

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

BOARD OF REGENTS

The regular meeting of the Board of Regents was held on Thursday, December 1, 2016 at 3:00 p.m. in the Junior Common Room, R. Gushue Hall and via teleconference.

PRESENT:

Ms. Iris Petten, Chair
Dr. Gary Kachanoski, President and Vice-Chancellor
Dr. Noreen Golfman, Provost and Vice-President (Academic)
Dr. Susan Dyer Knight, Chancellor
Mr. Steve Belanger, via teleconference
Mr. Bob Bishop
Mr. Mark Bradbury
Ms. Colleen Galgay-Johnston
Mr. Jaime Giraldo
Mr. Zachary Green
Ms. Katharine Hickey
Mr. John Hogan
Ms. Kim Keating
Mr. Denis Mahoney
Mr. Max Rice
Mr. Trevor Stagg, via teleconference
Mr. George Tucker
Ms. Tina Scott, Secretary to the Board

APOLOGIES:

Apologies were received from Ms. Rebecca Stuckey.

PRESENT BY INVITATION:

Mr. Kent Decker, Vice-President (Administration and Finance), Dr. Ray Gosine, Vice-President (Research) pro tempore, Mr. Glenn Blackwood, Vice-President (Marine Institute), Dr. Mary Bluechardt, Vice-President (Grenfell Campus), Mr. Glenn Collins, Interim Executive Director, Office of the Board of Regents, Mr. Morgan Cooper, General Counsel.

6365. MEETING CALLED TO ORDER

The meeting was called to order at 3:00 p.m. by Ms. Iris Petten, Chair.

6366. APPROVAL OF THE AGENDA

Following approval of the agenda, Ms. Petten provided members and those present by invitation with the opportunity to declare if they were in a conflict of interest position or a potential conflict of interest position with regard to any agenda items. She noted that members who may be in conflict should feel free to declare their conflict at this time or when the item is raised on the Board agenda.

Ms. Kim Keating declared a conflict with Agenda Item 14.1 “Renewal of the Marine Institute Industry Advisory Committee”.

6367. MINUTES

The Minutes of the regular meeting of the Board of Regents held on October 5, 2016 were approved by the Board.

6368. CHAIR’S REPORT

A. Report of the Executive Committee

The Chair noted that the Executive Committee met several times this past month to finalize and fine tune the agenda for today’s meetings including the Special meeting of the Board held earlier in the day.

6369. PRESIDENT’S REPORT

A. President’s Update of Activities

Dr. Kachanoski provided the Board with a written summary of his activities and events since the October 2016 Board meeting. In doing so, he noted the new draft format of the “President’s Summary of Activities” and invited feedback from members of the Board.

B. Registration Report for the Winter 2017

The Board received and reviewed an enrolments and registration progress report for the Winter 2017 semester.

C. Multi-Year Budget Framework

Mr. Kent Decker, Vice-President (Administration and Finance), provided a presentation to the Board entitled “Memorial University Budget Outlook – December 1, 2016”.

OPEN SESSION - CONSENT AGENDA

Noting that the items were dealt with in detail in meetings of the appropriate committees, it was moved by Mr. Tucker, seconded by Dr. Kachanoski and carried that the consent agenda, comprising the resolutions listed in 6370 below be approved as follows:

6370. SENATE MATTERS

- A. Senate Matters with implications for the Board of Regents (September 13, 2016): Approval of Calendar Changes

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on September 13, 2016 and approved the Calendar changes as outlined in the background documentation.

- B. Senate Matters with implications for the Board of Regents (October 11, 2016): Approval of Centre for Social Enterprise

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on October 11, 2016 and approved the establishment of the Centre for Social Enterprise and as outlined in the background documentation.

- C. Senate Matters with implications for the Board of Regents (October 11, 2016): Approval of Calendar Changes

The Board received background information pertaining to the Senate matters with implications for the Board of Regents arising from the Senate meeting held on October 11, 2016 and approved the Calendar changes as outlined in the background documentation.

CLOSED SESSION – CONSENT AGENDA

Ms. Petten provided members and those present by invitation with the opportunity to declare if they were in a conflict of interest position or a potential conflict of interest position with regard to any agenda items.

Mr. Cooper declared a conflict with Agenda Item 9.4 “Annual Review of Market Differentials”.

At the request of Mr. Belanger, Agenda Item 10.1 “Review of the International Undergraduate Student Tuition Attribution Model” was moved from the Closed Session Consent Agenda to the Closed Session Discussion Agenda.

Noting that the items were dealt with in detail in meetings of the appropriate committees, it was moved by Mr. Tucker, seconded by Dr. Kachanoski and carried that the consent agenda, comprising the resolutions listed in 6371 through 6374 below be approved as follows:

6371. AUDIT AND RISK COMMITTEE

A. Summary of Legal Claims

The Board was informed that the Audit and Risk Committee received an update from Mr. Morgan Cooper, General Counsel, with regard to the outstanding legal claims for the calendar year 2016. The update included only those matters which may pose a material or financial or reputational risk to the University. It was noted that the update was provided for information only and did not require a resolution of the Board.

B. Policy Submission – Enterprise Risk Management (new)

The Board received background information and approved the new policy and related procedures entitled “Enterprise Risk Management” as outlined in the background documentation.

C. Executive Summary of the Internal Audit: Identity Access Management Program

The Board received for information, the Executive Summary of the Internal Audit “Identity Access Management Program”, a copy of which was provided in the background documentation. The Identity Access Management (IAM) Program audit was part of the 2016-17 annual audit plan which identified opportunities to enhance the control environment.

