would teach the program, in Institutions A, B, C, and E, there were departments or officers for curriculum development that had the task of market research for the program and of developing the

program proposal. At Institution A, the New Programs Review Committee of the Academic Council examined all new proposals before they were sent to the Management Committee of the board. At Institutions C and D, similar functions were performed by curriculum committees. At Institution B, the Director of Programs and the President performed this review function.

At the board level in the community colleges, new programs were usually formally examined by the board, although at Institution A the Management Committee examined programs to determine whether they fell within the mission of the college. At Institution C, a Curriculum Review Committee of the council was established in August, 1973, to review the college's programs in toto, while the council of Institution D had a Programs Planning Committee for that purpose.

After a program had been approved by the board, or the administration in the provincially administered institutions, it was sent to the Department for further examination. In Alberta, the Programs Review Committee within the Department examined new proposals in the light of its knowledge and perceptions of the needs of the province and of developments in other institutions. In British Columbia, a similar function was performed for most programs by the Provincial Consultative Committee which advised the Minister although in the case of programs relating to health needs, the British Columbia Medical Centre advised the government concerning programs which should be approved.

In this process, information for the development of new programs was gathered at the level of department heads for evaluation, and passed

through the administration, and committees of the board, to provincial committees where information on a provincial basis was collected. Information inputs at each of these levels could affect the decision regarding the implementation of the program.

Political Constraints

In program development, the individual members of the faculty initially determined the priorities for program development by their individual decisions to participate in the development of new programs. Because new programs were mainly initiated by the faculty, the effective priorities were those adopted by the faculty. These priorities would be those perceived by the technical level of the institution.

As new programs were being developed by the faculty and the curriculum development officers, negotiations occurred between department heads because of the need to obtain financial, material and personnel resources to establish the new programs. To some extent the purpose of these negotiations was to prevent overlapping development of facilities and to optimize the use of resources. Another purpose was to define areas of responsibility for the different departments. In the larger institutions, these negotiations were conducted formally through committees, although there could be little doubt that informal negotiations occurred in all institutions.

In both Institution B and Institution C the Director of Programs and the Dean of Curriculum, respectively, explicitly mentioned continuing negotiations with officers in the respective provincial Departments and with professional organizations as the programs were being developed,

so that there was support for the programs at that level when they had been developed and presented to the Department for approval. At Institution C, very lengthy negotiations with the nursing associations and later the British Columbia Medical Center had preceded the presentation of the Health Services program for formal approval. This meant that when this program was presented to the council for its approval, the arguments were strengthened by the information that this innovation was acceptable to both the approving authority for the province and the professional bodies concerned.

In developing the Animal Health Technology program, Institution A had to convince the Alberta Veterinary Medical Association that the program would produce technically qualified assistants who would not attempt to displace the veterinarians in the care of animals. Institution B, in developing the Teachers' Aide program, had to conduct similar negotiations with The Alberta Teachers' Association in order to allay any suspicions that the program could constitute a threat to the teaching profession. While other institutions did not refer explicitly to these negotiations, the existence of advisory committees suggested that they occurred.

In Alberta, all institutions had been required by the Department of Advanced Education to submit mission statements which had been prepared by the administration and approved by the boards in the case of the colleges. These were used by the administration to assess whether the programs proposed were acceptable. In British Columbia, no formal statement of this nature was required, although the colleges and the Institute had statements of philosophy which served the same

purpose. Institution E was the only institution, however, to give any evidence of rejecting proposals for new programs within the institution, although this could have happened elsewhere also. The place of boards and their committees has been considered in a later section concerned with the actions of boards.

Priorities for the provinces were set by the Programs Review Committee in Alberta, and the Provincial Consultative Committee, the board of the Medical Centre, and the Department of Human Resources in British Columbia. Where there had been rule inconsistency challenges in Alberta, the Programs Review Committee brought representatives of the institutions involved together to discuss the matter and to present their arguments to each other and to the Committee. Institution E also gave evidence of entering into direct negotiations with Institution A regarding a program to be offered jointly by the two institutions. Institution E and another institute of technology had jointly developed a program in Animal Health Technology which was approved by the Department for joint implementation.

In terms of setting priorities, the development of new programs was initiated by the faculty who tended to set their own priorities. Program proposals were negotiated and processed by the administration in terms of the priorities it had established. Final approval was given for the implementation of new programs according to the provincial priorities set by Departmental committees. On the other hand, there was no evidence that the college boards had determined priorities for program development in the colleges beyond the approval given to the mission statement or statement of philosophy prepared by the administration of the college.

The Location of Decisions

In all of the institutions studied, the form and content of new programs was decided by the faculty concerned, with the advice of advisory committees for that purpose. Once the program proposal had been prepared, it was examined by the various internal mechanisms described in the previous section. If these internal committees or the administration were not satisfied with the proposal or required further information, the proposal was referred back to the faculty and the curriculum development officers.

When the administration and faculty had been satisfied and had decided how the program could be implemented in the institution with an appropriate time scale and estimate of initial costs, the administration recommended that the proposal be approved by the board, and its committees; or in institutions without boards, the proposal was submitted to the Department for its approval.

In all the institutions studied, the overall pattern of decision-making was the same, although institutions varied internally in the formal groups and mechanisms used for program approval. These differences have already been discussed in the previous sub-sections. In Alberta, program development went through two stages because of the policy of the Department in requiring a letter of intent and later a formal program proposal.

The recommendations regarding new program proposals reached the boards of colleges as pre-formed decisions to which the boards usually gave assent after they were convinced that the programs were needed and that they fell within the mission of the college. The actions

of the boards in approving new programs have been discussed in the following sub-section, where it has been shown that the boards did not usually exercise restraint over the administration's tendencies to expand the activities of a college.

