Minutes
MEETING OF THE BOARD OF TRUSTEES
Friday March 6, Saturday, March 7, 2009, Robert Sutherland Hall, Conference Room

Members Present:    Principal and Vice-Chancellor, Thomas R. Williams
                    Chancellor David Dodge
                    The Chair, William Young
                    The Rector, Leora Jackson

I OPENING SESSION

The Chair welcomed everyone and introduced the Principal-designate, Dr. Daniel Woolf and congratulated him on his selection as the 20th Principal of Queen’s University. The Chair also thanked the members of the Joint Board/Senate Committee for their diligence and commitment to the task of selecting a candidate to recommend to the Board. He commended the Chancellor for his leadership as Chair of the Committee.

Tribute to George Speal who passed away on December 27, 2008

George Speal served on the Board of Trustees from 1978 to 1990. He served on the Campus Planning and Development Committee from 1979 to 1989 and as its Vice-Chair from 1982 to 1987 and Chair from 1987 to 1989. He also served on the Social Responsibility Committee from 1979 to 1982.

A lifetime Kingstonian, George Speal served proudly as the City’s mayor from 1973 to 1976. As mayor his term started with a visit from the Queen in 1973 and closed when the 1976 Olympic sailing events were held here, at the brand new Portsmouth Olympic Harbour that was built during his term. George was a treasured friend to many.

The Board observed a moment of silence.

1. Adoption of Agenda (Williams/Ceci)

   Motion:
   That the Board adopt the agenda as circulated with the provision that items 2 to 11 be approved, or received for information, by consent

   Carried 09-03

Consent


   Motion:
   That the Board approve the minutes as circulated.

   Carried 09-04
3. **Naming Dedication Queen’s School of Business** (Appendix B, page 51)
   
   **Motion:**
   That the Board of Trustees approve the dedication of the Administrative Wing in Goodes Hall in honour of the members of the Class of Commerce 1978.
   
   **Carried 09-05**

   
   Ratification of the establishment of the Ernie an Edna Johnson Chair in Ophthalmology
   
   **Motion:**
   That the Board of Trustees ratify the action of the Senate to approve the Establishment of the Ernie and Edna Johnson Chair in Ophthalmology.
   
   **Carried 09-06**

5. **Honorary Degrees 2009** (Appendix D, page 54)


8. **Advancement Quarterly Report** (Appendix G, page 71)

9. **Exit Poll 2008**

10. **International Centre – Annual Report 2008**

11. **Committee Reports:**
   
   Pension Quarterly Report (Appendix H, page 76)
   
   Investment Quarterly Report (Appendix I, page 80)

**Naming Dedications**

The Chair said that he wanted to take a moment to review significant naming dedications approved by the Board at the December meeting, as well as at today’s meeting under the Consent Agenda.

- In December, the Board approved the naming of the International Study Centre at Herstmonceux Castle in the UK in honour of Alfred and Isabel Bader, in anticipation of Alfred’s 85th birthday in April, 2009. The Chair acknowledged the outstanding generosity of Alfred and Isabel Bader to Queen’s.

- At a special meeting on February 28, the Board approved the naming of the Policy Studies Building in honour of Queen’s alumnus and benefactor, Robert Sutherland. The Chair reported on the favourable public response to this decision, including from Jamaica in an article in today’s issue of “The Gleaner.”

- At today’s meeting, the Board approved the dedication of the Administrative Wing in Goodes Hall in honour of a very generous donation from members of the Class of Commerce 1978.

- The Board has also ratified the establishment of the Ernie and Edna Johnson Chair in Ophthalmology in honour of a very generous donation from Queen’s Calgary alumnus, the late Dr. Ernie Johnson, for the purpose of providing intellectual leadership in the area of ophthalmology, vision science and vision care in Canada.
12. Business Arising from the Minutes

13. Chair’s Report

Student Societies Executive Transition

The Chair thanked the retiring members and congratulated and welcomed the incoming teams.

- Retiring executive (terms end April 30, 2009)
  AMS, President, Talia Radcliffe
  Vice-President (Operations), Ken Wang
  Vice-President (University Affairs), Stephanie St. Clair

- Incoming executive (terms begin May 1, 2009)
  AMS, President, Michael Ceci
  Vice-President (Operations), Leslie Yun
  Vice-President (University Affairs), Adam Zabrodski

- SGPS President - Jeff Welsh (term continues for 2009-2010)

- Undergraduate Trustee, Morgan Campbell (term begins June 1, 2009)

  a) Trustees Code of Conduct (Appendix J, page 93)

  Moved by G. Anderson
  Seconded by R. Sobey and agreed:

  That the Board of Trustees approve the Code of Conduct to supersede the 1997 Guidelines
  Re: Conflicts/Confidentiality/Collegiality, effective immediately.

  Carried 09-07

The Chair thanked the Committee Chairs, the Vice-Chairs and a number of individual Trustees for their comments and suggestions that were included in the revisions made since the December meeting.

The Rector raised what, in her view, presented a challenge for student Trustees who might vote against a motion on Tuition. She wondered how to address the Code’s requirement to support the decisions of the Board.

