



UNIVERSITY
OF MANITOBA

**Minutes of the Meeting of the Board of Governors
Open Session
May 22, 2012**

The meeting was held at 4:00 p.m. in the Alan A. Borger Sr. Executive Conference Room, E1-270 EITC.

Present: J. Lederman, Chair
J. Leclerc, University Secretary

B. Arte	D. Barnard	A. Berg	J. Black	T. Bock	P. Bovey
R. Dhalla	J. Embree	N. Halden	G. Hatch	S. Jasper	M. Labine
E. Ojo	B. Passey	M. Robertson	H. Secter	C. Tapp	M. Whitmore
R. Zegalski					

Assessors Present:

R. Howard B. McKenzie

Regrets:

E. Bowness M. Forsen

Officials Present:

S. Foster D. Jayas J. Kearsey J. Keselman D. McCallum

1. **Announcements**
2. **Approval of the Agenda**

It was moved by Ms. Bovey and seconded by Mr. Zegalski:

THAT the agenda for the May 22, 2012 Open Session be approved as circulated.

CARRIED

FOR APPROVAL

3. **MINUTES (Open Session)**
 - 3.1 Approval of the Minutes for the March 20, 2012 (open session) meeting as circulated or amended

It was moved by Dr. Barnard and seconded by Mr. Robertson:

THAT the minutes of the Open Session of the March 20, 2012 meeting be approved as circulated.

CARRIED

3.2 Business arising – Safe Disclosure Policy Question

A document was included in the agenda package which provided clarification around this issue.

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 for individual consideration.

It was moved by Dr. Whitmore and seconded by Mr. Zegalski that the Board of Governors approve and/or receive for information the following:

6.2.1 That a \$4.00 per credit hour contribution be assessed against the students in the Faculty of Kinesiology and Recreation Management for a three year term commencing in the fall of 2012 as outlined in the letter from Jane Watkinson, Dean, Faculty of Kinesiology and Recreation Management, dated February 17, 2012.

6.2.2 That a \$7.00 per credit hour contribution be assessed against the students in the Faculty of Science for a three year term commencing in the fall of 2012 as outlined in the letter from Mark Whitmore, Dean, Faculty of Science, dated March 31, 2012.

6.2.3 That a \$5.83 per credit hour contribution be assessed against the students in the Faculty of Dentistry for a three year term commencing in the fall of 2012 as outlined in the letter from Anthony Iacopino, Dean, Faculty of Dentistry, dated March 1, 2012.

7.1 THAT the Board of Governors approve four new offers and one amended offer as set out in Appendix A of the Report of the Senate Committee on Awards [dated February 17, 2012].

7.2 THAT the Board of Governors approve the establishment of the Centre for Human Rights Research for a period of five years beginning April 1, 2012 [as recommended by Senate April 4, 2012].

CARRIED

5. REPORT FROM THE PRESIDENT

The report from the Dr. Barnard was presented in writing and rather than elaborating he invited questions from Board members. There were no questions.

6. FROM FINANCE, ADMINISTRATION & HUMAN RESOURCES COMMITTEE

6.1 Operating Budget for 2012-2013

Mr. Zegalski reported that the Finance, Administration and Human Resources Committee recommends that the Board of Governors approve the Operating Budget for 2012-2013 as included in the agenda, starting on page 29. He thanked Mrs. McCallum and those in her office for their excellent work in making this complex document so clear.

Dr. Barnard stated that the Executive Team is aware of the external context and the challenges in the economy, noting that the Province of Manitoba has provided some certainty in funding for the next two years and the increase in the operating grant will help to make up the gap in funding. Dr. Barnard added that it is important to be aware of the fragility of the environment in which the government must operate and be aware of risks, debt, etc. Dr. Barnard then explained that the University has begun to receive some useful data from the U15 which will be helpful to frame and inform budget discussions in upcoming years. Lastly, Dr. Barnard stated that this budget tries to take advantage of the opportunity this year to make some significant changes and improvements to the institutional infrastructure.

Mrs. McCallum reviewed the budget submission, noting the following:

- tuition fees will increase by 2.8%, based on a 12 month rolling average of the inflation rate, as provided by the provincial government;
- the total operating budget is \$539 million;
- the total new revenue, shown on page 46, is \$26 million and is based on increases in the operating grant, tuition, and predicted growth in enrollment of 2%;
- the total amount of first claims \$17 million, leaving a total of \$8.4 million available for reallocation;
- strategic investments will be made on the Strategic Priorities;
- the budget submitted for approval is summarized on a line by line basis by unit in attachment 5.

Dr. Barnard explained that the unsatisfactory opinion from the Tri-Council referred to in the submission is not an indication of problem spending or fraud, but an indication of more stringent reporting requirements for documentation from the granting councils, which will require the University to make changes to monitoring.

