

# Memorial University of Newfoundland: TRANSFORMING ASPIRATIONS INTO REALITY

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REPORT TO:

**Dr. Wayne Ludlow, Commissioner**

**Mr. Cyril Farrell, Advisor**

**White Paper on Public Post-Secondary Education**

**Department of Education**

# EXECUTIVE SUMMARY

The White Paper Commission is extremely important since it will help shape the nature of Memorial University and thereby shape the future of Newfoundland and Labrador

This report contains a series of nine recommendations (plus sub-recommendations) that would, with the leadership and support of the Provincial Government, create the Memorial University of the future – an institution that will have great impact on the future intellectual, social, cultural and economic development of the Province. It is a Memorial University that would:

- be integral to the Government’s strategies to develop the Province and meet the aspirations of her people;
- continue to meet its traditional mandate to educate and be relevant to the people of Newfoundland and Labrador, with particular attention to rural areas;
- be affordable and accessible to all Newfoundlanders and Labradorians;
- grow in enrolment, research, and partnerships;
- expand, update and modernize its infrastructure;
- be responsive, accountable and efficient in carrying out its essential mandate;
- be afforded the human and financial resources necessary to make a significant contribution to the growth and development of the Province.

This report is intended to help shape public policy for Memorial University so that the aspirations of the people of Newfoundland and Labrador are met.

The report seeks to build on and strengthen the tradition of Memorial University in serving the entire province and, in particular, in providing opportunities for development of rural regions while, at the same time, reaching out to the global community to expand the Province’s opportunities.

The report outlines how the autonomy and governance structure of the University are set out in the *Memorial University Act*. The Board of Regents is the senior administrative governing body and the Senate is the senior academic governing body. The University provides extensive information to the Government and public on its operations. Its financial operations are reviewed annually by an external accounting firm and audited by the same firm. The firm has issued an unqualified opinion, which means that the University is in full compliance with generally accepted accounting principles. The University has also earned high recognition, as demonstrated most recently again in a public opinion survey. The current governance and administrative structures should therefore be maintained.

Modern, civil and democratic societies with prosperous, internationally competitive economies depend on the presence of first-rate universities. If Newfoundland and Labrador and its citizens are to prosper, whether they live in urban or rural settings, Memorial University must grow in terms of size and quality. The latter is a precursor to the former.

<b>Recommendation 1:</b>	<b>Make Memorial University competitive and first-rate by international standards to ensure that all citizens and communities of Newfoundland and Labrador are prepared for life in the modern world.</b>
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<b>Recommendation 2:</b>	<b>Grow Memorial University's enrolment to 20,500 students by 2010.</b>
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<b>Recommendation 3:</b>	<b>Develop new partnerships and strengthen existing partnerships with private- and public-sector organizations, with special attention to rural Newfoundland and Labrador.</b>
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<b>Recommendation 4a:</b>	<b>Set a target of \$100 million per year in research revenues by the year 2010.</b>
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<b>Recommendation 4b:</b>	<b>Become internationally recognized as a research-intensive university, and a world leader in strategic areas important to the Province.</b>
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<b>Recommendation 4c:</b>	<b>Government to create a Provincial Research Fund of \$10 million per year to provide matching and start-up funds for research.</b>
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<b>Recommendation 5a:</b>	<b>Adjust the present Government Grant so that the compensation for lowered tuition fees is built into the base university grant.</b>
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<b>Recommendation 5b:</b>	<b>Adjust the Government Grant annually to reflect the real cost increases for salaries (in accordance with the Government salary template and including step increases), enrolment increases to 20,500 students and inflationary increases for supplies and services (including library collections).</b>
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<b>Recommendation 5c:</b>	<b>Provide information on the Government Grant to Memorial on a three-year rolling basis to permit efficient planning.</b>
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<b>Recommendation 6a:</b>	<b>Government to provide \$5 million per year over the next five years to pay for deferred maintenance, in accordance with the schedule proposed in 2002 and as commenced in the following year.</b>
<b>Recommendation 6b:</b>	<b>Discuss with Government and develop a plan for the replacement of existing obsolete infrastructure and for the creation of new infrastructure using the:</b> <ul style="list-style-type: none"> <li>• <b>Proceeds from a new fundraising campaign</b></li> <li>• <b>Funds from a university bond issue</b></li> </ul>

<b>Recommendation 7:</b>	<b>Memorial to initiate a new fundraising campaign, with a target of approximately \$100 million, including Provincial Government matching funds.</b>
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<b>Recommendation 8:</b>	<b>Memorial to initiate a bond Issue, with a target of approximately \$100 million.</b>
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<b>Recommendation 9a:</b>	<b>Tuition fees should be set, in accordance with the <i>Memorial University Act</i>, by the Board of Regents in consideration of the Government Grant and overall costs of university operations.</b>
<b>Recommendation 9b:</b>	<b>Tuition fees should take into consideration the program cost, the demand for the program, the demand for graduates from the program, the earnings potential of program graduates and the fees charged for similar programs elsewhere in Canada.</b>
<b>Recommendation 9c:</b>	<b>To minimize the negative impact of increased tuition fees (if any) on students with financial needs, up to one third of the additional tuition revenues should be allocated for student assistance programs.</b>
<b>Recommendation 9d:</b>	<b>To ameliorate the higher costs incurred by students from rural Newfoundland and Labrador and to attract more high-paying international students, proceeds from the fundraising campaign and bond issue will be used to create additional spaces in student residences.</b>
<b>Recommendation 9e:</b>	<b>The current federal and provincial student loan programs should be reformed so that they address Canadian students' economic needs more successfully and provide greater funding for lower income students.</b>

While this report provides financial data on expanding and improving Memorial University, the data are estimates and provided for illustrative purposes only. Once Government policy regarding Memorial University and funding have been set, precise financial data can be given.