D. Executive Summary of the Internal Audit memo: Undergraduate Student Information

The Board received for information the Executive Summary of the Internal Audit “Undergraduate Student Information”, a copy of which was provided in the background documentation. The Undergraduate Student Information audit was part of the 2015-16 annual audit plan which identified opportunities to enhance the control environment.

E. Executive Summary of the Internal Consulting memo: Banner Batch Accounts

The Board received for information the Executive Summary of the Internal Consulting memo “Banner Batch Accounts”, a copy of which was provided in the background documentation. The Office of Internal Audit recently performed audit activity that included the review of user access. While the review of Banner Batch Accounts was performed during the review of user access, the procedures

Executive Summary of the Internal Consulting memo: Banner Batch Accounts (cont'd)

performed were outside of the scope of the Internal Audit Report - Undergraduate Student Information (reference 2015-16-03 issued September 23, 2016). Since the work performed identified opportunities to enhance the control environment, an executive summary of the finding and recommendation was provided.

F. Status of Open Internal Audit Recommendations as at October 31, 2016

The Board received for information the Status of Open Internal Audit recommendations as at October 31, 2016. Monitoring the implementation progress of open internal audit recommendations helps establish accountability for internal control activity. It also provides an opportunity to assess the effectiveness of the action taken to mitigate risk to an acceptable level. The Office of Internal Audit has performed limited-scope follow-up audit procedures to determine the status of open recommendations. The results of the follow-up procedures were reflected in the background material.

G. Executive Summary of the Internal Audit Consulting Memo: University Fees and Charges (non-Student)

The Board received for information the Executive Summary of the Internal Audit Consulting Memo "University Fees and Charges (non-Student)". The Office of Internal Audit recently performed audit activity that included the review of Board approved student fees and charges, the results of that work has been included in an Internal Audit Report - Undergraduate Student Information 2015-16-03 (issued September 23, 2016). While the review of non-student related fees and charges was outside the scope of the audit, opportunities were identified to enhance the documentation of authority related to the fixing and determining of non-student fees and charges paid to the University.

H. Office of Internal Audit Five Year Road Map

The Board received for information the Office of Internal Audit Five Year Road Map. The "5 Year Road Map of the Office of Internal Audit" was developed to outline the strategic objectives for providing advice and assurance regarding the achievement of the University's priorities in relation to the University's vision, mission and three frameworks.

I. Human Resources Management System Improvement Project Update - also on the Human Relations Committee agenda

The Board received for information the Human Resource Management System Improvement Project Update noting that regular updates on this project will be provided to the Audit and Risk Committee.

J. Core Science Facility Update: Heat Map

The Board received for information the Core Science Facility Audit Update – Heat Map. At the July 5, 2016 meeting of the Board of Regents the first post-audit Heat Map was provided regarding the Core Science Facility Audit which had been received by the Board at its March 2016 meeting. An updated Core Science Facility Audit heat map (milestone schedule) was provided in the background documentation.

6372. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE

A. Update on Capital Projects

The Board was advised that the following capital projects are underway or being planned:

Projects in Progress

St. John's Campus

1. Aboriginal Centre
2. Core Science Facility
3. Battery Property
4. West Pedway over Prince Phillip Drive
5. Animal Resource Centre

Marine Institute

1. Holyrood Marine Base – Phase IIA Breakwater, Marginal Wharf and Restoration of Existing Wharf

Projects in Planning Stages

St. John's Campus

1. Faculty of Engineering and Applied Science – Mechanical Engineering High Bay Laboratory
2. Faculty of Engineering and Applied Science – Petroleum Engineering Building
3. Faculty of Arts Research Archival Facility
4. Redevelopment of Reid Theatre

Marine Institute

1. Holyrood Marine Base – Phase IIB Ocean Research and Training Building

Projects in Early Stages

1. Faculty of Medicine – Redevelopment of Existing Space
2. Storage Facility, Mount Scio Road

Update on Capital Projects (cont'd)

The Board was advised that the projects in progress are on time and on budget unless otherwise noted.

This item was received for information and did not require a resolution of the Board.

B. Core Science Facility (CSF) Status Update including Project Execution Plan

The Board received for information the Core Science Facility (CSF) Status update including the Project Execution Plan. As reported at the July 2016 Board of Regents meeting, the CP-3 Tender for the Core Science Facility closed on June 23, 2016, with all bids being over budget. Since that time the team has endeavored to rework the tender through value engineering sessions with a view to re-tender the package as quickly as possible. A revised schedule has been drafted and the tender will be reissued on December 5, 2016 with an award no later than April 2017. It is anticipated the project will now achieve substantial completion in spring 2020, to be ready for a fall 2020 opening. Approval Timelines for the CSF were provided in the background documentation as Appendix A and Appendix B. In accordance with the Project Execution Plan, project scorecards were also included in the background documentation in order to provide an update on various aspects of the project (as provided in the background documentation as Appendix C).

Status

CP- (Construction Package) 1 Enabling Works

Contract is complete. Details on the pre-tender estimates and the tender award amount were provided.

CP-1A Foundations

Work continued through the summer on schedule. All construction work pertaining to the contract was completed in August 2016. Details on the pre-tender estimates and the tender amount were provided.

CP-2 Structural Steel

Approval was received on November 2, 2015 from the Provincial Government to issue a tender for CP-2. This tender was called on December 2, 2015 and was to close on March 1, 2016. It was subsequently cancelled and combined with CP-3. This change will enhance coordination of the work and reduce risk to the project.

