

15 April 2012

President's Report to the Board

The winter semester has concluded and final exams are underway on schedule. I wish to thank all faculty, staff and members of the administration for their efforts to bring the semester to a successful conclusion, particularly given the challenges of a 10-day strike by instructors of our IESLP (International English as a Second Language Program). I am sure that we are all relieved that the strike, the first for Brock, came to an end, and I wish to remind all members of the Brock community that we were all colleagues before the strike action and remain colleagues after.

Provincial budget and policy framework for post-secondary education

In my President's Report to Senate dated 12 March 2012, which is appended to this document, I attempt to provide the lay of the land of the provincial policy and financial environments. I will, therefore, not repeat here the substance of my Senate document. However, after that report was written, the Ontario Government presented its proposed budget. In light of that budget's content, permit me to provide additional observations.

The projected 2012-13 budget increase for MTCU — 2.2 per cent — is slightly higher than foreseen. Driving the increase are estimated funding for enrolment growth projections at the college and university levels, as well as the indexation of the Ontario Tuition Grant (OTG) at a rate of 5 per cent per annum. However, the Government's budget is predicated on a revised estimate of the pace of enrolment growth for 2013-14 and beyond. The 60,000 additional students that were to be accommodated over four or five years are now expected over six or seven years. I personally doubt that enrolment growth pressures at the undergraduate level will slow over the next several years in Ontario, and growth pressure will continue to emanate from the GTA. That growth is slower than expected at the graduate level, particularly for MA programs, seems evident.

Also built into MTCU budget projections for years 2 and 3 of their forecast are expected savings resulting from increased efficiencies. The budget projects savings in the amount of about \$40-million in year 2 and \$81-million in year 3. At this point, it is unclear to whom these efficiencies will be attributed, and in what proportions. If these savings were mandated entirely to be achieved by the colleges and universities — that is, none are expected to result from efficiencies gained within the ministry's internal operations — and if responsibility for achieving these savings were distributed in accordance with

the MTCU's normal formula (70 per cent for the university sector, of which about 3 per cent would be attributed to Brock), our share would be cuts to our base grant of approximately \$800,000 in 2013-14 and \$1.7-million in 2014-15.

A number of special-purpose grants and scholarships have been eliminated as a result of the budget. Many of these had been announced in January. Several are new, and their elimination negatively impacts funding for some important student support services at Brock. The loss to us is about \$375,000 in 2012-13. The government expects that savings to the Student Access Guarantee requirement resulting from the 30% off Ontario Tuition Grant will offset the loss of these special grants. We will not know until mid-year 2012-13 whether those savings will materialize.

The Ontario Government is taking a very different view of international students not engaged in doctoral-level studies. Starting in 2013-14, the Government will “tax” our base operating grant in an amount of \$750 for each international student enrolled (not doctoral) in the first year of a program of study.

Similarly, from 2013-14 onward, the Government will no longer provide funds for institutions’ “grants in lieu of municipal taxation” for international students at the undergraduate and Masters levels. However, the obligation of universities to pay this sum (\$75 per full-time student) to their local municipality/region will remain part of the Ontario Municipal Act.

None of the above substantially changes our strategy, as outlined in my previous report to the Board and as referenced toward the end of the appended report to Senate. We just need to get on with it.

Impact of the federal budget

Permit me to mention only a few elements of the federal budget, focusing on those most salient to Brock.

The federal budget has maintained funding for the three federal research granting agencies, and has committed nearly half a billion dollars over four years to the CFI programs. This is very good news in an environment in which most federal departments sustained budget cuts.

In addition, the federal government's efforts to recalibrate and redirect its support for innovation in the Canadian economy may present a number of opportunities for Brock, as we actively pursue our own innovation agenda with our Niagara community partners. We shall know more about these opportunities over the next several months.

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