

Office of the President

May 2013

President's Report to Senate - May 2013

As I write this report, I anticipate the May meetings of Senate, the last gatherings of Senate 2012-13. I wish to thank all senators for their service to the governance of the university over the 2012-13 academic year. I express particular gratitude to those Senators whose terms are coming to an end. You have served your university's governance well.

As I write this report, I am awaiting the reading of the provincial budget later this week. I anticipate nothing new at this point. That is to say, I expect the budget to reflect previous government commitments to fund enrolment growth at already announced levels. I expect the government to implement their previously announced "efficiency targets," which will cut our base grant by a combined 3% over 2013-14 and 2014-15. Perhaps they will invest some money in development of on-line courses at Ontario universities, redirecting the \$30 million fund originally created to award funds to some half-dozen colleges and universities chosen from among the forty-five institutions based upon their Strategic Mandate Agreement (SMA) to this new purpose. Perhaps they will (re)announce their ten-year multi-billion dollar infrastructure fund, for which universities and colleges, among many others, will be eligible. In all, however, it is likely that the budget will be focused on what is required to see the minority government through to an election, which will likely come sometime within a twelve-month period. It will, therefore, allow for some few very targeted expenditures of importance to the NDP, as well as for important election-campaign-related projects. The major expenditures will be projected for a later, post-election period when the government's budget is balanced.

For the remainder of this report, I will not try to predict the future. Rather, given that May is the end of this Senate's mandate, I should like to provide a review of the year, measured against my first report (19 September 2012) to the Senate of 2012-13. In that report, I looked ahead to what was on the university's plate to accomplish over 2012-13 in ten thematic areas. Now, we may say something of what we have accomplished or failed to accomplish.

1) Strategic Planning

We were occupied over the first quarter of the year with the production of our SMA submission, an endeavour led by Dr. Knuttila. This entailed distilling from our approved planning documents those elements that would provide the basis for our SMA submission, in light of the framework mandated by the Ontario Ministry of Training, Colleges and Universities (MTCU) and the discussion paper issued by the then Minister. Senate first had a meeting to discuss elements of both, and called a second special meeting to review and provide input on the penultimate draft. The final draft was submitted to the Board before the deadline for submission, but the Board actually met in their regular business meeting several days after the deadline.

The SMA exercise has served us well. Internally, it has provided further focus, based on our existing plans. Externally, it serves to define to others who we are and where we stand within the family of Post-secondary education (PSE) institutions in Ontario.

The process is not over. Over the next year (or more) the MTCU will negotiate a final SMA with each college and university. Notwithstanding, proceeding to implement our SMA commitments still remains our best course of action. And in this we are making important strides. Almost all of our identified new transdisciplinary institutes have been vetted and approved by Senate as of this date. Our enhanced spring-summer offerings have begun to ramp up for Spring-Summer 2013. Six newly added online courses (with enrolment in the range of 2,400) have been offered this year, and more than 30 more are in production now or will be in production in 2013-14. We continue to expand experiential and service learning opportunities, as called for in our SMA. (Indeed, we are cited in a COU study on pedagogical innovation as an example of best practices in experiential and service learning). Our Biolinc business incubator has just begun operations with considerable involvement from the Goodman School of Business, and Innovate Niagara was created and officially launches its portal this week as I write this report. Innovate Niagara, still in fledgling state has already been recognized by other Regional Innovation Centres (RICs) in Ontario and by the Ontario Networks of Excellence (aka Ontario Centres of Excellence) for the quality of some aspects of its portal; these elements will be used (with permission) by other RICs in Ontario.

Planning, however, is an ongoing process. And this past year had seen the renewal of that process with two exercises that represented commitments to the Board and to Senate (see my previous reports to Senate). The first was to engage in a participatory SWOT analysis to be completed by the end of the 2012-13, from which we would be able to draw conclusions about changes to our current overarching strategies, even while we continue to implement the latter. The second commitment was to provide to the Board, for their approval, an evidence-based dashboard that could be used to track our progress against our stated priorities and the principal strategies of our SMA.

