

Minutes of a Meeting of the Board of Governors held at 4:00 p.m. on May 14, 2002 in Room 160, Continuing Education Complex

Present:

Mr. P. Soubry, Chair
Mr. R. Dhalla
Dr. V. Dhruvarajan
Dr. H. Duckworth
Mr. G. Dureault
Dr. J. Hoskins
Ms. E. Jones
Mr. N. Louizos
Dr. W. Norrie

Ms. J. Plater
Mr. D. Popke
Mr. T. Sargeant
Dr. T. Secco
Dr. I. Smith
Dr. E.J.E. Szathmáry
Mr. J. Kusie
Mr. W. Anderson, Vice Chair
Mr. A. Black
Ms. S. Van Schie

Also Present:

Dr. P. Blunden, UMFA Assessor
Ms. L. Chartier, Support Staff Assessor
Ms. E. Goldie, V.P. (External)
Dr. J. Keselman, V.P. (Research)
Ms. M.J. Loustel, Director, Audit Services

Mr. M. McAdam, V.P. (Admin.)
Prof. K. Ogden, Acting V.P. (Ac.) & Prov.
Ms. S. Ronald, President, GSA
Ms. B. Sawicki, University Secretary
Ms. C. Keachie, Governance Specialist

Regrets:

Ms. J. Fletcher, UMSU Assessor
Ms. D. Young
Ms. W. Thiessen
Ms. M. Albl

1. ANNOUNCEMENTS

- 1.1 Ms. Sawicki asked that all members of the Board of Governors submit (if they have not already done so) their Board Evaluation Forms and Dossiers to the Office of the University Secretary as soon as possible.
- 1.2 Ms. Sawicki reminded the Board of Governors that the orientation for new members of the Board of Governors will be held Saturday, June 22, 2002, 160 Continuing Education Complex, commencing at 9:00 a.m.
- 1.3 Ms. Sawicki reminded the Board of Governors that the Board of Governors Retirement Dinner and Reception will be held Saturday, June 22, 2002 beginning at 6:30 p.m. in the Beausejour Room at University Centre; dinner will follow shortly thereafter.



FOR ACTION**2. MINUTES: March 26, 2002****2.1 Approved as corrected**

Mr. Black noted that page 15, 3rd paragraph, should read, "orienting", not "orienteering".

Dr. Secco noted that page 5, Section 4.1.2 (Faculty of Physical Education and Recreation Studies) contains a parenthesized note which should instead be listed under Section 4.1.1 (Department of Architecture Endowment Fund).

Mr. Sargeant noted that the first motion on page 12 [4.5.3], last line [10(c)] should be worded, "the Ombudsman shall report to the President for administrative purposes".

It was moved by Dr. Secco, seconded by Mr. Sargeant:

THAT the minutes of the March 26, 2002 Board of Governors meeting be approved as corrected.

CARRIED

2.2 Business Arising**2.2.1 Graduate Student Fees (Continuing Tuition Fee)**

Attachment I was included in the agenda material which highlights the proposed changes to the Graduate Student Fee Assessment Methodology, one of which results in an increase to tuition fee and requires Board of Governors approval. The proposed changes arise from the study of the graduate student fee methodology commissioned by the Vice President (Administration).

The graduate student fee study was initiated in fiscal 2000 with a broad-based committee that was constituted to examine methods of assessment of graduate student fees and to make recommendations about suggested changes. The result of the committee work was communicated in a June 2000 report that outlined numerous observations and recommendations relating to matters of fee and academic administration. The committee recommended changes to improve fee and course credit structure.

