



## Balanced Budget Seen for 1972 Operation

"It is imperative that we bring our budget back in balance." So explained President Armacost last month in an announcement to the Ottawa University community.

"For the past five years, we've engaged in deficit spending in order to develop, rapidly, the New Plan of Education. To a great extent, we have achieved those goals. Unfortunately, the economy has changed radically in the past five years and it has affected all of us in ways that no one could have foreseen. We knew five years ago that the budget would have to be balanced by next year. We had hoped that other alternatives would be available to us and a balanced budget could be achieved solely through increases in income." By this, Dr. Armacost was referring to an announcement to reduce salaries of all Ottawa University staff personnel during the 1972-73 year.

"We felt that this course of deficit spending was risky, but that it was a risk worth taking to provide a truly outstanding learning experience for our students and to make Ottawa University competitive with other colleges for student enrollment and gift income."

President Armacost declared that "the salary reductions (which range from 1% for hourly paid workers to as much as a 10% reduction for administrative officers) are not irreversible. We still hope it will be possible to increase University income; we are working as hard as we can toward that end. Unfortunately, we can't be certain [about income]. That is why we had to turn to the avenue of reducing expenditures. It is painful, but it is certain. It allows us to keep our destiny completely in our own hands.

"A bright spot in the picture," noted Dr. Armacost, "is the very conservatism of the income estimates themselves. If our income is better than those very low figures (and there is reason to be optimistic), and if the student population rises, some of the reductions can be nullified. The Board of Trustees has already voted to restore the salary cuts if the student population increases to 850." (Ed. note: current student enrollment is 760.)

"Areas of reduction have been carefully chosen to have the minimum negative impact upon students and their educational opportunities. For this reason, it was preferable to reduce everyone's salary rather than to eliminate positions. A few faculty and administrative positions were eliminated, however, and vacant positions have been frozen.

"What I have emphasized to everyone and wish to emphasize again," said Dr. Armacost, "is that we have taken the necessary steps to secure our future insofar as it is humanly possible to do that . . . against the worst. What we need now is the cooperation of everyone to see that the worst does not occur. Students and friends are our best recruiters and supporters. For the most part, the faculty response has been most encouraging. Though we sometimes differ on method, we are all committed to the proposition that the integrity of this institution and the quality of its program will be maintained.

"I sincerely feel that with the help of everyone, our difficulties can be turned to our advantage and that the news a year from now will be much, much better."