The provincial committees were responsible for approving or disapproving new programs, and for allocating them between institutions in Alberta, according to the priorities they had set for the province. Because the boards either had failed to establish priorities for the development of programs or had failed to appreciate the provincial perspectives for program development, the provincial committee in Alberta had to veto a number of proposals submitted by colleges.

In general, because the boards had not established program priorities for the colleges, decisions tended to be made on the basis of priorities set at the technical level by the department heads and faculty, and at the managerial level by the administration. This meant that irrespective of whether boards existed or not, the institutional level decisions were made on a province-wide basis by the provincial program committees.

Actions Taken by Boards

It was shown in Table VII that the boards varied considerably in their involvement in program matters during the 1973-74 fiscal year. The board of Institution A handled 131 program items, the council of Institution C, 28 items, the council of Institution D 12, and the board of Institution B only five program items. An analysis of these actions has been given in Table XII.

Table XII

A COMPARISON OF ACTIONS TAKEN BY
BOARDS ON PROGRAMS

Board Constitution	Totally Appointed by Government (Alberta)				Partially Appointed by Government (British Columbia)			
	A		B		C		D	
Institution	#	%	#	%	#	%	#	%
Actions on PROGRAMS as % of Total	131	23.7	5	4.2	28	7.8	12	4.3
N	548		119		357		276	

SOURCE as % of actions
on PROGRAMS:-

Committee	108	82.4	--	--	1	3.6	6	50.0
Member	4	3.1	--	--	8	28.6	2	16.7
Administration	4	3.1	4	80.0	16	57.1	3	25.0
External	15	11.4	1	20.0	3	10.7	1	8.3

LEVEL:-

1	--	--	--	--	--	--	--	--
2	26	19.8	4	80.0	10	35.7	6	50.0
3	105	80.2	1	20.0	18	64.3	6	50.0

ACTIONS TAKEN:-

Approved	66	50.4	3	60.0	8	28.6	6	50.0
App'd +	11	8.4	--	--	7	25.0	1	8.3
Rejected	--	--	--	--	1	3.6	1	8.3
Tabled	13	9.9	--	--	2	7.2	--	--
Req't Info	4	3.1	--	--	1	3.6	1	8.3
Rec'd Info	37	28.2	2	40.0	9	32.1	3	25.0

It has been noted previously that the board of Institution A dealt with a large number of routine items such as the approval of individual offerings of short courses for continuing education, as well as approval of the offerings of the day program divisions. Included among the managerial level matters handled were seven program proposals which were approved by the Department of Advanced Education, and 11 letters of intent which were also submitted to the Department. During the same period, the board of Institution B approved four program proposals which were approved by the Department and three letters of intent. A comparison of these program submissions with those submitted by the provincially administered institutions has been given in Table XIII.

Table XIII

PROGRAM PROPOSALS AND LETTERS SUBMITTED IN ALBERTA
TO NOVEMBER, 1974

Institution	A	B	E	F
Programs Approved by Department	7	4	2	2
Letters of Intent				
To proceed	2	--	3	--
To defer	6	2	1	--
Not to proceed	3	1	--	--

The data summarized in Table XIII suggested that the boards at Institution A and Institution B were not sufficiently critical of the programs proposed by the faculty and the administration. During the same period, Institution A submitted seven program proposals and 11 letters

of intent, Institution B four proposals and three letters, Institution E two proposals and four letters, and Institution F only two proposals. Thus, Institution A submitted twice as many programs for consideration as did any of the others, and three times as many as did Institution E. This suggested that the faculty and administration of Institution A were actively seeking avenues for expanding its activities. The fact that the Department either rejected or deferred half of the programs proposed suggested that the board of Institution A did not restrain or direct the urge for expansion but allowed it to proceed indiscriminantly. While there was evidence that the Management Committee considered each individual proposal carefully there was no evidence of priorities for program development being set by that committee or the board, or of a complete overview being taken of the college's development.

At Institution B, although the tendency to expand was not so marked, nearly half of the programs proposed by the college were either deferred or rejected by the Department of Advanced Education. In the interviews it was indicated that the board was advised of letters of intent being sent to the Department but that these were not discussed. This suggested that the board of Institution B gave formal approval and usually was not deeply involved in program development.

There was no evidence that would indicate that the boards of these colleges in Alberta were giving to program development any more direction than was given by the administration of the provincially administered institutions which were studied. This judgment has not been based upon the assumption that boards should reject proposals rather than risk having them rejected by the Department. On the other hand,

the high proportion of rejections by the Department and the lack of any rejections by the boards was an indication that the boards might not have acted to restrain the faculty's urge to expand its activities.

Similar data were not available in British Columbia where program approvals were less formalized than in Alberta. The history of the development of the Health Services Department at Institution C, however, indicated that the council of that institution gave very close scrutiny to the proposal's philosophy and organization, but somewhat less attention to the curriculum content. At Institution D during the period studied, the Program Planning Committee and the council did not play a very active role in educational matters. Because Institution G's only new program during this period, that in psychiatric nursing, was introduced at the request of the government, it has not been possible to compare the outcomes of program approval in the two types of institutions.

Final Acceptance

It was not possible to examine the final acceptance of the Departments' decisions on programs in the same way as it was possible to assess the final acceptance of budget allocation decisions. Superficially, it seemed that once the Department had refused to finance a particular program the institution was unable to introduce that program. On the other hand, if it had been possible to examine program development within a single institution in depth, it is conceivable that there would have been evidence of program proposals being modified and being resubmitted with a different title in order to gain acceptance.

In one interview in Alberta, it was suggested that the transfer of a program from one institution to another had not been accepted by the institution which developed the program proposal, and that pressure was being placed upon the Department by the president to reverse its decision, because the second institution had not yet implemented the program.

