

President's Report to the Board of Trustees

11 June 2012 - J. Lightstone

Another academic year has ended and with it, the terms and offices of a number of Trustees comes to an end. I wish to thank Rudi Kroeker for his three years as Chair of the Board; he will not be going far as he will serve as Past Chair. To David Howes, our current Past Chair, we owe a tremendous debt. Sadly, he does leave the Board, along with Joy Rogers, Veronica Lacey, Roelof Makken, Dennis Parass, Sebastian Prins, Bill Rickers, Terry Trzacak, Mary Turner, Kelly Veld, and Barry Wright, who leave the Board as well. Brock is very grateful for your service, and I will miss every one of you in future Board meetings. I hasten to add, however, that once part of the Brock family, always part of the Brock family.

In this report I attempt to look both backwards and forwards—primarily back over the last academic year, with some indication of what may be anticipated for the next. (My first report in Fall will deal more extensively with the latter.)

What characterizes the view in both directions is that we have lived and will continue to live in “interesting” times, as the allegedly Chinese curse goes. Notwithstanding, we have made significant headway, while facing considerable, and constantly evolving challenges, a state of affairs likely to persist for several more years. What makes the environment “interesting” is simple:

- our provincial government is in significant financial difficulty, due to an underperforming economy buffeted by global events;

- the system by which Ontario's universities are currently funded does not render the sector sustainable under any operating model that would be deemed normative for any province in Canada;

- the provincial policy environment is in flux and has been so for perhaps two years, and the players are multiple (the Premier, the Finance Minister, the Minister of TCU, the ministry of TCU, the Higher Education Quality Council of Ontario, Don Drummond and his associates on the Drummond Commission);

- there are important competing interests, and significantly differing views, among institutions and members of the Ontario university sector, making concerted responses on important policy matters difficult to achieve.

Brock's strategies have been designed to navigate these difficult waters, in order to continue to make headway toward the long-term objectives adopted near the turn of the millennium and revised in 2008. In addition, in order to succeed, that path must address in compelling ways three additional desiderata. It must provide for us a recognized differentiated stance within the sector that will permit research and graduate studies to continue to develop at Brock—as no one will question our development at the undergraduate level. It must provide us with the facilities we require (as opposed to those that we want), since we have been desperately short of space, especially for our research and associated graduate studies. And it must eliminate a structural deficit that materialized in the transition from 2005-06 to 2006-07 and that we have been wrestling with ever since.

1) Planning

The focus of planning activity has been on two fronts this past year: the joint Senate-Board Committee, on the one hand, and the Faculties and selected Support Units, on the other. In the fall, Dr. Knuttila championed and organized a very successful SAC (Senior Administrators' Council) planning retreat, the purpose of which was to define a more delimited set of initiatives on which all units would focus during this year's planning cycle. The results of this retreat were also brought forward to the Senate-Board Committee.

The following documents and initiatives were intended to facilitate the work of the Joint Senate-Board Committee and to focus the planning activities of the Faculties and selected Support Units:

the planning documents (approved by the Board and Senate in 2010-11);

the planning matrix developed for and approved by the Joint Senate-Board Committee in the Spring of 2011;

a practical guide, developed for Faculties and Units, dealing with the use of the matrix and making the distinction between strategic and operational priorities (approved by the Joint Senate-Board Committee in the Fall of 2011);

the results of the SAC (Senior Administrators' Council) planning retreat held in early December 2011;

and presentations to the Joint Senate-Board Committee during the Winter and Spring of 2012 by Faculties and select Administrative Units.

Presentations by Faculties and Administrative Units to the Joint Senate-Board Committee demonstrated the diversity of a University. We recognize the distinct contexts in which individual Faculties must compete and succeed.

This aptly demonstrates that a mid-sized, comprehensive university can be likened to a federation, not a melting pot -- excuse the mixed metaphors. Our notions of planning will likely evolve to take account of this inexorable fact. The federation will have its strategies, and associated actions, to achieve well-defined, long-term objectives and the federated units (the Faculties) will have theirs, even while they participate in those of the federation's. After several annual cycles, we will understand this more, and better capitalize on it.