The University community was invited to provide feedback and comment regarding the suggestions for changes through to October 2000. The academic administration matters are addressed through Faculty Council and Senate. With respect to fee administration, further study was undertaken to review the community comments regarding the suggested

changes and to assess their impact. The results of this further study were communicated in a July 2001 report that outlined the changes effective September 2002. This reporting process also included invitation to comment and consultation within the University community. The consultation highlighted two points of concern regarding the proposed fee changes. The first concern was the proposed increase to the re-registration fee from \$600 to \$1,200 for all years of continuation and the second concern was about the assessment of a course fee for courses that do not impact the graduate student's GPA in their program of study.

In response to the community feedback and in consultation with the Graduate Students' Association, the proposed fee methodology was revised with respect to the re-registration fee proposal. The recommendation remains that the Continuing Fee be increased; however, this increase will only be applied in the third and subsequent years of continuation. Any modest incremental fee revenue that may be generated from this fee change will be used to support graduate student and graduate program initiatives.

Continued consultation and clarification regarding the second concern about the assessment of a course fee for specific courses outside the program of study adequately addressed concerns raised. Inclusion for purposes of GPA calculation demonstrates whether the course is a course requirement of the graduate program of study. Courses that are enhancements to the graduate program, rather than program requirements, will be assessed a course fee above and beyond the graduate program fee. Inclusion as a component of program GPA will be used as an indicator to clarify and ensure consistent application of existing fee regulations regarding extra courses.

The Graduate Students' Association has expressed that the proposed fee methodology, as revised, reasonably addresses issues raised within the consultation process. The proposed fee changes will be presented to the Board for approval. Attachment 2 was included in the agenda material which consists of a draft mock-up of the Graduate Student Fee Schedule which incorporates the proposed changes and is provided for information. All fee changes must ultimately be approved by the Province as an exception to the current tuition fee freeze policy.

Also included in the agenda material (for information) was Attachment 3, entitled, "Preliminary Analysis of Comparative Graduate Tuition Fees of Selected Canadian Universities for the 2001-2002 Academic Year". This analysis demonstrates the competitive fee position of the University of Manitoba in respect of Master's, Ph.D. and Continuing Fees.



The Vice-President (Administration) advised the Board of Governors that the provincial government will not approve the Graduate Student Continuing Tuition fee increase. This motion was withdrawn at the May 14, 2002 Board of Governors meeting. This motion was withdrawn by the Mover and Seconder, with the consent of the Board of Governors.

3. NEW BUSINESS

3.1 Operating Budget 2002 - 2003

Note: "*baseline*" operating budgets refer to ongoing operating budget allocations, i.e. the base on which additional allocations are provided or reductions are taken; "*budget-only*" refers to one-time operating budget allocations for 2002-2003 only that might not be re-allocated in subsequent years.

Attachment 6 was included in the agenda material which shows allocations that produce a balanced budget for 2002-2003. No baseline reductions are proposed for 2002-2003. Also included in the agenda material was Attachment 3 which shows incremental *baseline* allocations that total \$1,848,000. The operating budget also contains \$3,299,000 in one-year, *budget-only* allocations funded from 2001-2002 savings on utilities expenses, greater than anticipated tuition fee revenues, and savings on property tax assessments. Tuition fees remain frozen at the 1999/2000 levels. Once approved by the Board of Governors, allocations will be confirmed with all faculties, schools and administrative units and the final completed operating budget will be published in detail as a supplement to the Bulletin and on the University's web-site.

The process of preparation of the operating budget begins each Spring. Subsequent to the approval of one budget, work begins on developing the next. The process includes consultation with the Senate Planning and Priorities Committee and its Finance sub-committee, the Budget Advisory Committee, the Finance and Administration Committee of the Board of Governors and the Board of Governors. Meetings are held in December to February with Deans and Directors to discuss each unit's three-year budget plans. The plans and needs of the individual units, and the overall strategic plan for the University, are considered in the context of the current and expected fiscal environment. The final resource allocations reflect those considerations. Continuous improvements are made to the process as recommendations made as a result of the current year's experience are incorporated into the next year's process.