Core Science Facility (CSF) Status Update including Project Execution Plan (cont'd)

CP-3 Main Building (& Structural Steel)

CP-3 now includes the scope of the former CP-2 (Structural Steel) and was issued for tender on April 15, 2016 after receiving approval to tender from the Provincial Government, as per the 4-stage approval process. The CP-3 tender closed on June 23, 2016 with all bids received being over budget. After consultation and approval from the Board of Regents and Government of Newfoundland and Labrador, it was decided the CP-3 tender would be cancelled, reworked and retendered to remain on budget. Accordingly, the team hosted a series of value engineering workshops over the course of summer 2016 and the tender package was reworked. In addition to reworking the tender package, the pre-qualification of all sub-trades has been removed, while the pre-qualification of the General Contractor (GC) will remain intact to ensure reputable and qualified firms are involved in the project. A Bidders' Conference will be held on December 7, 2016 at the Newfoundland and Labrador Construction Association offices for all pre-qualified GCs. During this session, the team will highlight important information regarding revisions to the CP-3 tender. All prequalified GCs have been strongly encouraged to attend.

On October 20, 2016 the fourth issuance of the Project Execution Plan (PEP) was circulated to the Board of Regents for review and comments. All comments have been taken into consideration and responses were provided as needed. Any necessary changes will be incorporated into the fifth issuance of the PEP. A complete set of revised drawings was received at the end of October 2016 and was reviewed by the team over the following weeks. In early November, a pre-tender estimate was received from the cost consultants (Turner & Townsend) and a third party peer review of the pre-tender estimate was performed by A.W. Hooker. Both documents confirmed this phase of the project is on budget and will therefore proceed to tender.

A draft contribution agreement has been received from the Government of Canada relating to their support of the project through the New Building Canada Fund. The agreement has been updated to reflect the new project schedule and cash flows and is currently being finalized.

It was noted that the CSF audit heat map was reported on separately at the Audit and Risk Committee meeting.

Following a discussion, it was agreed to forward this item to the Board for information.

C. Update to Multi-year Infrastructure Plan

The Board received background information and accepted the Multi-Year Infrastructure Plan (2017-2023) as a planning document to be updated every two years with individual projects continuing to be approved by the Board and as outlined in the background documentation.

D. Selection of the Architectural and Engineering Consultant for the Design of the Marine Research Facility (Phase IIB) at the Holyrood Marine Base

The Board received background information and approved the commissioning of the architectural and engineering consulting services for the design of Phase IIB, Marine Research Facility, Holyrood Marine Base to LAT49 Architecture Inc.

E. Naming a Student Space (located next to the north bank of elevators) on the 5th Floor Hallway of the G.A. Hickman Building

The Board received background information and agreed to the naming of the student space (located next to the north bank of elevators) on the 5th floor hallway of the G. A. Hickman Building and as outlined in the background documentation. It is understood that the naming will remain confidential until a donor recognition event is arranged.

F. Naming the Flat Lecture Theatre in the Medical Education Centre (M1M102)

The Board received background information and agreed to the naming of the flat lecture theatre in the Medical Education Centre (M1M102) and as outlined in the background documentation. It is understood that the naming will remain confidential until a donor recognition event is arranged.

6373. HUMAN RELATIONS COMMITTEE

A. Senior Leadership Position vacancies and upcoming renewals

The Board received for information a status update regarding senior leadership position vacancies and their associated recruitment status and senior leadership positions held by academic administrators which may be renewed, following a five-year term, subject to review.

B. Report on Academic Appointments

The Board received for information the Report on Academic Appointments for the St. John's and Grenfell Campuses for actions taken since October 5, 2016 noting that the actions have been taken under delegated authority as provided for in the Terms of Reference for the Human Relations Committee.

C. Amendments – Compensation Policy

The Board received background information and approved the amendments to the Compensation Policy and related procedures and as outlined in the background documentation.

D. Annual Review of Market Differential (non-academic)

The Board received for information the Annual Review of Market Differentials (non-academic). In March 2013 the Board of Regents approved certain criteria for the application of market differentials to non-academic positions. The Board also instructed that an annual review of market differentials be conducted by the Vice-Presidents Council and that its outcome be communicated to the Board via the Human Relations Committee.

On behalf of the Vice-Presidents Council, an annual review of market differentials was conducted by the Department of Human Resources. It involved reviewing all of Memorial's nonacademic positions in receipt of a market differential. The review compared Memorial's positions to external positions that had previously been identified as the market match. External positions used for comparison included those in the local and regional (Atlantic) public and private sectors, including Atlantic universities. Information was gathered through the collection and analysis of available position descriptions and postings, salary scales, and external salary comparison resources (e.g. industry groups, salary surveys, etc.). The information collected was used to determine if salary differentials based on market conditions should be maintained, adjusted, or eliminated.

A report which provides an overview of applicable positions, market review information, and recommendations pertaining to the relevant salary differentials was provided in the background documentation. It was noted that the Vice-Presidents Council has reviewed the report and approved its recommendations.

E. Human Resources Management System Improvement Project Update
(also on the Audit and Risk Committee agenda)

This item was considered under the report of the Audit and Risk Committee as outlined in the Minute 6371.I. above.

F. Update – Deferral of Special Payment for the Memorial University Pension Plan

The Board was informed that at a meeting held on November 30, 2016, the Human Relations Committee received a verbal update with regard to the deferral of the special payment for the Memorial University Pension Plan noting that a written report will be provided when proposals are defined.