By the end of June, almost all of the Faculties will have presented the substance occupying the cells of the planning matrix developed last Spring by the Senate-Board Committee. In the case of two Faculties with new Deans, two presentations of cycle one will spill into the Fall of 2012. Support information and data for the planning process will also evolve next year as Dr. Knuttila (re)fashions a support unit for Institutional Analysis, Planning and Enterprise Risk Management. On the support unit side, plans for Research Services under VP Libben, and for Recruitment and related student services under AVP Meade are well formulated, and supported by fairly robust data.

In June, Dr. Knuttila will distill the presentations of all units that appeared this year before the Joint Senate-Board Committee into a single document, integrated with the 'federal-level' strategic actions. It must be noted that the strategic actions articulated by the units and Faculties this year are being implemented.

I turn now to the "federation" or university-wide level. In the latter half of 2010-11, four over-arching institutional strategies were defined. These were to be pursued, while the unit-based strategic plans were under development. These four overarching strategies were:

- (1) the identification of approximately five theme-focused, transdisciplinary institutes as a means of amassing and concentrating our research strength of potentially world-class levels;
- (2) aligning with these themes our graduate expansion in the medium term, on the one hand, and mapping these themes, on the other, onto key issues facing the communities around us and, as appropriate, cementing partnerships with these community sectors, whether social, economic, or cultural;
- (3) Pedagogical innovation that included, among others, significantly expanding service and experiential learning, on-line offerings and hybrid pedagogies, and alternative scheduling;
- (4) Building in partnership with others a systemic approach to incubation, entrepreneurship and business development focusing on start-ups, and small and medium-sized businesses in Niagara.

While we are not completely up and running on all of these fronts, we have made very substantial progress, and, have forged important partnerships in the process that helped redefine business and economic development in Niagara, and that attracted some significant financial support for some of these efforts.

Some of our Institutes will be given the green light by calendar year's end, since we have decided to take an extra step of obtaining external peer reviews for the finalists' complete applications.

Our incubator has just begun start-up operations, with federal funding (which spells a significant portion of the operating costs that would have been assumed by Brock in the first several years of operations). We have formed a consortium of partners to create Innovates Niagara.

Underpinning financial planning for 2012-13 are plans to significantly ramp up on-line, hybrid and summer offerings, as well as to make use of different scheduling, in particular an increasingly robust spring-summer semester in 2013. In addition a number of new programs are in the offing which stands to attract significant new groups of students.

Important discussions took place at the Board and Senate around the discussion paper, "Whither Pedagogy". The Senate discussion was balanced, registering both support for scaling up the innovative pedagogies outlined in the discussion paper, and registering caution lest we abandon the tried and true or move too quickly to implement methods of pedagogy for which we have less experience in quality-control. With these cautions in mind, it is clear from the budget submissions by the Faculties that we will be moving forward on this front, and we will learn as we scale up.

In a related vein, Brock has taken a lead role in COU's initiative to define an Ontario Online Institute for the government, and we will undoubtedly be among the Institute's founding members, the services of which will in the medium and long terms support our initiatives in on-line and hybrid pedagogy. (In the short term, we are on our own in ramping up these types of offerings.)

In sum, we have made significant progress on all four fronts defined as over-arching strategies at the "federal" level, and we will thereby have gone a distance in defining a differentiated position for Brock.

2) Research Administration:

Gary Libben joined us near the end of last summer, and has started initiatives on many fronts. His near and medium term strategic actions were outlined in his submission to the Senate-Board Committee in early winter. I will not rehearse them here.

He is reorganizing the Office of Research Services on a number of fronts. Foremost, he is repositioning the support for the writing of research grant proposals for the Tri-Council, and he is instituting a program of grant-proposal "multiplication". By this he means that a single grant proposal to one or another agency will be, as appropriate, rewritten for an array of funding agencies/sources for simultaneous or parallel submission.

Dr. Libben has also commenced a seed grant program, to support researchers in initial phases of work that lead to a full-blown research grant application.