# ASPIRATIONS

*“There is no more important institution in Newfoundland and Labrador today than Memorial University. It carries within its very name the heritage and dignity of a proud people. Just as importantly, Memorial also has the burden of the same people’s hopes and aspirations for the future.”*  
– **Dr. John Fraser, Honorary Graduate, Master of Massey College (University of Toronto) and distinguished journalist**

Confederation with Canada brought great benefits to Newfoundland and Labrador, not the least of which was the hope for a brighter future for the new Province and its people. The fundamental aspirations of Newfoundlanders and Labradorians, collectively and individually, are:

- To make Newfoundland and Labrador amongst the best places in the world to live and work;
- To provide the Province’s citizens with the opportunity to be well prepared for life in the modern world, a world in which the economy is characterized by increasing competition and knowledge-intensiveness.

For understandable reasons the Province’s governments have looked to natural resources as the primary means for fostering development and building a strong economy. Today, it is understood that success depends on the simultaneous development of the intellectual, cultural, social and economic capacity of the Province.

Since its founding, Memorial University’s mission has been to develop the intellectual, cultural, social and economic capabilities of citizens and communities in every region of the Province. The University has also fulfilled a special mandate to serve the needs of rural Newfoundland and Labrador. The people of the Province recognize that the University has been highly successful in fulfilling its mission, so much so that there is not a community, large or small, where the benefits of Memorial University have not been felt.

Newfoundlanders and Labradorians expect the University to keep its fundamental mission unchanged. The University is committed to that imperative. However, it is also clear that today’s world is more complex, more competitive and more interconnected than ever before. This means that Memorial University must be competitive and first-rate by international standards. Only in this way can the Provincial Government and Memorial University meet the fundamental aspirations of Newfoundlanders and Labradorians.

<b>Recommendation 1:</b>	<b>Make Memorial University competitive and first-rate by international standards to ensure that all citizens and communities of Newfoundland and Labrador are prepared for life in the modern world.</b>
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# RESOLVE

*“...there is no reason, if we have the vision and if we have the courage..., why the [Memorial] University of Newfoundland for its size should not be the most distinguished university in the whole world.... –” Dr. Joseph R. Smallwood, former Premier and Honorary Graduate, Hansard, August 11, 1949*

Modern, civil and democratic societies with prosperous, internationally competitive economies depend on the presence of first-rate universities. This requirement is clearly demonstrated by the following examples: California, Massachusetts, Bavaria, Switzerland, Scotland and Ireland at the international level, and by the greater Toronto region, Montreal and Vancouver within Canada. Similarly, there cannot be sustained development without first-rate universities, as is demonstrated by countries in the Third World.

**The Government of the Province and Memorial University must therefore jointly resolve to make Memorial University into a first-rate university by international standards.**

For Memorial University, the resolve requires a commitment to excellence, judged against international standards. Specifically, the university must:

- Achieve excellence in all of its operations, including teaching and learning, student support services, employee development, outreach activities, community relations and alumni support;
- Offer academically sound and imaginative programs at the undergraduate and graduate levels;
- Provide programs for which there is a high demand from students and for which there is a high demand for graduates;
- Engage in leading-edge research, scholarship, and creative and professional activities that are international in scope and which also address the unique needs of Newfoundland and Labrador;
- Continue to provide to its students a world-class educational experience with exceptional teaching – an experience made even greater by the integration of scholarship, research, creative and professional activities into undergraduate and graduate educational programs;

The Provincial Government must resolve to:

- Support Memorial University in its quest to be first-rate by international standards;
- Provide Memorial University with predictable and appropriate funding at levels consistent with the quality, nature and size of the University;

- Help make the University competitive in attracting talented students, faculty and staff from all regions of the Province, from other provinces in Canada and from around the world;
- Support the University in the pursuit of research funds from national and international sources.

The resolve to meet these obligations and success in doing so will not only strengthen Memorial University, but it will enhance the perception and reputation of Newfoundland and Labrador nationally and internationally. It will help to attract talented people, investment and companies to the Province.

**Government's policy regarding the development of the public post-secondary education system in the Province is the single most important choice it will make in the next several years.**

### **Views of Newfoundlanders and Labradorians**

A recent public opinion survey undertaken for Memorial University by Omnifacts Bristol Research indicates that a university with world-class academic programs and research activities is in keeping with the aspirations and expectations of the people of Newfoundland and Labrador (see Appendix, *Community Relations Study* 2004).

The survey is an instrument first used by Memorial in 1997 to gauge public perceptions regarding the University, its operations and impact throughout the Province, particularly in rural Newfoundland and Labrador. Results from the latest survey, which was conducted in September 2004, are consistent with the earlier data.

The survey results illustrate the significant support that Memorial University receives from both rural and urban citizens throughout the Province. It reveals the confidence they have in the University's ability to fulfill its mandate of education, research and service to the community. The following positive observations were made by the majority of Newfoundlanders and Labradorians:

- Memorial University degrees have significant value, nationally and internationally;
- Memorial's academic programs and research capabilities are world class;
- Memorial operates in a cost-effective manner;
- Public funding must be maintained for the university;
- Memorial is the university-of-choice for Newfoundlanders and Labradorians.

The survey also reveals interesting information on the perceptions of Newfoundlanders and Labradorians regarding tuition fees. About 60% of the people in the province do not know that Memorial University has the lowest tuition fees in Atlantic Canada.

### **Additional Factors Impacting the Province and Memorial University**

In addition to the above observations, there are several other important factors that impact the development of the Province and the University. These factors include:

#### ***Size of population and demographics***

- The small size and low density of Newfoundland and Labrador's population, approximately half a million people distributed over a very large geographic area, is a hindrance to economic development.
- As in other advanced societies, low birth rates and small family size will persist. The population will therefore not grow from within and unless initiatives are taken to stimulate immigration, the school-age population will continue to fall.
- Contrary to overall provincial trends, the aboriginal population is growing and will continue to grow further as a consequence of land claims settlements and self-government initiatives.
- The average age of Newfoundland and Labrador's population (except for the aboriginal population) is rising.
- The population shift from rural to urban regions will continue unless better business opportunities, employment prospects and public services (including university-level educational services) are created for rural regions.