V. AN ASSESSMENT OF THE INFLUENCE OF BOARDS

Boards of governors may be expected to exert an internal influence upon the decision-making of the institution's administration and faculty, and an external influence on the Departments and the public. This study has been limited to assessing the internal influence of boards and their external influence on the Departments, in regard to budget allocation and program approval. These four aspects have been examined separately.

Internal Influence on Budget Allocation

An analysis of the data collected in this study indicated that within the institutions the pattern of budget preparation, if allowance was made for minor variations due to administrative style and organizational structure, was similar for all the institutions, irrespective of whether they were governed by boards. There were similar information-gathering networks and similar political constraints involving negotiations at the level of department heads and the administration. Decisions were initially located with the department heads and with

the administration. In the institutions with boards, decisions were largely "pre-formed" by the time they were presented to the boards.

In only one case did a board even choose between alternatives placed before it; and in no case did a board make more than minor alterations within the total amount estimated for the expenditure. Because the boards failed to establish policy priorities for the colleges before the budget was prepared, priorities were set at the technical level by the department heads in negotiation with each other, and at the managerial level by the administration.

The administration in the institutions without boards was subject to the same constraint of the reasonableness of the estimates and of their acceptability to the Department which made the final decision, as was the administration in institutions with boards. The administration in colleges with boards was subject to the further constraint of having to convince the board of the validity of the estimates.

If the influence of boards was assessed on the basis of the objective criterion of the changes made to the budget submitted to the board by the administration, then the data indicated that the influence of boards was very slight.

If the influence of boards could be assessed on the basis of the degree of scrutiny given to the budget estimates, then in British Columbia the influence of the councils, exercised through their committees, was considerably greater than in Alberta, where the boards were given very little time to examine the budget. In British Columbia, the influence of the councils was increased by the involvement of

participating school boards, which set the level of local taxation for the support of the colleges.

Overall, there was no evidence that the boards determined the absolute amount of the budget or its allocation to the departments of the colleges, except in a superficial way.

External Influence on Budget Allocation

An analysis of the data collected in this study indicated that the institutions with boards were no more successful in having their budgets approved by the Departments than were the institutions without boards.

The data summarized in Table XI showed that, in Alberta, Institution A, whose budget conformed to the guidelines set by the Department, did not suffer any reduction in its budget, while Institution B, Institution E and Institution F had their budgets reduced by about four, five and two percent, respectively.

In British Columbia, Institution G's budget was increased by about one percent during negotiations with the Department, while Institutions C and D had their budgets reduced by two percent in one case and by seven percent in the other.

The average reduction for the colleges (Institutions A, B, C and D) was 3.3 percent while that for the provincially administered institutions (Institutions E, F and G) was 2.2 percent, which indicated that the colleges with boards had not been more successful than the institutions without boards in having their budgets approved.

Furthermore, the colleges had to re-negotiate the grants if

they were unable to keep within their budgets or to defer expenditure. The provincially administered institutions were able to commit the Departments to extra expenditures because the accounting systems could not effectively monitor their expenditures.

Nevertheless, the colleges with boards were perceived by Departmental officers as being easier for the province to control in terms of budgets and as having greater flexibility in the use of revenues and internal decision-making. From the institution's viewpoint, governance by boards was seen to offer the advantages of greater internal autonomy and greater flexibility in relating income to expenditures, because it was not necessary to follow public service regulations or to pay the institution's income into the provincial revenue funds.

Internal Influence on Program

Approvals

The internal structures for the development of programs tended to be similar in all the institutions studied, irrespective of the form of governance. New programs were developed by the faculty and the curriculum development officers in each institution, usually upon the initiative of the faculty. New programs passed through similar processes of internal approval before being presented to the board as "pre-formed" decisions, or to the Department for approval.

In general, the boards did not initiate new programs, and had not set priorities for the establishment of new programs for the institutions. In the two Alberta colleges, the boards tended to give formal approval to the program proposals put forward by the administration, and there was no evidence of program proposals being rejected by

the board. In the two British Columbia colleges, where fewer programs were developed, the boards gave greater consideration to the impact of the proposed program on the college.

In this study, it has been difficult to establish objective criteria for assessing the internal influence of boards on program approval. The data collected through interviews indicated that the internal control of program development was no greater in institutions with boards than it was in the institutions without boards, and that in one provincially administered institution there appeared to be more internal restraint upon program development.

External Influence on Program Approval

The institutions with boards appeared from an analysis of the data collected to be no more successful in gaining Departmental approval for their program proposals than did the institutions without boards. In British Columbia, both types of institutions appeared to be equally successful in this regard; while in Alberta, the record of the colleges' program proposals suggested that they were less successful. This was interpreted to mean that the boards in Alberta had failed to establish priorities for the colleges which were provincially acceptable; and that the boards were insufficiently critical of the proposals developed according to the priorities of the technical and managerial levels of the institutions.

An Overall Assessment of Influence

In terms of positively identifiable outcomes, it has been impossible as a result of this study to demonstrate that boards exert a directional influence on the administration and faculty of the colleges, in regard to either budget allocation or program approvals.

The main influence of boards was as a further constraint upon the administration and the faculty, interposed between the administration and the Department. Nonetheless, boards performed a very valuable function of providing a legally and politically acceptable means of granting greater freedom to institutions in their internal operations and programming, and particularly in the application of college income to the expenditures of the college.

CHAPTER VIII

SUMMARIZATION, CONCLUSIONS AND RECOMMENDATIONS

1. AN OVERVIEW OF THE STUDY

This study has focussed upon non-university post-secondary institutions in Alberta and British Columbia. The purpose was to describe the ways in which the decision-making process and final outcomes of budget allocation and program approval in institutions with boards differed from those in institutions without boards, and to assess the influence of boards in these functions. These two functions were examined because they constituted objective and practical manifestations of the board's involvement in establishing the mission of the institution and in allocating resources to fulfil that mission.