Aligned with the grant multiplication initiative is the hiring of a government relations officer for Research Services. This officer will seek out research funding opportunities from government programs and departments other than Tri-Council programs.

A major part of becoming more research intensive involves being recognized as a locus of important research. To this end, Dr. Libben has hired a new Research Communications Officer.

We have made major inroads on the establishment of an innovation and commercialization support infrastructure within the University, and (via newly negotiated partnerships) within Niagara as a whole. In the Spring of 2011, we hired Dr. John Wilson as our Intellectual Property, Commercialization and Business Development Officer in Research Services. BioLinc, our incubator, is just beginning operations with a major operating grant from the Federal Government (as noted earlier), and we have partnered with nGen, the City of St. Catharines, the Regional Innovation Centre, and the Greater Niagara Chamber of Commerce to establish a unified set of infrastructure and support services for incubation, commercialization and business development, under the brand, Innovates Niagara. Next year will see the initial operations of the larger entity as well as BioLinc. Other than Kitchener-Waterloo and the University of Waterloo, no other Ontario university or municipality or region has achieved anything remotely like this. But the real work is ahead.

Front and centre in our strategy has been the establishment of approximately 5 new transdisciplinary research institutes, each to receive base operating funding of some \$200k, which will likely be phased in over two years, beginning in January 2013. I will not elaborate on the reasons for this strategy or the expected results as these have been discussed above. Earlier in this report I remarked on progress made to date.

In the Fall, Dr. Libben will be at the point that he can champion the process of rewriting our strategic research plan and from this exercise we will distill a rewritten plan to remain on file at the CFI and CRC offices in Ottawa, and against which our submissions to CFI and the CRC program will be measured. We must definitively know which Institutes we will approve before doing so as we want our applications to align with their themes.

Dr. Libben has played a very active role in raising the bar on accountability for research grant expenditures. On his own, with others, and in his participation with the Deloitte review he has worked to significantly improve matters. He has established a committee of prestigious Brock researchers to act as the advocates for accountability in order to establish a robust shared culture that supports accountability for research expenditures. And he, Nicky Westlake, Phil Thomas, Rob Cargnelli, and Joanne McKee have instituted random monthly sampling and review of Tri-Council grant expenditures to mimic Tri-Council reviews (as conducted in the past). More recently, we have asked the Tri-Council to partner with us, as a pilot project, as they completely overhaul their own systems for promoting and monitoring accountability. Tri-Council has enthusiastically accepted. Therefore, we will be in the vanguard of any new regime.

In previous years' reports I have remarked that Brock is still in the process of developing a more robust research culture. Dr. Libben has reframed this for me: Brock needs to develop a culture of research leadership, as opposed to a research culture (on which we have made great progress).

3) Government Relations and Funding Opportunities

Permit me to differentiate issues of emergent government policy (about which I wrote near the beginning of this report), from pursuing special funding opportunities for Brock.

With respect to the latter, advocacy directed at Queen's Park has focused especially on securing a commitment for a major capital grant to build a new facility for our Faculty of Business. Over the Fall, we expanded our proposal (first submitted a year earlier), adding more definition and addressing newly emergent government issues and concerns. We also mustered considerable support in the Niagara community and enlisted our supporters in our advocacy efforts at Queen's Park. Obviously, we have undertaken these activities against a backdrop of the Drummond Report and major budget restraint by the provincial government.

On other fronts, we have had renewed FedDev funding for the ARC (Applied Research and Commercialization) program, again funded to the maximum allowed. And we have secured another FedDev grant to partially fund operations of our incubator.

There are many more federal and provincial funding opportunities that we can pursue especially in support of research and incubator/entrepreneurship programs. We have simply needed more person power to pursue them, which we will have next year.