G. Appointment of an Associate Vice-President (Research) pro tempore effective January 1, 2017

The Board received background information and approved the appointment of Dr. Mark Abrahams to the role of Associate Vice-President (Research), pro tempore, effective January 1, 2017 and as outlined in the background documentation.

H. Appointment of an Acting Dean of Science effective January 1, 2017

The Board received background information and approved the appointment of Dr. Mary Courage as Acting Dean of the Faculty of Science effective January 1, 2017 until the permanent incumbent returns to the position and as outlined in the background documentation.

I. Amendment to the Terms of Reference for the Human Relations Committee of the Board of Regents – also on the Governance Committee agenda

The Board received background information and approved the amendments to the Terms of Reference for the Human Relations Committee as provided in the background documentation.

6374. GOVERNANCE COMMITTEE

A. Amendment to the Terms of Reference for the Human Relations Committee of the Board of Regents – also on the Governance Committee agenda

This item was considered under the report of the Human Relations Committee as outlined in the Minute 6373.I. above.

CLOSED SESSION – DISCUSSION AGENDA

6375. FINANCE COMMITTEE

A. Review of the International Undergraduate Student Tuition Attribution Model

The Board received and reviewed background information pertaining to the review of the International Undergraduate Student Tuition Attribution model.

After a discussion, and in view of the administrative nature of the policy, the following resolution was passed:

Review of the International Undergraduate Student Tuition Attribution Model (cont'd)

RESOLVED:

That the Board of Regents agreed with the recommendation of its Finance Committee that responsibility for the International Undergraduate Student Attribution Model be delegated to the Vice-Presidents' Council.

Mr. Giraldo abstained from voting.

B. Introduction of an Official Transcript Fee of \$10 effective January 2017

The Board received and reviewed background information pertaining to the introduction of an official Transcript fee of \$10 to be effective January 2017.

Board members were advised that the Office of the Registrar delivers a number of key services to both current and former students. One of these services is the provision of printed official transcripts. In 2015, there were over 21,000 individual requests for over 27,000 official transcripts; over 17,600 were mailed via Canada Post, while the remainder were held for pickup at the Office of the Registrar. The costs associated with providing this service (including secure transcript paper, non-standard envelopes, printing, mailing, and human resources) continue to increase.

To date, a printed copy of a printed, official transcript has been the only alternative available to students to obtain a transcript from Memorial. Memorial is a leader among post-secondary institutions in the country in terms of service times for transcripts. These are produced with a standard delivery time of two business days or less following receipt of requests.

Official transcripts have been provided by the Office of the Registrar with no fee since the early 1990's. In many cases when official transcripts are requested, unofficial copies would suffice. Transcripts are often requested when it appears that they are not actually needed or wanted and in some cases the requests for this expensive service by individual students appear to be excessive. For example, from January 2016 to July 2016 over 1,100 official transcripts were produced and held for pickup (by request) but were not retrieved. Over a two year period, over 160 students requested more than 20 official transcripts, with two individuals requesting over 125 each.

Introduction of an Official Transcript Fee of \$10 effective January 2017 (cont'd)

Comparable universities (Comprehensive and Atlantic Canada) charge for official transcripts or charge an overarching administration fee along with tuition to cover the cost of official transcripts and other services. A review of the official transcript fees currently charged by other Canadian universities range from \$5 to \$15. The Memorial University of Newfoundland transcript fee would be comparable to that of other Canadian universities. A list of fees charged by other Canadian universities was provided in the background documentation.

In summary, the Office of the Registrar's current recommendation is based upon increased costs related to the provision of services, a new method of receiving an unofficial transcript, abuse of the current service, incentives within the University to recover a greater percentage of actual service costs through ancillary fees, a need for improved services, and a review of transcript fees charged by comparable institutions across the country.

After a discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the introduction of an official transcript fee of \$10 per transcript and as outlined in the background documentation. Further, it is understood that the new fee would be implemented January 1, 2017 for all new requests received.

Mr. Giraldo abstained from voting.

C. Increase Undergraduate and Graduate, Domestic and International Application Processing Fees

The Board received and reviewed background information pertaining to an increase in the undergraduate and graduate, domestic and international application processing fees.

Board members were advised that Memorial University has acknowledged the importance of maintaining ancillary fees at levels which reflect the increasing costs associated with delivering the related services.

University application for admission/readmission processing fees were last increased in 2012 when the general fee and additional fee for international applicants and for undergraduate applicants transferring from institutions outside of Newfoundland and Labrador were each increased from \$40 to \$50.

Increase Undergraduate and Graduate, Domestic and International Application Processing Fees (cont'd)

Increasing the domestic and international general and additional application fees by \$10 and \$20 each would recognize the increased application handling and processing costs that have accrued to the University since these fees were last increased. The additional revenue would support the efforts of the Office of the Registrar and the School of Graduate Studies to not only meet current service expectations, but also to enable superior service to applicants and academic units.

Should application numbers remain at the current level, the proposed fee increase is expected to provide additional annual net revenue of approximately \$90,000 and \$60,000 each for the Registrar's Office and School of Graduate Studies respectively.

The Office of the Registrar and the School of Graduate Studies' current recommendation is based upon increased costs related to the provision of services, an increased incentive within the University to recover a greater proportion of actual service costs through ancillary fees, and a review of application processing fees charged by comparable institutions across the country. The revised Memorial University of Newfoundland general application fees would be comparable to, or lower than, those charged by many other Canadian universities.