The problem was examined in terms of a model of institutional decision-making derived from the political model of institutional governance used by Baldrige (1971a) and from the typology of analysis of decision-making used by Baldrige, Hurst and Morgan (1972). Parsons' (1958) analysis of the three levels of decision-making within organizations was the basis of the functions attributed to boards as the institutional level of the college as a social system. The model used in this study examined the decision-making process in terms of initiation of action, the information-gathering network, the political

constraints, the location of decisions, the actions taken by boards, and the final acceptance of decisions.

Using this conceptual framework, the study was designed to describe the decision-making patterns in institutions under three patterns of governance; to compare the outcomes of these processes; and to assess the influence of boards in these processes. The boards were examined in terms of their internal influence on the decision-making processes within the institutions, and of their external influences on the departments which allocated grants to the institutions and approved new programs for the provincial system.

Delimitations of the Study

This study was confined to an investigation of budget allocation and program approval within selected non-university post-secondary institutions in Alberta and British Columbia. It focused upon the decision-making process and the final outcomes for these functions within the institutions and the provincial departments. Other areas of decision-making were excluded from this study, except where they impinged upon budget allocation and program approval.

The study was limited to decisions taken between the beginning of the 1973-74 fiscal year and November, 1974, when the data for the study were collected. In the institutions which had boards of governors, the investigation was directed towards the decisions of the board and not the actions of individual board members.

Methodology of the Study

This study was based fundamentally upon a scrutiny of documents supplemented by interviews to clarify issues and to collect data which could not be obtained from the documents. Emphasis was placed upon records because it was considered that the written record would be more reliable as indicators of actions than the memories of individuals.

The documents employed in this study were provincial legislation and policy statements, budget documents prepared within the institutions, the institutions' mission statements and submissions for new programs, board minutes and agenda documents for the 1973-74 fiscal year, correspondence between the Departments and the institutions, and internal records of the Departments. Those interviewed were the presidents of the institutions and senior administrators nominated by them, the board chairmen or board members nominated by them, and senior Departmental officers responsible for budget allocation and program approval decisions.

On the basis of the data collected, the budget allocation and program approval processes and outcomes for each institution were described. This description was returned to the president of the institution for his comment. After the description had been corrected where necessary, it was incorporated in this study as a section of Chapters IV, V or VI.

The criteria used to assess the internal influence of boards on budget allocations were the extent to which the board modified the budget decisions of the administration and faculty; the extent to which

the administration made its decisions with a view to their probable acceptability to the board; and the extent to which the board scrutinized the budget recommendations of the administration. The criteria for external influence were the extent to which the Department modified the budget decisions of the boards in comparison with the budget submissions of institutions without boards; and the extent to which institutions with boards were committed to the Department's decisions in comparison with the commitment of institutions without boards to those decisions.

The criteria employed to assess the internal influence of boards on program approval were the extent to which the boards set priorities for program development; the extent to which the board rejected or modified the program decisions of the administration or the faculty; and the extent to which the administration made its program decisions with a view to their probable acceptability to the board. The criterion for external influence was the extent to which the Department over-ruled the program decisions of the board in comparison with the extent to which the programs proposed by institutions without boards were rejected or modified.

A further criterion for both budget allocation and program approval was the extent to which boards initiated policies and set priorities for the institution's development, rather than merely responding to individual proposals initiated by the faculty and administration.

Limitations of the Study

The conclusions drawn from this study are limited in their direct application to the institutions studied and to the period investigated.

In addition to the limitations inherent in the assumptions underlying this study, the study was limited by the availability of documentation in certain institutions. In one particular institution, it was difficult to obtain access to documents regarding the development of the budget within the institution because the board considered all such documents as confidential to the board. In some other institutions there was only limited access to correspondence and it was necessary to rely more heavily upon interviews than was planned originally. Because the major budget and program documents and the minutes were available in all cases, it was considered that the reliability of the conclusions was not significantly affected.

The decision to limit board interviews to the chairman or members nominated by them may also be seen as a limitation. This was a deliberate aspect of the design of the study which sought to avoid personal perceptions of roles and to focus upon officially accepted positions for the board as a whole. This approach was consistent with using documents as the fundamental data source.

II. CONCLUSIONS FROM THE STUDY

This study has examined the decision-making processes and the final outcomes in regard to budget allocation and program approvals within three different patterns of governance for non-university

post-secondary institutions. From the study, conclusions have been drawn regarding the political constraints and the location of decisions within the institutions; the influence of boards on the decision-making processes and their outcomes; the effects of the composition of the boards; and the advantages and disadvantages of the board form of governance from the institution's perspective and from the provincial viewpoint.

Political Constraints and the Location of Decisions

In all the institutions studied, the initiatives in the preparation of the budget originated with the faculty since the department heads prepared the estimates for each department in consultation with the faculty of that department according to the priorities perceived by the faculty. Each department decided the resources needed for its functions and prioritized those needs in terms of the items which would be deleted should budget cuts become necessary.

The administration consolidated the budget estimates of each department into a total budget for the institution. In the process of consolidation, negotiations occurred among the department heads and between the department heads and the administration, during which overlapping expenditures were eliminated and priorities were set for deleting any items if this became necessary. The budget estimates were prepared for all institutions in a political process in which the department heads and the administration negotiated trade-offs and established priorities for the institution's expenditures.

In those institutions which had boards, the board was presented with "pre-formed" decisions regarding the budget. In only one college was the board offered alternative budgets, in which the administration analyzed the impact on the college of each alternative. In this case, as might have been expected, the board chose the middle alternative. Even though the councils in British Columbia closely scrutinized the budgets presented to them, it was only possible for them to effect minor changes within the budget because they were dependent upon the information supplied by the faculty and the administration.