4) Community Relations

In Niagara, we have taken strong public positions on several fronts over the last year. This past year, a great deal of public discussion has taken place in Niagara concerning the organization of economic and business development support services, agencies and organizations. Since one of Brock's articulated strategic goals is to be a proactive partner in the Niagara Region's development, economically, socially and culturally, it is understandable that we have chosen to articulate specific positions on how actors work to spur on business development and the economy in Niagara. We have taken positions on the reorganization of the successor agency to the Niagara Economic Development Agency (NEDC). We have taken a strong public position on the importance of creating the Greater Niagara Chamber of Commerce (GNCC), and we supported the move to dissolve the Chamber and transfer its assets to the GNCC.

We have put our actions and resources where our mouth is too. As mentioned, we participated in the initiative to join the forces of Brock, its new BioLinc operation, nGen, the Regional Innovation Centre (RIC), the Greater Niagara Chamber of Commerce (GNCC), and the City of St. Catharines in a more integrated structure that we have named Innovates Niagara.

The themes of most of our transdisciplinary institutes will align with matters of vital importance to the community, the nearby and beyond, and they will have either community partners or map onto economic sectors targeted in the Region's economic growth strategy.

New Joint programs with Niagara College have continued to come forward to Senate for approval, but progress has been slow, for reasons attributable to both sides, although progress continues. The list of joint programs initiated over the last five years is significant, however. Most recently we have developed a dual credential for Integrated Game Development Logistics, and there continue to be regular meetings to pursue joint initiatives on academic and financial issues.

5) Facilities Planning and Construction

The Facilities Management teams led by Tom Saint-Ivany, Ian Brindle (for the Cairns Complex) and Douglas Kneale (for 198 St. Paul), with the ongoing support work of Jack Miller, have done a great job on this front. So much has been reported about the 198 St. Paul and Cairns Complex projects at the Board that it is superfluous to write more here. Finance and Facilities Management has done a great job on both. Steven Pillar got all but a few bits and pieces finished on the blanket agreement with the City of SC for the downtown project, and Tom Saint-Ivany and Darren Harper got the finishing touches done nicely. Fund raising for both these facilities remains an ongoing priority, for

the Cairns Complex because meeting KIP requirements inflated the cost--the price for accepting \$38m in federal funds, which in turn allowed us to spend the \$33.5m received earlier from the province for this project.

Detailed planning for the Faculty of Business Building has gone very well this year. If the government were to commit to fund us and the Board to approve the project tomorrow, we would be ready to hand the required information over to architects. Tom Saint-Ivany and his team and Jack Miller have done a sterling job here, as has the interim Dean of the FOB, Don Cyr and his team. In conjunction with planning for the business building, we have sorted out the location of a new future student union facility, to BUSU's great satisfaction.

6) Advancement and Communications

Last year we began entry into a transition phase in our fund raising activity and now we are truly and heavily into that transition. What characterizes that transition is the movement from an established cohort of potential major donors who already had a strong relationship with Brock and were seized by the vision informing our current strategic direction, to a newly identified cohort with whom we may build a relationship. This transition requires time and effort by our professionals. There is no other way. The dividends will come in the future, but only if the advanced work is done.

Reaching our campaign goal was originally predicated on the generosity of our established cohort of friends--without the unforeseen complications of a recession and the resulting economic (and perhaps psychological) hangover. Nevertheless, at this time we are within closing distance of our campaign goal of \$75m.

Next year we will continue to make contact and enter into dialogue with the new cohort, while finishing our incomplete discussions with those left on the original cohort list.

With respect to communications and branding, we have been in maintenance mode this past year, as planned and we will remain so next year. Our branding campaign has had the desired, measurable results, and its dividends continue to materialize in a stronger applicant pool for our programs, particularly at the undergraduate level, as well as in greater brand recognition generally in Ontario and Canada. No one forgets our two-sides-of-the-brain images and no one forgets their association with Brock. Next year, a new set of such images will highlight what goes on in the Cairns Complex. Also, as we refresh entry-level web page content and imagery, our location in Niagara will begin to take on more prominence.

7) Pedagogy, Retention, Recruitment

The retention-enhancing programs instituted over the last several years have done their job admirably and it is highly unlikely that we can exceed current retention achievements. Our goal in the coming years is to maintain current levels.

