



UNIVERSITY
OF MANITOBA

**Minutes of the
OPEN Session of the Board of Governors
May 22, 2018**

Present: J. Lieberman, Chair
J. Leclerc, Secretary

J. Anderson	D. Barnard	J. Beddoes	S. Bonner-Proulx	S. Demmings
L. Hyde	J. Knysh	K. Lee	J. Linden	J. MacKenzie
H. Kroeker	R. Mohammed		M. Mollot	M. Moshiri
C. Neumann	K. Osiowy	J. Taylor		

Regrets: S. Connelly H. Sector M. Silicz

Absent: H. Maxted

Assessors Present: S. Woloschuk

Assessors Absent: M. Hudson

Officials Present: N. Andrew D. Collins C. Davidson S. Foster T. Hay
D. Jayas J. Kearsey G. Martel J. Ristock M. Walc L. Zapshala-Kelln

1. **ANNOUNCEMENTS**

The Chair said that this would be the last meeting for Shona Connelly whose term expires on May 31. He noted that Ms. Connelly was elected by members of the Alumni Association in 2015. He added that Ms. Connelly is unable to be here today and thanked her for her contributions to the Board and to the University. The Chair read a brief statement of appreciation from Ms. Connelly.

The Chair stated that this is the first meeting for Jakob Sanderson, UMSU President and Sarah Bonner-Proulx, UMSU Vice-President (Advocacy). He welcomed them both to the Board.

The Chair congratulated John Anderson on having been re-elected by Senate to the Board of Governors and congratulated Dr. Barnard on having been appointed to the Order of Manitoba.

FOR ACTION

2. **APPROVAL OF THE AGENDA**

It was moved by Dr. Anderson and seconded by Dr. Barnard:

THAT the agenda for the May 22, 2018 meeting be approved as circulated.

CARRIED

3. MINUTES (Open) Session

- 3.1 Approval of the Minutes of the April 17, 2018 Open Session as circulated or amended

It was moved by Mr. Mohammed and seconded by Mr. Demmings:

THAT the minutes of the April 17, 2018 Open session be approved as circulated.

CARRIED

- 3.2 Business Arising - none

FOR RECOMMENDATION

4. FROM FINANCE, ADMINISTRATION, AND HUMAN RESOURCES

- 4.1 2018-2019 Proposed Tuition and Course Fee Submission

Ms. Zapshala-Kelln introduced Gisele Martel, Executive Director, Financial Planning, Mark Walc, University Budget Officer, David Collins, Vice-Provost (Integrated Planning & Academic Programs), and Cassandra Davidson, Academic Program Specialist, who were present to assist with any specific questions from the Committee.

Ms. Zapshala-Kelln said the proposal is to increase tuition fees by the maximum allowable amount of 5.0% plus the Consumer Price Index (CPI) of 1.6% for this year as was set by the provincial government, for a total increase of 6.6%. She noted that the proposal also seeks approval for the restructuring of university-wide Student Service Fees so that they are assessed on a per-term rather than an annual basis, effective Fall 2018.

Ms. Zapshala-Kelln explained that four significant changes resulted from *The Advanced Education Administration Amendment Act (Bill 31)* which was approved by the Legislative Assembly of Manitoba in November 2017:

- a. The limit on annual tuition increases has been raised from CPI to CPI + 5%.
- b. Exceptions to the tuition increase cap on specialized degree programs are no longer allowed.
- c. Course-related fees no longer require government approval and oversight and may be approved by the institution.
- d. The Minister is now permitted to make deductions from the operating grant should average provincial tuition exceed the lowest average tuition west of Manitoba.

Ms. Zapshala-Kelln said that undergraduate and graduate tuition, including graduate continuing fees, are relatively low compared to other provinces. She explained that legislative change was



necessary to bring tuition and fees more in line with other provinces, and noted that, based on data provided by Manitoba Education and Training, if the University wished to reach tuition parity with other western provinces, it would take several years of maximum tuition increases to do so.

Ms. Zapshala-Kelln recalled that the Province provided modest increases to the University's base grant and limited increases to tuition and course-related fees to the CPI for several years, which resulted in budget reductions across the University in order to balance the budget and to align resources with the strategic direction. She noted that in 2017/18, the Provincial operating grant funding did not increase and this has now been followed by a 0.9% grant reduction for 2018/19. Ms. Zapshala-Kelln said that, in this context, future years' operating grants are uncertain, so a sustainable future and the ability to invest in appropriate student programming now relies critically on tuition and course-related fee increases. She explained that the revenue from the increase will be approximately \$9.5 million, which will offset the provincial grant reduction and will cover salary and operating cost increases.

Ms. Zapshala-Kelln stated that international student tuition fees will be increased at the same rate as domestic tuition; however, international students will continue to be assessed an international differential fee, calculated using 2015/16 Board approved multipliers. She said the projected increase in tuition, including the differential fee, for an international undergraduate student taking the same course load in the Faculty of Science is from \$15,368 to \$16,381, approximately \$1,013 per year, or approximately \$101 more per 3-credit-hour course.

