

Office of the President

To: All staff and faculty

From: Feridun Hamdullahpur, President

Date: November 22, 2010

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

This time last year I was a newcomer to the Waterloo community. I spent my first days wondering how I was going to find my way around campus, and then wondering how the year ahead would unfold with its questions, challenges, and excitement.

What a difference a year makes. The year 2010 was full of fantastic achievements, a few surprises, and both expected and unexpected changes. One of the most significant changes of course was David Johnston's appointment as Governor General of Canada. This led to a change for me as well, as I was given the exciting opportunity to serve as president during this period of transition. Making the transition from Provost to President has given me further opportunity to reflect on where the University of Waterloo is and where it is going. I would like to share some of those thoughts with you in this message.

Board of Governors Meeting

The Board of Governors met on October 26, 2010. This was my first opportunity to participate in the meeting as president and I was impressed by the significant progress made during the meeting. Featured presentations were received from Registrar Ken Lavigne, Associate Vice-President Linda Kieswetter, and our new Director of Student Success Sean Van Koughnett. My Environmental Scan Report was presented during the meeting and can be found at the link below:

<http://www.uwaterloo.ca/accountability/documents/10-26-10BoardofGovernorsEnvironmentalScan.ppt>

I would like to highlight a few important points.

Admissions and Student Success

We have increased our student enrollment numbers and, at the same time, we have not sacrificed the quality of our applicants. This year we admitted 4,481 first year students with average grades of 80 per cent and above, an increase of 230 students when compared with 2009. The overall student grade average remained high at 89.82 per cent. This is an impressive accomplishment given the difficulties that can arise when balancing enrolment increases and striving to ensure that the quality of our incoming students remains high. One of our Sixth Decade Plan goals is to be among the top three institutions in Canada attracting first-year students with entering averages of 90 per cent and up. Currently, Waterloo is second only to Queen's University with 24.8 per cent of our first-year undergraduates holding averages of 90 to 94 per cent, and 6.2 per cent with averages in the 95-plus range.

Attracting students to our campuses is only part of our mission; we must support them while they are here and do our level best to retain them. Presently, about 88 per cent of our first year students go on to second year. However at other institutions, such as Queen's University the first year student retention rate is closer to 95 per cent. We will be tracking metrics for student success and retention with the goal of improving our overall retention rate from year to year by one per cent for three years.

Research

We are proud to report that Research Infosource has once again named the University of Waterloo the number one research-intensive university in the comprehensive category. This is another confirmation that we are moving Waterloo in the right direction.

Our Sixth Decade goals are: to be among the top three institutions in Canada receiving NSERC grants; to be among the top 10 institutions in Canada receiving grants from SSHRC; and to quadruple our CIHR grants to \$12.5 million. Relative to the G13 universities, we ranked sixth in research awards from NSERC in the period 2005 to 2010. In that same period, we ranked first in percentage increase in research awards from SSHRC, and in 2009-2010 we received \$5.5 million from the CIHR granting council.

Dollars, however, only tell part of the story. For example, the exciting work done by Waterloo's world-class researchers such as Amir Khajepour of the Mechanical and Mechatronics Engineering Department and Geoffrey Fong of the Psychology Department have put the University of Waterloo on the map as a place where world-changing ideas get their start.

Campaign Waterloo

The campaign, launched by my predecessor David Johnston, closed out at an impressive \$613.2 million, making it the second largest fundraising campaign in Canadian university history. Thanks to the invaluable hard work of 650 volunteers, the visionary support of 60,000 donors, and the strong leadership of David Johnston and campaign chair Robert

Harding, we have surpassed all expectations. Yet, we have no plans to slow down – our Sixth Decade Plan goal is to see \$100 million raised annually by 2017, and at the faculty level, fundraising campaigns such as Vision 2010 are still a going concern. We will be moving from Building a Talent Trust to Making the Future.

Town Hall Meeting

The fall Town Hall meeting was held on November 2nd in the Humanities Theatre. Provost Geoff McBoyle and I were able to engage faculty and staff members in a rewarding conversation on a number of topics. I encourage each and every one of you to consider attending one of our town hall meetings, which are held twice annually. For those of you unable to make it, the meeting was recorded and can be viewed here:

<http://www.uwaterloo.ca/documents/president/video/2010-11-Townhall.html>

Conclusion

Waterloo is currently the envy of many other institutions. However, we continue to face challenges. On October 12th, 2010, Finance Minister Jim Flaherty delivered the federal government's update of economic and fiscal projections. The government posted the largest deficit in Canadian history with a deficit of \$55.6 billion for 2009, or \$1.8 billion more debt than anticipated. This includes \$5.6 billion in adjustment payments to British Columbia and Ontario to offset the implementation of the Harmonized Sales Tax. On the upside, 423,000 jobs have been created since July 2009 and the GDP increased by 2 per cent in the second quarter of 2010. The lingering question, however, is what is to become of the health and social transfer payments since the current agreement that Ottawa has with the provinces is set to expire in 2013. The social transfer payments help pay for post-secondary education and other social services. Under current agreements, health transfers increase by 6 per cent annually and social transfers increase by 3 per cent.

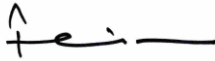
The current projections assume that social transfer payments to provinces will continue to grow at the current rate post-2013. However, Minister Flaherty has hinted that inflation and economic growth may become important benchmarks for future transfer payment agreements. There remains some uncertainty about which way it will go. The current projections include a return to balanced budgets even with continued increases to health and social transfers, but the provinces are still concerned about future negotiations.

Even with these challenges, I am confident in our ability to succeed. Mission critical hiring will continue as will merit pay increases. I extend my gratitude to the faculty association for contributing to our stability with the 5-year faculty agreement.

Though we are in a period of transition, we continue to have solid leadership in place. We have three new deans - Susan Elliot, Dean of Applied Health Sciences, Mark Seasons, Interim Dean of Environment, and Ian Goulden, Dean of Mathematics. Mary Jane Jennings has been named director of Institutional Analysis and Planning. Geoff McBoyle has stepped up to fill my former position as Provost. We are working hard to identify the

challenges on the horizon and to find effective ways to prevent them from becoming obstacles.

Maclean's magazine has confirmed our leadership position yet again this year, naming us best overall by reputation, most innovative, and first in producing the leaders of tomorrow. We therefore cannot remain complacent. Over the years, tremendous momentum has been created thanks to our students, staff, and faculty. Together we will continue growing this momentum.

A handwritten signature in black ink, appearing to read "Feridun". The signature is written in a cursive style with a small upward tick at the beginning and a horizontal line extending to the right.

Feridun Hamdullahpur
President
University of Waterloo