

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

An Analysis of Options for the More Autonomous Governance

Of Sir Wilfred Grenfell College

Eddy Campbell, Kent Decker, Chris Loomis, Lilly Walker, Glenn Blackwood,

Victoria Collins and Evan Simpson

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Executive Summary

On 22 May the Board of Regents passed a motion asking the administration of the university to analyze the following options for governance of the university:

- One University with campuses in St. John's and Corner Brook based on principles in Option 1 (b) of the Davies-Kelly Review with the possibility of two Senates if necessary.
- Two independent universities, one in St. John's and one in Corner Brook, within one provincial university system, essentially a variant on Option 1(a) as defined in the Review of Davies-Kelly.

The President requested the Vice-Presidents and subsequently the other members of the Senior Executive Committee to undertake an analysis. They have had the benefit of working closely with Evan Simpson, former Vice-President (Academic). The analysis follows this executive summary.

With respect to the first option to be analyzed, the government seems to have suggested that it will not support Option 1(b) or any variant thereof; that is, government will only consider variants of Option 1(a). However, of all the options considered by the consultants, Option 1 (b) is the closest to the position put forward by the Academic Council of Sir Wilfred Grenfell College (SWGC) on December 12, 2005, and is not far from the position enunciated by the Board of Regents in May of 2006.

With respect to the second option to be analyzed, Option 1(a) calls for: Two universities within a Memorial University system: One Board, Two Presidents, Two Senates, and Two Executives. This option is viable only in the variant that would call for the creation of two Boards of Regents. These separate and independent Boards could meet on occasion as a system Board. Experience elsewhere demonstrates that this option requires parallel administrative structures be in place in both universities.

The following features of this option should be noted:

- An independent SWGC would rank 68th on a list of non-affiliated, non-religious Canadian universities by number of students. That list has 73 institutions on it.

- For the second university to be viable, there must be significant enrollment growth at SWGC, from 1,400 to something like 2,500. According to provincial government reports, the school-age population in SWGC's traditional recruitment area, where about 87% of SWGC's current enrolments are from, is projected to decline by about one third over the next decade.
- Based on an analysis of the costs of small universities elsewhere, a separate university in Corner Brook would likely require a budget of \$26.9 million with an enrolment of 2,000 full-time equivalent students, \$33.6 million at 2,500 equivalent students and \$40.4 million at 3,000 full-time equivalent students.
- If the funds needed to create an independent institution were invested instead in graduate students and programs and the consequent appointment of new faculty and staff, these funds would have a more dramatic impact on regional economic development, because the multiplier effect of investments in research is greater than investments in administration.
- Students transferring from the one university to the other would experience the same challenges that all transfer students encounter. Due to differences in content of courses and program requirements developed and approved by two different Senates, it will be more difficult for students to transfer than it is at present.

It is important to note that Option 1(a) or any variant thereof requires that the *Memorial University Act* be amended or completely rewritten. If this option is pursued then the Board should consider a clause-by-clause review of the *Act*. It may be possible to implement Option 1(b) through amendments to the current *Act*.

With funding from the provincial government and in collaboration with the senior administration of Sir Wilfred Grenfell College, substantial new investments have recently been made in that campus over the past decade during a period when enrolments there have been relatively stable. In our view, the first-order goals for SWGC are: increasing its enrolments, the development of graduate programs, a reduction in teaching workload in order to make time for research, and creation of an environment that will attract outstanding new faculty. All of these directly address the joint objective of the university and of government to contribute to the growth of the economy on the west coast of Newfoundland. The efficiencies gained by the provision of centralized services in key areas allows for increased investments in students and the depth and breadth of our programs. We continue to believe that the advantages of a single university far outweigh the disadvantages.

BACKGROUND

On December 7, 2005, the Board of Regents of Memorial University of Newfoundland (MUN) passed a resolution regarding the governance of Sir Wilfred Grenfell College (SWGC). On December 12 the Academic Council of SWGC presented a set of “minimum expectations.” These are discussed below.