#### ***Population and development***

- Modern societies advance and prosperity blossoms only in environments where innovation and new ideas are nurtured and supported. A prerequisite is a dynamic, growing population.

#### ***Immigration***

- The Province needs to encourage more expatriate Newfoundlanders and Labradorians to return to the Province. They will do so if the Province is viewed as progressive and able to provide opportunities for business creation and well-paying employment.
- The Province must attract more immigrants from the rest of Canada and from outside Canada. They will come if the Province has an effective immigration program and provides opportunities for business creation and well-paying employment.



- Memorial University is a key element in an effective population growth strategy because it:
  - Keeps talented young Newfoundlanders and Labradorians in the Province and equips them to create new businesses and to qualify for well-paying jobs generated by an expanding economy;
  - Attracts young and talented students to the Province, many of whom will stay upon graduation to create new businesses and to fill jobs created by an expanding economy;
  - Helps to attract new knowledge-intensive businesses, which create employment opportunities for Newfoundlanders and Labradorians and which bring new employees to the Province.


### ***Business Growth, Creation and Attraction***

- The growth of internationally competitive businesses depends on employees with university-level education and, increasingly, an education at the Master's and doctoral levels.
- The creation and growth of businesses in rapidly expanding areas such as communications, computer technology, biotechnology, health care, financial services, consulting and culture depend on graduates with university degrees and, increasingly, on graduates with research expertise and degrees.
- The Province needs more large businesses that serve the global market. While some of these businesses can develop by growing small- and medium-size enterprises (SMEs), it is also essential to attract major international companies. These businesses look to Memorial University not only for well-educated graduates, but also for access to research facilities and research expertise. For many companies, the presence of a first-rate university is an essential element in locating head-offices and subsidiaries.

### ***Community and Cultural Growth***

While business is essential to the future prosperity of the Province, there will be no sustained prosperity without intellectual, social and cultural development. The inextricable link between economic, intellectual, social and cultural development is well recognized in the Province's Strategic Social Plan and elsewhere. Specifically, the Province needs:

- Well-educated civil servants with a clear understanding of modern society and the expertise to address major policy challenges and implementation, including:
  - Development of our public health-care system;
  - Better care for at-risk populations, such as the elderly, aboriginals, children in impoverished families;
  - Overcoming illiteracy and innumeracy.

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- Creative artists and interpreters to preserve and develop the unique culture of the Province. They provide the unique fabric that unites the Province. The cultural industries rank amongst the most rapidly growing industries, with considerable employment opportunities both inside and outside Canada.

**Memorial University, with advanced educational programs and a wide range of research, scholarly and creative activities, is therefore vital to the future of the Province.**

# ACCOUNTABILITY, PERFORMANCE AND GOVERNANCE

*“The university shall...provide:*

- a. instruction in all branches of liberal education that enables students to become proficient in and qualify for degrees, diplomas and certificates...*
- b. instruction...that is of special service to persons engaged...in the fisheries, manufacturing or the mining, engineering, agricultural and industrial pursuits of this province*
- c. facilities for the prosecution of original research...*
- d. fellowships, scholarships...that facilitate or encourage proficiency in subjects taught...as well as research in every branch.*
- e. ...extra-university instruction and teaching and public lecturing....”*

*“...nor shall any other university have the power to grant degrees.”*

***An Act Respecting The Memorial University of Newfoundland, Newfoundland House of Assembly, (1949)***

In terms of financial performance and accountability, Memorial University is generally acknowledged to be amongst the best-run public institutions in the Province. The University has no operating deficit and only a small, fully serviced debt.


Information on Memorial University, its operations and finances, is published annually and is easily and widely available in printed form and on the world wide web. The university's financial statements are audited annually by an external firm, presently Ernst and Young.

According to information provided by both Statistics Canada and the Canadian Association of University Business Officers (CAUBO), Memorial has among the lowest university administration costs of any jurisdiction in this country.

The recent public opinion survey of Newfoundlanders and Labradorians supports the conclusion on effectiveness and efficiency (see Appendix, Community Relations Study 2004). Memorial University is widely acknowledged as one of the true success stories in the Province. It has earned this recognition because of its excellent teaching, its hard and principled work and its close connection to the people of Newfoundland and Labrador. Provincial governments, regardless of their political orientation, have supported the University, thereby reflecting the wishes of the people of the Province.

A major strength of Memorial University is the fact that it is the only university and the only degree-granting institution in the Province. This strength is complemented by the College of the North Atlantic, the only public college in the province. This type of post-secondary system avoids wasteful duplication of programs and services and facilitates communication with Government. Newfoundland and Labrador may well have the best, most efficient system of post-secondary education in the country because of these unique arrangements.

To ensure the strength of Memorial University and the efficiency of a provincial university system, there must continue to be only one university in the Province. University units located throughout the Province and



elsewhere (e.g., the St. John's Campus, Sir Wilfred Grenfell College Campus, the Marine Institute, the Labrador Institute, Institut Frecker, Harlow campus, etc.) are and should continue to be part of a strong institutional whole. Similarly, Memorial University should continue to have sole responsibility in Newfoundland and Labrador for the awarding of degrees.

Memorial University routinely conducts internal and external reviews of its units and administrative structures to ensure academic and operational effectiveness. It is also proactive. For example, Sir Wilfred Grenfell College is currently developing a new strategic framework and its administrative relationship to other parts of the University (including the Senior Administration) is under review. Similarly, the Marine Institute is undergoing a visioning exercise that involves broad consultation inside and outside the University and will provide suggestions to guide the future development of this important component of Memorial.

