

Office of the President

To: All staff and faculty

From: David Johnston, President

Date: March 4, 2010

**Re: The President's Quarterly
UW Community Update**

It is my pleasure to provide you with the first of four reports I will be sending to the members of our community this year.

I invite you to take a look at the environmental scan I presented at the February 2 meeting of our Board of Governors at the following link:

<http://www.uwaterloo.ca/documents/02-02-10BoardofGovernorsEnvironmentalScanNewBackground.ppt>

How Canada Performs 2009: A Report Card on Canada

This annual report card by the Conference Board of Canada shows areas where Canada has improved, and areas where there still is room for improvement.

In the "Education and Skills" category, Canada has been given an "A" grade, up from a "B" last year. Canada is second only to Finland in the peer group of 17 countries. The Conference Board of Canada cites our nation's efforts since 2007 to graduate more students in the science, engineering, and computer science and mathematics disciplines as bringing about our grade increase. Unfortunately, we are being held back from the top spot in this important category by our dismal PhD production rates, where we are 17th out of 17 peer countries. Sweden, for example, produces three times as many PhDs as we do on a per capita basis. Also troubling is the Conference Board's assertion that as many as 7 million adult Canadians lack the basic literacy skills necessary to participate in the knowledge economy.

Additionally, Canada has been unable to improve its ranking in the all-important "Innovation" category, where we rank 13th out of 17 peer countries and are still considered a "below average performer."

These mixed results show the need for an increased commitment to graduate education and a national innovation strategy, and as an institution dedicated to the notion of lifelong learning and innovation, we should be mindful of opportunities to help Canada close the gap with our peers. That is one of the foundations of our Sixth Decade Plan.

Tuition Fees 2010-2011

The Board of Governors approved new tuition fees for 2010-2011, with increases that average 5 per cent across our student population within the government's tuition framework policy. That tuition framework expires at the end of the Winter term of 2010, and unlike many universities, Waterloo needs to have a framework in place for the spring.

We are waiting to hear from the Ministry of Training, Colleges and Universities to see what comes after Ontario's Reaching Higher plan. We anticipate a successor, called Reaching Higher II or Reaching Even Higher, and have kept our tuition increases in line with the previous framework. This is a matter of considerable consequence, especially in light of the provincial deficit, which is approaching \$25 billion. One way or another, this pressure on the provincial government will find its way to the higher education sector.

We continue to recognize that asking students to bear a heavier burden during these times of economic uncertainty is by no means ideal. Ontario is ranked 10th of 10 provinces in terms of government operating grants per student, and if there were a lever I could pull to immediately change that, I would.

We do remain steadfast in our commitment, however, that no qualified student will be turned away from Waterloo for financial reasons. As you know, we lead all Canadian universities in the percentage of our operating budget devoted to student bursaries and scholarships.

Operating Budget Updates

Vice-President, Academic and Provost Feridun Hamdullahpur delivered a presentation to the Board of Governors regarding the university's current and upcoming operating budgets.

2009-2010

Enrolment continues to be an important driver of revenue for the university. It is worth noting that domestic enrolment exceeded our target of 5,911 students by a total of 321, while our international enrolment stayed on target. When the budget was first approved, the Board of Governors allowed us to carry a temporary deficit. In the final analysis, the gap between our total income for 2009-2010 and our total expenditures will be \$394,000, however that structural deficit will be eliminated for 2009-2010 with money from our reserve fund.

2010-2011

Budget planning continues to be a concern during these uncertain economic times, as market conditions and the worldwide financial crisis have had a sustained impact in the areas of pension and endowment fund earnings. It is expected that the current hiring freeze will remain in place for the coming year, with mission critical replacements being the only exception. We will continue to seek efficiencies wherever they may be found in an effort to bring our expense column down.

Ipsos Reid reports on the impact of Co-operative Education

Ipsos-Reid has released a mini-report on the topic of the impact of co-op education programs on Canadians. The online poll of 1493 Canadians revealed, among other things, that 17 per cent of Canadians with post-secondary experience had either studied, or were in the process of studying, in a co-operative education stream. The study also found that the province of Ontario, perhaps not surprisingly, is the hot bed of co-op participation. Nearly a quarter of Ontarians with post-secondary experience had been in a co-op program at some point, compared to 7 per cent in Quebec, 16 per cent in the West, and 14 per cent in the Atlantic provinces. Fully half of those who did not participate in co-operative education say if they could do their undergraduate education over again, they would do a co-op program.

The study also found that the vast majority of Canadians who enrolled in co-op education programs felt their work term had a significant impact on their career choice, getting their first job, their workplace integration, and their academic learning. To summarize, 79 per cent felt their co-op program influence at least somewhat their decision about what career to pursue. This includes 63 per cent who said it influenced them either a great deal, or “a lot.” More pertinently, 59 per cent of those who took part in a co-op program say this helped lead to their first job. This is a ringing endorsement of the idea of co-operative education and the mission of this university.



David Johnston
President
University of Waterloo