



UNIVERSITY
OF MANITOBA

**Minutes of the OPEN Session of the
Board of Governors
May 20, 2014**

Present: P. Bovey, Chair
J. Leclerc, Secretary

D. Barnard A. Berg T. Bock R. Dhalla J. Embree R. Kunzman
J. Lederman B. Passey H. Reichert L. Rempel H. Sector S. Senkbeil

Regrets: N. Halden R. Howard D. Jayas S. Jesseau J. Keselman
M. Labine C. Morrill M. Whitmore R. Zegalski

Absent: A. Dansen M. Robertson D. Sauer A. Turnbull

Assessors Present: B. Stone

Officials Present: J. Dyer S. Foster J. Kearsey P. Kochan

FOR ACTION

2. APPROVAL OF THE AGENDA

It was moved by Chancellor Sector and seconded by Ms. Reichert:

THAT the agenda for the Open session of the May 20, 2014 Board of Governors meeting be approved as circulated.

CARRIED

3. MINUTES (Open Session)

3.1 Approval of the Minutes of the April 22, 2014 OPEN Session as circulated or amended

Ms. Reichert noted that she had been present at the meeting.

It was moved by Dr. Embree and seconded by Mr. Bock:

THAT the minutes of the Open session of the April 22, 2014 meeting be approved as amended.

CARRIED

3.2 Business Arising – none

4. UNANIMOUS CONSENT AGENDA

The Chair asked whether any member had concern with any of the items on the Consent Agenda. No items were identified to be removed from the Consent Agenda.

It was moved by Mr. Berg and seconded by Dr. Embree:

That the Board of Governors approve and/or receive for information the following:

- 6.2 That an \$8.33 per credit hour contribution be assessed against the students in the School of Medical Rehabilitation - Physical Therapy program for a four year term commencing in the fall of 2014 as outlined in the letter from Emily Etcheverry, Director, School of Medical Rehabilitation, dated February 24, 2014.
- 7.2 THAT the Board of Governors approve the establishment of the Centre for Engineering Professional Practice and Engineering Education, for a period of five years, with continuation subject to a review process [as recommended by Senate, May 14, 2014].
- 7.3 THAT the Board of Governors approve twelve new offers, twenty-one amended offers, and the withdrawal of four offers, as set out in Appendix A of the Report of the Senate Committee on Awards – Part A [dated April 8, 2014].
- 7.4 THAT the Board of Governors approve one new offer and one amended offer, as set out in Appendix A of the Report of the Senate Committee on Awards – Part B [dated April 8, 2014].
- 7.5 THAT the Board of Governors approve one amended offer, as set out in Appendix A of the Report of the Senate Committee on Awards [dated April 16, 2014].

CARRIED

5. REPORT FROM THE PRESIDENT

In addition to his written report included with the meeting materials, Dr. Barnard made some observations of the situation currently unfolding at the University of Saskatchewan. He noted that it is potentially damaging for universities in general, in light of actions taken which could be seen to impact on academic freedom. He noted that there is likely more to this story than we currently know and we will learn more as the days go on. He summarized the events, stating that the University had fired a person who held both a tenured faculty position and a decanal level appointment for speaking out against the actions of the Administration. This individual had then been reinstated into the tenured faculty position. In the following days the Provost resigned and both the Chair of the Board and the provincial minister spoke out following an emergency Board meeting. Dr. Barnard commented that academic freedom must be respected and

protected, and an important way to protect it is to ensure that the concept is well understood and not misused.

6. FROM FINANCE, ADMINISTRATION, & HUMAN RESOURCES

6.1 Operating Budget for 2014/2015

Mr. Bock reported that the Finance, Administration, & Human Resources (FAHR) Committee had discussed this at length and recommends that the Board of Governors approve the proposed operating budget. He invited Mr. Kochan to present the operating budget to the Board. Mr. Kochan stated that he had reviewed this in detail at the FAHR Committee, so rather than review it in depth he would provide some highlights.