There was essential agreement between the parties on allowing greater autonomy to SWGC while preserving collaborative and cooperative relationships among units of the University. However, before final recommendations could be developed, the provincial government commissioned an external review of relationships between the St. John's and Corner Brook campuses of the University. The review conducted by Professors Davies and Kelly from Europe was released publicly in April 2007. Its preferred option (referred to as Option 1a) departed significantly and without clear explanation from the SWGC proposals.

Upon analysis of that recommendation – calling for “two universities within Memorial University” with separate academic senates, separate budgets and separate presidents all united by a single Board of Regents – the Board of Regents concluded that it was unworkable. The Board of Regents directed the University administration to develop a detailed analysis of the pros and cons of the following options for consideration at its July meeting:

- One University with campuses in St. John's and Corner Brook based on principles in Option 1 (b) of the Davies-Kelly Review with the possibility of two Senates if necessary.
- Two independent universities, one in St. John's and one in Corner Brook, within one provincial university system, essentially a variant on Option 1(a) as defined in the Review.

This resolution was publicly announced on June 12, 2007. A meeting of the University Senate on the same day provided an important and timely occasion for consideration of elements of the consultants' report. Senators continually returned to several salient issues, most importantly the following:

- The original rationale for one university in Newfoundland and Labrador as concentrating scarce resources in one superior institution and avoiding loyalties being divided between institutions
- The importance of genuine discussion by the whole public of the province rather than one set of regional interests alone
- The efficacy of the current system in developing sound academic programs on both campuses
- The importance of accessibility, ability to transfer and cost containment for students
- Flaws in the consultants' report that vitiate its recommendations

- The unfeasibility of any middle way, leaving the fundamental choices as one university with two campuses or two independent universities

These issues accentuate the importance of the Board of Regents assessing the options judiciously and realistically. As the history of the Universities of Regina and Saskatchewan suggests, when occasions of the separation of universities arise there is only one opportunity to make the right decision and it is all too easy for extraneous factors to lead to the wrong one.

THE TWO CAMPUS OPTION

As requested, we will now assess and comment on the two options stipulated by the Regents. For the sake of brevity and clarity, we will refer to them as the “Two Campus Option” and the “Two University Option”.

The current model of governance is the two campus option. By objective measures, it has served the university well to date. Our graduates are welcomed by employers and by other universities for advanced studies. Our reputation as a major comprehensive university is solid and improving. Since 1999, undergraduate enrolments have increased 9% and graduate enrolments by more than a third, our external research funding has increased from \$37.5M to \$91.5M in 2006. And our new strategic plan calls for continued growth concomitant with the resources needed to accommodate that growth.

Working in collaboration with government and the senior administration at Sir Wilfred Grenfell College, major new investments have been made in that University campus. New residences were built in Corner Brook in 2001 and the funding is now in hand with which to build more residences. More than \$1.6M in incremental base budget funding has been allocated in the past three years to support three new academic programs in Business, Sustainable Resource Management and Tourism. A new entity has been created to manage the Pepsi Centre for the benefit of residents (including SWGC students) in the Corner Brook region. A \$1.2M extension to the present academic building at SWGC has been built and the funding is in hand to build a new \$8.8M academic building. Nearly \$800K in new base budget funding has been acquired for the proposed Centre of Environmental Excellence. Other initiatives on which work is needed include new programs of research and graduate studies, together with the necessary adjustments to faculty workloads in order to accommodate them.

Following the Senate meeting of June 12, the Principal of SWGC was reported on CBC Radio as saying that the status quo is unacceptable. Certainly, changes are needed and we are supportive of them. The context for the Two Campus Option includes both the agreement that the campus in Corner Brook should have greater autonomy from the campuses in St. John’s and the historical circumstances of SWGC. These circumstances include, without being limited to, the following factors.

In April 1989, a Presidential Committee on the Future Development of the Sir Wilfred Grenfell College made a number of recommendations for the expansion of MUN's Corner Brook campus. The report called for the development of four-year university programs and expansion to approximately 1,500 students. It also called for exploring arrangements for degrees in Nursing and Education to be completed in Corner Brook. It further recommended degree programs that stress multi- and inter-disciplinarity in preference to the specialized programs and departmentalized structure common on the St. John's campus. The current reality at SWGC displays a remarkable success in meeting these designs and transforming a two-year feeder college into a distinctive and largely autonomous university campus. This happened with consistent support from units on the St. John's campus and the senior administration of the University.