With respect to university-wide fees, Ms. Zapshala-Kelln said that they will be restructured so that they are assessed on a per-term basis. She noted that the suite of Student Service Fees includes the Library Fee, the Registration Fee, and the Student Services Fee. She explained that the restructuring will better align the fees to registration in each term, will simplify the technical and administrative requirements for these fees, and will reduce errors in fee assessments. Ms. Zapshala-Kelln said the proposed fee amounts are expected to be revenue neutral. She noted that the expected impact to students is that those registering in only one term will be assessed less under the proposed model, students registering in fall and winter terms will be assessed the same amount under the proposed model, and students registering in all three terms will be assessed more under the proposed model.

Ms. Zapshala-Kelln stated that unit-specific fees were included for information only as they were reviewed and approved by the Provost and Vice-President (Academic) and the Vice-President (Administration), as per the Board's delegation of authority in 1979.

It was moved by Ms. Lee and seconded by Ms. Linden:

THAT the Board of Governors approve an increase of 6.6% (1.6 % CPI + 5%) to tuition fees for the 2018/19 academic year; and

THAT the Board of Governors approve the restructuring of university-wide Student Service Fees, so they are assessed on a per-term rather than an annual basis, effective Fall 2018.

Mr. Sanderson spoke against the motion. He acknowledged the difficulties facing the University as a result of the cut in the provincial operating grant, however he noted that the figures on page 20 of the meeting materials show that the increase in revenue resulting from the tuition fee increase is greater than the amount of the cut to the operating grant. He noted his concern that necessary concessions in other places are not being made before a tuition fee increase is requested. He said that the proposed increase would be the highest among post-secondary institutions in western Canada since 2012. He suggested that if a total increase of only 5.0% were implemented it would only require a reduction of \$1.2 million in transfers to capital.

Mr. Neumann said that university-wide fees are of particular concern as most of those fees will affect the graduate students. He noted his understanding that the University must increase revenue, however he said it is unfair to place the majority of that burden on graduate students. He added that graduate students are now required to register for the summer term which also increases their overall costs.

Ms. Bonner-Proulx also spoke against the motion. She said she appreciates the University's efforts to maintain health care coverage for international students. However, she added that with the loss of the provincial tax rebate and an increase in residence fees, the increase in tuition adds to an already significant barrier to accessing post-secondary education. She recommended a total increase of 5% as being more reasonable for students.

Ms. Lee said that she appreciates the comments and concerns expressed and added that she understands these concerns as she herself has paid tuition fees for many years. She reminded the Board that the proposed tuition increase is necessary to catch up from years of tuition freezes and noted that the University must also continually address deferred maintenance.

Dr. Barnard said he appreciates the spirit of the conversation and the care taken by members of the Board in reviewing the budget. He said that inexorable cost increases in all areas, an increased focus on the provision of student services, and the cost of step increases place a great deal of stress on the University. He noted that while the University shares the same costs as peer institutions, it does not share the same amount of revenue.

Mr. Sanderson said that he appreciates the issues discussed. However, he noted that Manitoba has a lower cost of living than other provinces and its faculty members are paid less than at other institutions. He said that international students will find the University of Manitoba less attractive and this may ultimately impact the provincial economy. He commented that the rationale for the increase appears somewhat disingenuous given that it is clear on page 20 of the materials that the proposed increase would have been implemented regardless of the amount of the operating grant.

Mr. Neumann acknowledged the University's need to catch up in tuition rates and he is aware that fees could go up even more in the coming years. He said that although low pay for faculty members and deferred maintenance of infrastructure trouble him, he believes the distribution of the increase is unfair.

In response to a question from Mr. Osiowy, Dr. Ristock said that the assumed enrolment increase of 0.5% is based on enrolment patterns analyzed by the Office of Institutional Analysis. Dr. Barnard added that this is a conservative analysis that is done annually. He noted that it has been fairly accurate over the years.

The motion was CARRIED.

4.2 General Operating Fund Budget 2018-19 and Financial Plans for Restricted and Endowment Funds for 2018-19

Ms. Lee commended the team on the time and effort in developing the new budget model and asked Ms. Zapshala-Kelln and Dr. Ristock to present the budget.

Ms. Zapshala-Kelln stated that the proposed General Operating Fund budget for the year ending March 31, 2019 is based on revenues of \$663,924,000, expenditures of \$618,725,000, and net fund transfers of \$45,199,000 as well as financial plans for Restricted and Endowment Funds with revenue of \$273,039,000 for the year ending March 31, 2019. She reviewed the process and timeline for development of the proposed budget and reminded the Board that the Budget Framework Document was presented on March 20, 2018.

Dr. Ristock said that this is the first year applying the new budget model which is more decentralized than the previous model. She noted a move away from distinctions between baseline and fiscal budgets and noted the three main elements of the budget model:

1. Academic and Ancillary Units (revenue units) - comprised of faculties, schools and ancillary units to which revenues (tuition, grants, etc.) are directly allocated in support of teaching, research and service activities. These units are generally defined by their ability to generate revenue.
2. Central Support Units - comprised of student services, research services and administrative units that support the academic goals of the University. The net expenses for these units are allocated to the Academic Units based on a set of cost allocation variables.
3. University Fund - a means of reallocating resources to address subvention, university priorities and revenue growth strategies.