He explained that the budget of \$623 million is really comprised of two parts, most of which is targeted or restricted, and the balance of approximately \$360 million which is the actual operating budget amount that can be allocated. He explained that the reduction being proposed is 1.7 per cent (approximately \$6 million) of this \$360 million, not 1.7 per cent of the total amount of the operating budget, most of which comes from other sources and is targeted for specific purposes. He stated that the University's total budget is approximately \$800 million, less than half of which is considered general operating. He commented that he would not review the research or trust and endowment funds as they are really funds only released as they are spent and not allocated the same way the operating funds are. He expressed his thanks to Joanne Dyer and Kathleen Sobie and commented that it is really a team effort and is quite a lot of work for many people. He advised the Board that Dr. Joanne Keselman, Vice-President (Academic) & Provost is now officially responsible for budget allocation and resource allocation.

Mr. Kochan commented that although this is an annual exercise which begins with the request from the Council on Post-Secondary Education (COPSE), the University is now embarking on a three year cycle in a move to forward looking budgeting. He stated that he expects the budget reduction to reach 4 per cent (approximately \$14.2 million), on average, for each of the next two years. Mr. Kochan explained that the rationale for a smaller reduction of 1.7 per cent this year is to allow administrators a few months to plan ahead and thereby facilitate long-term strategic decisions at the faculty level.

Regarding the general operating budget, Mr. Kochan reviewed the process of determining allocations. He reminded the Board that the University's revenue stream was comprised of a 2.5% operating grant increase, a 2.4% tuition increase, and a 2.2% increase in course related fees. Referring to page 19, he noted that new revenue from all sources is \$ 15.4 million. He explained that the baseline available for reallocation is \$9.7 million and the total available is \$25 million as is detailed on page 33 of the materials. He added that first claims amount to \$29 million, the biggest portion of which is \$ 17 million committed to salary and benefits, as detailed in the chart on page 20 of the materials.

Mr. Kochan stated that there have been some challenges in spending the Trust and Endowment funds (shown on page 27) because of narrow restrictions on how the funds are spent. He explained that this problem is being addressed collaboratively by a number of departments, including Treasury Services, Financial Aid and Awards, and Donor Relations.

Ms. Dyer noted that the resolution should refer to attachment 6 & 7 rather than page 5 & 6. She added that regarding the capital plan, \$132 million is the amount that will be spent in the current year. Mr. Kochan stated that attachment 2, on page 35 and 36 provide a one page overview of the budget, area by area. Mr. Leclerc handed out the detailed allocations for members' information.

Ms. Senkbeil asked why funding for the faculties is being reduced more than funding for administration. Mr. Kochan responded that administration has been underfunded and under invested in for a number of years. He noted that Information Services and Technology, for example, has been left behind by the underfunding and the University is attempting to address this through strategic allocations. He added that the University has been growing and that this requires increased investment in administration.

Ms. Reichert asked what the implications of a \$6 million reduction, would be for the faculties. Mr. Kochan answered, stating that there could be some job loss and some cuts in discretionary spending. Ms. Dyer added that this could also result in fewer sections of a course being offered or cancelling sections with fewer students. She commented that the faculties have done some planning around how to manage some of these cuts, noting there would be some non-reappointments of sessional instructors, through attrition, for example.

Mr. Dhalla commented that he found the budget difficult to accept. He noted that the University has grown dramatically in spite of the awareness that funding challenges were coming. He added his feeling that across the board cuts are very demoralizing for staff. He asked if the University would continue to ask department heads to manage with less or could there be more strategic vertical cuts to certain areas. Mr. Kochan commented that the some faculties have had discussion about focusing more on graduate students and letting other Manitoba institutions focus on the undergraduate students and noted that this is the type of change that may be needed. Dr. Barnard reminded the Board that the University has undergone a significant amount of change over the last few years. He observed that other Universities have been engaged in program prioritization processes which has been considered here as well, but noted that the Executive team had seen the anxiety and lack of bottom line impact that has been the result for a number of Canadian institutions. Mr. Kochan added that management is trying to work with deans in a collaborative way and is aware that mere marginal changes will not be effective.