The Chair responded that the Code anticipates and accepts that dissent is an essential component of any decision making process. However, among Trustees there must be a commitment not to undermine the decisions of the Board, particularly in the press, because this undermines the unity of purpose of the Board and therefore the leadership of the University.

b) PARTEQ

The Chair referred to the recent announcement that PARTEQ Innovations, the technology commercialization office of Queen’s University, had been awarded $9.1 million by the federal government towards the establishment of a National Centre of Excellence for the development and commercialization of Green Chemistry technologies. The first entity of its kind in North America, GreenCentre Canada will bring together Canada’s leading Green Chemistry researchers, industry partners, and commercialization professionals with a common goal to develop cleaner, less energy-intensive solutions for traditional chemical and manufacturing processes. The centre, to be
located at Innovation Park at Queen’s University in Kingston, Ontario, will provide expertise in
technology development, intellectual property protection, business development, marketing and
financial management, complemented with state-of-the-art facilities and expertise for product
development, scale-up manufacturing and testing of early stage discoveries. GreenCentre Canada
is funded under the national Centres of Excellence for Commercialization and Research (CECR)
program to bring promising research-based innovations to market. It is anticipated that $40M in
funding will flow over the next 5 years underpinned by this initiative.

The Chair noted that this is just one example of the benefits that PARTEQ brings in to Queen’s.
Less known is the $28M that PARTEQ has contributed to the University and the potential for
generating large capital gains in the future.

c) Dr. I. Johnsrude awarded a prestigious 2009 E.W.R. Steacie Memorial Fellowship

The Chair congratulated Faculty Trustee, I. Johnsrude, on receiving one of only six Steacie
Fellowships. Presented annually by the Natural Sciences and Engineering Research Council of
Canada (NSERC), the fellowships are intended to enhance the careers of outstanding and highly
promising university faculty who are earning a strong international reputation for original
research. During her Steacie Fellowship, Dr. Johnsrude, Canada Research Chair in Cognitive
Neuroscience, will study how knowledge and experience improve speech perception in noisy
environments using non-invasive neuroimaging methods to measure changes in activity in
different brain regions that occur when people listen to spoken language under different listening
conditions.

Trustees joined in applause to congratulate Dr. Johnsrude.

14. Principal's Report

d) Robert Sutherland Recognition

Principal Williams began his report by expressing pleasure that this was the first Board of Trustees
meeting to be held in Robert Sutherland Hall. He thanked particularly the student groups who
proposed the idea. As he looked into the issue, he satisfied himself that, although there were a
number of recognitions on campus already, including awards, a visitorship, a room in the John
Deutsch Centre, and a plaque in Grant Hall, the magnitude and importance of Robert Sutherland’s
gift made it appropriate for a further recognition to occur, and the naming of the Policy Studies
building was the appropriate mechanism at this time. During his review, he became increasingly
interested in Robert Sutherland and hoped that other initiatives will be undertaken to provide a
fuller public recognition of his memory. Principal Williams concluded his comments by
recommending that Queen’s develop a more refined naming policy with a 2009 perspective.

e) Financial Update

Principal Williams said that Saturday morning would provide the opportunity to discuss budget
planning in more detail and to hear from the Deans about initiatives they are undertaking in their
Faculties to cut costs and raise revenues. In advance, he planned to give a brief report on the
financial update that was delivered to the community last week prior to the Senate meeting when he
had laid out in more detail some of the challenges facing Queen’s and the steps that have
been taken to address them since the previous update in September.

Principal Williams reminded the Queen’s community of the continued decrease in the proportion
of the operating budget funded by the Province and the likelihood that this will only continue to
decrease. He further emphasized that continued incremental cuts will not solve the problem long-
term and a new approach is needed to ensure our financial viability for the future. Any
infrastructure funding received through the federal government’s $2 billion initiative for colleges
and universities announced in January’s budget will not alleviate pressure on the operating budget
except in a minor way. Distribution of these funds is anticipated soon. Universities and colleges
will be asked to submit lists of their top priority projects to the federal government by March 30.
At the same time the provinces will be asked to submit their own lists of priority projects for PSE infrastructure. The federal government is expecting that some projects will break ground as early as April and wants to be in a position to begin making announcements very shortly after the deadline. Queen’s does not anticipate that any year-end funding will be announced in the Provincial Budget that could be applied to our operating budget.

f) **Principal’s Task Forces**

In the fall, the Principal created seven Task Forces to look at key short-term and long-term issues:

- Cost Reduction
- Revenue Generation
- Communications
- Campus Space
- Employee Departures
- Enrolment
- Virtualization

The Task Forces have now made preliminary recommendations. For example:

The Cost Reduction Task Force, in partnership with Strategic Procurement Services, has launched a new Office Supplies program. It takes advantage of a Province of Ontario competitive agreement and will maximize purchasing power by using a single supplier to obtain the lowest price and generate savings of approximately $500K in the first year. The office supplies program, in combination with potential savings in travel, photocopying/printing/reproduction costs has the potential for significant savings each year. A portion of these savings will have a positive impact on the operating budget.

The Revenue Generation Task Force recommends new diploma and certificate programs looking at Kingston-region retirees, among others, as a potential new student population.

The Campus Space Task Force suggests using space over 12 months, instead of over an academic year. This will produce new revenue generating activities over the summer months.

The Task Forces are now working on concrete deliverables for July.