Part of the process involves the development of the operating Estimates submission, developed for the Province to support their own budgeting process and to support in part the university's annual Fall presentation to the Council on Post-Secondary Education (COPSE) on funding requirements. The Estimates submission was approved in the early Fall as part of the Provincial estimates document. Financial information contained in the Estimates submission is reviewed and refined as needed throughout the University's resource allocation process.

The operating budget for 2002-2003 is the culmination of the resource allocation process that has been somewhat delayed by the late presentation of the Provincial budget. The University received confirmation (which was included in the agenda material as attachment 4) from COPSE, on April 22, 2002 that its operating budget increase for 2002-2003 would be 0.9 %, or an amount of \$1,650,700. In addition, a further increase 0.8% or \$1,414,900 was allocated based on 2% of 2001/2002 tuition fees to partially compensate for the Provincial government's request the University continue the current tuition fee freeze. The Province will also continue the 10% tuition rebate program for 2002-2003. The tuition fee rebate grants will continue to be paid based on 10% of tuition fees assessed for credit programs. The total general operating grant from the Province for 2002-2003 is \$189,171,000, a 1.7 % increase in general operating funds over 2001-2002 (see attachment 1).

ALLOCATIONS:

Last fall, all faculties, schools and administrative units were asked to model a steady-state budget and provide information on the impact of steady-state on their operations as part of their three-year planning submission. Increased enrolments in 2001-2002 allowed the University to plan for no baseline reductions for the 2002-2003 fiscal year. Enrolment levels are predicted to increase by an additional 5% over 2001-2002 levels. Existing Faculty, School and Administrative Unit budgets have been maintained at steady-state; however, the 2001-2002 one time only budget allocations have been removed. Incremental baseline allocations totaling \$1.848 million have been incorporated into the operating budget. These incremental baseline allocations will be funded primarily from increased tuition fee revenues and government grants, and by a reduction in the allocations needed for the property tax budget and the utilities budget, and from the use of an \$800,000 allocation from the Strategic Initiatives Fund. One-time budget-only allocations totaling \$3.299 million will be funded through available one-time sources of funding arising from 2001-2002 savings on utilities expenses, greater than anticipated tuition fee revenues, and savings on property tax assessments. The final suggested incremental allocations flow from the eight themes of strategic initiatives approved by the Board.

NEW ACADEMIC AND SUPPORT STAFF POSITIONS:

The Annual Resource Allocation Process continues to allocate whenever possible additional academic and support staff position in areas of strategic significance. Over the last three years, a net baseline increase of 29.5 academic positions and 4.5 support staff positions have been created through use of the Strategic Initiatives Fund, as well as another 21.5 new baseline academic and support staff positions through the general resource allocation process. One-time budget only allocations have also been made.



For 2002-2003, an incremental 5.3 baseline academic positions are suggested and 10.0 support staff positions, as well as 2.0 budget-only academic and 3.5 budget-only support staff positions.

LIBRARIES:

The Library continues as the top strategic priority for incremental allocations, and suggested baseline allocations of \$650,000 for the acquisitions budget and \$150,000 to support technology improvements, as well as an additional \$150,000 in budget-only funds to support technology, reflects that priority.

TECHNOLOGY AND CAPITAL ALLOCATIONS:

Technology demands are great within the University, and most one-time budget-only non-salary allocations are made to assist faculties in addressing the need for new or upgraded technology, and capital equipment.

In sum, the following attachment items were included in the agenda material:

attachment 1 - Provincial Operating Funds

attachment 2 - Adjusted Summary of Financial Requirements for 2002-2003

attachment 3 - Strategic Allocations Attributed to Priority Areas of Strategic Investment

attachment 4 - April 22, 2002 letter from COPSE re 2002/2003

attachment 5 - operating and capital funding - Calculation of Funds Available for

attachment 6 - Expenditures and Implementation of Budget - University of Manitoba Operating Budget - April 1, 2002 to March 31, 2003

Mr. Soubry asked Mr. McAdam if the savings on utilities were taken into consideration respecting the Operating Budget, given that the utility is asking for a 9% increase in costs. Mr. McAdam responded that the savings are two-fold: the current savings are from the prior year's budget; further, in next year's budget, estimate of cost increases do not currently include the 9% increase, but are based on higher than the 9% increase [they are based on previous fee increases that have since been reduced but have not been adjusted] therefore, the figure for utilities is a "modest conservative" amount.