The University created a Strategic Framework in 1999 and achieved its main objectives by 2003. Therefore, the University will be commencing a new, institution-wide planning exercise this Fall. This Report to the White Paper Commission articulates some of the ideas that are already under active consideration.

The autonomy and governance structure of the University are set out in the *Memorial University Act*. The Board of Regents is the senior administrative governing body and the Senate is the senior academic governing body. This division of authorities is characteristic of the top universities in the English-speaking world, ensuring a balance between academic priorities and financial realities. This basic governance structure needs to be maintained.

# SIZE OF MEMORIAL UNIVERSITY

*“[In Memorial University] we have created an institution whose quality is recognized throughout Canada and beyond. Our graduates live and work in every province, and every city of any size in Canada. This is a fundamental and real and important contribution to Canada that is not fully appreciated.” – Dr. Arthur May, former President and now President Emeritus, address to convocation, May 1998*

The individual and collective aspirations of Newfoundlanders and Labradorians will only be met by Memorial University’s increasing in size, diversity and quality. A larger university in terms of enrolment will provide more opportunities for Newfoundlanders and Labradorians and create major, direct economic benefits for the Province.

<b>Recommendation 2:</b>	<b>Grow Memorial University’s enrolment to 20,500 students by 2010.</b>
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The drive to increase enrolment will be guided by the following considerations:

- The number of places for Newfoundlanders and Labradorians will remain the same as at present. While demand for places from traditional high school graduates will fall, this will be offset by increasing the numbers of aboriginal students, adult Newfoundlanders and Labradorians who did not attend university when leaving high-school, and Newfoundlanders and Labradorians seeking graduate degrees at the Master’s and doctoral level.
- Focusing on recruiting expatriates and the descendents of Newfoundlanders and Labradorians who have left the Province;
- Increasing the number of students from other parts of Canada and from outside Canada in undergraduate programs;
- Increasing the number of students in research and professional programs at the Master’s and doctoral level;
- Growing the number of students at Sir Wilfred Grenfell College and the Marine Institute.

Table 1 (p. 14) shows the current enrolments and enrolments targeted for 2010, together with their direct economic impact.

**Table 1: Current enrolments and projected enrolments for 2010, with associated direct economic benefits for the Province**

		Current Year (2004)			Projected for 2010		
		Enrollment	% of total	Economic Impact (million)	Enrollment	% of total	Economic Impact (million)
<b>Undergraduate</b>							
NL	Full-time	11,615	66.5%	\$81.3	11,000	53.7%	\$77.0
	Part-time	1,906	10.9%	\$13.3	2,500	12.2%	\$17.5
Out-of-Province							
	Full-time	1,104	6.3%	\$16.6	1,500	7.3%	\$22.5
	Part-time	268	1.5%	\$4.0	300	1.5%	\$4.5
International							
	Full-time	315	1.8%	\$6.3	1,200	5.9%	\$24.0
	Part-time	59	0.3%	\$1.2	100	0.5%	\$2.0
<i>Sub-total</i>		<i>15,267</i>	<i>87.4%</i>		<i>16,600</i>	<i>81.0%</i>	
<b>Graduate</b>							
NL	Full-time	813	4.7%	\$5.7	1,000	4.9%	\$7.0
	Part-time	767	4.4%	\$5.4	800	3.9%	\$5.6
Out-of-Province							
	Full-time	207	1.2%	\$3.1	1,000	4.9%	\$15.0
	Part-time	104	0.6%	\$1.6	500	2.4%	\$7.5
International							
	Full-time	291	1.7%	\$5.8	550	2.7%	\$11.0
	Part-time	18	0.1%	\$0.4	50	0.2%	\$1.0
<i>Sub-total</i>		<i>2,200</i>	<i>12.6%</i>		<i>3,900</i>	<i>19.0%</i>	
<b>Total</b>		<b>17,467</b>		<b>\$144.6</b>	<b>20,500</b>		<b>\$194.6</b>
<b>Increase</b>				<b>\$50.0</b>	<b>35%</b>		
Economic impact assumptions: (funds spent by students)				NL student	\$7,000		
				Canadian student	\$15,000		
				International student	\$20,000		

As shown in Table 1, an increase in Memorial University's enrolment to 20,500 (an increase of 17% over the present enrolment) will create direct economic benefits for the Province of \$50 million per year (an increase of 35% over the current contribution). These benefits are in addition to:

- The economic impacts arising from increased research, which are anticipated to be \$28 million per year (for further information, see Research section);
- Students from outside the Province deciding to stay in Newfoundland and Labrador, thereby counteracting the demographic problem. In the case of Nova Scotia, it is estimated that approximately 20% of out-of-province students choose to stay in that province upon graduation. Similar numbers could be expected to apply to Newfoundland and Labrador.

# PARTNERSHIPS

*“The world economy is changing before our eyes and we must be equal to the challenge of adapting and adjusting... We must grasp the new opportunities and make them work for us.... [Memorial] University will be at the forefront of these challenges.” – Dr. Brian Peckford, former Premier and Honorary Graduate, address to convocation, Oct. 25, 1986*

The success of Memorial University is underpinned by its collaborations and partnerships with private and public agencies and organizations.

The Provincial Government, the College of the North Atlantic (CNA), other universities in Atlantic Canada and abroad, industry and community development organizations in the Province have complementary goals to Memorial University and have therefore provided opportunities for partnerships with the University. These partnerships result in more efficient use of resources, enhance the employability of graduates and facilitate collaborative research.

## College of the North Atlantic (CNA)

The major areas of co-operation between the University and the CNA are:

- College-University Transfer Year (CUTY) Program
- Bridging Programs
- Block Transfers
- Bachelor of Technology

With the co-operation of the University, CNA now offers the CUTY program at five campuses province-wide. The two institutions are continuously working to increase the variety of offerings. Recently courses in Folklore and Science have been added to the list of CUTY courses. Current considerations include the possibility of offering a Second-Year CUTY program at CNA's Grand Falls–Windsor campus, in this case directed towards the second year of the Bachelor of Business Administration program.