In every case, the boards failed to set institutional priorities for the budget before the budget was prepared. Consequently, the boards were virtually forced to accept the priorities established at the technical level of the faculty and the managerial level of the administration.

In Alberta, the Department of Advanced Education in negotiations with the Treasury Department and later the Priorities Committee of Cabinet determined the grants for the individual institutions, according to the provincial priorities which it had set.

In British Columbia, the total budget of each college was determined in part by the attitude of the participating school boards, which had to raise part of the college income by local taxes. The final decision on the budget rested, however, with the Minister of Education who could over-rule the decision of the school boards. The Department of Education in its negotiations with the Treasury Department determined the total amount available to the colleges and allocated the grants between the colleges and other institutions.

From the data collected in this study, it was concluded that in all the institutions studied, internal budget decisions were largely made at the faculty and administration levels, irrespective of whether the institution was governed by a board; and that the final outcomes of budget allocation at the provincial level were not materially affected by the existence of boards.

A similar conclusion was reached in regard to the process of program approval. The initiative for the development of new programs came mainly from the faculty and the administration which prepared proposals for new programs in consultation with the departments and with professional and commercial representatives, and presented them to the boards for formal approval when they had been completed.

In both provinces, the Department made the final decision as to whether a new program would be introduced, and as to where it would be located. One college in Alberta had a particularly poor record in terms of the number of proposals for new programs which had been approved by the college board, but which were then rejected or deferred by the Department of Advanced Education. On the other hand, in the colleges studied in British Columbia fewer new programs were proposed and these were subjected to much closer scrutiny by the college councils or their committees. The provincially administered institutions in Alberta seemed to be more successful in gaining the Department's approval for new programs than did the Albertan colleges studied.

From the data collected, it was concluded that decisions regarding new programs in all the institutions studied were largely made at the faculty and administration levels, irrespective of whether

the institution was governed by a board; that in the British Columbia colleges studied the new program proposals were lesser in number and more carefully scrutinized by the council; and that in Alberta, the colleges studied prepared a large number of new program proposals but these were less carefully scrutinized by the college boards. In both provinces, the boards failed to set priorities for program development for their colleges and responded to proposed new programs on an individual basis, as they were developed by the faculty and administration.

The Influence of Boards

The analysis of actions taken by the boards indicated that the four boards studied varied considerably in both the volume and the nature of the business they handled during the 1973-74 fiscal year. The number of items of business handled varied from about 120 in one college to nearly 550 in another.

None of the boards gave a great deal of attention to legislative policy matters; while at least two-thirds of the items of business, and in one case over four-fifths, were at the working policy level of routine implementary decisions. The attention given to finance matters varied from 16 to 30 percent of the total items considered by the boards; while the proportion devoted to programs and educational policies varied from four to 24 percent. The data collected in three of the colleges showed similar trends to those in the Paltridge, Hurst, and Morgan (1973) study, in that the boards tended to emphasize financial matters rather than educational matters. In those colleges where the

boards handled a large number of program items, the greater emphasis was upon working policy matters rather than upon establishing educational policies for the college.

Another finding which was similar to that of Paltridge, Hurst and Morgan (1973) was the action taken by the boards on the matters placed before them. The items approved by the boards, approved after amendment by the boards, and received for information, together accounted for between 87 and 95 percent of the board's business, while the items rejected constituted less than three percent of a board's business. Virtually no items presented by the administration were rejected by a board. While this may be interpreted to mean that the administration had correctly interpreted the mind of the board and had prepared recommendations which would be acceptable to the board, or that the administration had so presented the items that it would be impossible for any reasonable board to reject its recommendations, this interpretation did not account for all the data collected. In Alberta, the boards, particularly in one college, have a poor record in terms of the acceptance of their decisions by the Department of Advanced Education. While further research would be necessary for a firm conclusion to be reached, the evidence suggested that the boards were insufficiently critical of the recommendations placed before them by the administration and the faculty.

In the previous subsection of this chapter it was indicated that there was no evidence that the boards in 1973-74 established priorities for either budget allocation or program development, and that the boards had merely responded to the initiatives of the faculty

and the administration. In this regard, the boards had not greatly influenced the decision-making processes in the colleges. In the colleges studied in British Columbia, the Finance Committees had, however, carefully scrutinized the budget proposals of the administration and sought thus to influence the budget process and its outcomes.

In the colleges studied in Alberta, the boards had been able to devote only one meeting to examining the budget. In one case, it was approved unchanged, while in the other, one of three alternatives was selected.

In regard to program approval, the findings were similar. In Alberta, the boards approved more new programs than did the councils in British Columbia, but in British Columbia the proposals appeared to receive closer scrutiny, although in neither province did the boards reject any program proposals placed before them. The boards did not offer positive direction but exerted some influence by way of negative feedback when programs were first considered.

In terms of external influence, there was no evidence that institutions with boards had any greater influence on the Department's decisions regarding budget allocation and program approvals than did institutions without boards. If anything, the data collected in Alberta, suggested that institutions with boards had less influence on the Department than did institutions without boards.

From the data collected, it was concluded that the councils studied in British Columbia attempted to exert internal influence by carefully scrutinizing both budget estimates and program proposals; that the internal influence of the boards in all colleges consisted mainly of negative feedback on decisions made by the administration and

the faculty rather than of positive directions given to the administration and the faculty; that in terms of changes made in the budgets, the internal influence of boards was very slight; and that the external influence of the boards on the Department was minimal, since in both budget allocation and program approval institutions without boards were at least as successful as those with boards.