Mr. Soubry remarked that he was under the assumption that the money saved on taxes was to be spent on capital goods rather than on operating costs. Mr. McAdam indicated that the Faculties no longer receive capital allocation, and that the only capital allocation they receive is through this process. Mr. McAdam indicated that the majority of items in the Operating Budget are of a capital nature.

Ms. Jones asked if the Detailed Operating Budget for this year could be included in next year's Detailed Operating Budget information in order for the Board of Governors to be able to compare the present year's amounts with the previous year's amounts. Mr. McAdam indicated that he would ensure that the previous year's amounts would be included in the information.

It was moved by Mr. Black, seconded by Mr. Louizos:

THAT the Board of Governors approve the operating budget for the year ending March 31, 2003.

CARRIED

3.2 Faculty of Pharmacy Clinical Fieldwork Fee

The Provincial government has asked universities and colleges in Manitoba to freeze tuition fee levels at the 1999-2000 level. As a result, should a strong case be made by a faculty to increase fees, the University requests an exemption from this Provincial tuition fee freeze policy from the Minister of Advanced Education. Last year, Dentistry and Dental Hygiene sought fee increases, which were approved by the Minister.

This year, the pressure on individual faculty budgets continues to increase, and six areas indicated that they wished to submit a proposal to increase tuition fees, or to introduce other fees to support academic programming. Law and Education indicated their intention to seek fee increases effective Fall 2003. Graduate Studies, Pharmacy, Music and Architecture indicated their intentions to seek fee increases or the introduction of new fees effective Fall 2002. The University indicated to the Minister early in 2002 that these requests would be forthcoming, and provided background on each request to the Minister.

The Minister, in a letter dated March 14, 2002, set out the five conditions under which the Minister is willing to consider exceptions to the tuition fee policy. The Council on Post Secondary Education later indicated that submissions related to Graduate Studies, Music and Architecture would not be considered for Fall 2002. The detailed request for Pharmacy in response to the Minister's letter was submitted, and was included in the agenda material as Appendix B.

The clinical fieldwork fee of \$1,500 per student per annum is to be implemented effective the Fall 2002 term. Mr. Black asked if Administration had any thoughts in mind with respect to the phasing in of the fee and the existence of bursaries. Mr. McAdam responded that in consultation with the Office of the Minister of Advanced Education, the Dean of Pharmacy was asked to set aside 10% of these funds, \$30,000 per annum, to be directed for bursaries for incoming students into Pharmacy. In addition, the Dean of Pharmacy, through the Capital Fundraising Program is targeting rural pharmacists for bursary support for rural students entering the Faculty of Pharmacy. In addition, the Dean of Pharmacy is targeting corporate entities to provide general bursary increases. Respecting the short-term, \$30,000 will be available for incoming students to the Faculty of

Pharmacy commencing in the Fall, 2002 with more funds to come in the future.

It was moved by Dr. Secco, seconded by Mr. Anderson:

THAT the Board of Governors approve the introduction of a clinical fieldwork fee of \$1,500 per student per annum for the Faculty of Pharmacy effective the Fall 2002 term.

CARRIED

FOR INFORMATION

4. FROM THE EXECUTIVE COMMITTEE

4.1 Revised Policy 607 Maternity and Parental Leave

Policy 607 was included as an attachment with the agenda material. Policy 607 is being submitted under the new Policy and Procedures process utilizing the new templates developed for this purpose. The revisions to Policy 607 will supercede the previous policy entitled, "Maternity and Parental Leave for Adoption". The new Policy 607 and accompanying procedures are also consistent with changes in provincial legislation and federal Employment Insurance programs.

