

MEMORIAL UNIVERSITY OF NEWFOUNDLAND

BOARD OF REGENTS

A meeting of the Board of Regents was held on Wednesday, July 21, 2004 at the Mount Peyton Hotel, Grand Falls-Windsor, at 2:00 p.m.

PRESENT:

Dr. Georgina Hedges, Vice-Chair
Dr. Axel Meisen, President and Vice-Chancellor
Dr. Eddy Campbell, Vice-President (Academic)
Lisa Browne
Calvin Butt
Sam Chaulk
Ed Kelly
Dr. Brendan Lewis
Harvey Short
Susan Wood
Eleanor Bennett, Secretary

APOLOGIES: Dr. John Crosbie, Chancellor, Gail Aylward, Hayward Blake, Sharon Duggan, Leslie Galway, Dorothy George, Nancy Kelly, Earl Ludlow, Allison North, Joan Pinsent, Dave Porter, Andrea Quinlan, Darlene Russell, and Roxana Vernescu.

ABSENCE OF A CHAIR

Due to the vacancy in the office of the Chair of the Board of Regents, Dr. Georgina Hedges, Vice-Chair of the Board, acted as Chair.

PRESENT BY INVITATION: Mr. Kent Decker, Vice-President (Administration and Finance).

1. MINUTES

The Minutes of the regular meeting of the Board of Regents held on May 25, 2004, copies of which were circulated prior to the meeting, were approved by the Board.

2. ACTING CHAIR'S REPORT

1. Resignation of Ms. Wood

A letter of resignation from Ms. Wood was circulated at the meeting. Ms. Wood advised that she would be resigning from the Board due to work commitments. Dr. Hedges, on behalf of the Board, thanked Ms. Wood for her contribution to the Board and wished her well in all her future

endeavours.

2. Resignation of Ms. Borden

The Board received an email from Ms. Borden advising of her resignation from the Board. She stated work commitments as the reason for her resignation. Dr. Hedges noted that she had responded to Ms. Borden's email and will be writing her formally following the meeting.

3. Procedure to Replace Ms. Borden

Ms. Borden was one of six Regents elected by the MUN Alumni Association. The Board was advised that past practice has seen the person with the next highest number of votes in the election invited to join the Board for the remainder of the term of the Regent who has resigned. However, it was pointed out that Section 30(1) of the University Act states: "Where a vacancy occurs in respect of an elective or appointed member of the board the Lieutenant-Governor in Council shall appoint a person to fill the vacancy." In this regard the requirements of the Act would need to be interpreted and the vacancy filled accordingly.

4. Johnson Geo Centre

Dr. Hedges advised the Board that Dr. Paul Johnson has expressed his interest in transferring the ownership and operation of the Johnson Geo Centre to the University. The Board was informed that Dr. Meisen has agreed to explore this possibility with a view to making the Geo Centre a Separately Incorporated Entity. Dr. Hedges outlined the benefits of bringing the centre into the University, but it was also recognized that such a change would require supervision by and possibly financial support from the University.

The Board was informed that a committee has been established to examine the implications of the University assuming full responsibility for the Geo Centre. In particular, it will focus on the financial, operational and organizational implications.

Dr. Hedges advised the Board of the members of the committee. They are: Kent Decker, Vice-President (Administration and Finance) who will serve as Chair of the Committee, Brian Colbourne, Director of Financial and Administrative Services, Mr. Sam Chaulk, Regent and member of the SIE committee, Dr. Jeremy Hall, Professor of Earth Sciences and member of the Geo Centre's Advisory Board, and Ms. Victoria Collins, Director of University Relations.

Dr. Meisen agreed to report back to the Board regarding this matter following the committee's findings hopefully before the end of the calendar year.

After discussion the following resolution was passed:

RESOLVED:

That the Board of Regents endorse the establishment of a committee to examine the possibility of the University taking over the Johnson Geo Centre and establishing it as a Separately Incorporated Entity.

5. Death of Dr. Harry Roberts

The Board was advised of the death of Dr. Harry Roberts on June 5, 2004. Dr. Roberts was the father of the former Chair of the Board, his Honour Edward Roberts. Dr. Hedges advised that she had written a letter, on behalf of the Board, expressing condolences to Mr. Roberts and the family.