Details on the work of the Task Forces, updates on their progress, as well as frequently asked questions and answers about the financial situation can be found on a special section of the Principal’s website created to keep everyone informed of our progress.

http://www.queensu.ca/principal/financialupdate.html

g) **Vice-Principal Searches**

Principal Williams thanked acting Vice-Principal (Advancement) Sean Conway and Acting Vice-Principal (Operations and Finance) Bill Bryck for the remarkable job they had each done over the past few months. Principal Williams went on to say that by April 1st the search processes will start to recruit two new Vice-Principals with a view to having the new Vice-Principals take up their posts this fall.

h) **Applications for Admission**

The University Registrar reported that applications for undergraduate admission were on a par with this time last year but the actual number of applicants has increased: 27000 applications (or 24000 applicants) for 3600 places, from every province and territory, with a slight increase in applications from Ontario and International applicants. The Registrar noted a marked increase in Queen’s listed as the first choice. Data shows that when this is the case the applicant is more likely to take up an offer of admission. Applications for Medicine have doubled to more than 3000 for 100 spaces. Applications for Law and Education are down slightly. Applications for
Graduate Studies are up slightly with notable interest in new programs such as Cultural Studies, Development Studies and Public Health.

i) **University Council – Friday, May 1, 2009**
The theme this year is “Queen’s in 2020: Tradition and Change.” There will be three sub-themes: teaching, learning and research; funding and budgets; demographics and the future of our faculty, staff and student populations. Each sub-theme will be facilitated by one or two Vice-Principals and their staff. Councilors have received a questionnaire inviting them to indicate their preferred sub-themes. Background reading materials will be available on the web starting next week and further information will be provided by the University Secretariat. Principal Williams said that he was hoping to draw on the experience and expertise of councilors to deal with a series of forward looking, but specific, issues. Also, in an effort to enhance communications with councilors, he planned to meet with groups of councilors in Toronto and Ottawa, over the course of the coming month.

j) **Good News**
Principal Williams concluded his remarks by referring to the recent announcements:

- **GreenCentre Canada** – last week PARTEQ Innovations was awarded $9 million from the federal government’s Centres of Excellence for Commercialization and Research Program. The funds will go towards establishing a National Centre of Excellence for commercialization of Green Chemistry technologies based at Innovation Park at Queen’s University. The Minister of State for Science and Technology, the Hon. Gary Goodyear, made this announcement at Queen’s last Friday.

- **John Polanyi Award** – Phil Jessop, Canada Research Chair in Green Chemistry and Technical Director of GreenCentre Canada was awarded the 2008 NSERC John C. Polanyi Award for his research on switchable solvents and surfactants. This is only the third year that this prize has been awarded and the second time won by Queen’s. The SNO team won the inaugural award in 2006.

- **3M Teaching Fellowship** – Canada Research Chair in Environmental Change and winner of the 2005 NSERC Gerhard Herzberg Canada Gold Medal, John Smol, has been named as a recipient of the prestigious 3M national Teaching Fellowship.

- **Nomination for Charles Taylor Prize for literary non-fiction.** Queen’s History Professor Ana Siljak was one of three finalists for this $25,000 prize for her book Angel of Vengeance: The “Girl Assassin”, the Governor of St. Petersburg, and Russia’s Revolutionary World. Dr. Siljak was joint runner up for the prize which was announced in Edmonton on February 9th.

- **E.W.R. Steacie Memorial Fellowship** - Trustee Ingrid Johnsrude, a Canada Research Chair in the Department of Psychology is a recipient of this 2009 award from the Natural Sciences and Engineering Research Council of Canada. Up to six Steacie Fellowships are awarded annually to enhance the career development of outstanding and highly promising scientists and engineers who are faculty members at Canadian universities. The Tribute to Research Excellence Celebration is in Ottawa on Monday, March 16.

- **Earth Hour** – For the second year and in support of an international awareness campaign on climate change, Queen’s will be participating in Earth Hour on Saturday March 28 between 8:30 and 9:30 pm. Earth Hour is a symbolic gesture to conserve energy by reducing or eliminating non-essential energy use for one hour that originated in Australia in 2007 and has spread worldwide. Queen’s continues to implement energy-efficient projects and explore new opportunities to conserve.

15. **Question Period - none**
16. Student Affairs

a) **Rector – Leora Jackson (Appendix K, page 97)**  
The Rector expressed her pleasure with the decision of the Board to name the Policy Studies Building in honour of Robert Sutherland and thanked her Board colleagues for their diligence and thoughtfulness about this naming dedication.

Undergraduate Trustee, and AMS President-Elect, M. Ceci introduced Morgan Campbell his successor as Undergraduate Trustee.

The Rector spoke about the operating budget challenges from the student perspective. She said that students understand the need to cut back but wish to see a strong focus on academic priorities. An example of worrying possibilities would be the cancellation of first-year history seminars as just one of many examples. She stressed the need to communicate more clearly to students the details to alleviate their level of anxiety.

Trustee S.J. Dumbrille asked how widespread this anxiety was among students and whether it was based on fact.