Several Board committees will have seen presentations about the improvement in undergraduate recruitment generally--remarkably so for entering students with >90% entry averages. The leadership program is also helping to attract top students with a strong commitment to developing their leadership skills through community-based action and service learning. The Foundations in Service Learning courses have been a success, and this year were highlighted in a COU publication on initiatives exemplifying best practices in innovative pedagogy in Ontario's universities.

In general, we have met our undergraduate enrolment targets several years ahead of schedule. We have not compromised entrance standards, indeed they continue to rise. We have massively exceeded our PHD enrolment targets, but are now seriously underperforming in attaining our Master degree enrolment targets. This needs serious analysis.

As to innovative pedagogies and scheduling, the Board is well aware of our push to scale up rapidly in these regards. Over the last year and a half we have built up the capacity of the CTLET, now

renamed the Centre for Pedagogical Innovation (CPI). In 2011-12, CPI issued an RFP for the development of 10 new online courses, which are under production, and which represents our current annual development capacity at CPI. Since our plans include rapidly scaling up innovative pedagogies and scheduling changes over the next two years, we will immediately exceed the current capacity of CPI to deliver appropriate development and support services. Unless and until an Ontario Online Institute as proposed by COU is up and running, we will probably have to hire contracted related services to supplement the efforts of CPI. In the recent round of requests for proposals in the context of the 2012-13 budget exercise, the Faculties have proposed 37 new online courses, 10 alternate-schedule courses, and several new innovative programs for development over the next 18 months or so.

The FPHR committee has seen the projected *net* revenues of these initiatives for next year and the subsequent years. But there is much more at stake here than just the bottom line. There is the question of creating the appropriate mix of pedagogies that will serve our students, the vast majority of whom were born after the creation of the Internet and who have known Google since early childhood.

Finally, to provide the administrative leadership and support for the rapid progress on these fronts, as well as for the constant promotion of excellence in more 'traditional' modes of pedagogies, we have moved to create a staff position, the Vice-Provost Teaching and Learning, in the office of the Provost and VP Academic. It will be filled by internal appointment soon.

8) Operating Budget:

This past year may be characterized as one during which we have faced multiple contingencies that affect our plans to balance our operating budget and eliminate our structural operating deficit. The pension liabilities have come to the fore. The province's fiscal situation, coupled with the downstream effects on the MTCU's budget of the Ontario Tuition Grant, have chipped and will chip away at our progress to balance and to stay balanced. Over the winter, each week seemed to bring news of another MTCU grant program eliminated, each small but cumulatively bothersome. Also, on the horizon for 2013-14 and 2014-15 are "efficiency targets" from MTCU, which will be administered and outright recurring cuts to our base grant. Nor do we know what tuition policy will be beyond next year. On the labour compensation front, it seems that the government will be expecting zero-zero for salary scale increases again, but as yet is far from being explicit about this for the broader public sector. Also a matter of concern are contingent liabilities associated with our capital projects, as noted earlier; these will increasingly be part of our calculus as we adopt budget strategies in 2012-13 and beyond.

Continuing to give everyone more or less the same budget haircut has run its course. It will not suffice, given the evolution of our financial situation, and will do damage if continued much longer with the emerging contingencies. This winter and spring represent, then, the first stage in the modulation of our budget process, in which everyone does *not* take the same haircut. Rather, proposed pedagogical innovations of the type described earlier have been assessed, and prescribed cuts adjusted accordingly for the Faculties whose proposals have been deemed to meet a dual objective: to advance pedagogical innovation; and to simultaneously generate new net revenue. Next year, the budget exercise will be even more differentiated and asymmetrical across the University--that is, they will be increasingly strategic.

All this being said, were it not for the additional payments to the pension fund resulting from the actuarial evaluation, we would have generated a respectable surplus in 2011-12 and in 2012-13, although as stated to the Board in February, we would have slipped back into structural deficit several years further down the line, because of the pension and the inherent unsustainability of the system under which we operate. We are working to change aspects of that model--at least those over which we have some control, via the types of pedagogical and scheduling initiatives mentioned earlier. It is these in particular that offer the greatest promise at this time of improving our financial situation over the next several years.