The following resolution was passed:

RESOLVED THAT the Regents note with sorrow the death of Dr. Harry Roberts on June 5, 2004, and extend their sincere condolences to the Honourable Edward Roberts and the members of his family.

AND THAT the Board acknowledge with gratitude the invaluable contribution Dr. Roberts made to the University during his six years as a Regent from 1968 to 1974.

The Board received a letter from Mr. Roberts thanking the Board for their expression of sympathy.

3. PRESIDENT'S REPORT

1. Activity Update

Dr. Meisen thanked Regents for their participation in sessions of Spring Convocation held at both Sir Wilfred Grenfell College and the St. John's campuses.

He noted that the construction of the Petro Canada Hall in the Music Building has commenced.

He noted that out of the nine recipients of the Order of Newfoundland and Labrador, eight have close affiliations with the University. He reviewed the list of recipients with the Board and encouraged the Board to submit nominations for the Order in the future.

The President reported on a number of activities that he was involved with or attended since the last Board meeting.

June 21-22 He attended the "Voisey's Bay and Beyond" Conference held in Happy Valley-Goose Bay and delivered the keynote address entitled "Memorial University in the Service of Labrador". He thanked Mr. Kelly for facilitating his participation in this conference.

While in Happy Valley-Goose Bay he also gave a presentation at the Labrador Institute for students and their parents from the area.

While in Labrador, he also met with community representatives in North West River.

June 23 He attended the Compressed Natural Gas Standards Forum in St. John's. He noted that there were participants from around the world who were engaged in the development of transporting compressed natural gas by sea. He noted that he would like to see Memorial viewed as the centre of expertise in this area.

July 1 He attended the Memorial Day ceremony at the war memorial. On the evening before, he attended the Royal Newfoundland Regiment dinner in which the Lieutenant Governor also participated. At this dinner he presented a facsimile of the John Dunn Diary which had been hand written between 1783 and 1790 while John Dunn was in Fort Townsend. The diary had been donated to the University by the Royal Newfoundland Regiment.

July 5-6 He attended the Harlow Board of Trustees meeting. He elaborated on two important issues related to Harlow. One pertains to the Charities Act under which Harlow operates, and requires revisions of the Trust Deed, and the other relates to fulfilling the objectives of the Campus business plan.

July 7-9 He was in Ireland where he attended a Government of Ireland reception and a performance by the Newfoundland Symphony Youth choir in Dublin.

While there, he visited several marine institutes in the area. In particular, he met with Coastal and Marine Resources Centre (CMRC) researchers in an effort to establish meaningful working ties related to seabed mapping and aquaculture.

July 15 He hosted the announcement of the appointment of Dr. Cecilia Moloney as the NSERC/Petro Canada Chair for Women in Science and Engineering. He reported that Dr. Moloney is the second consecutive Chair to be appointed from Memorial.

July 19 He hosted a luncheon in honour of Major Vyvyan Harmsworth, who is the descendent of the founder of the paper mill in Grand Falls-Windsor and a member of the Rothermere Trust.

He noted that the search for the Director of Alumni Affairs and Development has been narrowed down to two candidates. The interviews will take place this week after which it will be decided to recommend one of the finalists or to continue with the Search.

2. Application Summary Report - Fall 2004

Dr. Meisen reported that the most recent application and registration figures are on target. Further details would be provided in the presentation on the budget.

3. Appointments to MUN Botanical Garden Board

The Board received and reviewed background information pertaining to a recommendation for appointments and retirements to the MUN Botanical Garden Board of Directors.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the appointment of the following members to the MUN Botanical Garden Board of Directors for a term ending May 31, 2005:

Ms. Anne Budgell
Ms. Gail Pearcey

Further that the Board approve the retirement of the following members on May 31, 2004:

Mr. Ken Proudfoot
Ms. Lois Hoegg
Mr. Keith Connolly

4. Appointments to Genesis Board

The Board received and reviewed background information pertaining to a recommendation for re-appointments, appointments, and retirements to the Genesis Board of Directors.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the re-appointment of the following members to the Genesis Board of Directors for a one-year term commencing July 1, 2004:

Mr. Emad Rizkalla
Dr. Chris Loomis
Mr. Rick Gill
Mr. David King
Dr. Gary Gorman
Dr. Jim Wright
Dr. Mary Williams
Ms. Siobhan Coady
Dr. Penny Moody-Corbett
Dr. Wilf Nichols
Mr. Trevor Adey
Mr. Keith Stoodley
Mr. Fred Cahill
Mr. Glen Sansome

Further that the Board approve the following appointments to the Genesis Board of Directors for a one-year term commencing July 1, 2004:

Ms. Christine Fagan
Mr. Gus Ollerhead

Further that the Board approve the appointment of Mr. Emad Rizkalla as Chairman of the Board of Directors of Genesis, for a one-year term, commencing July 1, 2004.

Further that the Board approve the retirement from the Genesis Board of Mr. Vince Withers and Mr. Karl Sullivan.

5. Appointments to CCFI Board

The Board received and reviewed background information pertaining to a recommendation for appointments to the Board of Directors of the Canadian Centre for Fisheries Innovation (CCFI).

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the following appointments to the Canadian Centre for Fisheries Innovation (CCFI) Board of Directors for a one-year term commencing July 1, 2004:

Mr. Jean-Guy d'Entremont

Ms. Helen Evans
Mr. Karl Kenny
Ms. Siobhan Coady

Further that the Board approve the following re-appointments to the CCFI Board of Directors for a one-year term, commencing July 1, 2004:

Mr. David Bonnell
Dr. Bob Lucas

Further the Board approved the resignation of Mr. David Foster.

6. Appointments to MURC Board

The Board received and reviewed background information pertaining to a recommendation for appointments and re-appointments to the Memorial University Recreation Complex (MURC) Board of Directors.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the following appointments/reappointments to the MURC Board of Directors:

Appointment of Ms. Kimberly Hann, MISU representative, for a one-year term, effective May 31, 2004,

Re-appointment of Mr. Luke Gaulton, MUNSU representative, for a one-year term, effective May 31, 2004.

Re-appointment of Mr. Sandy Hickman, City of St. John's representative, for a two-year period, effective April 1, 2004.

7. Appointments to C-CORE Board

Dr. Meisen informed the Board that Mr. Tom Craig and Dr. Doug House have been appointed to the C-CORE Board of Directors, for a three-year term, effective June 1, 2004.

8. Update on Legal Matters

Dr. Meisen reported that a number of cases currently involving the University are pending. There have not been any new cases filed.

9. White Paper on Post-Secondary Education

Dr. Meisen advised that Government has announced the details of a process to prepare a White Paper on Post-Secondary Education. The scope of the review is centered upon the existing public post-secondary system in the province, which consists mainly of Memorial University, College of the North Atlantic, and health education programs with several health care boards. Dr. Wayne Ludlow has been appointed the Commissioner for the White Paper.

In letters to Dr. Hedges and Dr. Meisen dated July 9, 2004, copies of which were circulated at the meeting, Dr. Ludlow requested consultations and written briefs from both parties to assist them in the preparation of the White Paper. Dr. Hedges anticipated that the Board would meet with the commission in the fall or earlier at a special Board meeting, if necessary.

Dr. Hedges noted that the Board would take the time during the retreat period to address the questions listed under the issues and challenges outlined in the terms of reference. These deliberations would also form the nucleus of a report to be drafted by the administration and shared with the Board prior to their meeting with the Commission.

10. Update on Pharmacy Fee

The Board received a copy of a letter from Dr. Meisen to Minister Ottenheimer summarizing a discussion which occurred following the May 25th Board meeting concerning the new pharmacy degree program at the University.

4. PEOPLE DEVELOPMENT STRATEGY

The Chair extended a welcome to Mr. Gerard McDonald, Director of Human Resources, and Mr. Robert Barker, Manager of Organizational Development. Mr. Barker provided the Board with a power-point presentation on People Development Strategy for Memorial University.

Following a question and answer session the Board thanked Mr. Barker for his very informative presentation and he and Mr. McDonald left the meeting.

