

Meeting Notes

Integrated Planning Committee Meeting

February 14, 2019

10:00 – 11:00am

A-2029

Attendance:

Dr. Noreen Golfman, Provost & VP (Academic) (Chair)
Dr. Neil Bose, VP (Research)
Dr. Sean Cadigan, Associate VP (Academic)
Dr. Claude Daley, Engineering and Applied Science
Dr. Danny Dyer, Science
Bailey Howard, MUNSU
Sana Jamil, GSU
Jillian Kavanagh, Marine Institute
Dr. Laura Robinson, Arts & Social Science, Grenfell
Dr. Aimée Surprenant, Graduate Studies
Lori Pike, Budget Office
Jennifer Batten, Office of the Provost
Keith Matthews, CIAP
Réanne Kinsella, CIAP

Unable to attend:

Roxanne Millan, Office of the Provost
Dr. Ian Sutherland, Music

1. Review of January 21, 2019 meeting notes

The Committee reviewed and approved the meeting notes from January 21, 2019.

2. 2019 Operating Budget Report

Mr. Matthews presented the draft Operating Budget report developed by the Working Group. The front end of the report has been populated with information including factors that impact Memorial's budget, budget history, and a preliminary budget gap. In the interest of time, IPC members were asked to direct any comments on these sections specifically to Mr. Matthews by email. The Working Group asked that IPC focus discussion on the proposed strategic issues and associated recommendations sections of the report during the meeting.

Mr. Matthews noted that this year's report will outline in more detail the financial implications of each proposed recommendation as well as an updated budget gap. Last spring, the Operating Budget report was limited in the recommendations it could put forward as the University budget had already been finalized.

Currently, the preliminary budget gap for 2019-20 sits at \$11.6 million. A table was presented showing how this budget gap would be distributed across all portfolios using proportional allocation of cuts. The impact on each portfolio for each additional \$1m was presented to demonstrate the scale and budget implications of possible recommendations.

The following strategic issues were put forward for discussion:

1. Infrastructure: The total deferred maintenance liability is \$484 million with \$24 million required annually to maintain facilities at their current condition. The only funding dedicated to deferred maintenance is the funding collected from the Campus Renewal Fee (between \$6 million and \$7 million per year). Consequently, without additional resources, the deferred maintenance liability will increase by \$17-18 million annually, leading to further deterioration and higher annual maintenance costs.

2. **Tuition and Revenue Generation:** the University needs to increase revenue to maintain quality academic programming, research and engagement. There is an over-reliance on the government grant with the only other significant source of revenue being tuition and special fees. While tuition has increased for some students, tuition for undergraduate Newfoundland students has remained frozen since 2002-03. Across the country, Universities are expanding the use of differential tuition for professional programs. While Memorial has begun to introduce these for new proposed graduate programs, such fees have not been introduced for existing graduate programs (e.g. MBA) or for undergraduate programs.

Mr. Matthews presented a table to illustrate the impact on revenues and student fees of different tuition scenarios. For example, an increase in undergraduate tuition of \$100 per course would generate approximately \$10.9 million. Because NL Undergraduate students represent about 75% of the total undergraduate population, increasing the Newfoundland tuition rate to the Out-of-Province Rate (\$333) alone would generate approximately \$6.5 million. It was noted that increases to graduate tuition might more reasonably be accomplished through differential tuition for professional programs. Increases to tuition for research-oriented graduate students would have an offsetting impact on fellowships funding requirements.

3. **Academic Program Development and Renewal:** In the current climate, it is important that resources be directed to support program development and renewal. Currently, there is very little tuition revenue that flows directly to academic units; as a result, there are fewer incentives to develop new programs. While some programs (for example, in Engineering) have introduced special fees, the University needs to determine how best to create incentives for all academic units.

The following were also put forward as possible strategic issues the IPC may want to consider: Pension liability, student success, indigenization, library holdings, parking fees, administrative support, research, and advocacy and government relations.

The following points were raised by Committee members:

- It was suggested that the report should take into consideration whether student housing needs are being met.
- The majority of the Committee agreed that a tuition increase is essential given the issues facing the University. A large majority of members of IPC were also in favor of advocating a progressive tuition model.
- It was noted that although tuition for NL students has remained frozen since 2002-03, students have seen increased fees for infrastructure and student services. These new fees have allowed Memorial to directly fund innovative projects that benefit students while supporting infrastructure renewal.
- The Committee agreed that additional resourcing to address the deferred maintenance liability is essential, particularly as the condition of facilities impacts all university activities and all students, employees and visitors across all campuses.
- It was suggested that the review of SIE's should remain a priority (carried over from last year's report).
- IPC supported greater unit-level incentives to encourage program development and innovation. Although there were some concerns that the development of any incentive system consider unintended consequences on program costs.
- Additional revenue generation ideas were proposed: fundraising for new buildings; the introduction of bonds (as has been done at Concordia); large scale lotteries; and growing Memorial's distance course offerings. It was noted that some Memorial students opt to take some courses online from other universities due to greater flexibility elsewhere. Although IPC members agreed incentives could be provided to units to develop online offerings, it was pointed out that approximately 30% of courses are already being offered online.

3. Other business

The Working Group will continue to work on the report and will draft more concrete strategic issues and associated recommendations based on the discussions of IPC. The Committee will meet again on March 8. The meeting was adjourned at 11:00am.