There are four Block Transfer agreements by which CNA students get credit for their studies when entering degree programs in Business, Engineering, Environmental Studies and Recreation and Leadership. Memorial also awards individual course credit transfer for about 90 courses in other CNA programs.

A good example of the collaboration between CNA and Memorial is the Bachelor of Technology degree where students completing the three-year diploma program in Engineering Technology and Health Sciences are eligible to enter a one-year university program to earn a degree. Current discussions include the possibility of a degree in Information Technology which would include completion of the CUTY program, a two-year college diploma, to be followed by a further year of university studies. There are also interesting possibilities in developing new concurrent degrees linked to new diploma programs that would involve jointly developing the program from the beginning.

Memorial University's partnership with the College of the North Atlantic provides opportunities for students to progress smoothly from their home regions to one of the University's campuses. A good example is the symbiotic relationship between the Labrador Institute of Memorial and the Happy Valley-Goose Bay campus of CNA. Students, particularly aboriginal students and students from small communities in Labrador, are able to start their university-level education in Labrador and then transfer to one of Memorial's campuses upon completion of first year, or when they are ready.

Similar arrangements are available in other communities where there is a sufficiently large local demand for university-level courses. In the case of Central Newfoundland, Memorial has undertaken to collaborate closely with CNA on course development, if there is a proven and sustained demand for such courses in the region.

Another example of collaboration between Memorial University and the College of the North Atlantic is the Safety and Emergency Response Training Centre (SERT Centre) in Stephenville, which is operated by the Marine Institute. The centre involves a partnership with the Town of Stephenville, the Stephenville Airport Corporation and the Bay St. George campus of CNA and provides a combination of practical training and service that suits the students, the community and the learning institutions.

The College of the North Atlantic and Memorial University are also collaborating in the recruitment of national and international students.

### **K-12 System**

While there are significant linkages between the K-12 and the public post-secondary education systems, many students who graduate from high school are still inadequately prepared. Memorial University has put in place student success plans, and pass rates in first year are now about 85%. At present, representatives from the Department of Education, school boards, the College of the North Atlantic and Memorial University regularly discuss student success and means of improving it.

### **Outreach and Regional Development**

Memorial University's presence is felt throughout the Province, with its graduates working in every region and through its extensive outreach and support activities. Amongst the latter are:

- The educational programs provided by the division of Distance Education and Learning Technologies (DELT). At present approximately 2,800 students from all over the Province are enrolled in undergraduate and graduate distance education courses offered by DELT;
- The outreach programs in the area of the health sciences offered by the Faculty of Medicine, the School of Nursing and the School of Pharmacy. These programs have made invaluable contributions to the quality of health care, especially in rural Newfoundland and Labrador.



- Economic development initiatives led by the P. J. Gardiner Institute and the Centre for Management Development of the Faculty of Business Administration;
- The business incubation and technology transfer programs of the Genesis Centre;
- Social change and improvement initiatives led by the School of Social Work, the Faculty of Arts and the Faculty of Education in areas such as child protection, development of aboriginal communities, poverty alleviation, literacy improvement and care for individuals and populations with special needs;
- Programs in the development of culture led by the School of Music, the Faculty of Arts and Sir Wilfred Grenfell College;
- Services in the preservation of culture and traditions through the Centre for Newfoundland Studies and the Folklore and Language Archive;
- Programs in marine safety, communications, fishing and aquaculture provided on- campus and in the field throughout rural Newfoundland and Labrador by the Marine Institute;
- A wide range of programs focused on professional development and offered by all faculties and schools;
- Special initiatives by faculties, schools and centres to address important challenges and opportunities in the Province. A current example is the symposium on *Growing the Economy of Newfoundland and Labrador*, organized by the University's new Leslie Harris Centre of Regional Policy and Development.

Memorial University is acutely aware of its responsibility to participate in initiatives with its partners throughout the Province, particularly in rural areas, so that its expertise and resources are applied to the intellectual, social, cultural and economic development of all Newfoundlanders and Labradorians.

<p><b>Recommendation 3:</b></p>	<p><b>Develop new partnerships and strengthen existing partnerships with private- and public-sector organizations, with special attention to rural Newfoundland and Labrador.</b></p>
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# RESEARCH

*“We have an important job to do for our province, different in nature than anything we have tackled before. I view [Memorial] University’s part in it as vital and rather special. . . . Your role is an exciting one in the destiny of our province and much is expected of you.” – Dr. Frank Moores, former Premier and Honorary Graduate, address to convocation, Oct. 25, 1975*

The most successful societies in the world are located in regions where complex problems of fundamental importance are addressed and creativity flourishes. Universities bring together experts, talented students and innovators who focus on such pursuits. The best universities also have the facilities, infrastructure and financial supports necessary to work at the leading edge.

Memorial University’s unique contribution to the intellectual, social, economic and cultural development of this Province is founded on its research capabilities and expertise. As the largest research organization in Newfoundland and Labrador, Memorial accounts for more than 60% of all research and development conducted in the Province.

Memorial University will continue to expand and strengthen its research capacity in order to meet the aspirations of the people of Newfoundland and Labrador. This includes realizing the objectives of a Provincial Innovation Strategy and positioning Newfoundland and Labrador for prosperity in the global knowledge-based economy.

Memorial University has made considerable progress in research, creative and professional activities. One measure of progress is research funding, which increased from approximately \$30 million in 1998/9 to \$73.9 million in 2003/4. A target of \$100 million annually by 2010 is envisaged. This is a realistic target provided:

- Memorial University
  - focuses on research that leads to major advancement in the sciences, social sciences, health, humanities, arts and professions;
  - aligns some of its major research activities with the needs of society, communities and industry world-wide;
  - concentrates much of its research activities on the specific needs and opportunities of the Province;
  - disseminates its research results widely, and facilitates their practical application.
- The Federal Government adheres to its plan to increase support for R&D, thereby moving Canada into the group of top research-intensive countries in the world;
- The Provincial Government creates a Provincial Research Fund of \$10 million per year.