5. CAMPUS PLANNING AND DEVELOPMENT COMMITTEE

1. Capital Projects Update

Mr. Kelly, Chair of the Campus Planning and Development Committee, apprised the Board of the progress of the following capital projects:

- ▶ Inco Innovation Centre
- ▶ Sciences Research Building - Functional Space Planning Study

- ▶ School of Music Expansion
- ▶ Energy Master Plan

6. RETREAT THEME - FINANCING THE UNIVERSITY

BACKGROUND INFORMATION

The Board received and reviewed background information pertaining to the following topics which were presented for discussion purposes through power-point presentations by Mr. Decker, Dr. Campbell and Dr. Meisen.

1. Government Direction
2. Comparing Memorial to Other Institutions
3. Undergraduate Tuition Fees
4. Student Assistance Provisions
5. Operations Issues: Infrastructure, Matching Funds, Pensions and Benefits
6. How Much Funding is Enough?

The meeting adjourned at 4:35 p.m. and reconvened at 9:00 a.m. on Thursday, July 22, 2004.

7. SCIENCES RESEARCH BUILDING

Dr. Hedges welcomed to the meeting Mr. Darrell Miles, Director of Facilities Management, who provided a power-point presentation on the Sciences Research Building.

Following a question and answer session, the Board thanked Mr. Miles for his very informative presentation and he left the meeting.

8. APPOINTMENTS COMMITTEE

The Board received and reviewed a report of actions taken by the Appointments Committee, which were presented by Dr. Lewis, Vice-Chair of the Committee. The report was approved by the Board.

9. FINANCE MATTERS

In the absence of a Finance Committee meeting, matters of a financial nature were presented directly to the Board by Mr. Short, Chair of the Committee.

The Board welcomed to the meeting Mr. Brian Colbourne, Director of Financial and Administrative Services, who reviewed the Audited Financial Statements of the University and the Audited Financial Statements of the MUN Pension Plan using Power-Point.

1. Memorial University Audited Financial Statements

The Board received and reviewed background information pertaining to the Audited Financial Statements for the fiscal year ended March 31, 2004, along with the annual management report from the external auditors. The Board was advised that the external auditors found that the financial statements presented fairly the financial position of the University as at March 31, 2004. The results of the operations and its cash flows for the year then ended were in accordance with Canadian generally accepted accounting principles.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the Memorial University of Newfoundland Consolidated Financial Statements for the fiscal year ended March 31, 2004.

2. Memorial University Pension Plan Audited Financial Statements

The Board received and reviewed background information pertaining to the Memorial University Pension Plan audited financial statements for the fiscal year ended March 31, 2004. The Board was advised that the external auditors found that the financial statements presented fairly the net assets available for benefits of the pension plan as at March 31, 2004, and the changes in net assets available for benefits for the year then ended were in accordance with Canadian generally accepted accounting principles.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the Memorial University of Newfoundland Pension Plan Audited Financial Statements for the fiscal year ended March 31, 2004.

The Board thanked Mr. Colbourne for his informative and thorough presentation of both financial statements, and requested that he take the thanks and appreciation of the Board of Regents to the members of his staff who were responsible for the preparation of these statements.

3. Budget Estimates 2004-2005

The Board received and reviewed background information pertaining to the 2004-2005 budget estimates. The Board was advised that the University will accommodate the shortfall in the Provincial Government grant through

a variety of measures. The measures are designed to have the least impact possible on the quality and diversity of programs. Measures are being taken in all Faculties and Departments (including the Faculty fo Medicine) that fall into the following categories:

- Reduction of contractual faculty and staff expenditures. This will result in fewer course options available to students, and some sections of some courses will increase in size.
- Reduction of Teaching Assistants. This will result in fewer assignments and laboratory experiments for students.
- Deferred recruitment of existing vacant positions and anticipated vacancies.
- Deferred recruitment of new vacancies that occur during the year.
- Reduction of discretionary expenses. This will impact on some laboratory courses, where obsolete equipment will not be replaced and supplies reduced.

Measures will be taken to ensure that the reduction in course offerings does not delay students from graduating.

Initiatives for additional expenditures include tuition incentive funding allocated to all expenditure envelopes, increased energy costs, and the creation of a reserve of \$1.8 million for the academic envelope to address teaching equipment, graduate student support, library acquisitions and facilities, Development Officers and any unforeseen issues arising from the measures listed above.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the 2004-2005 Budget Estimates.