Mr. Dhalla observed that this issue is a systemic one that will remain for the next ten or fifteen years while the Province gets the economy on track. He asked if management has considered alternative strategies that would prevent any loss of jobs, such as asset sales or tougher

negotiations with unions. Dr. Barnard commented that the University is what is because of the people, and it must be competitive in order to attract and retain the best employees. He added that although selling assets may be attractive, more than a one-time adjustment is needed and the University considers assets in terms of long-term performance rather than one-time gain. The President explained that institutions have been on a trajectory of change since World War II, and are in the midst of an evolution.

Ms. Senkbeil asked for clarification on how tuition fee increases are handled. Ms. Dyer stated that the 2.4 per cent increase to tuition fees is an across the board increase on top of increases previously approved through student referenda. Mr. Dhalla suggested that it is time for bold thinking on where the University can generate revenue, as any alternative to across the board should be explored. He noted that the University must do everything in its power to protect jobs, and stated that management should come back to the Board with some strategic opportunities. Dr. Barnard reminded the Board that its role is to protect the University and this requires a sustainable trajectory into the future. Mr. Kochan stated that his team is looking into increasing profits in ancillaries, but that the issue of collective agreements will remain a challenge. Dr. Barnard stated that management would come back early in the budget cycle with ideas to think about.

It was moved by Mr. Bock and seconded by Dr. Embree

That the Board of Governors approve:

- **a general tuition fee increase of 2.4% (effective Regular Session 2014);**
- **a balanced fiscal operating budget based on total revenue, fund transfers and expenditures of \$622,784,848, inclusive of a 1.70% baseline reduction (unit basic budgets) and reallocations in support of strategic priorities and the transformation of institutional infrastructure, and;**
- **financial plans for Research and Special, Trust and Endowment and the Capital Budget for the year ending March 31, 2015 as set out in Attachment 6 and 7**

CARRIED

7. FROM SENATE

7.1 Proposal from Human Nutritional Sciences to join the Faculty of Agricultural & Food Sciences

Dr. Barnard stated that this is the next unfolding of developments in the Academic Structure Initiative. He explained that the Department of Human Nutritional Sciences proposes moving from the Faculty of Human Ecology to the Faculty of Agricultural & Food Sciences, which is agreeable to that Faculty. He noted that the proposal had been approved by Senate without question or comment.

Ms. Lederman asked what departments would remain in the Faculty of Human Ecology. Mr. Leclerc responded that the Department of Family Social Sciences, with approximately 10 faculty members, and the Department of Textiles, with 4 faculty members, would remain. He added that proposals would be forthcoming from the Department of Family Social Sciences to move to Community Health Sciences and from the Department of Textiles to move to Biosystems Engineering in the coming weeks and months.

Ms. Reichert asked if there would be any financial savings as a result of this move. Dr. Barnard responded that the departmental budgets would move to the new Faculty so in the short term there would be no saving. He added that the motivation to move this department was not cost saving, but noted that there will be some economies of scale down the road. He explained that the larger benefits would be twofold, less internal communication and a quicker response to initiatives, with fewer large pools of funds instead of many smaller ones.

It was moved by Dr. Barnard and seconded by Ms. Reichert:

THAT the Board of Governors approve the joining of the Department of Human Nutritional Sciences to the Faculty of Agricultural and Food Sciences [as recommended by Senate, May 14, 2014].

CARRIED

8. UPDATES

8.1 Update from the UMSU President

In Mr. Turnbull's absence, the Chair asked Ms. Kunzman if there was anything to report. Ms. Kunzman stated that the new executive had been transitioning quite well in the first part of May and they had a good couple weeks. She explained that there would be some strategic planning discussions in the next few weeks.

8.2 Update from the GSA President

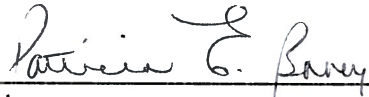
Ms. Rempel commented that she had had an interesting couple of weeks as they have been working on a specific issue, so strategic planning has been delayed, but that that they were busy getting organized.

MOTION TO MOVE TO CLOSED AND CONFIDENTIAL SESSION


It was moved by Dr. Embree and seconded by Mr. Berg:

THAT the meeting move into Closed and Confidential Session.

CARRIED



Chair



University Secretary