Ms. Arte observed that the tuition increase of 2.8% was higher than the 2.5% rate presented in a previous iteration of the document, adding that nothing from the Province would preclude the University setting the tuition increase lower than the rate allowed. Ms. Arte then remarked that the student perspective on this was a negative one. Mrs. McCallum responded that the previous document to which Ms. Arte was referring was a draft and included estimates at that particular point in time as the Province had not yet informed the University of the rate at which the tuition could increase. Mrs. McCallum pointed out that funding had not been allocated for copyright costs in the budget, so the additional revenue brought in by the increase in tuition will go into the copyright fund. Ms. Arte then noted that the Access Copyright agreement had not been signed by the University of Winnipeg and that other schools have shown that it is possible to save money by doing in-house copyright monitoring. Dr. Barnard responded that he had been involved in negotiations with Access Copyright and that the ensuing result provides protection against lawsuits that Universities opting out of the agreement will have to take on a risk – a risk that the University of Manitoba cannot bear in the short term. He added that those risks could be mitigated but that to do so would take some time to prepare. He added that the tuition fee increase is not tied directly to the Access Copyright issue, and that the University of Manitoba's tuition fees remain very low in relation to the rest of the country. Finally, Dr. Barnard remarked that the draft budget to which Ms. Arte referred previously was only draft so that a number of

changes have been made to the previous version, adding that some figures had been and continue to be estimates.

Dr. McKenzie observed that the increases in fees for Access Copyright agreement are very significant, and that a few universities have opted out – and asked if there had been any thought given to opting out of the agreement. Dr. Barnard responded that there had definitely been some thought about opting out but the University of Manitoba is not ready to accept or mitigate the associated risks, adding that other institution, the University of British Columbia, for example, have spent a great deal of effort and expense in making their preparations. Finally, he remarked that at the end of the current agreement period, the University will have done what is needed to prepare as the University of British Columbia has done.

Mr. Sauer expressed his appreciation for the hard work put into the budget, and added his general concern that increases in tuition fees may negatively impact accessibility for some students, noting that an important debate on this issue is occurring in the country. He asked whether the University must always reach the bar set by the inflation rate. Dr. Barnard responded that the issue is an important one and the University can return to discussion again, but reminded the Board that most data suggest that tuition is not the major barrier to university access. Dr. Barnard added that the University would like to see more students from lower income families, and that lower tuition fees across the board subsidize those students who can afford higher fees, noting that more students from the most affluent group attend.

Ms. Lederman asked where the amount of unit carryover is shown in the document. Mrs. McCallum stated that the actual number is not yet known, but that the difference between the two numbers listed for the provisions fund is mainly unit carryover.

Dr. McKenzie observed that the general nature of the budget document is very clear and mostly understandable, and expressed his compliments on the budget presented. He requested more clarity on the External Relations and Marketing and Communications funding, adding that the unit's baseline is almost being doubled without an indication of where the funds will be spent. Dr. Barnard responded that the funds are partly for salary costs and media purchases, adding that there is currently an opportunity to make a change in this area, and this is the change that he recommends, as the University has underinvested in this area in the past. Further, he noted, in order to move forward and gain the attention of those individuals the University wants to approach for the capital campaign, the University must invest in the possibility of raising that money.

Mr. Kearsey remarked that he would go into more detail on this allocation in his presentation, adding that research indicates that every dollar spent in this area returns seven dollars. Mr. Kearsey added that the funds raised in the campaign will go to support the academic mission of the University. Mr. Kearsey also remarked that this allocation seems like a quick shift, but that it is necessary. He added that the University of Winnipeg spends more than the University of Manitoba does on external relations, as do many other universities. Mr. Kearsey went on to say that the ROSE initiative made plans for significant strides in external relations, adding for example, that the "Trailblazers" campaign costs money. Lastly, he noted that the costs are beyond the University's control, and in order to compete the University must invest in this area. Mr. Kearsey also reported that this team had won the best media campaign last week as well as other awards as well. Dr. McKenzie stated that he wasn't asking for justification for the allocation, just more details or a breakdown of where that money is going. Dr. Barnard responded that this could be brought forward for information at the next meeting.

Mr. Ojo asked about the disparity between the Consumer Price Index (CPI) and the inflation rate as stipulated by the Government of Manitoba. Dr. Barnard indicated that the government calculates the rate of inflation based on a twelve month rolling average, explaining that the rate was set last year at 1%, which was considerably lower than the year-over-year rate in the Province of Manitoba. Further, Dr. Barnard noted that the rate set for this year is higher even than last year as it is a lagging rolling average instead of a year over year average.

It was moved Mr. Zegalski and seconded by Dr. Barnard:

THAT the Board of Governors approve:

- **a tuition fee increase on all programs and ancillary fees of 2.8%.**
- **the operating budget based on total revenue, fund transfers and expenditures of \$572,936,930; and**
- **financial plans for Research and Special, Trust and Endowment and the Capital Budget for the year ending March 31, 2013 as set out in Attachment 6.**

CARRIED

6.3 Policy – Institutional Costs of Research

It was moved by Mr. Zegalski and seconded by Ms. Bovey:

- i) THAT the Board of Governors approve the new policy on Institutional Costs of Research: Recovery and Distribution (the "Policy")**
- ii) THAT the Board of Governors rescind the Recovery of Indirect Costs Policy**
- iii) THAT the Board of Governors rescind the Distribution of Indirect Cost Income Policy**

CARRIED

It was moved by Ms. Bovey and seconded by Mr. Robertson:

THAT the meeting move into Closed & Confidential Session.

CARRIED

Chair

University Secretary