The Composition of Boards

There were three major differences between the college councils in British Columbia and the college boards in Alberta. In the college studied in British Columbia, the majority of board members were school trustees appointed by the participating school boards. In the college in particular, this gave to the council a strong school board orientation so that the council viewed itself as a committee of the boards meeting in closed session, handled personnel matters by individual motions as did school boards, and limited the expenditures of the college to the agreed rate of three mills for local levies. While this effect was much less pronounced at the other college, there appeared to be a tendency for some members to see themselves as representing school districts rather than governing a college. In Alberta, all the appointed members were appointed directly to the board for the purpose of governing the college.

Secondly, both the councils in British Columbia were somewhat larger than the boards in the colleges in Alberta, and had larger numbers from which to establish standing committees, which were a feature of both these councils. Nevertheless, the board of one college

in Alberta with only seven members used standing committees most extensively of all the colleges; while the board at the other college had no standing committees.

Finally, the boards in Alberta differed from the councils in British Columbia in that the latter consisted entirely of appointed lay people while the former included the college president, a faculty representative and a student representative. The data did not show any differences in the patterns of decision-making which could be attributed to these differences in board composition. In one board meeting in Alberta it was observed, however, that a dominant president was able to speedily move motions which the board approved with little debate. In this way, the board appeared to be the instrument of the president. On the other hand in British Columbia, at one board meeting, it was observed that with strong council members, the principal had difficulty in participating in the debate to explain the administration's position on matters it had introduced. The principal could draft motions for submission to the council and could explain their purpose, but the final decision was entirely in the hands of the council. In the Alberta boards the presence of faculty and student members meant that the viewpoint of these groups could be heard directly in the board's debates and the board's views could be communicated fully and directly to the faculty and the students.

From the basic data of this study, it was not possible to discover any patterns of decision-making which could be attributed to the composition of the boards, except for the strong school board orientation of one council. In the board meetings attended, however,

Differences were observed which suggested the need for further investigation, before firm conclusions could be drawn.

Summary of Conclusions

As a result of this study, the following conclusions have been reached regarding the decision-making processes and final outcomes of budget allocation and program approval in certain non-university post-secondary institutions in Alberta and British Columbia, and the influence of boards of governors in these functions:

1. That under the three patterns of governance studied, the internal patterns of decision-making were similar, being characterized by the administration initiating action on budgets and the faculty mainly initiating action on new programs, the faculty and the administration controlling the information-gathering network and presenting "pre-formed" decisions on the basis of priorities established by the faculty and the administration through negotiations within the institutions;
2. That the boards had not exercised any great influence except by way of negative feedback on decisions made internally in the colleges, because they had failed during the 1973-74 fiscal year to establish priorities for resource allocation or for program development; and
3. That the institutions with boards had been no more successful than the institutions without boards in gaining approval for their budgets or for new programs.

III. RECOMMENDATIONS

In addition to the above conclusions from the study, certain insights concerning the governance of non-university post-secondary institutions have been gained and further avenues of research have been identified. There have been expressed as recommendations based in part upon the research findings but conditioned by the views of the researcher. The recommendations, which arose from perceptions of the advantages and disadvantages of governance through boards, concerned the establishment, composition and induction of boards. While these recommendations are related, they may be considered independently because the remaining recommendations apply to existing boards, irrespective of whether the first is implemented.

Advantages and Disadvantages of Boards

The advantages and disadvantages of governance through boards may be considered from two perspectives: that of the institution and that of the province.

From the institution's viewpoint, this study has not demonstrated any major differences in budget allocation or program approvals which would indicate that the college boards in Alberta or the college councils in British Columbia were more successful in obtaining resources for the colleges or having programs approved than was the administration of the provincially administered institutions. In all of the institutions studied, decisions were largely "pre-formed" by the faculty and the administration and the final decision on budget allocation

and program approval made at the provincial level. The boards became an additional channel and filter through which decisions were passed for final decision at the provincial level. This should not be interpreted to mean that boards did not make changes because that would not be true, but the major decision-making did not occur at that level for budgets and programs.

There were indications that in other areas of decision-making, such as the internal structure of the college or the selection and conditions of faculty and staff, the board could make final decisions without interference from the province, and that this could enable the institution to be more flexible in its response to community needs and changing circumstances, and to compete more effectively for staff.

There appeared to be distinct advantages for the institution in being governed by a board. Firstly, because the college was a corporate body it was not subject to the requirements of the Treasury Department and to public service procedures. This gave to the colleges greater flexibility in the use of resources because all their income remained under their control and could be matched to expenditures more readily. It was not necessary for them to curtail revenue producing activities merely because they created additional expenditure from the budgets.

Secondly, decisions on the operations of the college could be made quickly within the college without reference elsewhere and were not directly subject to public service procedures or government policy. This provided the colleges with an opportunity for much greater flexibility and freedom in their policy-making and operations.

Thirdly, faculty and student membership on the board decreased the filtering which occurs in hierarchical structure and formal channels of communication, while at the same time allowing the representatives of these groups to understand better the reasons underlying the decisions which have to be made. Lay board members would better appreciate the position and perspective of faculty and students, and could reach decisions which took account of that viewpoint, even if it was not accepted. For these reasons, it may be argued that the inclusion of staff, faculty and student members on a board is an advantage. The desire of some students and faculty to participate in college governance as a political process would also be satisfied.

The question of whether the president should be a member of the board is less clearcut. If other constituencies of the college community are to be represented upon the board, it seems incongruous that the administration should be denied such representation in the person of the president. If it is argued that the president as the servant should not be a member of the board, then the faculty and staff, who are likewise servants of the board, should not be represented. It seems illogical to apply the board of trustee mode to considerations of whether the president should be a board member and at the same time to use the board of governors mode to support the inclusion of faculty and staff members. It may be argued that the president is able as a member of the board to exert too great an influence on the board's decisions. The solution to this problem need not be to deny the president membership on the board, but to ensure that the appointed board members have the necessary background and character to balance the power of the president.