Both will have been accomplished by the end of June 2013. Moreover, for the June meeting of the Board and the September meeting of Senate, the Vice-President's and I will be in a position to suggest some changes or additions to our current strategies as articulated in our SMA submission, based upon SWOT exercises conducted with or by the Vice-President's, Senior Administration Council (SAC), the Strategic Planning Committee of the Board, the executives of both BUSU and the GSA, the Alumni Association executive and Senators who participated in the special meeting/workshop on April 24, 2013.

2. Research

In accordance with the commitments outlined in my report at the beginning of the year, I endorsed the recommendations of the peer review committee charged with selecting for funding five proposals for transdisciplinary institutes/centres. Four of the five required Senate approval, as one had already been approved by Senate. As stated above, the Senate approval process has been completed for almost all of them as of this date. So we are well on our way to fulfilling this institutional commitment made in our SMA. In my view, our transdisciplinary institutes will play a major role in building and enhancing a "culture of research leadership" at Brock. Dr. Libben has been formalizing performance and reporting expectations in dialogue with the leaders of these five research units, so that we can establish annually their progress and fulfillment of their mandates.

Again, as noted earlier, the Biolinc incubator is just commencing operations with the strong participation of the Goodman School of Business, and Innovate Niagara has also come into being and is launching their intake portal this week. Again, with the help of the Goodman School of

Business and coupled with the expertise of nGen, the RIC and the Greater Niagara Chamber of Commerce (GNCC).

Accountability for and control of Tri-Council grant expenditures was signaled as a major matter for amelioration at the outset of the year. After two successive "unsatisfactory" grades from Tri-Council, we have now passed with flying colours. The ACE Committee has worked to instill a greater culture of accountability for research expenditures. However, more work still remains in institutionalizing these gains and promoting a culture of accountability.

While NSERC results this year were better than the previous year, SSHRC results were very disappointing. That being said, the number of applications to SSHRC (in excess of forty) was good -- well above the previous year's numbers. And while few were funded, about 40% of the applications were designated 4A (approved but not funded due to insufficient funds). All of the 4As could, with work, have an excellent chance of being funded next year. In all, we still have work to do in aiding and mentoring applicants for Tri-Council Grants, and we must still ramp up mechanisms for "grant multiplication".

3. Pedagogy

At the outset of the academic year, I signaled the SMAs commitment to increased use of the spring and summer semesters, of online and blended learning, and of experiential and service learning. The SMA signaled the creation of the position of Vice-Provost Teaching and Learning as a concrete effort to increase the importance of, and support for, both good and innovative pedagogy at Brock. That position was ably filled in 2012-13 with the appointment of Dr. Anna Lathrop. At this point, undergraduate course enrolments for spring-summer 2013 are 30% above spring-summer 2012. This translates to over 2,200 additional student enrolments. Six new online courses were offered in 2012-13, with an additional 18 online/blended courses to be offered in 2013-14. To date, we have received 37 expressions of interest from faculty who are proposing new online/blended course offerings. The number of students in coop programs has increased by 158 students, representing a 5.3% 2012-13 over 2011-12.

4. Capital Projects

The official opening of the Cairns Complex took place in September of this academic year. However, further commissioning took place throughout a good deal of 2012-13 in what is undoubtedly a complex building. The building is a little over \$2 million above budget, an average of about 2% of total budget.

The 198 St. Paul Street Project was tendered in the summer of 2012. Tendering bids were almost 25% above estimates for the construction costs. Value engineering has reduced that overage by about one-third in dialogue with the lowest bidder. As of the New Year, construction has commenced on the site.

Advocacy for provincial funding for new facilities for the Goodman School of Business were stalled by the announcement by Premier McGuinty of his impending resignation. They recommenced with the appointment of Premier Wynne (in January) and her new cabinet (in February).