After a discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve an increase in the general and additional undergraduate and graduate general application fees (2016-2017 Calendar, University General Regulations Sections 3.2.11 and 3.2.21) by \$10 each, as outlined in the background documentation and such that the revised fees for applications are as follows:

Undergraduate:

- Canadian applicants: \$60
- International applicants and applicants transferring from institutions outside of Newfoundland and Labrador: \$120

Graduate:

- Canadian applicants: \$60
- International applicants: \$120

Increase Undergraduate and Graduate, Domestic and International Application Processing Fees (cont'd)

Further, it is understood that the revised application processing fees would be implemented on January 1, 2017 for applications received for the Spring 2017 semester and forward.

Mr. Giraldo abstained from voting.

D. Update on the University's 2016-17 Financial Position

The Board received for information an update on the University's 2016-17 financial position.

Board members were reminded that on May 19, 2016, the Board of Regents approved the budget estimates for the fiscal year 2016-17. A review of actual revenue and expenditures has been completed as of October 31, 2016. At this time, total operating expenditures for 2016-17 are projected to be over budget by approximately \$2,781,611 (as provided in Table 1 of the background documentation). The majority of this current projected current year deficit is due to a \$2,066,800 current year deficit projection for the Faculty of Medicine.

Budget 2016-17 included a \$3.0 million permanent reduction for attrition. To date, \$2.4 million in attrition savings has been identified by departments. The full \$3.0 million is expected to be identified by year end.

At this time, a \$7.3 million surplus in Strategic Initiatives/Committed Funding is being projected. This \$7.3 million surplus is mainly comprised of: a \$4.7 cumulative surplus in faculty and staff step recovery on turnover (these funds are required to meet the liability for future steps that are no longer funded by the province), \$1.4 million for the MUNFA professional development (PDTER) liability, and \$0.8 million for committed academic department projects.

Tuition Revenue - At this time, this source of operating revenue is forecasted to be on budget. This forecast is based on actual tuition revenue for the spring and fall semesters and a projection for the winter semester.

Indirect Cost of Research Grant - This revenue source is projected to be on budget.

E. Multi-year Budget Framework

The Board received and reviewed background information pertaining to the multi-year budget framework. A presentation in this regard was provided under Agenda Item 6369.C.

Multi-year Budget Framework (cont'd)

Board members were then advised that the University has received information and guidance from the Province regarding the next three budget years. Using this information and internal analysis of revenue and expenditures, administration has developed a multi-year budget framework.

The preliminary operating budget for 2017-18 has been prepared with operating revenues totaling \$371.1 million. However, expenses are forecasted to total \$377.3 million, resulting in a \$6.2 million budgeted deficit gap. Details of the factors which contribute to the \$6.2 million forecasted deficit for 2017/18 were outlined in Appendix A “2018 to 2020 Budget Framework” of the background documentation. Principles and details that support the Budget Outlook were provided as Appendix B “Provincial Funding Principles/Assumptions” in the background documentation.

The Framework currently assumes that the University will receive a revenue increase in the form of a Grant in Lieu of a tuition increase or an actual tuition increase amounting to \$4.0 million in each of the three fiscal years. Information that has been provided verbally by the Province indicates that a Grant in Lieu will be provided. As such the Administration is anticipating the following:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Grant In Lieu or tuition increase	\$ 4.0	\$ 4.0	\$ 4.0

The impact on students would be:

Tuition increase	4.0	4.0	4.0
Grant In Lieu of a tuition increase	<u>(4.0)</u>	<u>(4.0)</u>	<u>(4.0)</u>
Net tuition increase to students	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

The Framework currently assumes that the University will receive no additional funding from the Province to cover the cost of Deferred Maintenance in each of the three years, as was the case for 2016/17. This is a significant issue that has been addressed in the current year by transferring \$8.0 million of operating funds for deferred maintenance purposes. The Budget Outlook indicates that the operating deficit will likely grow to \$11.2 million annually by 2020 if the University continues to make this transfer.

While the Province has indicated that it is willing to have an annual conversation around deferred maintenance funding, the Administration believes it is prudent and necessary to examine alternatives to address this issue. This is supported by the Extreme risk rating assigned to University Infrastructure in the University's Risk Register.

Multi-year Budget Framework (cont'd)

One potential action to address the deferred maintenance deficiency is through the implementation of a mandatory Campus Renewal fee for Undergraduate, Graduate, Certificate and Diploma students. The funding generated from this fee would then allow a portion of the current \$8.0 million operating fund transfer to be used to offset the forecasted deficits. Many Universities across Canada, particularly in Atlantic Canada, charge students a special fee to support the revitalization of the institutional physical and technological infrastructure (as provided in Appendix C of the background documentation).

A survey of University websites and the Statistics Canada Tuition Living and Accommodations Costs (TLAC) survey provides information on the compulsory student fees levied by institutions to support infrastructure renewal. As can be seen in Appendix B of the background documentation, these fees typically range from \$150 to \$550 annually per student. Institutions at the upper range include Acadia (\$568), St. FX (\$551) and St. Mary's (\$350). The average compulsory annual fee across Atlantic Canada is \$350 per student.

There is no consistent treatment with regard to how infrastructure renewal fees are charged. Some are credit-hour based, while others are flat fees. Typically, graduate fees are the same as undergraduate fees and there is no distinction between domestic and international students, on-campus or distance students.

Impact on Revenues: Revenue projections are based on enrolment data from 2015/16:

Table 1: 2015/16 Student Enrolment Information

Campus	Undergraduate Registrations	Graduate Enrolments(1)	Technical Certificate Enrolments	Diploma Enrolments
St. John's	101,448	2,463		
Grenfell Campus	9,071	33		
Marine Institute	1,322	132	170	1,354
Grand Total	111,841	2,628	170	1,354

(1) Excludes students on continuance.