The Principal answered that some programs, such as Linguistics and Computing, were under severe pressure to cut offerings; however, pressure on other programs such as Commerce were less. He noted that budget cuts do indeed cause anxiety among students, faculty and staff. It is a very tough time that is affecting everyone at the University.

b) **AMS – President, T. Radcliffe (Appendix L, page 99)**  
The AMS President read the following statement on behalf of Queen's Backing Action on Climate Change (QBACC):

> "Daily we read updates about the state of the planet that we are about to inherit. We hear from the scientific community that the rates of climate change are exceeding some of the worst-case scenarios expected. We now know that unless timely action is taken, our planet will face irreversible damage and our way of life may well disappear.

Such findings are distressing but we have found and will continue to find hope from the examples of others who are all around us who have taken this challenge as an opportunity to deal climate change. Groups from all backgrounds, political levels and ideologies are stepping up and taking action on climate change. This problem must be solved and can be solved, but for the solutions to occur individuals, organizations, government and especially universities must take the brave first steps in initiating change.

I am speaking to you on behalf of Queen's Backing Action on Climate Change, a Queen's group made up of students, alumni, and faculty. They have two requests, First that Queen’s performs an accurate, transparent and public greenhouse gas assessment. And second that following this assessment Queen’s will develop a strategic plan to reduce greenhouse gas emissions as much as possible as soon as possible.

Queen’s will not be alone in this initiative, by committing to reducing greenhouse gas emissions, we join forces with the 614 American and 6 Canadian schools that have already signed accords and have committed to obtaining these requests.

This commitment will not only save Queen’s money by reducing its operations costs, but it will also bolster Queen’s reputation as a national and global leader on climate change. Here at Queen’s these two requests have the support of over 1,500 undergraduate students, 15 campus groups, and almost every faculty society – representing a strong majority of student leaders. We
are asking for both your support and your influence to allow these goals to be realized, students, staff, and alumni, are asking for your support. We hope you will follow.”

The Chair asked the Principal to report back to the Board of Trustees at the next meeting.

c) SGPS – President, J. Welsh (Appendix M, page 101)
The SGPS President referred to his frequently stated concern that he believed was shared among many academics, both internal and external: a sense that Queen’s, is not at the cutting edge of research across fields. Referring to Queen’s mission and vision statements, he saw a relative lack of leadership to position the University over the last couple of decades. In his view, the University is not a leader in sustainability or service learning, and is a late adopter of common practices. He called for concrete steps in strategic planning and direction.

II COMMITTEE MOTIONS AND UPDATES

1. Finance Committee – G. Anderson

a) Debt
The Chair of the Finance Committee reported on the committee’s discussions of proposals for mixed short-term and long-term borrowing arrangements from the Ontario Infrastructure Projects Corporation (OIPC); a review of the Liability Management Policy (approved by the Board of Trustees, October 4, 2008) with respect to debt scenarios and the soundness of the provisions; and a discussion of Interest Rate Hedges. He anticipated a report to the Board in May on the last item.

The Finance Committee had concluded that the University was not in a position to undertake any new major capital projects using significant debt. Accordingly, it will be necessary to have money in hand to pay for the incremental phases of the Queen’s Centre.

c) Ancillary Revenues
The Finance Committee has initiated a series of discussions about ancillary revenues and is in the process of receiving presentations from PARTEQ, Housing, and Parking.

b) Update Signing Authorities (Appendix N, page 102)

Moved by G. Anderson
Seconded by M. Daub and approved:

That, on the recommendation of the Finance Committee, the Board of Trustees approve amendments to the Signing Authorities (Motion 07-49, sections I (a) and II(a)) to include the position of Director of Compensation and remove the position Director, Compensation and Benefits.

Carried 09-08

c) Ancillary Revenues
The Finance Committee has initiated a series of discussions about ancillary revenues and is in the process of receiving presentations from PARTEQ, Housing, and Parking.

2. Investment Committee – L. Cannon

a) Spending Policy and Payout
As detailed in the Quarterly Report of the Investment Committee (Appendix I, p. 81), the Chair proposed the motion that had been approved by the Investment Committee on January 27, based on advice from the University’s administration.

Moved by L. Cannon
Seconded by B. Palk and agreed:

That on the recommendation of the Investment Committee, the Board of Trustees approve the following adjustments to the Spending Policy for the Pooled Endowment Fund (PEF) and the Pooled Investment Fund (PIF):
For fiscal year 2009/2010, the payout from the Pooled Endowment Fund should be 12.49 cents per unit. This is the payout derived from the Yale method, and is approximately 1.3% below the 2008/2009 payout of 12.65 cents per unit.

In 2009, Queen’s will examine “underwater funds”, i.e. donations made over the last few years where the book value exceeds the market value. The objective will be to develop a spending policy for these funds.

The payout rate for the General Endowment portion of the Pooled Endowment Fund should be 7.5% of these funds.

The withdrawal from the Pooled Investment Fund around the end of April, 2009 should be the same formula as last year, i.e. 7.5% of mean assets.

In response to a question about the implication of this change next year, should markets remain the same, L. Cannon said that, if this were to occur, the payout would not be adjusting fast enough and further recommendations would have to be considered. She expected that there might be a better sense of the market situation by mid-summer.

b) Statement on Responsible Investing (Appendix I p. 85)
Following introduction of a draft Statement at the October Board of Trustees meeting, community input was invited, assessed and discussed by the Investment Committee and the Pension Committee as the two groups with fiduciary responsibility for investments.

