Council approves operating and capital budgets for 2001

NOVEMBER 17, 2000 MEETING

by Alison Piper

A t its November 17 meeting, Council approved a balanced 2001operating budget for PEO. The balanced budget doesn't include a $1.12 million net loss related to the transfer of funds to the Ontario Society of Professional Engineers (OSPE). Council also approved a 2001 capital budget for PEO of $140,000, most of which relates to upgrading computer equipment.

At Council's October meeting, the Finance Committee had proposed a 2001 operating budget with a projected deficit of $625,194, excluding the $1.12 million shortfall PEO expects to incur in 2001 from implementing a $20 annual fee increase, while paying $30 per full-fee-paying member to OSPE. Accordingly, Council directed the Finance Committee to prepare for Council's November meeting a proposal for a balanced 2001 budget, excluding the transitional effects of funding the start-up of OSPE.

Achieving the balanced budget involved reductions in salaries and benefits, and in budgets for line items where there is a history of significant under spending that is expected to continue in 2001.

PEO position on software engineering proposal

Council endorsed the report of PEO's Software Engineering Task Force, which had been previously endorsed by the Executive Committee on November 7. The report explains why PEO can't support the recommendations of a national Software Engineering Panel on the use of the term "software engineering" in the undergraduate university community. The panel's key recommendation is that a new

and separate board, comprising representatives of the Canadian Engineering Accreditation Board (CEAB) and the Computing Science Accreditation Council (CSAC) of the Canadian Information Processing Society (CIPS), be established to accredit all Canadian software engineering programs.

The task force's concerns about the proposal relate to its conviction that:

◆ CSAC's and CEAB's accreditation methods are not equivalent; and

◆ the differences in the bodies of knowledge of software engineers and computer scientists are crucial to identifying the types of work where licensing is necessary to protect the public interest. In addition, the task force believes that accreditation criteria that would be

acceptable to both communities would be demanding of neither.

The task force's report states that although PEO wants to pursue "a win-win solution for both engineering and computer science," other options identified by the panel should be explored before a final decision is made. It also states that the joint accreditation board proposal "will inhibit PEO in fulfilling its legislative mandate to protect the public interest through licensure."

Changes to Members' Equity policy

Council approved two Finance Committee recommendations related to PEO's Members' Equity policy. The first involved changing the name of what has been referred to as PEO's "Member's Equity"

to its "Operating Reserve," to more accurately reflect its nature. The second involved changing the policy on the minimum level of Operating Reserve so that it's based on a percentage of PEO's annual budget, rather than pegged at a specific dollar figure that would require Council approval to change as PEO's financial circumstances change. The Finance Committee also recommended that the Operating Reserve policy include a maximum level that ensures that PEO continues to qualify for not-for-profit status under Revenue Canada rules.

As approved by Council, the policy has been reworded to specify that PEO's minimum Operating Reserve will be 50 per cent or six months of its annual operating budget, while the maximum Operating Reserve will be 100 per cent or 12 months of the annual operating budget.

Membership database upgrades approved

Council approved $73,000 in capital expenditures to enhance PEO's new membership database. The $73,000 budget was recommended in a status report on the membership database, which Council received at the meeting. The report detailed the required work to complete implementation of the first phase of the membership database project, and listed several areas identified during implementation where additional expenditures to enhance system capabilities would improve staff productivity.

Legislation for OSPE funding gets passed

Council approved amendments to Regulation 941 under the Professional Engineers Act to enable PEO to provide start-up funding to OSPE. The new section of the regulation provides for a one-time grant from PEO's Operating Reserve of $933,000 and the transfer from PEO to OSPE of $30 per full-fee-paying PEO member for three years. During the three years, the per capita fee transfer is conditional on OSPE providing specific documents to PEO's Registrar, including an

annual business plan and audited financial statements.

The Red Tape Reduction Act 2000, which received royal assent on December 6, amends section 7 of the Professional Engineers Act to permit the making of regulations for the provision of start-up funding for OSPE. The amendments to Regulation 941, which were passed by Council, received Cabinet approval at the Attorney General's recommendation in December. Full fee-paying members can expect to see a $20 increase on their invoices in the first quarter of 2001. Further information on the fee increase will be published in the February/March 2001 issue of *The Link*.

Government appoints new Councillor

Council received an Order in Council appointing Nancy E. Hill, P.Eng., LLB, to a three-year term as a Lieutenant Governor Appointee to Council. There are currently three vacancies on Council for government appointees. ◆

First PEO/OSPE agreement signed

It's official! After confirming the final details on November 7, 2000, Jeremy Cook, P.Eng., (at left) chairperson and CEO, the Ontario Society of Professional Engineers (OSPE), and PEO President Peter DeVita, P.Eng., signed a PEO/OSPE agreement at a meeting of PEO's Executive Committee. A key milestone in OSPE's creation, the agreement establishes a framework for OSPE's governance and start-up funding, the transfer of non-regulatory services to OSPE, non-competition between PEO and OSPE and dispute resolution between the two organizations. Subsequent agreements will deal with the details of specific programs or projects that PEO may transfer to OSPE or divest.