As one of MUN's major academic units, SWGC has already become a recognized liberal arts and science choice for students, including some from outside the Corner Brook area, who want to go away to university or who prefer a smaller learning environment, while enjoying the low tuition offered by Memorial and obtaining a valued degree. As indicated in the most recent provincial budget, the government's willingness to infuse substantial new funding into the economic development of the western coast of Newfoundland should make possible an expansion into graduate programs in selected areas that build upon SWGC's more recent developed expertise in environmental studies. Such developments are ambitious and can be aided considerably if we work together to draw upon existing expertise and experience everywhere in the University. The School of Graduate Studies and the Office of Research, which are units of the University rather than of either campus, can greatly augment the capacities of the Corner Brook campus. They could not easily, economically or effectively be separately replicated there.

Development at Grenfell should be based on the formulation of a strategic plan for the campus. SWGC is challenged to sustain undergraduate enrolments from a declining local base of high-school graduates projected to decrease by a third over the next decade: at the moment, we expect to attract some 300 high school graduates from Newfoundland and Labrador to SWGC this fall: the provincial government demographic reports tell us that if present trends continue this number will fall to just over 200 students. This trend will pose a significant challenge under any system of governance. In response, it is necessary to evaluate possible replacement strategies. The growth of appropriate graduate programs is one such strategy. Others include expanding national and international enrolments, developing coordinated distance offerings and building the stronger identity that would enhance recruitment overall.

The questions of differentiation and identity are an important aspect of the two-campus option, which lends itself not only to unequivocal integration within the Memorial family but also to further independent development. One mark of integration would be acceptance of the name, *Memorial University: Corner Brook*

Campus, a recommendation going back to the Condon Report of 1992. This would have the advantage of helping to attract more students from the province's Avalon region through a clear identification of the campus as integral to Memorial, clarification of the fact that the campus offers university degree programs and avoidance of confusion with the College of the North Atlantic. The clearer identification would also convey appropriate equality with the St. John's campus of Memorial University and be fully consistent with autonomy within the University. However, SWGC has resisted a change in its name in recent years.

The two-campus concept described here closely resembles Option 1(b) identified by the consultants, although it rationalizes that alternative more clearly. It is consistent with the present academic plan for SWGC while beginning to indicate the next stage of academic programming for the Corner Brook institution.

The question is: which such structures are likely to generate progress for the campus and its region. In answer, consideration needs to be given to SWGC's stated minimum expectations within the two-campus option. These expectations are the re-titling of the position of its Principal as a Vice-President of the University reporting exclusively to the President; receipt of its budget through a direct grant-in-aid from the provincial government; a separate senate; and incorporation of the Western Regional School of Nursing as an academic unit within SWGC. In discussing these particulars we are guided by the belief that the aspirations of the Corner Brook campus should be honoured as far as logic and sound management permit.

1. Administrative titles and reporting relationships

At some universities (e.g., Queen's) "Principal" is the name of the CEO, but SWGC asks that the head of its campus be designated a Vice-President of the University. No doubt the most important implication of a change of title is the suggestion that Vice-Presidents report directly to the President, thereby elevating the status of the western Newfoundland campus above that of larger faculties in St. John's. In practice, this change would be as much symbolic as operational, since the President must often delegate operational matters to other members of the senior administration. However, the Board has already indicated approval for a change of title and formal reporting. It addresses SWGC's aspirations and is consistent with sound management.

Some second-order matters of titles and reporting will have to be addressed if the two-campus option is sustained, but the practical implications are not large enough to make it necessary to do this work in advance.

2. Budgeting

In the current system of budgeting, SWGC makes its presentation and requests along with other academic units, allocations are made by the Vice-President (Academic) and the University's budget is approved by the Board of Regents. Its budget is separate from those of other units and authority for how and when it is

spent has been delegated to the senior administration at SWGC, although they, like other administrators throughout the university are accountable for their budgets.