For illustration purposes, an annual fee of \$300 per year would place Memorial in the middle of the range for comparative Atlantic Canadian universities (as provided in Appendix C of the background documentation). Assuming steady enrolment, an annual fee of \$300 per student, increasing to \$400 over three years, the initiative would generate \$4.3m in the first year and \$5.7m in the third year.

Multi-year Budget Framework (cont'd)

Table 2: 2015/16 Projected Revenue

Campus	Year 1 (\$300)	Year 2 (\$350)	Year 3 (\$400)
<i>St. John's</i>	3,782,340	4,412,730	5,043,120
Grenfell Campus	282,030	329,035	376,040
Marine Institute	245,820	286,790	327,760
Grand Total	4,310,190	5,028,555	5,746,920

The financial impact of the fee on students could be reduced by allocations from the province as below:

<u>Deferred Maintenance</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Current transfer from operations	\$ 8.0	\$ 8.0	\$ 8.0
Proposed transfer from operations	3.7	3.0	2.3
Net Campus Renewal amount	4.3	5.0	5.7
Unknown allocation from the Province	(?)	(?)	(?)
Net Impact on Students	<u>?</u>	<u>?</u>	<u>?</u>
Total	<u>\$8.0</u>	<u>\$8.0</u>	<u>\$8.0</u>

The financial impact of the Campus Renewal Amount on the projected annual deficits would be as follows:

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cumulative Annual Deficit before fee (appendix A)	\$(6.2)	\$(8.8)	\$(11.4)
Campus Renewal Amount	<u>4.3</u>	<u>5.0</u>	<u>5.7</u>
Remaining Annual Deficit	\$ <u>(1.9)</u>	\$ <u>(3.8)</u>	\$ <u>(5.7)</u>

- Undergraduate: the undergraduate fee would be assessed on a per credit-hour basis. For 2017/18, this would mean a \$10 per credit hour levy.
- Graduate: As many graduate students do not register for credit-hour courses, graduate students would pay a fixed semester fee of \$100. Students on continuance would be exempt.

Multi-year Budget Framework (cont'd)

- Marine Institute diploma and certificate students: Marine Institute diploma and certificate students do not register on a per-credit hour basis, therefore fees are proposed as follows:
 - Students in diplomas of technology, advanced diploma, technician diploma and post-graduate certificate programs will pay on a per-course basis (to a maximum of 4 courses in the fall semester, 4 courses in the winter semester and 2 courses in technical session). For 2017/18, this would mean a \$30 per course levy. Students in technical certificate programs will pay a fixed semester fee of \$150 for 2017/18.

This item was received for information and did not require a resolution of the Board.

F. Faculty of Medicine Budget

The Board received and reviewed background information pertaining to the Faculty of Medicine Budget.

Board members were reminded that at the May 19, 2016 meeting of the Board of Regents, the changes in the provincial government funding from the Departments of Health and Community Services for the Faculty of Medicine were provided (as outlined in Table 1 of the background documentation). The 2016-17 budget for the Faculty of Medicine totals \$64,950,300 (as provided in Table 2 of the background documentation), representing a \$796,400 increase over 2015-16. The budget increase is due to a decrease of \$68,600 from government and an increase in tuition revenue of \$865,000. Details on the budgeted tuition increase were provided in Table 3 of the background documentation. The tuition fees for Canadian Faculties of Medicine were provided in Table 4 of the background documentation.

The net increase in provincial funding contained directed increases in several areas and specific targeted cuts of \$775,000 in others such as Travel, Hosting, and Library etc. There was also a general reduction of \$1.8 million and an attrition target of \$460,000. It was noted that the Faculty has struggled to meet the reduction targets in the current year and is currently projecting an operating deficit of \$2.1million based on a review of its finances to October 31, 2016. The Dean is working with the Department of Health and Community Services to appeal for additional funding in the current year however a long term budget solution will be required.

It is anticipated that an increase in tuition fees will form part of the long term solution and with this in mind internal consultation has taken place with the Associate Dean, Undergraduate Medical Education and the Assistant Dean, Student Affairs in the Faculty of Medicine as well as with the leaders of the Medical Students' Society (MSS).

Faculty of Medicine Budget (cont'd)

To mitigate undue financial barriers to enrollment in the Doctor of Medicine program, the Faculty of Medicine has embarked on a major fundraising campaign in which support for student bursaries, scholarships and awards is a priority target. Preliminary data show considerable success in this area of the fundraising campaign. It is also worth noting that the 2016 tuition increase did not negatively impact applications to the Medicine Program.

At this time, the tuition increase being contemplated is from \$8,250 per annum to \$10,250, effective fall 2017. This increase will contribute an additional \$640K per year in revenue towards an anticipated budget deficit in the fiscal year 2017/2018.

It was then noted that data from a recent survey of Canadian medical schools (excluding medical schools based in Quebec) show that the national average tuition is \$19,709. Memorial's current tuition rate is 42% of this national average. Following the proposed increase, the new amount would be approximately half (52%) of that national average.

This item was received for information and did not require a resolution of the Board.

G. Universal Transit Pass (UPass) for Memorial University – also on the Campus Planning and Development Committee Agenda

The Board received and reviewed background information pertaining to the University Transit Pass (UPASS) for Memorial University. In this regard, the Board also received and reviewed a letter dated December 1, 2016 from Ms. Lindsay Batt, Director of Finance and Services, Memorial University of Newfoundland Students' Union (MUNSU).