4. GSU Fees

The Board received and reviewed background information pertaining to a recommendation to increase the Graduate Students' Union fee for full and part-time students to include the Canadian Federation of Students' membership fee annual increase.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve an increase in the Graduate Students' Union fee of \$7.20 for full and part-time students for the fall and winter semesters only. The fee to be divided equally between the Canadian Federation of Students and the Canadian Federation of Students - Newfoundland and Labrador.

5. GSU - Health and Dental Insurance Fees

The Board received and reviewed background information pertaining to a recommendation to increase the Graduate Students' Union health and dental insurance plan fee.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve an increase in the Graduate Students' Union health and dental plan of \$342.58 and \$176.12 respectively for full-time graduate students for the 2004 fall semester.

6. Fees - Diploma in Information and Communications Technology

The Board received and reviewed background information pertaining to a recommendation for changes to fees for students in the Diploma in Information and Communications Technology (formerly known as the Diploma in Information Technology).

The Board was advised that Senate had recently approved two different options for the above mentioned diploma.

Option 1 is available on a full-time basis only, and lasts for three semesters, ending in a work term. The current program fee is \$15,000 and will not change.

Option 2, the new option, is designed primarily for those who already have appropriate job-related experience and so are not required to take a work-term, but instead produce a comprehensive report. This option can be taken full-time in three semesters, or part-time over seven semesters.

Full-time students following option 2 will only pay a \$13,000 program fee as there is no work term. It is proposed that part-time students should be charged on a per credit hour basis rather than a program fee.

Under existing regulations, student who pay program fees, unlike per-credit-hour fees, are not required to pay for repeated courses. Therefore, it was proposed that such a charge be allowed .

Further it was proposed to implement a continuance fee, similar to that charged for graduate students, for both full-time and part-time students, who request a leave of absence from the program.

These changes will result in a minimal increase in revenue and are requested to cover the cost of delivering the services.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the following changes to fees for students in the Diploma of Information and Communications Technology:

- a program fee of \$13,000 for full-time students following Option 2;
- a per-credit hour fee of \$295 for both full-time and part-time students, enrolled in either Option 1 or 2, who must repeat a course they have failed;
- a program continuance fee of \$352 for both full-time students in both Options 1 and 2, who do not complete the program in the nominal program period.

7. Elimination of Tuition Fee - Visiting Research Students

The Board received and reviewed background information pertaining to a recommendation for the removal of tuition fees for visiting research students. The Board was advised that this fee presently generates less than \$2,000 per annum and the elimination of it will not sufficiently impact the University's budget.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the elimination of the tuition fee imposed for visiting research students.

8. Fees - SWGC Not For Credit Programs/Seminars

The Board received and reviewed background information pertaining to a recommendation for a change in fees paid to instructors/facilitators contracted by Community Education and College Relations at Sir Wilfred Grenfell College for its 'not-for-credit' programs/seminars.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve a change in fees paid to instructors/facilitators contracted by Community Education and College Relations at Sir Wilfred Grenfell College for its "not for credit" programs/seminars as follows:

<u>Service:</u>	<u>Proposed Rate</u>
Professional Development and Customized contracts	\$35 to \$200 per hour
Recreation and Aquatic Safety	\$6.50 to \$20 per hour
Art/Environment Youth/Computer/General Interest/Language	\$10 to \$60 per hour
Activity Camp Co-ordinator	\$250 to \$1,200 per week
Activity Camp Instructor/Coaches	\$200 to \$600 per week

9. Rates - Models - Division of Life Long Learning and SWGC

The Board of Regents received and reviewed background information pertaining to a recommendation to increase the range of hourly pay rates for employees contracted to perform modelling within the Division of Life Long Learning and the Fine Arts Program at Sir Wilfred Grenfell College.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve an increase in the range of hourly pay rates for employees contracted to perform modelling within the Division of Life Long Learning and at Sir Wilfred Grenfell College from the current \$8 to \$14 to the new range of \$14 to \$20.