SWGC's Academic Council's second expectations is to receive its budget through a direct grant-in-aid from the government, including all tuition revenues generated, with a formal contract negotiated with the University for shared services. The wisdom of this suggestion might be questioned. With such a designated grant-in-aid comes the obligation to live within the budget, hence without the buffer of the University budget that now exists. Nevertheless, four funding models are set out in the *Discussion Paper for the Joint Committee of the Board of Regents regarding Governance of Sir Wilfred Grenfell College (2006)*. None of them can be excluded in principle, leaving a choice among them as a matter to be decided in further discussion.

3. Academic decision-making mechanisms

The chief question is the need for separate senates in St. John's and Corner Brook. The present one Senate system has highly desirable virtues. The recent approval of a new Bachelor of Business Administration program in Corner Brook provides a useful case study. Discussions between the Faculty of Business Administration in St. John's and Corner Brook over a period of many months enabled SWGC to fashion a program well suited to the region.

The story of business administration is typical of consultations that take place at Memorial and other universities in Canada when a new program is proposed. Like other University units, SWGC has no doubt experienced frustrations in preparing proposals for Senate in order to meet its demands for high quality, but there are appropriate solutions that would free them from Senate committees made up primarily of persons from St. John's. In particular, it has been proposed by the Board of Regents that the SWGC Academic Council be authorized to approve academic programming proposals directly, after consultation with other appropriate faculty councils. General policies and regulations would remain the responsibility of Senate.

Such enhancement of the two-campus arrangement makes a separate senate unnecessary, and therefore does not create new problems for students wishing to transfer from one campus to the other. If a second Senate is created, its powers would have to be carefully defined. The transfer of students from one campus to the other might become more difficult if one Senate or the other were,, for example, to lower admission requirements in order to aid recruitment. Program reviews, presently conducted under the purview of Senate, serve to ensure relevance, high standards and compatibility between campuses. With a two Senate system, mechanisms would need to be identified to ensure similar high standards and compatibility. The President could delegate quality assurance to the Pro Vice-Chancellor or the University could create a Provost as a new corporate chief academic officer. These are feasible alternatives, but one would have to be put in place if separate senates are created.

The two-campus option is achievable with a minimum of disruption and expense. It avoids the enormous expense of time and energy entailed in realizing a second university. Since it raises no fundamental issues, it need not be discussed further in this document except for one point. The bickering that has existed must cease. This will happen only if, as part of the decision, the government as well as the Board of Regents insists that civility and cooperation must reign. If this condition is not satisfied, then the two-university option will be adopted by default.

We turn now to analysis of this less desirable option.

THE TWO UNIVERSITY OPTION

The Board of Regents has advised the government that two universities within Memorial University with separate academic senates, separate budgets and separate presidents all united by a single Board of Regents constitute an unworkable arrangement. No volunteer Board is in a position to adjudicate rivalries without creating a separate infrastructure whose expertise would be under constant challenge. Even if it were free from this problem, it would suffer from the dilemma of fairness. If a scheme of proportional representation were adopted for the composition of the Board, it would be weighted towards St. John's and seen to be unfair in Corner Brook. If Corner Brook were given equal representation, there would be perceptions of unfairness in St. John's. In other jurisdictions, one Board dealing with two universities has proven to be an unstable arrangement. This is a fundamental issue that needs to be part of any proposal along these lines, unless there are special provisions in place, such as a senior-level bureaucracy.

Suppose, for example, that the Board perceived that one university was faced with declining enrolments and accepted a proposal to respond by creating an admission average of 65% rather than the present 70%. The other would reasonably complain that they were being implicated in declining standards. The Board might instead attempt to preclude any such disparity of standards by insisting upon uniform admission requirements across the system, but it would then be perceived to be obstructing progress where it had been requested. It is a no-win situation. Similar problems would arise in a system requiring joint coordinating committees. If there are to be two universities, then only separate and fully independent institutions will give them free rein to act as they will both see in the best interest of their communities.

Given these facts, completely independent universities are preferable. The reasons include saving vast amounts of administrative time required for ongoing negotiations between universities, precluding an unnecessary central apparatus to support one over-arching Board, and focusing each board productively upon the institution it knows best. The virtues of competition would be better released

as the universities are freed to sharpen their internal focus and external image and encouraged to develop other beneficial relationships with their immediate stakeholders. Major problems concerning who speaks for a university system and quality assurance between its elements will be avoided.