Moved by L. Cannon
Seconded by B. Palk and agreed
B. Baines abstained

That the Board of Trustees, on the recommendation of the Investment Committee, adopt the Statement on Responsible Investing, included as pages 85-87, Appendix I.

Carried 09-10

A discussion followed initiated by the President of the SGPS who expressed a concern that the Queen’s Statement reflected what had been common practice at other university’s for some considerable time. He noted that other institutions had proactive committees with a positive duty to screen investment firms and to set policies around investing. In his view, Queen’s was taking a conservative and reactive approach. He suggested that the bar is set quite high to bring issues forward for consideration, requiring 200 signatures from 5 constituencies. He assumed that this was to prevent frivolous complaints but he felt it made the process very difficult.

L. Cannon rejected the notion of Queen’s lagging behind others. She asserted that the model was, in fact, leading edge. She also had no concerns about the ability of groups to organize in order to express their strongly held views. She believed the proposed process to be sound because it balances real concerns and provides a real forum.

B. Palk commented that the point of least resistance is negative screening. The Investment Committee must determine whether its managers are engaged in negative screening and proxies. She assessed the Queen’s approach as neither at the highest or lowest bar, but moving towards engagement, which is a very positive direction.

G. Davis observed that the review process provided in the Statement has to be achievable and he felt it may not be equally fair for all constituencies, such as retirees or alumni.
L. Cannon pointed out that the Statement is a formal outline of a process that could be followed. As demonstrated in the past, if people are passionate about a view, they will express it regardless of whether a formal process is provided.

Chancellor Dodge observed that socially irresponsible companies, such as companies detrimental to environment, are probably not very good investments. The goal of investment policy is to produce the best returns over the long term and a good investment policy will weed out the worst investments. He urged caution against going too far to overlay the policy with a number of concerns.

B. Baines recommended that the Board take positive steps to support investments that appeal to the student demographic.

With respect to the specific requirement to obtain signatures from at least three of five constituencies, L. Cannon explained that the goal was to demonstrate broad-based support from a number of the identified constituencies.

The Chair of the Board said that the Statement would be reviewed in two years time.

3. Committee Updates

a) Advancement
The Co-Chair of the Advancement Committee, B. Palk, reported briefly on the matters reviewed:

Annual Giving – returns were soft and achieving the goal of $40M will be challenging without postponing or elongating the period of the annual campaign.

Capital Campaign – Gord Nixon has assumed the Chair and is setting up the Campaign Cabinet and appropriate committees to determine the strategic position and the messaging. We are in the quiet phase with a substantial amount already earmarked. Queen’s is ready to move forward into a successful campaign. The recruitment of the Vice-Principal (Advancement) is the next important step.

b) Environmental Health and Safety
The Chair of the Environmental Health and Safety Committee reported that, further to the December meeting and additional discussion, the Committee proposed additional wording to the Policy Statement on Environmental Management.

Moved by D. Pattenden
Seconded by M. Balanchuk and agreed:

To add to the Policy Statement on Environmental Management, approved by the Board of Trustees on December 5, 2008, the following sentence.

"At a minimum, the University will comply with all applicable environmental legislation and will make every reasonable effort to exceed its formal obligations for protecting the environment, out of a sense of responsibility for the safety of the environment as a shared resource."

Carried 09-11

c) Nominating
The Chair, D. Whiting, noted that the Nominating Committee was working on the Trustee and Committee appointments that it expected to bring forward to the Board of Trustees for approval at the May meeting.
At this time, D. Whiting reminded all graduates that the elections to University Council and for Trustees were underway. Polls close on March 27 and he encouraged everyone to exercise their vote.

D. Whiting reviewed the following results:

**Benefactor Trustees**: incumbents T. Abramsky and M. Daub were both acclaimed for further three-year terms to 2012.

**Staff Trustees**: incumbent D. McKeown re-elected for a four-year term until 2013.

**Faculty Trustees**: P. Taylor elected for a four-year term beginning June 1, 2009

**University Council Trustees**: incumbents J. Lougheed and D. Pattenden both acclaimed for further three-year terms until 2012. (Note: D. Pattenden also standing for re-election to the University Council, polls close March 27.)

### III CLOSED SESSION (Minutes restricted to Trustees only)
IV SATURDAY, March 7, 2009

Part I: Report on Budget – Principal T.R. Williams

Principal Williams introduced the session by noting that he would call on the Deans present to outline the situation in their particular faculty. He stressed that he and the senior administrative team were looking for all and any ideas that they may have overlooked so far. The challenge confronting Queen’s is to maintain the quality of its education. Queen’s must change the model of program delivery. Therefore change is necessary but change is not necessarily bad.

The Principal reminded the Board of the factors that have led to the proposed budget reductions:

- Economic meltdown
- Reduced provincial funding
- Hits to pension and endowments

He referred to a summary of budget projections first presented to the Board in December. Expenditures are after the 15% budget cut over three years – deferral of internal loans provide an additional $3.6M each year. The bottom line is a projected deficit that decreases from $9M in 2009-10 to $2.9M in 2011-12. However, these numbers are preliminary. The expected deficit for 2009-10 is still to be factored in so the starting point is not zero. The models are still being developed. In May, the final budget is presented for approval.
By the end of 2011-12 these preliminary numbers predict an accumulated deficit of just over $25M under this model which will need to be paid down in subsequent years. It is therefore in everyone’s interest to make sure that yearly deficits are as small as possible.

