

THE UNITED CHURCH OF CANADA

MEETING OF THE SUB-EXECUTIVE OF THE GENERAL COUNCIL MINUTES

November 5, 2003
(Teleconference Call)

The Sub-Executive of the General Council of The United Church of Canada met from 3:30 p.m. EST until 3:50 p.m. on Wednesday, November 5, 2003, by teleconference call. The Moderator, The Right Reverend Peter Short, presided.

ATTENDANCE

Voting Members

Jim Balfour, Lynn Boothroyd, Barbara Rafuse, Donald Koots, George Takashima, Jim Jackson, Jim Sinclair, Marion Pardy, Peter Short.

Corresponding Members

Ian Fraser, Betsy Anderson.

Regrets: Anne-Marie Carmoy, Stephen Mabee, Michelle Slater, Bruce Gregersen, Carol Hancock, Omega Bula, Vicki Obedkoff.

CONSTITUTING THE MEETING

After a prayer, the Moderator constituted the meeting with the following words:

"In the Name of Jesus Christ the head of the Church, and by the authority vested in me by the 38th General Council, I hereby declare this meeting of the Sub-Executive of the General Council to be in session for the work that may properly be brought before it to the glory of God."

PROCEDURAL MOTIONS

Corresponding Members

Motion: Jim Sinclair/George Takashima

2003-11-05-075

That Ian Fraser and Betsy Anderson be made corresponding members for this meeting and that Joan MacGillivray be the recording secretary for this meeting of the Sub-Executive.

Carried

APPOINTMENT

President, St. Andrew's/St. Stephen's College, Saskatoon

The General Secretary gave an update on the briefing from Betsy Anderson at the Executive of the General Council meeting. The update information from George Rodgers is attached to these minutes as Appendix A. The Sub-Executive had questions which were addressed by Betsy Anderson.

Motion: Jim Sinclair/Lynn Boothroyd

2003-11-05-076

That the Sub-Executive approve the appointment of Dr. Tom Faulkner as President of the St. Andrew's/St. Stephen's College for a five year term beginning July 1, 2004.

Carried

ADJOURNMENT

The Moderator adjourned the meeting with God's blessings on all until we meet again.

Moderator, Peter Short

General Secretary, Jim Sinclair

APPENDIX A

A Statement from the Interim President
St. Andrew's and St. Stephen's College
November, 2003

The Board of Trustees of the amalgamated College of St. Stephen's and St. Andrew's held its regular fall meeting October 21 and 22 in Edmonton. Twenty-nine persons representing the three western conferences served by the College, faculty, staff and student representatives from both campuses, and Betsy Anderson, Secretary of Theological Education, General Council, were present. The meeting was chaired by Joan McConnell of Winnipeg, who had been appointed to the Chair in the spring.

Two major items dominated the business of the meeting. First was a report from the Finance Committee concerning a mounting deficit situation. Second was the concern for the future delivery of the Master of Divinity program at St. Andrew's.

The Finance Committee, following the annual audit, reported that the accumulated deficit for the amalgamated college was over \$800,000 at the end of the 2002-2003 fiscal year. The greater portion of the deficit, \$622,000, related to the operations at St. Andrew's.

The combination of reduced income from investments, grant reductions from the General Council, and a decline in donations meant income was less than required and anticipated.

Previous deficits were recognized but allowed by the Board based on an expectation that the St. Andrew's College building would be sold to the University of Saskatchewan enabling monies which had been borrowed from endowments to cover deficiencies to be repaid. The sale did not happen as anticipated and it is not yet clear when it will happen.

The Board was clear that the deficits could not continue. This meant that changes in program operations, the prime reason for the excess of costs over revenue, were required. The Board had been advised by both its auditor and its banker that there could be no further borrowing from endowments. To qualify for a loan for the balance of the current year, we must present a financial plan showing the College's ability to manage its operations on a break-even basis for the next five years, and to service and repay the loan.

Several decisions relating to the financial situation were made. One was to defer appointment of an approved faculty position at the St. Stephen's campus. Cost of living adjustments for both faculty and staff in the coming year would also be deferred. There would be immediate increases in fees, covered in the current year by bursary funds, and further increases next year. Staff and faculty at both campuses will now pay for their parking on a monthly basis. These changes will allow the St. Stephen's campus to operate on a break-even basis the current year.

The biggest financial decision was to recommend that salaries for faculty and staff at St. Andrew's be reduced by \$275,000 in the coming fiscal year.

That decision was also connected to the second main issue of discussion at the Board meeting, a cost effective way of delivering education for ordered ministry at St. Andrew's. The current net cost to the College of over \$13,000 per year for each MDiv and BTh degree student, based on 27 students and 4.5 full-time faculty, is no longer financially sustainable.

The Board, which had expressed an interest last spring in offering a field-based program, looked again at this alternative for delivering MDiv education. The 2003 General Council approved this method as a valid way for ordered ministry training and through its Education for Church Leadership Coordinating Committee, invited interested colleges to make formal application. The Board saw this method, which replaces a semester and campus-based program with a program that allows students to be in ministry on Pastoral Charges while they are also learners, as a more cost-effective option worth considering. The programs at St. Stephen's, in which 2.8 faculty, with qualified adjuncts, serve 274 degree students, are field-based involving both distance education and week-long on campus courses.

Obviously a change in program delivery at St. Andrew's would affect the number of full-time persons needed. It would also affect relationships with our Anglican and Lutheran partners in the Saskatoon Theological Union, with whom faculty and curricula are shared using the campus-based model. The Board has assured all current degree students at St. Andrew's that every effort will be made to enable them to complete their programs should there be a change.

The St. Andrew's faculty asked the Board for an opportunity to develop a proposal that might meet criteria for a field-based program and could also be financially sustainable. The Board agreed to the request and asked for a report to be presented by the 18th of November. Colleges interested in implementing a field-based program are being asked to submit formal proposals complete with a plan for delivery and financial sustainability to the Education for Church Leadership Coordinating Committee by November 30.

The seriousness of the financial situation and the call for significant and unavoidable changes to meet the requirements of a balanced budget are creating much concern for everyone involved in and supportive of the amalgamated institution. Some remember the pain experienced at St. Stephen's three years ago when it had to make serious cuts and programming adjustments to move toward financial viability. Now the challenge faces St. Andrew's to use limited resources in the most effective way possible. The Board recognizes the painful nature of moves already taken and others that will be necessary to preserve and sustain what is good and valid in the joint operation. We ask for understanding and a willingness to be with persons on both campuses as we seek to move forward together.

George H. Rodgers
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St. Andrew's and St. Stephen's College
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