Ms. Sawicki explained to the Board of Governors that Revised Policy 607 Maternity and Parental Leave was fast-tracked through the Executive Committee (the meeting was held April 25, 2002 because the policy needed to be approved prior to the end of April, 2002 due to payroll considerations.) Further, Ms. Sawicki indicated that Policy 607 Maternity and Parental Leave was the policy wrapping up negotiations with unions.

Mr. Dureault raised concerns respecting the Executive Committee approving policy or setting policy on behalf of the Board of Governors. Mr. Dureault felt that the Executive Committee could have authorized the extension of provisions respecting maternity and parental leave without the Policy, thereby allowing for the Policy to have been dealt with in the regular way (approval from the Board of Governors).

Mr. Dureault requested that the Board of Governors move Policy 607 Maternity and Parental Leave from an Information item to an Action item despite the fact that the Executive Committee had already approved the motion, on the basis that the Board is the only body that should approve Board policies.



It was moved by Mr. Dureault, seconded by Dr. Secco:

THAT the Board of Governors approve the Revised Policy 607 Maternity and Parental Leave.

CARRIED

4.2 Procedure 607 Maternity and Parental Leave

Procedure 607 was included as an attachment with the agenda material. Procedure 607 is being submitted under the new Policy and Procedures Governing Documents process utilizing the new templates developed for this purpose. The Procedure 607 document will supercede the previous procedures contained in the previous Policy 607 entitled, "Maternity and Parental Leave for Adoption".

These procedures provide more detail on the Maternity and Parental Leave process and provide non-union employee groups and those union groups without collective agreement provisions on maternity and parental leave, with access to the maternity and parental leave benefits recently negotiated with UMFA, AESES and C.U.P.E. The effective date of October 1, 2001 is designed to not disadvantage non-union employees for delays in preparing these procedures.

The new Procedure 607 is also consistent with changes in provincial legislation and federal Employment Insurance programs.

5. FROM THE AUDIT COMMITTEE

5.1 Environmental Health and Safety report for March, 2002

At the April 12, 2002 Audit Committee meeting, the Health and Safety Office reported on the status of activities on campus relating to environmental health and safety. This report was submitted to the Audit Committee and reviewed.

This report is now submitted to the Board of Governors for their information. This report from the Environmental Health and Safety Office (EHSO) provides information on the following areas:

- a) programs it is involved with;
- b) Strategic goals of the EHSO;
- c) Key Priority/Exposure Issues; and
- d) EHSO Legislative Compliance Report for March, 2002.

6. REPORTS

6.1 Report of the President

The President indicated that the Vice-President (Administration) and the Vice-President (External) would highlight some activities pertaining to their sections. Mr. McAdam, Vice-President (Administration), reminded the Board of Governors that Campus Beautification Day was scheduled to be held Thursday May 23, 2002. Mr. McAdam invited members of the Board of Governors to participate in the day's activities, which would include planting flowers, weeding, and raking. Mr. McAdam indicated that the Minister of Advanced Education, The Honourable Dianne McGifford would be participating in some activities during Campus Beautification Day.

Ms. Goldie, Vice-President (External) informed the Board of Governors that the Capital Campaign has now reached over 150 million dollars, raising approximately 3.8 million dollars per month. Ms. Goldie noted there is a Canvassing Blitz taking place in Calgary June 13th, 2002 with University of Manitoba representatives making a minimum of 15 corporate calls. Ms. Goldie announced that Ms. Carol Bellringer will be the new director of Private Funding beginning July 1, 2002.

6.2 Report of the UMSU President

Mr. Louizos indicated that at the next Board of Governors meeting he would present the members with an outline of the UMSU Executive's goals and initiatives for the upcoming year.