5. COU and Government

Brock has maintained a strong voice at COU. However, COU's advocacy program with the provincial government suffered the same hiatus as we did as a result of the Ontario Liberal Leadership race. Early in the New Year, COU decided to proceed with the design and creation of an Ontario universities online institute. Brock offered to participate as a lead institution in this project. Last

week COU publicly announced the creation of Ontario Universities Online. So far the reaction of the provincial government has been positive.

With the aid of the Government Relations Office, Brock applied for a number of special grants from federal and provincial government departments (outside of Tri-Council and CFI).

The following institutional grant applications were successful from July 1, 2012 to the current date:

- MTCU credit transfer grant: \$265,361
- First Generation provincial grant: \$440,000
- Aboriginal provincial grant: \$210,680
- Disabilities provincial grant: \$554,242
- Accessibility Federal Grant: \$16,850
- MTCU Mental Health Innovation Fund Grant: \$360,240 over 3 years
- OSAP modernization grant: \$32,560
- FedDev ARC funding: \$750,000
- Heritage 1812 Funding: \$90,000
- Regional funding for the Incubator Portal: \$50,000

6. Operating Budget

My report in September signaled a number of pressures on our budget situation. Sadly, all have come to pass. In addition, the recent lowering of the cap for tuition increases, a decision that was not expected, added further to that pressure. Since there still is no increase in interest rates on the horizon --- in fact that expectation continually recedes --- pension pressures are likely to increase.

Yet the entire university community has worked hard to contain costs and/or increase revenues in five budget exercises over the past seven years. In September I wrote that we could no longer proceed by giving everyone budget "haircuts" that are more or less the same across the board. Going forward, we must make decisions about what we will do more of, less of, or not at all. In parallel we should look for needless duplication and consolidate services or functions where it makes sense. Finally, where we can share back-end operations with others, we should.

Therefore, the budget exercise for 2013-14 has represented something of a transition year, without the across-the-board cuts of previous years, while we work to create a process that by the end of December 2013, will produce budget recommendations for 2014-15 of a very different nature, as indicated.

In this regard, it has been very helpful to have had Vice-President Finance and Administration, Brian Hutchings and Associate Vice-President Finance, Brian Boles join us in November 2012 and January 2013 respectively. Fresh eyes have brought fresh perspectives on our financial situation. Both have been very active in sharing their perspectives with the Board, Senate and the internal community as they work their way through our finances.

With data and analyses collected and undertaken between now and the end of August, a new budget process will begin in September informed by an Advisory Committee on Priorities and Budget Allocation with faculty, staff, student and Senate representation. This committee, to be jointly chaired by the Provost and Vice-President Finance-Administration, will advise the members of the senior executive team that compose the budget for consideration and comment by Senate

and for discussion and approval by the Board. If we are to get away from increasingly draconian budget haircuts across the board, then this committee will be called upon to advise on important and difficult decisions that take into account not just fiscal data, but also quality, mission criticality, demand, and alignment with priorities and strategies. While this will be an ongoing advisory committee, its work in the Fall of 2013 will be of especial importance for the university. Why? The results of the work must point out the path to financial sustainability while preserving our capacity to advance our academic mission and our institutional priorities, and properly support our students.

7. Advancement, Marketing and Communications

In September, I anticipated meeting our campaign goal of \$75 million. As of this date we have achieved the \$88 million mark, and in the Fall we announced the extension of the campaign for several more years with a new "stretch goal" of \$110 million.

Branding and communications have, as previously indicated, remained in "steady-as-she-goes" mode. The result is a slight decrease in brand recognition on the general market. But our application numbers have remained strong, showing growth this past year running almost twice that of the sector as a whole. We ought to be particularly pleased with growth of first-choice and second-choice applicants, as well as corresponding decreases in third-plus-choice applicants. The fact remains, however, that applications across the province are significantly dropping in Humanities, and Brock is experiencing the same. At the same time, we have a number of high demand programs in which we cannot accommodate significant enrolment growth at this time without significant shifting in our resources and/or without more space. A budget plan for the university should, among other things, help deal with this challenge.