10. Rates - Division of Lifelong Learning

The Board received and reviewed background information pertaining to a recommendation to increase the range of daily pay rates paid to contracted instructors in the Division of Lifelong Learning. The increased rates will be

offset by increases in user fees for the programs offered and as a result will have no impact on the current budget as increases will be included in service contracts negotiated with clients.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve an increase in the daily pay rates for the Division of Life Long Learning from the current range of \$420 to \$750 to the revised range of \$420 to \$900.

11. Deletion of Positions

The Board received and reviewed background information pertaining to a recommendation for the deletion of two staff positions in the Division of Distance Education and Learning Technologies.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve the deletion of the following positions in the Division of Distance Education and Learning Technologies:

- DLT-026 - Senior Audiovisual Assistant - Band Level 4
- DLT-051 - Audiovisual Supervisor - Band Level 6

10. POLICY REGARDING PHYSICIANS AND THE MUN PENSION PLAN

The Board received and reviewed background information pertaining to a recommendation to amend current policy in order to freeze payments made to physicians in lieu of benefits. The Board was advised that physicians working at the Health Sciences Centre who are members of Medical Practice Associates (MPA) are not part of the MUN pension plan and, in a manner similar to that of other salaried physicians in the province, have opted to receive the equivalent of pension contributions as an addition to their salary. These arrangements are part of negotiations with Government. On June 8, 2004, the *Memorial University Pension Act* was amended to prescribe that the University and its employees each share equally in funding a deficit in the current service costs of the pension plan and past service costs associated with the introduction of pension indexing. Contribution rates under the pension plan have consequently increased by 2.635%, as of July 1, 2004.

Absent any changes to existing Board policy with respect to payments to

MPA doctors, the amount of the applicable salary would also be subject to this increase. Such a rate increase would result in an incremental annual cost to the University of approximately \$150,000 and is not funded by Government.

The administration believes that the increase in pension contributions should not automatically result in increased payment to those that have opted out of the University's pension plan. In addition, the average pension contribution made by the University for MPA doctors is currently between 5.5% and 6.0% of salary. This is competitive in the market with employer contributions to defined contribution pension plans.

After discussion, the following resolution was passed:

RESOLVED:

That the Board of Regents approve a change in current policy in order to freeze payments made to physicians in lieu of benefits such that contributions are frozen at the rates immediately preceding increases in the contribution rates for the University's Pension Plan.

6. RETREAT THEME - FINANCING THE UNIVERSITY (CONT'D)

The Board reviewed the next segment of the retreat theme and engaged in discussions relating to the following topics:

EXPLORING THE OPTIONS TO SECURE ADDITIONAL FUNDS

1. Undergraduate Tuition Fees

- ▶ Memorial's tuition fees are lower than other comprehensive universities, much lower than other Atlantic institutions. While tuition fees have been frozen at Memorial, other universities have been increasing theirs. This applies with or without the "rollback" funding.
- ▶ This year government cut \$2 million from the operating budget and the University has few, if any, options for making up the difference.
- ▶ The tuition fee roll-back currently costs the provincial government approximately \$10 million per year. Memorial would have to increase its current undergraduate fees by about 61% to reach the levels paid by UPEI students and 76% to reach the levels paid by UNB students.
- ▶ If Memorial increased its fees to the levels paid at UPEI, that would generate an estimated \$24.4 million in revenue annually, \$14.4 after government contribution is recovered. Increasing tuition fees to the levels paid at UNB would add \$30.4 million in revenue.

(A) Guiding Principles:

- ▶ Provide a high quality, internationally competitive environment for learning and research.
- ▶ Ensure access and affordability.
- ▶ Ensure fairness and equity.

(B) Ways to Approach Increases in Fees:

- ▶ Increase tuition by a fixed percentage for all programs.
- ▶ Apply differential fees to programs that have high levels of demand, employability, and/or salary levels.
- ▶ Charge students more for high cost programs.
- ▶ A mix of the above.

(C) Uses of Tuition Fee Increases:

- ▶ More student aid.
- ▶ Improved access.
- ▶ More and better professors, staff, Teaching Assistants and facilities.
- ▶ Less dependance on unreliable government funding.
- ▶ Control of our own future.

BOARD CONCLUSION :

It was the consensus of the Board that the tuition freeze cannot continue unless Government pays for unavoidable cost increases and gives the University opportunities to enhance its offerings. There is good evidence that low tuition fees are not a major determining factor in attracting students to the University. Lack of funding is starting to affect programs.