A number of other universities are running deficits but these have not yet been made public.

Other Ontario universities are addressing similar challenges. Thus far, only Ottawa and Carleton are not projecting deficits next year. The University of Ottawa chose to expand enrolment by a relatively large amount and therefore it has accumulated a war chest but it will have a deficit in year two.
Office of the Principal

Proposed Cuts

Percentage application of 3 year 15% cut (proposed)

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<tr>
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<th>2010-11</th>
<th>2011-12</th>
<th>Total Cut</th>
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<td>Applied Science</td>
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<td>3.0%</td>
<td>7.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Arts and Science</td>
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<td>5.0%</td>
<td>7.0%</td>
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<td>5.0%</td>
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</tbody>
</table>

The majority of faculties and schools propose to take their cuts evenly over the three year period. Both Applied Science and Arts and Science are planning to backload their cuts and it should be noted that there are some “soft spots” in their modeling. Arts and Science are proposing to shed some 47 faculty positions which will not be refilled and Applied Science will be leaving five faculty positions unfilled. In addition, Applied Science has modeled revenue generation of $1.5M by year 3.

Office of the Principal

Other Universities’ Actions

- Western: Possible layoffs, voluntary retirement incentives
- The University of Waterloo: Six month hiring freeze and major spending freeze
- Laurier: Budget cuts and possible layoffs
- Guelph: Elimination of minors and low enrolment majors, courses, programs
- Trent: Hiring and salary freeze
Principal Williams referred to his financial update presented to the community before Senate on February 26, noting that the large accumulated deficit projected based on this preliminary modeling will need to be addressed in the future, leading to additional anticipated cuts to service the debt.

He also stressed that efforts to minimize the deficit are based on responsible budget cuts. It is not possible to cut further at this stage without doing irreparable damage. Ultimately, Queen’s must emerge from this crisis with the top-quality offerings for which we are known, even if we end up with fewer or smaller programs and services.

Referring to a pie chart of Operating Budget Expenditures, Principal Williams noted that Student Assistance accounts for 9% of the budget. He stressed that Student Assistance will not be reduced.

He noted that individual units within the university and the task forces set by the Principal in September have been seeking to reduce costs primarily in the 21% of the budget that is operating expenses.

By far the biggest slice of the pie is in salaries and benefits and many of these have been negotiated in good faith with various employee groups. The only way to address this slice of the pie is to look at some of the initiatives already being discussed at other institutions across the continent. These include but are not limited to salary freezes, voluntary retirement incentives and constrained hiring.

To put things in perspective, every reduction of 1% in the salary bill that we can achieve by any means would mean more than $1.5 million in savings for the University. That is very significant – it would result in a smaller accumulated deficit which would be easier to pay down long term.

It is imperative to find a way of mitigating salary costs now to reduce the long-term impact on the teaching and learning environment and discussions have begun with employee groups on campus.
One of the many factors that must be considered is the effect of the elimination of mandatory retirement – a new reality that we have been living with for the past two years. The data show the potential impact of the elimination of mandatory retirement for faculty. The numbers are preliminary and projected based on Queen’s limited experience and on trends from other jurisdictions where there has been no mandatory retirement for many years.

To date and two years into this regime, there are 30 faculty members who have chosen to continue beyond the age of 65. Queen’s experience in the past two years is that only 25% of those over 65 choose to retire. Based on this conservative estimate and a further assumption that an additional 10% retire each year, the projected number of faculty remaining over 65 would rise to more than 80 by 2013.

By comparison, in January 2008, based on data presented at McGill University where there has never been mandatory retirement, approximately one eighth of the faculty were over the age of 65.

Principal Williams invited the Deans to speak on behalf of their individual faculties.

Faculty of Arts and Science
Dean A. Maclean spoke that effectively the faculty was dealing with 20% cuts over three years. Last year 2% of a 5% cut was passed on to the twenty-seven departments in the Faculty of Arts and Science. These departments offer 1288 courses in 1555 sections. The budget proposed for 2009-2010 will protect current levels of staff and TA support. While the faculty aims to achieve the highest quality, this cannot be sustained as we continue to prune away the supporting budget. The result will be the elimination of some degree concentrations resulting in twenty-five or fewer concentrators by September and the elimination of classes with an enrollment of less than fifteen students. The number of adjunct faculty, some of whom have excellent teaching records, will be reduced, along with lab sections and discretionary expenses. Larger classes will be created. These changes have prompted concern expressed by faculty, students and alumni. Innovations being contemplated are administrative and structural changes that will involve sharing administrative support and more general academic mergers. Space is the biggest barrier to expanding classes. Fund raising and other revenue generation initiatives, such as full fee executive or certificate programs are being considered. To mitigate salary costs, forty-seven vacancies due to
retirements/resignations may not be filled. Dean Maclean concluded his comments by saying that, while his faculty was looking to economies, teaching innovations and revenue generation to achieve the required cuts, he remained very concerned that Queen’s may no longer be able to distinguish the “baby from the bathwater.”