9. Community Relations and Relations with Niagara College

My report to Senate and the Board in September highlighted the role the creation of Innovate Niagara (IN) would play this past year in deepening our engagement in the Niagara community. At the outset of the year, Innovate Niagara functioned as a group of independent organizations committed to working together in a complementary and non-duplicative fashion to support entrepreneurship and small business incubation in a growing innovation economy that must increasingly come to define Niagara's economic development alongside existing anchors of Niagara's bid to increase prosperity. The "partners" to the MOU understood that the structure was temporary, a waypoint to working through a more formal structure with legal standing. With much discussion the latter was defined and implemented over the course of the year, allowing, among other things, Niagara College to become part of Innovate Niagara alongside ourselves. Brock's participation in Innovate Niagara is channeled primarily through the Biolinc incubator in the Cairns Complex and the business development outreach services of the Goodman School of Business, involving its faculty, staff and students. Innovate Niagara's financial support includes federal funding from the Federal Development Agency for Southern Ontario (a grant procured by Brock to support both IA and our Biolinc) as well as funding from the Ontario Networks of Excellence to establish a Regional Innovation Centre (now IN) in this region with functional links to the other Regional Innovation Centres in the province.

In September I wrote that our relationship with Niagara College required renewed effort. Over the course of the year and in dialogue with Niagara College, we identified three priority areas/projects to develop jointly:

- a fully integrated Niagara College-Brock University program in digital gaming;
- an articulation agreement in Human Resources Management; and
- an articulation agreement in Accounting.

These three projects are now well in hand, with the first nearing completion. Recently, we hosted Niagara College's senior team, allowing the Niagara College team members to "speed date" with our decanal teams to identify promising avenues for further cooperation. A number of such potential avenues were identified; a report will be forthcoming to me.

Until mid-year we pursued a major opportunity to deliver substantially more credit and non-credit courses off-campus in our region. We have postponed moving on these opportunities until we can more fully model our financial capacity to acquire the necessary quality space and can assure that such off-campus operations in Niagara offer a net gain to our finances, rather than producing a net drain.

9. Labour Relations

Since negotiations with four CUPE unions are underway or immediately impending, I will refrain from comment, other than to say that directives issued by the Ontario Minister of Finance in the Summer of 2012 (appended to my report of 19 September 2012) to negotiate two years of no salary increases at all remains in force under the Wynne government.

10. Financial Accountability

Earlier in this report I remarked that we passed the Tri-Council financial monitoring process with flying colours. But that does not mean that there is no more work to be done on this front. Still, passing that review was absolutely necessary, and I thank all in Financial Services, the Office of Research, and the faculty members of the ACE committee who worked to make it happen.

Under the leadership of Dr. Barbara Sainty in her capacity as interim Vice-President Finance and Administration and subsequently under the leadership of Vice-President Brian Hutchings and Associate Vice-President Bryan Boles, we have made major progress in implementing Deloitte's recommendations to bolster our finance-function controls and related procedures and policies. The final decision about a replacement for our old, legacy, computerized financial system is still pending. We need to be certain that the choice we make is both cost-effective and meets our functional requirements.

11. In Summary

In all, much progress has been made on matters identified at the year's outset as requiring attention, remediation or development. Some matters so identified have not been fully addressed and remain on our plate. A major review of what we do, how and why is an essential part of a new budgeting approach to achieving financial, mission, and operational health in an era of government financial retrenchment, pension shortfalls, and inevitable inflationary pressures. Again, a path forward in this regard will require difficult decisions. But these decisions are not only about cuts. They must also be about investments that align with our strategy and mission, and that will generate net revenues from which everyone will benefit.

Dr. Jack N. Lightstone