It would be a mistake to think that boards meeting together can accomplish more than the arrangement is set up to do, namely share information and consult on common issues. It is unrealistic, for example, to expect joint discussion to add value to the budgetary processes of the independent universities. Without a senior level bureaucracy, the expertise to do so will be lacking. It is better for the separate boards to make their best case to government departments directly.

Boards meeting periodically within a university system can play an essential role in leading the transition from a one university system to a two university system. Some examples of major issues the Board would address are:

Students and Alumni:

- Protection of modes of transfer credit and other aspects of student mobility in order to preserve the ability of students to complete their programs in a timely manner
- Granting of scholarships and awards that currently operate across the campuses
- Assignment of alumni to one university or the other consistent with their wishes and rules of privacy

Administration

- Assumption of Memorial's academic policies initially and creation of new ones as the new university's sense of independence grows
- Defining the role of the Council of Higher Education in this revised scheme
- As the directions and needs of the two universities diverge, the administration of collective agreements and pension plans may need to be changed

Finance and Human Resources

- Development of the principles to govern the division of the Memorial University endowment between the universities
- As the directions and needs of the two universities diverge, there may be a need to develop principles for the division of pension assets
- Provision of the full costs of developing materials and strategies for staff, faculty and student recruitment at the new university
- Provision of the full costs of creating, licensing and maintaining second IT systems for student records, human resources, pension, finance and library
- Provision of the full costs of delivering library services and enhancing collections for the second university while sustaining the excellence of the present system

Facilities

- Allocation of physical assets outside St. John's and Corner Brook – e.g., those in Harlow, Happy Valley-Goose Bay and Norris Point

The transition to a second university raises questions to which we do not know the answers. These questions must therefore be posed to the government so that they can be assessed before an orderly transition process can begin.

We know enough about some of these matters to comment generally upon them even now. Some form of grandfathering must clearly be provided to students who are currently enrolled at one campus or the other. It will typically take up to four or five years for them to complete their academic programs, during which time they deserve an ongoing affiliation with Memorial if that is their wish.

As separate universities competing for a limited pool of students and resources in the province, there is no great potential for creative collaboration. In connection with Option 1a, the consultants also recognize this: they anticipate that services will be “weaned off one by one in due course” (p. 31) and foresees the time when SWGC will “sever its ties completely with Memorial” (p. 129) Ultimately, therefore, after a designated period, the concept of a university system in Newfoundland and Labrador can be expected to fall into disuse. Meanwhile it can serve as a transitional device.

Severing one of its parts and making it into a separate university weakens Memorial University. It will probably no longer be able to claim to be the largest university in Atlantic Canada, for example, and will lose some of the academic breadth and distinctive small-campus experience provided in Corner Brook. The efficiencies we have gained from our present administrative structure have been invested in students and in depth and breadth of Memorial's academic programming. This critical mass of capability has allowed the institution to focus on specialties of particular importance to the province, to establish areas of excellence by international standards, and to facilitate the development of new areas of excellence. The loss of an important part of the institution reduces our ability to move forward in a highly competitive national and global market.

Suitable guarantees of adequate support from government have to be part of the arrangement – including possession of the name Memorial University. Memorial can be part of the Newfoundland and Labrador university system, but even in the transitional period the concept of a “Memorial University System” would be unnecessarily confusing. As the universities diverge, it would blur an image that Memorial has been building since the days of Memorial University College. Since, as we have noted, SWGC did not, in the recent past, pursue the designation *Memorial University: Corner Brook Campus* in preference to *Sir Wilfred Grenfell College*, it has preserved the freedom to seek distinction as an independent brand.

All of the above notwithstanding, the proposal for two independent universities within one provincial university system is difficult to reconcile with public policy ranging from the earliest days of the province to the present. The standard to which Memorial aspires was set out by the province's first premier, Joseph R. Smallwood, who declared that Memorial should be the most distinguished institution for its size in the world. It is not clear to the authors of this paper that this Option addresses this aspiration. In this tradition, the Government's 2005 White Paper on Public Post-Secondary Education confirms "our one university and one college system" (p. 79) and approvingly cites the need for an integrative approach where the educational partners work willingly together (p. 5). The proposal for two universities conflicts not only with this history but also with the objectives of efficiency and synergy taken with respect to the greater integration of the provincial health system, regional economic development boards, the provincial college system and school boards.