Faculty of Applied Science

Dean K. Woodhouse remarked that Queen’s Civil Engineering and Queen’s Chemical Engineering were identified as leaders in North America regardless of the very high student to faculty ratios – Civil 27:1 and Chemical 24:1. The overall ration in Applied Science is 21:1.

The Faculty is seeking to reduce its budget by $1.7M. ($832,000 is from a structural deficit).

Interdisciplinary teaching within the Faculty provides some flexibility; however, there can be huge unpredictable swings in enrollment because Queen’s admits to a common first year program, allowing students to choose their programs going into 2nd year. Mechanical and Materials Engineering has eliminated seven of its electives and will implement further reductions by optimizing and streamlining. An HVAC option in Mining will be opened to Mechanical Engineering students. Unfortunately, some unique programs such as one involving the Dene in the Yukon started last year, will not be able to continue. Support for competitive teams must be cut. Changes in accreditation must be accommodated in a professional program. Students have responded with solutions, for example, new fund raising for the ScienceQuest summer camp; one-hundred and fifty Mechanical Engineering students are working on seven different profit generating projects. Queen’s Applied Science is recruiting international students from a Saudi oil company. Queen’s blast site containing 7000 unexploded ordinance provides training for Mining Engineers. Another revenue generation vehicle is teaching high school teachers how to integrate design into their curriculum. To date 10-15% of the Faculty budget has been supported by “soft(alumni)” funding. Additional income of $1.5M now and $2.5M in year three must be found. A full curriculum review of the current 30 options in the 10 programs is essential.

Faculty of Health Sciences

Dean D. Walker described the three professional schools within the Faculty of Health Sciences (Medicine, Nursing and Rehabilitation Therapy) comprised of 891 staff, of whom half are part-time. Funding breaks down to $27M from the University and $100M from SEAMO, and the Faculty generates approximately 40% of Queen’s research funding.

The budget challenges for the Faculty are a decade problem rather than a three-year problem. Maximally fees must be raised. Increases in enrollment along with attrition of positions and immediate depletion of any cash resources.

The School of Nursing has a small faculty complement of 12 FTE with a large enrollment. The School has been able to conserve some that will mitigate 18% cuts over 3 years

The School of Rehabilitation Therapy, with a small faculty complement, delivers graduate programs and has a balanced budget

The School of Medicine relies on the clinical services provided through SEAMO via the AFP funding of $100M

The final complement of the Faculty of Health Sciences are the six small departments that comprise the Basic Medical Sciences. Much of the Health Sciences research is now multi disciplinary and conducted via institutes and centres, such as the Cancer Research Institute, Centre for Neuroscience, Centre for Human Mobility. Increasingly, educational programs match these interdisciplinary programs. However, the deliverables must be met with fewer faculty and the target is to reduce by eight faculty over the next three years. Economies could be achieved by merging the six small departments and reducing the faculty complement by eight positions over the next three years. Lower costs and become more effective people in
deployment of people, space and money. Health Sciences practice is now technology intensive and we must continue to professionalize staff support.

**School of Business**

Dean D. Saunders acknowledged the initiatives launched over fifteen years ago by former Dean, Dr. D. Anderson, who used debt to restructure the School. QSB is now ninety percent privately funded. Private programs such as MBAs and Executive Development are subject to market forces and the QSB has to maintain a degree of flexibility to cope with change. It has reduced investment in Dubai at this time and may close the Ottawa program. The B.Com program annually attracts 4500 applications for 300 spaces and the QSB would like to expand to 350, if it can raise the funds to expand the Goodes Hall facilities. Potential offerings are a Master of Finance program in Toronto; a graduate diploma in Accounting; and a Master of Management and Accounting. Technological innovations are essential to keep pace, such as replacing video conference with point to point digitalized systems.

Principal Williams thanked the Deans and noted that despite the enormous challenges confronting individual faculties, there is a strong sense of collegiality within the administration and across the university.

The following points were explored during discussion:

**In business, the objectives are to build the brand and reduce the cost structure. Does Queen’s have the internal flexibility to encourage innovative ideas that would mean the University will come out ahead of competitors in relative terms?**

The demand for places at Queen’s remains strong. However, in order to maintain the advantage and to respond fast enough to the challenges, everyone must make sacrifices; reduce costs but remain at the cutting edge; and rethink what Queen’s represents in specific disciplines. Without this, Queen’s will be coasting. It must figure out how to use the best of the past to achieve the best in the future.

**Business uses centralization to cut costs. To what extent can the centralization of utility functions be mandated at the University?**

The Principal does not have the same authority to mandate as a CEO in business. The strength of Queen’s is in its decentralization and, while it will take time, effective solutions will emerge from grass roots upwards. However, there will be pressure from the provincial government to implement central procurement and the University will have to demonstrate compliance within eighteen months.

**Is the sale of assets to generate cash an option?**

The Finance Committee has asked for reports on costs and revenues from ancillary operations. The housing stock will be reviewed with respect to needs and options for sale.