There appeared to be some disadvantages in having direct school board representation on college councils in British Columbia and in having the colleges voted in the school boards. The Task Force Report (1974) has pointed to the problems of busy trustees being required to carry the extra load of college council membership. A further concern is that school trustees are elected to govern the school system which must be their major concern and orientation if they are to gain re-election. This appeared to direct attention away from the development of the college to the parochial interests of school districts. Furthermore, there was no way of ensuring that the school trustee members had either the necessary interest or expertise for governing a post-secondary institution. The Task Force's recommendation (1974:17) of a totally appointed board including those nominated by a regional nomination committee and staff, faculty and student representatives, would provide for local participation while encouraging the involvement of additional interested people within the community, beyond those already active in the school boards.

A more general disadvantage in governance by boards was the tendency for boards to interpret their role to entail detailed supervision and audit of the activities of the administration and of the faculty. In so doing, they tended to move into a board of trustees mode of operation, in which they neglected the establishment of policy at the legislative level and concentrated upon the working level. While it is unrealistic to expect part-time board members to give detailed consideration to the establishment of policies, it is not unrealistic to expect boards to ask that the administration prepare

alternative recommendations based upon an analysis of policy implications so that the board may reach well-founded decisions on the priorities for mission of the institution; and to require the administration and the faculty to consider these priorities in making recommendations for budget allocation and the development of new programs. If boards were to do this, they would be operating in the board of governors mode by directing the development of the institution, and not merely responding to the initiatives of the faculty and the administration.

From the provincial viewpoint, there were also advantages in establishing boards of governors for all institutions. Firstly, the board of governors, if it operated in the mode suggested above, would be an additional constraint upon the administration of an institution by causing the administration to examine its recommendations more carefully and to propose alternative solutions to problems for a board's consideration. This would tend to improve the quality of decision-making.

Secondly, as corporate bodies, the institutions with boards were responsible for their own financial affairs, subject to the overriding authority of the Minister or Lieutenant-Governor in Council. It was possible for the provincial government to make grants to the colleges and to insist that the colleges restrict their expenditures to their total financial resources from grants, other revenue, surpluses held from previous years, and short-term borrowings. The provincially administered institutions could not be restricted in this way because the cumbersome government accounting system was unable to monitor

their expenditures effectively.

On the other hand, the institutions with boards have complete control over salaries and conditions of employment for their faculty and staff. This could produce competition between the institutions which could unnecessarily escalate the costs of post-secondary education, which would be seen as a disadvantage from the provincial viewpoint. From the viewpoint of the individual, small and isolated institution, the power to negotiate salaries and conditions locally would enable the small isolated institutions to compete more effectively with the more favorably located institutions for staff and faculty.

Despite the fact that this study has shown that at present the institutions with boards do not have any advantages over institutions without boards, in terms of the outcomes of either budget allocation and program approval, there still remain other advantages from both the institution's and province's perspective in governing non-university post-secondary institutions by means of boards of governors. These advantages appear to outweigh the disadvantages, since in practice the possibility of close Departmental supervision of the provincially administered institution, which was used to support that form of governance, has not been realized because of the defects of the large government accounting system.

Establishment of Boards

In the previous section the advantages and disadvantages of governance by boards suggested by this study have been considered.

It would appear that the balance from both the provincial and the

institutional perspective points towards making the institutes of technology and the agricultural and vocational colleges in Alberta, and the community colleges in British Columbia, corporate bodies with independent existence. Because the only politically and legally feasible way of accomplishing this is to establish boards of governors, it is recommended:

1. That the community colleges of British Columbia, and the institutes of technology and the agricultural and vocational colleges of Alberta be established as corporate bodies in their own right, with boards of governors.

Composition of Boards

While the establishment of the community colleges as corporate bodies would remove any legal justification for either financial support from school boards or school board representation on the college boards of governors, it is nevertheless desirable that the boards be representative of the community served by the institution.

In the case of the institutes of technology, this implies the industrial and commercial communities served as well as the community at large.

Reasons have already been advanced to support the inclusion of staff, faculty and student representation on the board. The reasons for including the president as a member are far less conclusive, and further research is needed to determine the effects of including or excluding the president in the membership of the board. It has been argued here, however, that in the absence of clear findings based upon research there are no valid reasons for including faculty and student

members and at the same time excluding the president from full membership of the board, provided a strong board is appointed.

A further issue is the manner of appointment of the board members. If the staff, faculty and student representatives are to be acceptable to their constituencies, it is necessary for those to be selected by their respective associations. The community members also need to be seen as representative of the community served and not as members of the party in government, especially in rural communities. Nevertheless, there are difficulties in conducting elections for boards of governors. A popular vote is unlikely to be based upon the needs of the institution and is unlikely to provide the type of expertise desired for the board. A local nominations committee is also likely to produce biased nominations. Above all, membership on a college board should not be a reward for faithful service to a political party, or a training ground for future political activity. One alternative is to charge the Department with the responsibility of conferring with the college administration and with representatives of the community served in order to prepare a list of nominations exceeding the required number together with reasons supporting each person's appointment. Although the final decision would still rest with the Minister, who could also add other names, this would place some restraint upon the Minister and would cause him to consider more carefully the appointments to be made.

It is recommended:

2. That the board of governors consist of a majority of members appointed by the Minister after recommendation by the Department, and representing the community served by the institution, together with the president and representatives of the faculty, staff and students of the institution.