7. OTHER INFORMATION

7.1 Capital Funding 2002 - 2003

Concurrent with the annual resource allocation process for the Operating budget, the University makes a submission to the Province for urgent capital requirements. In July of 2002, the University, in accordance with Provincial government guidelines, ^{will} submit a list of the top twenty urgent capital priorities totaling \$88 million. The results of the allocations of funding by the Province for 2002-2003 are contained in the budget letter from the Province, and are summarized in comparison to 2001-2002.

Barnes
WRA

The COPSE grant for renovations and equipment (\$3,020,000) will be allocated to Physical Plant to address priority issues related to technology, specifically priority needs for technology network cabling and infrastructure support for buildings. Capital needs of Faculties, Schools and Administrative Units have been addressed through the operating budget allocations.

Barnes

7.2 2002-2003 Research and Special Fund, Trust and Endowment Budgets

The University of Manitoba has total revenues of approximately \$500 million. The Board approves the budget for the Operating revenues and expenses, which include the Ancillary Services. The Operating budget for 2002-2003 totals approximately \$335 million.

The balance of the revenues (and related expenses) arise from other "funds", as the University of Manitoba categorizes its incomes and expenditures into "funds" as detailed in Note 2.b. and Notes 2.d., 2.e., and 2.f. of the Financial Statements. The following information on the significant revenues and expenses related to three of these funds for 2002-2003 is presented for information only at this time. The University is developing budget approval processes for these funds, and will be including the budgets for these funds, for approval by the Board, for the 2003-2004 fiscal year.

Sponsored Research and Special Funds - Revenues in this fund consist of contributions specifically restricted to research or other special activities. Total revenues for 2002-2003 are expected to total \$96 million (2001-2002 \$83.5 million est.), with expected expenditures of approximately \$84.8 million. Incomes from the Federal CFI program for 2002-2003 are expected to total \$9.1 million (2001-2002 \$6.4 million est.) with related expenses of \$7.5 million.

Trust Fund - This fund records gifts and bequests received which may be used in their entirety according to donor restrictions. Expected revenues for 2002-2003, exclusive of any investment incomes earned on donations, total \$3.9 million, which is the average of the last three years' donations.

Endowment Fund - This fund records gifts and bequests received with the stipulation that these funds be invested in perpetuity, and the incomes earned on these investments be utilized for designated purposes. Expected endowment donations for 2002-2003 are \$9.6 million, which is also the average of the last three years' donations. In addition, expected spending levels set (at 5% of a rolling three-year market average of investments) for all existing endowed funds (currently approximately \$180 million) is \$7.9 million.

[The Economic Impact Study was given as a handout to the members of the Board of Governors. Mr. McAdam noted that at the next Board of Governors meeting he would be happy to respond to any questions that Board members may have respecting the material contained in The Economic Impact Study.]

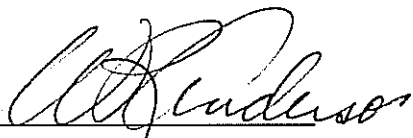


MOTION TO MOVE TO CLOSED AND CONFIDENTIAL SESSION

It was moved by Mr. Dureault, seconded by Dr. Hoskins:

THAT the meeting move to Closed and Confidential Session.

CARRIED


Chair


University Secretary

MOTION TO ADJOURN THE MEETING

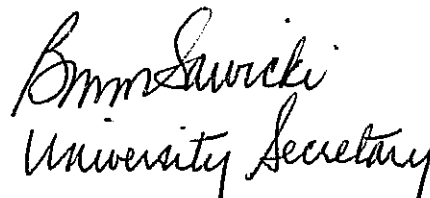
It was moved by Mr. Kusie, seconded by Dr. Secco:

THAT the meeting of the Board of Governors adjourn.

CARRIED

The meeting adjourned at 7:50 p.m.


Chair


University Secretary