Meeting these targets also depends upon the recruitment of new faculty with strong research expertise. Given that universities world-wide are in the process of replacing retiring faculty and adding new faculty, recruitment is occurring in an increasingly competitive market. Renewed hiring by the Federal Government and the private sector, especially in highly-technology areas, creates further competitive challenges.

Recruitment and retention of researchers is affected by several factors, including:

- Competitive salaries;
- Availability of modern facilities and infrastructure, including laboratories and studios, equipment and library collections;
- Start-up funds for new faculty to provide for equipment, graduate students and postdoctoral fellows. Such funds are now the norm in research-intensive universities in Canada;
- Matching and seed funds to leverage support from the principal national research programs (i.e., the Natural Science and Engineering Research Council of Canada, Canadian Institutes of Health Research, Social Sciences and Humanities Research Council, Canada Foundation for Innovation, Atlantic Innovation Fund and Genome Canada);
- Special funding to encourage the development of more intensive research programs throughout the university, particularly Sir Wilfred Grenfell College, the Marine Institute and the Labrador Institute.

Support for research by the Government of Newfoundland and Labrador has not been high in comparison with the support provided by governments in other Canadian provinces. Memorial University has been very effective in growing research revenues, however such increases will be difficult to sustain without a provincial research fund, like the Industrial Research and Innovation Fund (IRIF). The latter was created by the Provincial Government in the last fiscal year at a value of \$5 million. The University's success can be sustainable if this fund is made permanent and increased to attract more Federal Government funds into the Province. This would also benefit University units such as Sir Wilfred Grenfell College, the Labrador Institute and the Marine Institute and allow the further development of stronger strategic research capacities in these locations.

The success of the research efforts at Memorial University, as in other leading universities, is inextricably linked to the number and quality of its graduate students. Graduate students also represent the next generation of researchers and innovators, needed to meet the projected growth of research and development in the knowledge-based economy. As a key component of its research strategy, Memorial University has set a target of approximately 3,900 Master's and doctoral students by 2010; this compares with 2,200 at present (see section, SIZE OF MEMORIAL, Table 1).

Memorial University is committed to ensuring that research results are introduced into practice and commercialized. Memorial University will therefore be vital to the success of the Province's emerging innovation strategy.

<b>Recommendation 4a:</b>	<b>Set a target of \$100 million per year in research revenues by the year 2010.</b>
<b>Recommendation 4b:</b>	<b>Become internationally recognized as a research-intensive university, and a world leader in strategic areas important to the Province.</b>
<b>Recommendation 4c:</b>	<b>Government to create a Provincial Research Fund of \$10 million per year to provide matching and start-up funds for research.</b>

# RESOURCES TO FINANCE THE UNIVERSITY

*“No Canadian university has responded more willingly and effectively to the challenges of the province and the people it serves than Memorial. In doing so, it has earned the gratitude of the people it has helped to educate (among whom I am proud to be included) and the respect of the Canadian academic community. Memorial is one of Canada’s essential universities: if it did not exist, it would have to be created.” – Dr. James Downey, Alumnus, Honorary Graduate, former President (University of New Brunswick and University of Waterloo)*

How Memorial University is funded and by whom are important public policy issues. While many arguments have been put forth in favour of various schemes, one point is clear – the total amount of funding Memorial University receives determines its size, nature and quality.

To support its operations, Memorial University has:

- Two primary sources of funds: the annual grant from the Provincial Government (presently \$179 million) and student tuition fee revenues (presently \$40 million). These figures include the allocation to the Faculty of Medicine from the Department of Health;
- The ability to use only a small fraction of total research income, such as the indirect costs of research provided by the Federal Government and overheads from contract research, to defray operating costs. Most research revenues must be spent on research and therefore do not contribute to university operations;
- Other forms of income, such as donations and endowments, which are small and primarily directed towards scholarships, bursaries and other types of student awards.

A further substantial investment by Government in the post-secondary education system and the University in particular is a vital component in any plan to develop the provincial economy, even in a tough fiscal environment. While the annual grant from the Provincial Government has grown, it is still insufficient to meet the current needs of Memorial University as a research-intensive, internationally recognized university. Inflationary and salary pressures have eroded the university’s ability to maintain existing levels of service and output. Since domestic tuition fees have been largely frozen for five years, the University has not had effective means to offset inflation, to seize new opportunities and to modernize many services and facilities.

In 2001 the Provincial Government initiated a 25% reduction in student tuition fees and committed to compensate the University for the subsequent loss in revenues. The compensating funds should be built into the annual grant for the University.

Since the University runs multi-year programs and faculty, staff and student recruitment must be planned several years in advance, the Government Grant and tuition revenues should be committed for three-year periods. Such timing would provide the means for efficient planning and optimal deployment of resources.

<b>Recommendation 5a:</b>	<b>Adjust the present Government Grant so that the compensation for lowered tuition fees is built into the base university grant.</b>
<b>Recommendation 5b:</b>	<b>Adjust the Government Grant annually to reflect the real cost increases for salaries (in accordance with the Government salary template and including step increases), enrolment increases to 20,500 students and inflationary increases for supplies and services (including library collections).</b>
<b>Recommendation 5c:</b>	<b>Provide information on the Government Grant to Memorial on a three-year rolling basis to permit efficient planning.</b>

Memorial University has significant requirements to upgrade facilities and create new ones. These facilities are necessary for the university to maintain an environment suitable for the delivery of current programs, to expand its capability of attracting new students and faculty and to expand its research activities.