The period of appointment is also important. Each term of office for appointed members, and where possible the elected members, should be three years, to enable the members to become well acquainted with the mission and the problems of governance in the particular institution. An initial term of three years has been suggested here because this would give sufficient time for a board member to demonstrate his abilities as a board member and for the Minister to determine whether he should be appointed for a second term. Furthermore, many capable people would be prepared to accept an initial three year term but may be unwilling to commit themselves to a longer term. Because Gray's (1974) research evidence indicated that the term of one year was too short, it has been argued here that a three-year term is the minimum, although longer terms could be considered. To prevent the membership of the board from becoming static, re-appointment to the board should be limited to a second term of office.

It is recommended:

3. That each term of appointment be a minimum of three years, but that re-appointment be limited to a second term of office.

Induction of Board Members

The data collected in this study suggested that board members did not always understand their functions as a board. When board members are appointed, it is desirable that they should be inducted into office with a clear statement from the Minister as to the functions of the board in the governance of the institution. This should stress the legal obligations of the board and its relationship to the government, the role of the board in maintaining and developing the mission of the institution and in setting priorities for budget allocation and for developing new programs for the institution. The Department should also sponsor conferences for board members to provide them with the opportunity to develop their understanding of the functions of the boards in the governance of the institutions. It is recommended:

4. That the Minister should, when appointing new board members, provide them with a clear statement or handbook setting out the legal obligations of the board, its relationship to the government, its role in maintaining and developing the mission of the institution, and in setting priorities for accomplishing that mission.
5. That the Department should sponsor conferences for board members which would develop their understanding of the governance of the institutions.

Further Research

Despite the limitations in obtaining data from certain institutions, the approach used in this study has provided a useful means of

examining budget allocation and program approvals in non-university post-secondary institutions in Alberta and British Columbia. There is a need, however, for further investigations covering the remaining institutions in Alberta and British Columbia, in order to give a more complete statement of the matters investigated in the provinces and to draw conclusions regarding the total system, as well as the individual institutions.

Although this study has been confined to an investigation of the decision-making processes and final outcomes of budget allocation and program approvals, other areas of institutional governance in these and similar institutions also need to be studied. It is considered that such research would be a valuable extension of this study and would provide a more complete assessment of the influence of boards of governors in the governance of these institutions. Fundamentally, a similar approach could be used for this purpose.

It has been indicated that, although the data of this study suggested that the boards were insufficiently critical of the recommendations placed before them by the administration and the faculty, no firm conclusions could be drawn without further investigations. One approach for such a study would be by means of a participant observer who recorded the behavior of members during board meetings in questioning and modifying the proposals the board received over an extended period of time.

This study has not provided any evidence regarding the inclusion of the president and faculty, staff and student representation among the members of the board. While there are theoretical insights which

may guide decisions in this matter, further research would assist in clarifying this situation in the governance of non-university post-secondary institutions.

The British Columbia Institute of Technology offered an interesting example of an institution in transition from provincial administration to governance under a board of governors, which was approved in July 1974. It is considered that in the near future a study of the changes which may have resulted should be undertaken in order to determine the effects of establishing a board of governors.

The purpose of this study was to provide a preliminary description of the ways in which institutions with boards differed from institutions without boards, in regard to budget allocation and program approvals; and on this basis to assess the influence of boards.

In accomplishing this purpose, this study has established additional knowledge upon which further investigations into the governance of non-university post-secondary institutions may be based.

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APPENDIX 1

LIST OF THE PERSONS INTERVIEWED

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LIST OF THE PERSONS INTERVIEWED

Batty, J.F. Director of Finance Planning Services, Department of Advanced Education, Alberta.

Beinder, F. Chairman of College Council, British Columbia.

Bosetti, R.A. Assistant Deputy Minister, Program Services, Department of Advanced Education, Alberta.

Brown, B.W.M. Director, Business Management Division, British Columbia.

Carter, G.W. President, Alberta.

Carsenney, F. Chairman of College Council, British Columbia.

Collin, W.J. Principal, Alberta.

Day, T.C. Dean of Academic Affairs, Alberta.

Day, W. Dean of Curriculum, British Columbia.

Fraser, B.E.C. Principal, British Columbia.

Forbes, W.G. President, Alberta.

Haar, J.L. President, Alberta.

Kelly, G.O. Director of Programs, Alberta.

Langan, J. Board Member, British Columbia.

Leong, R.H. Dean of Administrative Affairs, Alberta.

Marriott, K. Board Member, Alberta.

McAdam, J.C. Executive Director of Administration, British Columbia.

McPherson, D.M. Bursar, British Columbia.

Morfe, W. Bursar, British Columbia.

Newberry, J.F. Assistant Superintendent of Post-Secondary Programmes, Department of Education, British Columbia.

- Puffer, K. Vice-President (Academic), Alberta.
- Reibin, A. Bursar, British Columbia.
- Rozenhart, R.N. Budget Supervisor, Department of Advanced Education,
Alberta.
- Stack, E.D. Chairman, College Board, Alberta.
- Starratt, J.O. Vice-President (Administration), Alberta.
- Swanson, R.A. Director of Finance, Alberta.
- Thom, G.A. Principal, British Columbia.
- Wootton, G.W. Principal, British Columbia.

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APPENDIX 2

COMPARISON OF ASSESSMENTS OF DECISION-MAKING LEVELS

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COMPARISON OF ASSESSMENTS OF DECISION-MAKING LEVELS

Author	First Researcher	Second Researcher	Disagreement
3	3	3	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
2	3	3	Both
2	2	2	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
2	2	2	
3	3	3	
2	2	2	
2	3	2	One
3	3	3	
2	2	2	
2	2	2	
3	3	3	
3	3	3	
3	3	3	
1	1	1	
2	2	2	
3	3	3	
3	3	3	
3	3	3	
2	2	2	
3	3	3	
3	3	3	
2	3	3	Both
3	3	3	
3	3	3	
3	3	3	

The product-moment correlation between the levels assigned in the study and those assigned by the independent researchers were 0.85 and 0.90 respectively.