CONCLUSION

The authors of this paper believe that analysis shows that the present two-campus structure of Memorial University has proved itself since the introduction of degree programs at SWGC 20 years ago. We also believe that a two-university scenario is not viable for Newfoundland and Labrador. The provincial government will make a profound change if it insists that there be two separate universities where there is now one. While developing this second option as best we can, it is important for us to place our opinion on the record.

We make the following observations:

1. The economic benefits of a separate university in Corner Brook can be equally recognized through Option 1(b). A given amount of funds will do the same economic work whether they go to a second campus or to a separate university. The community of Corner Brook will benefit from this funding to an equal or greater extent than if SWGC were to go it alone in a disadvantageous demographic situation.
2. The government need only clearly and decisively reassert its 2005 White Paper on Public Post-Secondary Education, which called for "a one university and one college system." If there is coherent public policy in the province of Newfoundland and Labrador, the issue has already been decided in favour of a single university.
3. In its April 27 news release on the Davies-Kelly report, the government was suitably vague in saying it "supports a preferred option" for SWGC. Preferences change during consultation and deliberation, making it possible to regard the initial preference for separate universities as a "trial balloon" that deserves full public discussion

In spite of the above, however, we recommend that the Board of Regents, working together with government:

1. Seek further information on the impact of the Two University Option on students.
2. Seek further information on the costs of the Two University Option.
3. Seek further information on the legal implications of the Two University Option.

The Board of Regents may well find it desirable to seek a public debate on the issue of Grenfell separation. When meetings on autonomy for the university in Corner Brook were scheduled, the rest of the province was largely left out of the discussion. A wider discussion will repair one serious defect of the process.

Consistent with the principle of full discussion, the Board of Regents may well seek to determine the desires of the Academic Council at SWGC, since Option 1a is not consistent with their desires as expressed on December 12, 2005.

The Board of Regents may find it desirable to seek a guarantee that the resources available to the province's original university will not be adversely affected by the creation of a second university.

Depending upon the results of these discussions, the Board may be able to reasonably endorse the variant of Option 1(a) that identifies separate boards for independent universities on the expectation that these boards will consult as necessary while the university in Corner Brook becomes separately established.

Appendix 1 Geographic Composition of Sir Wilfred Grenfell College's Full-time Student Enrollment

In the fall of 2006, Sir Wilfred Grenfell College had a full-time student enrollment of 1,262 students, including those enrolled at the Western School of Nursing. Students from the province comprised 86% of this population (1,085 students) while students from the rest of Canada made up 12.3% percent (155 students). International students accounted for about 1.7% (22 students) of the population. Of the students attending SWGC from this province, about 87 percent come from the Western school district.

The consultants speak to the need to grow enrolments at SWGC over the next ten years to 2500-3000 (p. 25). It is useful to consider what the geographic make-up of the student population would be if this target were achieved. There are a number of scenarios that can be considered as outlined in the table below. The split between out-of-province and international students in scenarios 2 through 4 has been arbitrarily set at 70/30 of the non-NL portion of the desired enrollment.

Enrollment Scenarios for Geographic Distribution of Full-time Students – SWGC

	NL	Out of Province	International	Total
Status Quo				
Fall 2006 Full-time Enrollment	1,085	155	22	1,262
% of Total	86.0%	12.3%	1.7%	
Scenarios to Achieve 2500 Students				
1. Maintain Current Mix	2,149 86.0%	307 12.3%	44 1.7%	2,500
2. 1,750 From NL and Remainder OOP (OOP: 30% Int'l and 70% CDN)	1,750 70.0%	525 21.0%	225 9.0%	2,500
3. 1,500 From NL and Remainder OOP (OOP 30% and 70% CDN)	1,500 60.0%	700 28.0%	300 12.0%	2,500
4. All New Students from Away (70% OOP and 30% Int'l.)	1,085 43.4%	991 39.6%	425 17.0%	2,500