To support its capital needs, Memorial University requires funds for:

- Deferred maintenance. In accordance with the multi-year plan previously submitted by the University and approved by Government for the first year, the current allocation of \$3 million should be raised to \$5 million per year if existing infrastructure and the quality of education are to be maintained;
- Infrastructure improvements totaling approximately \$150 million would be required, including:
  - Renewal and expansion of the Queen Elizabeth II Library
  - Expansion of the Faculty of Business Administration
  - New teaching facilities/resources in St. John’s and Corner Brook
  - New Sciences Research Building
  - Upgrading of existing science research space
  - Space for health research, including clinical research
  - New and upgraded student residences

The anticipated \$150 million cost would be covered through a combination of a bond issue of \$100 million and a fundraising campaign of \$100 million, half of which would be dedicated to capital projects.

The underlying rationale for the infrastructure projects is improved collaboration among students, faculty and staff in teaching and research, improved safety and greater operational efficiencies.

<b>Recommendation 6a:</b>	<b>Government to provide \$5 million per year over the next five years to pay for deferred maintenance, in accordance with the schedule proposed in 2002 and as commenced in the following year.</b>
<b>Recommendation 6b:</b>	<b>Discuss with Government and develop a plan for the replacement of existing obsolete infrastructure and for the creation of new infrastructure using the:</b> <ul style="list-style-type: none"> <li>• Proceeds from a new fundraising campaign</li> <li>• Funds from a university bond issue</li> </ul>

A fundraising target of \$100 million would exceed the results of The Opportunity Fund (completed in 2000) by approximately \$40 million. As with The Opportunity Fund, the success of such a campaign would be dependent on a commitment of matching funds from the Provincial Government. The University has initiated preliminary talks regarding such a campaign.

The receipts from the new campaign would be directed primarily towards meeting the growing need for modern teaching and research infrastructure, student residences and enhanced scholarships and bursaries necessary to reach the target of 20,500 students on a sustainable basis.

<b>Recommendation 7:</b>	<b>Memorial to initiate a new fundraising campaign, with a target of approximately \$100 million, including Provincial Government matching funds.</b>
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Over the past two years, 12 Canadian universities have issued bonds in order to create new and improve existing infrastructure. The bond values and maturity periods ranged from \$80-\$200 million and 25-40 years, respectively. Interest rates were of the order of 6%. Most universities used sinking funds to ensure that sufficient capital has accumulated when the bond matures. Issuing those bonds resulted in no impact on provincial debt ratings in those jurisdictions.

In the case of Memorial University, a bond issue would be serviced from a combination of revenues associated with the capital projects, the Government Grant and tuition revenues.

<b>Recommendation 8:</b>	<b>Memorial to initiate a bond issue, with a target of approximately \$100 million.</b>
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# RESOURCES TO SUPPORT STUDENTS

*“...real [provincial] development will occur only within the context of a dynamically creative environment to which proper education is the one and only key.*

*...the creation of this University, symbolizing as it does the commitment of our people to the efficacy of knowledge, was the most significant single event in the history of Newfoundland.” – Dr. Leslie Harris, former President and now President Emeritus, address to Convocation, May 26, 1999*

Newfoundlanders and Labradorians, who meet the entrance requirements of Memorial University and who wish to attend, must be able to do so regardless of their financial means.

The current policy framework and fiscal arrangement is based on the premise that the cost of a university education is a shared responsibility between the student and society. For this reason, the Provincial Government pays for most of the operational and capital costs of the University in the form of the Government Grant, \$179 million in 2004/5 or roughly \$10,000 per student. The revenue from undergraduate and graduate student tuition fees generates approximately \$40 million in 2004/5. Tuition fee revenue presently comprises 21.1% of Memorial University’s operating revenue, and continues a downward trend from 21.6% in 2003/4 and 22.8% in 2002/3.

In addition to tuition fees, students incur other costs, including items such as educational supplies and insurance costs. For students who cannot live at home and commute to University, room, board, travel and communication are major expenses. The total cost to attend Memorial University is estimated to be \$4,500 per year for students who live at home. The corresponding cost for students who live away from home and have to travel substantial distances is \$10,000 per year or more.

In recent years, Memorial has frozen or decreased undergraduate tuition fees for Canadian students. This policy was encouraged by the Provincial Government with the understanding that it would provide compensation to the University for the reduction in revenues resulting from decreased fees. Unfortunately, as previously mentioned, the compensation did not adequately cover costs resulting from inflation and salary increases. Nor has it covered the opportunity costs associated with eschewing tuition fee increases.

While Memorial was decreasing or freezing tuition fees, universities across the country, and more specifically universities in Atlantic Canada, increased tuition fees. If Memorial University’s fees were raised to the average of Atlantic Canadian universities, Memorial University’s income would increase by about \$40 million per year. Under the existing compensation formula, the Provincial Government provides approximately \$10 million.

To ensure access and affordability, there are two fundamental questions of public policy:

- What share of the **University’s expenses** should be borne by society (in the form of the Provincial Government Grant) and what share should be borne by students (in the form of tuition fees)?
- What share of **student expenses** should be borne by society (in the form of grants and/or loans provided by the Provincial Government and Federal Government) and what share should be borne by students (in the form of personal savings, family contributions or loans)?

Compounding the issue is the very real problem of student debt. Over the past 15 years, rising university costs (i.e., housing, food, travel, tuition fees, books, etc.) and student aid policies have resulted in students carrying debt loads that significantly impact on their ability to make positive contributions to society. Many students simply owe too much money upon graduation, and while the debt burden is decreasing for Newfoundland and Labrador students, it is still in excess of \$20,000 for undergraduates and \$30,000 for graduate students.

The University is keenly interested in questions regarding the sharing of expenses because their answers determine accessibility, affordability and fairness. However, the University must also ensure that it has the financial resources to meet the expectations and aspirations of its stakeholders, including students, employers and Newfoundland and Labrador society. Only when adequate financial resources are available, can Memorial University offer learning, research and working environments that are of high-quality and internationally competitive. The following observations and recommendations are offered in this spirit.