**What are the opportunities for Queen’s to expand outside of Kingston in special ways that would not dilute the Queen’s brand?**

These opportunities tend to be faculty specific and most are graduate programs, e.g. Queen’s School of Business EMBA, Master of Industrial Relations, Master of Public Administration. Queen’s undergraduate residential brand is Kingston specific.
How is the University providing guidance to drive new ideas, to embrace technology in teaching without compromising educational quality?

The Principal’s Virtualization Task Force is chaired by Greg Lessard (Prof. of French, Linguistics and Computing). One suggestion is to implement innovative teaching techniques and at the same time conduct a research study with results reviewed at the end of 2 years. The challenge is to find the necessary capital funding. Deliverables from the Task Forces are due on July 1. A voluntary initiative has been started by Peter Taylor, Professor of Mathematics, who has informally instituted a group on teaching improvements.

Costs and Revenues

Approximately fifteen years ago, privatization was a topic of discussion. However, while complete privatization is not feasible, greater independence from provincial government funding is necessary.

The salary budget at Queen’s has risen beyond revenues and it is necessary to engage in a dialogue within the University to confront this challenge.

The Chair of the Board concluded the session by commending the Principal and his team for initiating the “discussion about the undiscussable” and ensuring a level of transparency about the challenges and choices facing the University, including changes to the wage bill, tuition, and increased innovation.

Principal Designate Woolf commented that the Board discussions had given him a crisp sense of the University’s position. He also gave credit to Principal Williams and the senior team for their efforts to get dialogue going. Queen’s is at a critical juncture; however, time and again the University has demonstrated its capacity to respond to change. He said he had no doubt that Queen’s will be one of the great Canadian universities and one of the best internationally.

Part II: Curriculum Review – Patrick Deane, Vice-Principal (Academic)

Principal Williams introduced the session by observing that Queen’s practice has been to build on tradition and using this additive model over 150 yrs, it is now impossible to offer all the courses that we advertise. The Vice-Principal (Academic) has challenged the faculty to take a critical the look at the curriculum.

Curriculum gives us control over the budget and therefore control of our destiny.

The VPA spoke in favour of a radical process of curriculum reassessment. Because of the historical accretion of curricular elements, it has become normal to think of things that have accrued as essential. In addition, personal investment gets in the way of our ability to pose important questions such as, what is it we would want a graduate leaving our program to be able to do, we need to start with the outcome first and then work back to determine what curriculum is required. We need outcome based curriculum planning.

There are many incentives to move this way, for instance international opportunities that foster mobility among international universities. We must also work within the financial resources available. Structural deficit creates an academic inequilibrium. We must make ourselves more current

Queen’s is perceived as distinct in the Ontario system; however, we cannot afford to be isolated intellectually. We must achieve an easy interface with the world outside this University.

There are ways we can dramatically change the way we do business. Course weighting and the contact hours required for a degree are within the University’s power to change and would have a direct impact on staffing costs. There are good academic reasons to begin to contemplate change to such basic rules.

The prime focus must be, what is our goal, not which courses we must do without.
We must contemplate recognizing experience as equivalent through prior learning assessment and recognition.

Queen’s is a secular institution arising from Christian roots and in many ways we are always working as if in exile from paradise; but we must seek ways to reach back to the lost paradise. We must ponder the most basic assumptions about our disciplines.

The goal at end of 3-5 yrs ought to be that we will mount a program with the faculty we have, with a curriculum configured to be the best. This will not be the point from which we are sliding downwards but the point on which we are building for the future.

This is right for the international context, even without any financial imperative. A new quality regime will come into play in Ontario within a year. We need a “lingua franca” with respect to quality assurance.

This is not a burning platform. If we can achieve far-reaching reform, we will contribute to our financial well being and will improve our international currency.

Students acquire a proprietary sense of place and the programs offered here. We must manage our communications considering how what we do is perceived by graduates and people who care about Queen’s.

What identifies the Queen’s Brand?

The tradition of excellence at Queen’s facilitates depth of quality in our faculty and in our students, but this depth of quality is not inevitable. We must have rigor and depth in our programs. Rigor is essential; however, there may be differences of opinion over depth and breadth. Depth is a qualitative rather than a quantitative term. Depth defined as profundity. We must achieve rigor with sufficient breadth to ensure the student experience. We need a sustainable balance between outcomes and resources. To achieve this, we must prioritize.

How do we define the attributes of a graduate from Arts and Science and ensure that they can be achieved across all disciplines? In professional programs this is often defined by accreditation output.

There has been a great deal of discussion about a capstone experience and faculty wide issues. However, we have a context of administrative structures that run counter to this thinking. The way we resource departments cements barriers in place. However, goals are less discipline bound and we must counteract our solid structures. Economic circumstances are exerting pressure to stimulate new thinking. At the same time, when resources are scarce, we are less able to support initiatives.

Interdisciplinary programs must also produce quality.

In Applied Science, outcome attributes are stated in the curriculum, e.g. the ability to be effective in teams. In the past, graduates emerged from Queen’s as leaders, but we fell into this. Now, the leadership stream drives the curriculum and drives the brand. It then becomes important to assess whether the brand is relevant for the future.

New methods of pedagogy are necessary. Co-created learning (or whole-person learning) asks the students what problems they want to solve.

V OTHER BUSINESS

VI ADJOURNMENT

The meeting adjourned at 12:00 noon.