Note: OOP means "Out Of Province" students

Clearly the list of scenarios is not exhaustive, but they do provide an interesting range of options to consider. For example, for scenario 1 to happen, the number of students recruited from Newfoundland would have to just about double. This could prove challenging. The table below shows the projected percentage decline in population for the four age groups in the rural secretariat regions, including the region of Corner Brook and adjacent regions. According to government reports, over the next 15 years, the Corner Brook region is projected to see a decline of 23% in the number of people between age 15 and 19, with the other adjacent regions seeing declines ranging from 31 to 44%. The declines in the age groups suggest that the trends will continue beyond 2021.

Percentage Decline in Population Age Groups by Rural Secretariat Region 2007- 2021

	0-4	5-9	10-14	15-19
St. Anthony - Port au Choix	43.6%	40.2%	44.8%	44.0%
Stephenville - Port aux Basques	45.2%	38.0%	31.0%	35.9%
Corner Brook - Rocky Harbour	26.7%	22.2%	20.5%	22.7%
Grand Falls Windsor- Baie Verte - Hr Breton	34.5%	28.4%	29.1%	30.7%

Currently these regions provide approximately 87% of the full-time students from Newfoundland and Labrador attending SWGC. While there is room for improvement in high school to university participation rates in some of these regions, It will be difficult to maintain the current levels of students from the province under any system of governance.

Scenario 2 also represents a challenging circumstance from a local recruitment perspective.

Scenario 3 puts the number of students from NL at 1,500, which subsequently places enrollment required from outside the province at 1,000 or 40% of the total full-time population.

Scenario 4 represents a model whereby local enrollment is maintained at current levels and SWGC gets to the 2,500 enrollment target through national and international students. The student mix would then be approximately 43% from the province and 57% from outside.

Appendix 2

Financial Implications of a Separate University in Corner Brook

The Davies-Kelly Review includes an analysis of option 1(b) prepared by Grant Thornton. We will not revisit that here, rather our analysis will focus on the examination of (variants of) Option 1(a). Any such analysis is difficult in the absence of a strategic direction for the new Corner Brook institution, a clear understanding of the anticipated academic and administrative structures that will be needed to support it, and the transition plan that will be needed to make it happen. Nevertheless, we can provide some insight.

The Study

We decided to examine the cost of institutions similar to Sir Wilfred Grenfell College as reported by the Canadian Association University Business Officers (CAUBO), taking into account the recommendation of the consultants (p. 25) to increase enrolments at SWGC to 2,500-3,000 and beyond. Therefore the major selection criterion for the study was the full-time equivalent enrolment as reported by the Association of Universities and Colleges of Canada (AUCC).

A review of the enrolment data showed there are no institutions of SWGC's current enrolment of approximately 1,300 full time students that are not affiliated with other universities. Given SWGC's aspirations, independent institutions that have a full-time equivalent enrolment of between 2,000 and 3,000 students were identified.

Based on this criterion, four institutions appeared to be reasonable comparator institutions: Cape Breton University (CBU), Mount Allison, Bishop's University and Brandon University. Three of these institutions have full-time equivalent enrolments between 2,000 and 2,500 and one (Cape Breton) is between 2,500 and 3,000. Two other institutions fall into this enrolment range, namely St. Thomas University and the University of Northern British Columbia, but have not been included in this analysis. St. Thomas was excluded because it does not have a graduate student population and SWGC hopes to build graduate programs. UNBC was excluded because its expenditures are almost double those reported by the other institutions and it was felt this would skew the analysis unnecessarily.

The results of the analysis are found in the Table 1. The average operating expenditures of these universities is about \$32.8 million and the average expenditure per student is \$13,472. These universities all have different enrolment levels and as such, it is probably most beneficial to consider SWGC in the context of the average expenditures per student. Using this average cost per student, Table 2 shows that it will likely cost approximately \$26.9 million to operate SWGC as an independent university with an enrolment of 2,000 full-time

equivalent students, \$33.6 million at 2,500 equivalent students and \$40.4 million at 3,000 full-time equivalent students.