Tuition fees currently represent a relatively small fraction of the total cost of education for most students. This fraction is even smaller for students from rural areas of the Province since they must live away from home and travel to attend university. The financial burden on rural students is further increased by the fact that family incomes in rural areas are typically smaller than those in larger centers where post-secondary institutions are located.

Small tuition fee decreases and tuition freezes do not provide sufficient help for rural students and for financially disadvantaged students not living within commuting distance of post-secondary institutions. Such students would benefit from three measures:

- Increasing tuition fees generally and directing a portion of the additional fee revenues towards needy students. This measure would, in effect, reduce fees for needy students;
- Ameliorating the impact of increased tuition fees through assistance programs that couple financial support with work experience. Memorial University is already a national leader in this regard with programs such as Memorial's Undergraduate Career Experience Program (MUCEP), the Graduate Student Work Experience Program (GRADSWEP) and the Student Work and Service Program (SWASP). The Canadian Association of Career Educators and Employers named Memorial University the *Educational Institution of the Year* for 2004 for its seminal work in this area;
- Improving the financial assistance programs operated by the Provincial Government and the Federal Government so that needy students receive greater support than is presently the case.



# FINANCIAL IMPLICATIONS

The benefits of a growing, dynamic university are considerable, not the least being that it is a requirement for the future development of a progressive, economically sound province. But there are various financial implications associated with this scenario. The annual incremental costs would total \$50 million and include:

<b>Increased cost to serve 3,000 additional students</b>	<b>\$27 million</b>
<b>Research fund</b>	<b>\$10 million</b>
<b>Bond interest</b>	<b>\$6 million</b>
<b>Deferred maintenance (added to current \$3 million)</b>	<b>\$2 million</b>
<b>Fundraising campaign match (\$5 million per year for 10 years)</b>	<b>\$5 million</b>

In terms of revenues to meet these incremental costs, under current tuition fee policy, which includes the compensatory contribution from government, the gross return from an additional 3,000 students would be close to \$15 million.

That leaves a total of about \$35 million that would have to be found to cover the University expansion concept. Servicing that cost would require some combination of increased tuition fees and/or an increased government grant.

## OTHER OPTIONS

The question must be asked: What would happen if Memorial University was not to grow in the manner outlined in this report? The principal alternatives are:

- **Status quo** – Memorial remains at its present size, or
- **Contraction** – the University shrinks to some predetermined level.

Nearly all of the capital projects and deferred maintenance projects must happen over the next decade in any scenario. Simply put, the University needs new teaching and research infrastructure. For example:

- **Queen Elizabeth II Library** requires expansion to accommodate growing collections, renewal and natural institutional growth;
- **Business Administration Building** must expand if that faculty is to play the essential role in the growth of the economy envisaged for it by the Province;
- **Improved teaching space** is urgently required in Corner Brook and St. John's if the University is to maintain the quality of education it provides to its students;
- **Sciences research buildings.** A new Life Sciences facility is urgently needed. In addition, existing science facilities are in urgent need of upgrade if Memorial is to provide the level of science education and research expected of a Canadian university of its size;
- **Residences.** Memorial cannot meet the current demand for residence places from eligible Newfoundlanders and Labradorians. With almost half the student population living away from home, and with these numbers projected to continue about the same, new and improved residence facilities will continue to be a priority requirement, regardless of the size of the student population.

A fundraising campaign would have to be undertaken in any scenario. The projects supported by a campaign are essential to maintaining what has been built at Memorial as to growing on that success.

Similarly, new investment in research funding by the Provincial Government is a requirement if the Province is to capitalize on its resources and its potential.

The ultimate victims in a stagnant or contracting scenario will be the students of Memorial University. Without growth, the University will be unable to maintain the high quality of educational experience that students demand. Efficiencies and economies-of- scale will be lost. More resources will have to be dedicated to serving fewer students. The ultimate result is an increase in the cost-per-student and a decrease in the world-class benefit current students derive and demand.

Fewer students means a reduced student economic impact for the Province. What is saved in lower government support is lost in the economic return from not having a growing, dynamic student population.

On a national and international scale, a Memorial University that is not growing would be unable to maintain reputation and credibility. The negative impact on external perceptions of the Province would also be a concern.

The University is prepared to work with Government to build the best possible post-secondary system of education our fiscal situation allows. However, a Memorial University with stable or shrinking enrolments will be poorly positioned to achieve the aims of the Government to grow the provincial economy. The University and all of its constituent parts have an important and expanding role to play.

## CONCLUSION

*“[Memorial] has done so much to reawaken Newfoundlanders to the sense of their own history, to a pride in their heritage and to a commitment to their future here in Newfoundland and Labrador... Memorial has drawn upon the unique features of the physical, social and cultural dimensions of the environment, and, indeed, upon the things that lesser imaginations might have termed disabilities, as sources of strength and inspiration.”*

**– Dr. Paul Desmarais, former Chancellor and CEO, POWER Corporation, address to convocation, October 29, 1988**

The report of the White Paper Commission is extremely important since it will shape the nature of Memorial and thereby shape the future of the Province. It is essential that future public policy ensures the quality of Memorial University and meets the aspirations of the Province individually and collectively. This means that Memorial University must be a growing university that:

- is globally competitive;
- excels in teaching, research and outreach;
- shares its expertise with and is relevant to people in rural and urban areas of the Province;
- is accessible and affordable to people throughout the Province.

Simply put, Memorial University is the primary force for intellectual, social, cultural and economic development in Newfoundland and Labrador. If the Province and its citizens are to prosper, Memorial University must grow in terms of size and quality. The latter is a precursor to the former.

Memorial University is prepared for this responsibility and will ensure success given supportive public policies and financial resources.



# Appendix