Dr. Ristock explained the University Fund in greater detail, noting that total funding this year is \$100.8 million, which comes from a tax on allocated tuition and grant revenues from academic units, Investment Income, International College of Manitoba Income, and Ancillary Services overhead. Dr. Ristock explained that this fund is the source of available funds for reallocation to subvent, or subsidize, academic units and invest in the University's strategic priorities. She noted that the majority of the university fund, \$85.2 million, is returned to faculties in the form of subvention which enables leadership to steer the university in a direction that will ultimately benefit the institution as a whole. Ms. Zapshala-Kelln noted that the Asper School of Business requires no subvention which is unique among the faculties. She added that a contingency of \$6.9 million is built into the University Fund because of the degree of uncertainty during the first



year of the new budget model. She added that this contingency fund will be used for investment in strategic priorities if available at year end.

It was moved by Ms. Lee and seconded by Ms. Linden:

THAT the Board of Governors approve:

- **A balanced General Operating Fund budget for the year ending March 31, 2019 based on revenues of \$663,924,000, expenditures of \$618,725,000, and net fund transfers of \$45,199,000; and**
- **financial plans for Restricted and Endowment Funds with revenue of \$273,039,000 for the year ending March 31, 2019**

Mr. Sanderson said that there are many good aspects to the budget, particularly the University's initiative to assist international students in addressing the lack of provincial funding for health care. He said, however, he will vote against the motion because of the tuition increase called for in the budget.

Mr. Neumann said the Graduate Students' Association is very appreciative of the University's commitment to addressing healthcare funding for international students.

The motion was CARRIED.

4.3 Policy: Use of Copyright Protected Material

Ms. Lee noted that the Finance, Administration, and Human Resources Committee had recommended this policy for approval. Ms. Zapshala Kelln introduced Naomi Andrew who was present to speak to the policy.

Ms. Andrew said that this is a new policy and it speaks specifically to compliance with the Copyright Act. She noted that the University has not renewed the license with Access Copyright and is responsible to have a policy in place that is specifically for the use of copyrighted materials. She said this policy is consistent with other Canadian universities. She explained that the policy sets out the university's responsibilities in relation to copyrighted materials, promotes compliance with the Act, and limits the University's liability. She noted that the policy also sets out the consequences of a breach of the policy.

Ms. Moshiri asked why the license with Access Copyright was not renewed. Ms. Andrew explained that in 2012-13 Access Copyright increased its fee from \$26 per student to \$46 per student. She said this occurred at the same time that the Supreme Court expanded the fair dealing aspect in the use of digital materials. She commented that the price doubled and the value decreased at the same time, which led to this University and others not renewing their license.

In response to a question from Mr. Osiowy, Ms. Andrew said that there is currently good compliance in this area however the two main areas of risk for non-compliance are the online learning management systems and student use.

It was moved by Mr. Demmings and seconded by Mr. Osiowy:

THAT the Board of Governors approves the new Use of Copyright Protected Materials Policy effective upon approval of the Board.

CARRIED

FOR INFORMATION

5. NEW BUSINESS

5.1 Report from the President

Dr. Barnard said that the University is a member of Universities Canada, which represents all Canadian universities, as well as the U15, which represents research intensive universities. He said there has been a focus in both groups on conversations with the federal government regarding research. He noted that recent meetings have looked at where to put pressure on the government for research support since greater recognition of the entailments of research is needed.

The President commented that the group of post-secondary presidents in Manitoba collaborates very closely. He said they had met recently with the leadership on the Business Council, which was an opportunity to have a more substantive conversation about how the Business Council can be more supportive of post-secondary education in Manitoba.

Dr. Barnard noted that there have been many different celebrations this spring, including convocation for Agriculture Diploma Students, the Graduation Pow Wow, an Access Program event, and a tenure and promotion event. He added that convocation is still to come and encouraged Board members to try to attend a convocation ceremony.


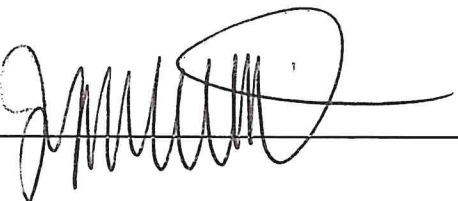
Mr. Demmings asked about the meeting with the Business Council and whether there was any mention on their part of what might be the next steps, challenges, or opportunities. Dr. Barnard said there had been discussion related to workforce readiness that demonstrated that a more fulsome conversation would be of benefit. He noted that expectations of business are not currently aligned with post-secondary education which trains people for career and for the rest of their lives, not for checklists of specific skills. He said they will continue to meet and flesh out an agenda for a larger conversation.

MOTION TO MOVE TO CLOSED AND CONFIDENTIAL

It was moved by Ms. Linden and seconded by Ms. Lee:

THAT the meeting move into Closed and Confidential Session.

CARRIED



Chair

University Secretary