The Chair welcomed Ms. Ann Browne, Associate Vice-President (Facilities), who provided the Board with a presentation entitled "Universal Transit Pass (UPass) and Area Traffic Study for Memorial University".

Board members were advised that Memorial University adopted its current Mission, Vision and Values in 2013 and included Sustainability as one of its twelve values defining it as 'acting in a manner that is environmentally, economically and socially sustainable in administration, academic and research programs'. This commitment followed from the earlier Memorial University Sustainability Declaration which was adopted by the Board of Regents in 2009 and initially committed the university to sustainability in all of its activities.

Universal Transit Pass (UPass) for Memorial University (cont'd)

The Administration has been working with the City of St. John's transit system (Metrobus) to establish a rider program under the name UPass. This program presents the opportunity for the university to implement its commitment to sustainability that will fulfil the values for the University community, but also influence the metro region in which the St. John's and Marine Institute campuses are located.

UPass

UPass is a bus pass which provides users with unlimited access to the entire public transit network. UPass has seen success across Canada at Post-Secondary Institutions (notable examples at University of Waterloo, University of Western Ontario, University of Guelph, University of Winnipeg, Dalhousie University and the University of Prince Edward Island) and has been instrumental in reducing parking and transit challenges. The Administration has worked closely with Metrobus to identify potential public transit service improvements available through the implementation of a UPass and all options currently being considered would significantly increase both the geographic reach and frequency of service to Memorial University, St. John's campus, the Battery Facility and Marine Institute.

In addition to creating a sustainable transit option for the university community, the implementation of a UPass is a key component to providing alternatives to vehicles coming to campus and will lead to reduced traffic congestion and decrease the need for more parking spaces. For example, St. John's Campus continues to experience parking challenges as the total demand from Faculty, Staff and Students far exceeds available parking supply [approximately 3,700 stalls available for community of 17,500 students, permanent faculty and staff at St. John's campus]. Recent measures to alleviate some of the challenges with parking included creating a parking garage on Arctic Avenue, new lots along Elizabeth Avenue, and a parking lot usage agreement in progress with the Arts and Culture Centre. Despite these efforts however parking demand continues to surpass supply, and the campus has little to no other available options on-site for parking, nor does the Administration wish to remove further green spaces for parking developments.

Parking and Transit Solutions

In recognition of these challenges Memorial University Administration undertook three initiatives. The formation of a multi-stakeholder Parking and Transit Solutions Committee along with MUNSU which includes representatives from key

Universal Transit Pass (UPass) for Memorial University (cont'd)

Memorial University stakeholders as well as the surrounding municipalities (City of St. John's, Mount Pearl, Town of Paradise, Torbay, Conception Bay South and Portugal Cove – St. Phillip's), the commissioning of a Commuting and Parking Strategies Study as well as partnering with the Government of Newfoundland and Labrador, Eastern Health and City of St. John's on a MUN Area Traffic Study. Through each initiative one of the highest impact and most readily available solutions to alleviate Memorial's Traffic and Commuting challenges was the implementation of a UPass system.

At the September 14, 2016 meeting of the MUN Parking and Transit Solutions Committee the group recommended that consideration be given to UPass as part of the University's transportation and commuting solutions and to work with Metrobus and other university and community stakeholders to define a potential UPass program for Memorial University. The committee's recommendation was further supported by the Sustainability Committee (sub-committee of Vice-Presidents Council) at its September 26, 2016 meeting. It was also reported, through the Commuting and Parking Strategies Study survey of students, that 58% of a sample of 861 students were in support of a UPass program, which would require an additional fee.

UPass fee structure

Metrobus conducted a review of student mailing addresses and explored options to increase service to peak and underserved areas. Through this review, three UPass scenarios have been identified which include a \$110, \$150 and \$190 per semester rates (see Appendix A), which compares to the current Metrobus Semester Pass at \$245 per student. These rates assume service provided during Fall and Winter semesters and program opt-in from all full-time undergraduate and graduate students at the St. John's Campus, which was assumed to be 12,283 students based on 2013 data used by Metrobus' consultant in developing these options. Participation in the program from other groups (Faculty, Staff or Part-Time students) will result in further revenues which are invested back into the UPass program to allow for additional service improvements. All of this information will have to be reviewed and updated as the details of a preferred option are further refined if the UPass proposal proceeds.

UPass programs are most commonly designed to be responsive to student needs, however options can be explored to provide service for faculty and staff as well. At its core, UPass offers an economically diverse student population opportunity for lower cost accommodations by enabling public transit routes outside the city centre; international students attending Memorial arrive from centers where public transit use is the norm, and they expect this option. UPass programs are often implemented through student referendum, as the model relies on a large volume of members to be economically viable.

Universal Transit Pass (UPass) for Memorial University (cont'd)

Discussions with Memorial University Students' Union (MUNSU) and Graduate Students' Union (GSU) to date indicate an interest in the program, provided service improvements are implemented to ensure students have improved access to public transit. The student unions have also expressed a desire to define opt-out procedures for students who cannot avail of the service during a given period due to mobility, work-term, or other to be defined reasons. Despite this general support of the program concept, it has been expressed that a student referendum on the subject is not imminent, meaning a UPass implementation could take some time to occur. It is noted that MUNSU and Grenfell Campus Student Union (GCSU) representatives have declared they did not support mandatory implementation of the program when asked to vote on the issue by the University Sustainability Committee in September 2016. This sentiment was also shared by the GSU who at a meeting stated they would oppose a mandatory fee as a means of implementing the service.