Table 1: General Operating Expenditures by Function and University

2005-06 Fiscal Year	CBU	Mount Allison	Bishops	Brandon	Average	
General Operating Expenditure (000's)						
Instruction	19,316	16,221	18,448	22,430	\$19,104	
Non-credit Instruction	0	405	571	543	\$380	
Library and Computing Communications	1,032	1,926	2,126	2,049	\$1,783	
Administrative and General	839	1,489	1,160	1,021	\$1,127	
Student Services	4,740	3,770	3,549	3,559	\$3,905	
Physical Plant	2,485	2,159	685	2,574	\$1,976	
External Relations	3,786	4,622	3,982	3,107	\$3,874	
	974	1,021	0	591	\$647	
Total	33,172	31,613	30,521	35,874	\$32,795	
Enrollment - Fall 2006						
Full-time	Undergraduate	2,560	2,110	2,090	2,280	2,260
	Graduate	130	10	10	0	38
Part-time	Undergraduate	650	140	470	850	528
	Graduate	0	0	20	80	25
Total		3,340	2,260	2,590	3,210	2,850
FTE Enrollment		2,876	2,160	2,240	2,546	2,455
Expenditure/FTE Student		\$11,535	\$14,636	\$13,625	\$14,092	\$13,472

Notes:

Financial data from Canadian Association of University Business Officers
Enrollment data from Association of Universities and Colleges of Canada

Instruction also includes "Non-sponsored Research".

CBU denotes Cape Breton University

Table 2: Estimated Total Operating Expenditures for an Independent University in Corner Brook.

Enrollment Level	Operating Expenditure per Student	Total Expenditures
1500	\$13,472	\$20.2M
2000	\$13,472	\$26.9M
2500	\$13,472	\$33.7M
3000	\$13,472	\$40.4M

This same calculation, when applied to SWGC's current enrolment, yields a budget of \$16.2M. SWGC's present budget is \$14M. We note, however, that at this level of enrolments certain economies of scale are not present. Briefly, it is unlikely that the incremental cost of a separate university is \$2.2M if enrolments remain constant. Rather we expect the incremental costs to be substantially more than \$2.2M.

The preceding calculations assume that expenditures depend in a linear fashion on the numbers of students. However, a separate university will have a number of fixed ongoing costs essential to its operation that will have to be put in place regardless of the level of enrolment: financial and administrative services and human resource functions must be in place, for example. This will likely mean significantly higher costs per student at lower enrolment levels. Economies of scale will emerge at higher enrolment levels. There will also be significant one-time costs of infrastructure and equipment that will need to be made to support a new institution. It is not possible to quantify these costs without a detailed analysis that was not possible within the current timeframe.

The analysis also assumes that the mix of programs that the new university develops will be similar to those of the institutions in the aspirational group. Total costs could be higher if programs with higher operating costs are offered.

Appendix 3

Implications for the *Memorial University Act*

Apart from the one-senate variant of Option 1(b), there does not appear to be any way for the government to implement either Option 1(a) or Option 1(b) without making amendments to the *Memorial University Act* or to write a new act. Experience elsewhere shows that there can be unintended consequences when a university act is opened. We would suggest that if the legislation is opened, the Board of Regents will have an opportunity to propose other changes. We recommend a proactive approach in the development of such additional changes to the legislation.

More changes are likely to be required in order to implement Option 1(a) than Option 1(b):

Subsection 3(1) of the *Act* provides that the Memorial University of Newfoundland “consisting of a ...Senate...” Except for the one-senate variant of 1(b), both options contemplate two Senates. Therefore, the *Act* would need to be changed to provide for two senates under Memorial University of Newfoundland.

Section 51 provides “there shall be a president.” Option 1(a) calls for two presidents.

Section 54 provides for the composition of senate that would need to be changed under either option.

Under the *Act*, “college” is defined to mean a “college affiliated with Memorial University.” Colleges are dealt with in several places including under sections 3 and 59. These and other references would have to be changed in order to provide for the change in status of Grenfell. Presumably, implementation of Option 1(a) requires a new act to be written and passed, establishing the new university.

In short, amendments to the current *Act* are necessary under either Option, and Option 1(a) may require a new act.