However, even with the additional service of the pension fund in 2011-12, with the year-end results for 2011-12 in hand, it is now apparent that we will generate \$1m for the year just ended to eliminate the originally approved, budget deficit of almost \$1m). And by "trimming" the carry forwards at a rate of 15% and departmental savings, we will have generated \$3.4m to help defray the cost of the additional pension payment in 2012-13 resulting in a balanced budget. Moreover, since payment of campaign pledges for the Cairns Complex are ahead of schedule, notwithstanding the capital funding gap that currently exists for the complex, principle and interest payments on the loan for the Cairns Complex will be paid by development funds, and not the operating budget, for 2012-13 at least, and it is possible that we will be in a position at the end of next year either to make a significant lump sum payment to reduce the principle, or cover principle and interest payments for several more years, whichever the University feels is best.

9) Labour Relations

A tentative agreement with BUFA was reached over Labour Day 2011 Weekend, without the threat of an approaching strike date. We also bargained to two strike deadlines and in both instances with two new unions. And of course, sadly for all concerned, we endured a week and a half long strike (one extra day after the renewed tentative agreement, pending ratification). We have not yet reached a tentative agreement with our OSSTF union.

Bill 16 has not been renewed by the province, so the freeze on employees that do not bargain collectively has been lifted. This diminishes but does not eliminate the inequality produced by Bill 16. However, Bill 55 renews the two-year compensation freeze for senior executives.

It is unclear what the government will mandate for negotiations in the broader public sector, as apposed to the public sector proper, for which they are seeking a two-year freeze in scale increases and PTR. In the Fall, we will know the government's intentions more clearly.

10. Accountability

Brock has grown rapidly and increased in complexity. Our financial controls must keep pace with this reality. Concurrently, governments and society at large have been placing ever greater emphasis on accountability for expenditure of public funds.

This past year we have taken additional initiatives to assess and improve our financial controls. Improvements will continue to be implemented next year, and probably the year following as well in conjunction with the implementation of a new digital financial system to replace our old legacy system. In tandem, Dr. Libben formed a committee comprising some of our most accomplished researchers to act as leaders in promoting a heightened culture of accountability at Brock for the expenditure research grants.

In the winter we added a full time contract position in Internal Audit which becomes permanent in 2012-13 (giving us two FTEs). Supplementing this are some additional monies for contracting out some Internal Audit projects.

Joanne McKee, Gary Libben, Philip Wright, Darren Harper and their respective teams have been very much engaged and committed over the course of these processes. The involvement of the Audit Committee and other Trustees in the process has been invaluable.

11. Ratification of Board Decisions

At each Annual Meeting of the Board, a resolution confirming decisions of the Board is presented for approval.

Recommendation:

That all acts, contracts, bylaws, proceedings and payments enacted, done and taken by officers and members of the Board of Trustees since the date of the last Annual Meeting, as the same are set out or referred to in the minutes of the Board of Trustees and its committees, are hereby approved, ratified and confirmed.

12. Appointments to the Brock University Pension Sub-Committee

The Brock University Pension Committee is a sub-committee of the Financial Planning and Human Resources Committee of the Board of Trustees. The terms of some members are set to expire on June 30, 2012. The General Bylaws of the Board of Trustees Article 26 b) iii) states that: Eleven members, who are members of the Pension Plan, shall be appointed by the Board of Trustees upon the recommendation of the President on the following basis:

- a) seven members nominated by BUFA, representing faculty;
- b) one member from the permanent staff (non-OSSTF), nominated by the permanent staff members;
- c) one member nominated by OSSTF, representing that bargaining unit;
- d) one member nominated by CUPE 1295, representing that bargaining unit; and
- e) one member nominated by the BURA, representing retirees in the Plan.

The recommended appointments are effective on July 1, 2012 and would be for a four-year period.

Recommendation:

That the following be appointed to the Pension Sub-Committee from July 1, 2012 to June 30, 2016:

Mr. Brad Worden (CUPE 1295)
Mr. Harold Leece (Retiree)