Implementation

The Administration has been advised by Metrobus that implementation of UPass can take up to 12 months following approval as new buses are required and would need to be ordered, and routes need to be scheduled. For reference, at the minimum \$110 per semester model, 85 daily arrivals would be added to the University (currently there are 348 daily arrivals), and this would require 6 new buses to be purchased by Metrobus.

Upon receiving support from the Board of Regents to implement a UPass program at the St. John's Campus, the Administration will immediately engage stakeholders including Metrobus, MUNSU, GSU and Marine Institute Students' Union to determine final details of the UPass program for implementation, which will be communicated to the Board of Regents.

After a lengthy discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents endorse the process and work completed to date and authorize the University Administration to pursue negotiation of an agreement with Metrobus. In doing so, the Board agreed that the current committee composition be maintained with representatives from the Memorial University of Newfoundland Students' Union, Graduate Students' Union and the Marine Institute Students' Union. Further, it was agreed that the key elements of a framework agreement with Metrobus relating to pricing, provisions for opting out of the UPASS and other key aspects of the agreement be brought back to the Board of Regents for consideration and approval before implementation is considered.

Universal Transit Pass (UPass) for Memorial University (cont'd)

Mr. Giraldo and Mr. Green abstained from voting.

- H. Presentation: City of St. John's Traffic Study and Universal Transit Pass (UPASS) for Memorial University – also on the Campus Planning and Development Committee agenda

This item was presented and considered under Agenda Item 6375.G “Universal Transit Pass (UPass) for Memorial University” above.

6376. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE

- A. Universal Transit Pass (UPass) for Memorial University – also on the Campus Planning and Development Committee Agenda

This item was considered under the report of the Finance Committee as outlined in the Minute 6375.G. above.

- B. Presentation: City of St. John's Traffic Study and Universal Transit Pass (UPASS) for Memorial University – also on the Finance Committee agenda

This item was considered under the report of the Finance Committee as outlined in the Minute 6375.G. above.

6377. EXECUTIVE COMMITTEE

- A. Renewal of the Marine Institute Industry Advisory Committee

The Board received and reviewed background information pertaining to the renewal of the Marine Institute Industry Advisory Committee (MIAC).

Board members were advised that Article 68 of the *Memorial University Act* outlines the composition of the Marine Institute Industry Advisory Committee. Article 68 notes:

68. (1) The board shall establish an industry based advisory committee to advise the Fisheries and Marine Institute respecting fisheries and marine related programs offered at the Fisheries and Marine Institute.

Renewal of the Marine Institute Industry Advisory Committee (cont'd)

(2) The board shall appoint to the advisory committee established under subsection (1) not less than 11 nor more than 15 members to consist of

- (a) the Deputy Minister of Fisheries or the representative of the deputy minister;
- (b) a full-time student at the Fisheries and Marine Institute;
- (c) a representative of the administration of the Fisheries and Marine Institute;
- (d) 8 persons from the fishing and marine industries or related Organizations; and
- (e) those other persons that the board may determine.

(3) The board shall designate 1 of the members appointed under subsection (2) as chairperson of the advisory committee and another member as vice-chairperson of the advisory committee.

(4) The board shall establish the terms of appointment of members of the advisory committee so that there is a continuity in membership of the advisory committee.

It was noted that several appointments made at the February 6, 2014 meeting of the Board of Regents expire in December 2016, therefore several new appointment and reappointments are recommended (as provided in Appendix "A" of the background documentation).

After a discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the appointments and reappointments to the Marine Institute Industry Advisory Committee for a period of three years to December 2019 as outlined in the background documentation and as follows:

New Appointments

- Mr. Keith Sullivan, President, FFAW-Unifor
- Mr. Mike Cole, President, Fugro Geosurveys

Reappointments

- Mr. Martin Sullivan, CEO, Ocean Choice International L.P.
- Mr. Paul Griffin, CEO, Marine Atlantic
- Ms. Kim Keating, Vice-President, Fabrication, The Cahill Group

Ms. Keating, Dr. Kachanoski and Mr. Green abstained from voting.

B. Celebrating Aboriginal Culture and Cultivating Inclusion at Memorial University and the Report on the Knowledge of Aboriginal People and Topics by First Year Students at Memorial

The Board received for information the report entitled “Celebrating Aboriginal Culture and Cultivating Inclusion at Memorial University” as well as the “Report on the Knowledge of Aboriginal People and Topics by First Year Students at Memorial”. Dr. Golfman noted that the reports would be released to the community in the near future and were provided to the Board for information purposes.

C. ad hoc Sub-Committee of the Executive Committee of the Board of Regents to address next steps regarding the letter of resignation from Ms. Brittany Lennox

Mr. Mahoney noted that the process with respect to the implementation of the motion passed by the Board earlier in the day “that the Board of Regents engage an external party with experience in board governance to undertake a review/assessment of its culture, policies, procedures and practices while continuing to aspire towards the best practices among Canadian universities” would begin immediately and a detailed proposal would be provided to the Board as soon as possible.

6378. ANY OTHER BUSINESS

A. President’s address to the Rotary Club of St. John’s – February 2, 2017

The Board was advised that Dr. Kachanoski will give his annual address to Rotary on February 2, 2017 and members of the Board of Regents will be invited to attend. In this regard, the Board Secretary will forward further details to Board members as soon as they become available.

B. Date of Next Meeting

The Chair advised that the next regular meeting of the Board of Regents is tentatively scheduled to be held on February 2, 2017.

ADJOURNMENT

The meeting adjourned at 5:45 p.m.

CHAIR

SECRETARY

DATE