Further discussion centered around a strategy for increasing tuition fees should it become necessary, and several scenarios were put forward. It was suggested that tuition fee increases would be offset by a financial assistance scheme for needy students. Tuition increases would also have to be phased in over a number of years.

The following resolution was passed:

RESOLVED:

That the Board of Regents approve a recommendation that a plan be prepared for Government to remove the tuition freeze.

2. GOVERNMENT GRANT

The Government grant is provided on an annual basis and detailed information is frequently unavailable by the start of the fiscal year. This method is not predictable as it offers little capacity for planning. Also the funding is not related to capacity or performance. Multi-year funding would greatly assist budget planning.

The administration might want to explore the pros and cons of formula funding. However, the approaches taken by other provinces are not applicable in a province like Newfoundland and Labrador since there is only one university.

Government's position regarding direct funding of capital projects remains unclear although there has been some indication of interest concerning residences for rural and international students. The terms of reference of the White Paper will address infrastructure challenges and how they might be addressed.

3. BOND ISSUE

Floating bonds to fund universities is becoming more common in Canada. The normal term is 30 years with a minimum amount of \$100 million. Debt servicing costs are normally at 6% interest plus 1% for sinking fund payments if the intent is to accumulate sufficient funds to retire the bond at the end of the term.

A Bond issue would address the University's major capital needs. According to the University Act Government would have to approve a bond issue.

BOARD CONCLUSION:

The following resolution was passed:

RESOLVED:

That the Board of Regents approve a recommendation that the University pursue the issue of raising a bond in the amount of up to \$150 million for a 40 year period.

The meeting adjourned at 2:30 p.m. and reconvened at 9:00 a.m. on

Friday, July 23, 2004. Dr. Lewis and Ms. Wood were absent.

6. RETREAT THEME - FINANCING THE UNIVERSITY (CONT'D)

4. FUNDRAISING

The last capital campaign ("Opportunity Fund") ended in 1999 and raised almost \$60 million, which included matching funds by the Provincial Government. Funds raised by the campaign went primarily to build the Field House and the Smallwood University Centre , with additional funds going into scholarships and fellowships, and teaching and research initiatives. No major endowments were created.

It is timely to plan another capital campaign, with a view to exploring the following possibilities:

- ▶ Building the endowment of the university. This would provide scholarships and bursaries thereby reducing the need to use operating fund. Endowments could also support the creation of Chairs, Professorships, and Visiting Professorships.
- ▶ Providing special facilities at the University. This could include teaching equipment, library materials and facilities (such as digitalization equipment) as well as special historical and artistic works.
- ▶ Creating new and improving existing lecture rooms, labs, and studios.
- ▶ Funding research and academic partnerships.

The target groups would be:

- ▶ Individual donors - with special emphasis on planned giving.
- ▶ Corporations - with emphasis on partnerships
- ▶ Foundations
- ▶ Provincial Government - especially in the context of a matching funds program.

An amount of \$100 million would be a reasonable planning target for a new campaign.

BOARD CONCLUSIONS:

- ▶ The University must have a long-term strategy and commitment to donor stewardship.
- ▶ The formation of partnerships requires a lot of effort and research to match up corporations and individuals.

- ▶ Corporations are a very important target group, with distinctly different interests from individuals.
- ▶ Memorial is better known now than it was during the previous campaign and for this reason it may be easier to reach further afield. Events like the Board dinner with the community on July 22nd could be used to receive some feedback on the idea of a new capital campaign and its nature.
- ▶ Current systems are inadequate to make it easy for donors to continue their donations.
- ▶ The cultivation of Memorial amongst current and potential donors needs to continue. Combine the needs of the University with the aspirations and wishes of donors.
- ▶ Explore the possibility of linking the bond issue with the capital campaign.

THANKS TO ALL

The Acting Chair thanked Dr. Meisen, Dr. Campbell and Mr. Decker for their efforts in presenting the background information on the retreat theme of Financing the University. She also thanked the Regents for their participation and valuable contribution and comments. In turn, Dr. Meisen thanked the Board for their participation in a frank and open discussion of the issues.

ADJOURNMENT

The meeting adjourned at 10:00 a.m.