

**OPEN SESSION****Minutes of a Meeting of the Board of Governors held at 4:00 p.m. on May 18, 2004 in  
160 Continuing Education Complex**

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**Present:**

Mr. W. Anderson, Chair  
 Ms. M. Albl  
 Dr. V. Dhruvarajan  
 Dr. H. Duckworth  
 Mr. K. Frederickson  
 Ms. E. Gordon  
 Dr. J. Hoskins  
 Mr. G. Lane  
 Dr. W. Norrie

Mr. T. Sargeant  
 Dr. A. Secco  
 Ms. J. Simons  
 Dr. I. Smith  
 Dr. E.J.E. Szathmáry  
 Ms. S. Van Schie  
 Ms. C. Van De Kerckhove  
 Mr. D. Ward

**Also Present:**

Dr. R. Roy, UMFA Assessor  
 Ms. E. Goldie, V.P. (External)  
 Dr. D. Jayas, Associate V.P. (Research)  
 Dr. R. Kerr, V.P. (Academic) & Provost  
 Dr. J. Keselman, V.P. (Research)

Ms. D. McCallum, V.P. (Administration)  
 Mr. T. Moyle, Support Staff Assessor  
 Ms. C. Keachie, Governance Specialist  
 Mr. J. Leclerc, A/University Secretary

**Regrets:**

Ms. Amanda Aziz  
 Mr. A. Black  
 Ms. D. Young

**Absent:**

Ms. L. Meeches  
 Ms. J. Plater

**1. ANNOUNCEMENTS**

- 1.1 Mr. Sargeant announced that Mr. Anderson would be joining the meeting shortly. Mr. Sargeant welcomed the international students to the meeting with a reminder that the meeting would be a regular business meeting. Mr. Sargeant asked that the guests not partake in private conversations while board business is being discussed, nor address members of the Board of Governors while the meeting is in progress.

**FOR ACTION**2. **MINUTES: April 27, 2004**2.1 **Approved as amended**

It was noted that page 4, Item 11.1 (Report of the President) should have included a notation that the Report of the President was presented by Dr. Szathmáry at the April 27, 2004 meeting.

It was moved by Dr. Duckworth, seconded by Dr. Secco:

**THAT the minutes of the April 27, 2004 Board of Governors Open Session meeting be approved as amended.**

**CARRIED**

2.2 **Business Arising - none**3. **FROM EXECUTIVE COMMITTEE - none**4. **FROM ACADEMIC AFFAIRS COMMITTEE - none**5. **FROM FINANCE AND ADMINISTRATION COMMITTEE - none**5.1 **2004-2005 Operating Budget**

The allocations (included in the agenda material) produce a balanced budget for 2004-2005. No *baseline* reductions in the Faculty and Departmental accounts are proposed for 2004-2005. The Operating budget proposes incremental *baseline* allocations of \$627,435. In addition, the operating budget contains \$4,000,000 in one-time, *budget-only* allocations funded primarily from 2003-2004 savings on utilities expenses and greater than anticipated tuition fee revenues.

Mrs. McCallum noted that these incremental allocations were made based on the strategic priorities outlined in *Building for a Bright Future*. It was also noted that tuition fees remain frozen at the 1999-2000 levels as requested by the Province.

Mrs. McCallum explained and highlighted pertinent information included in the 2004-2005 Operating Budget. Mrs. McCallum indicated that the budget is a "break-even" budget.

A lengthy discussion took place regarding the Operating Budget. Mrs. McCallum clarified information about the amounts and figures listed in the 2004-2005 Operating Budget.

Mr. Lane asked if the operating expense projections include any ramifications arising out of the *Building On Strengths* Capital Campaign.

Mrs. McCallum responded that there were none, as the funds raised through the *Building On Strengths* Capital Campaign were being used primarily for new buildings, building upgrades, deferred maintenance, scholarships and bursaries, research funds, library acquisition funds, etc.

Mr. Ward inquired about the "budget-only" allocation of \$4-million; a number of entries are permanent items but they are being referred to as "budget-only" allocations. Mr. Ward asked why these items would not be placed in the "base-line" allocation. Mrs. McCallum responded that there was not adequate base-line money available to support these items; accordingly, the University of Manitoba allocates such funds on a year by year basis.

Mr. Ward referred to the use of the \$6-million increase in tuition revenue from last year, and the one-time only savings of property tax to balance the budget. Mr. Ward asked what would happen in the future if enrolment declines, and if there are plans in place today to safe-guard the University of Manitoba from a deficit situation?

Mrs. McCallum indicated that in such a situation, annual basis base-line cuts would have to be made in order to balance the budget.

It was moved by Dr. Hoskins, seconded by Dr. Norrie:

That the Board of Governors approve the Operating Budget based on Total Revenues and Expenditures of \$371,936,658 for the year ending March 31, 2005.

**CARRIED**

## 5.2 International Graduate Student Fees

In February, 2002 the Council on Post-Secondary Education advised the President that, effective 2002, "universities and colleges are free to set additional tuition levels for foreign students, at your discretion".

In April 2002, the University engaged in a review process that included consultation through an Advisory Committee on International Student Fees. The Committee recommended an increase in the differential fee for undergraduate and graduate international students from 75% to 100%.

At its January, 2004 meeting of the Board of Governors, a recommendation to charge international undergraduate students a differential fee of 100% was approved. The recommendation to charge international graduate students a differential fee of 100% of tuition fees effective September, 2005 was tabled pending further information on how the proposed differential fee could be implemented so that it would not significantly impact research grants and, hence, research productivity.

An analysis was undertaken by the Office of the Vice President (Research) on the numbers of international graduate students funded from research grants.

The report included a recommendation to direct the majority of the income generated from the proposed differential fee in such a way that the impact of the proposed differential fee on research grants would be minimal.

To summarize the report:

Approximately 76.5% of international graduate student income is derived from faculty research grants. On an annual basis this amounts to between \$12,000 - \$16,000 per student.

To minimize the impact of the proposed differential fee on research grants, the administration proposes to use the proposed differential fee income to:

- 1) Establish partial tuition scholarships which would be awarded on a competitive basis. As faculty members supporting students on research grants have a track record of attracting high quality students, the grant funded students should be highly competitive for these awards.
- 2) Establish bursaries to be directed to high quality international graduate students in economic need.
- 3) Direct funding to the Faculty of Graduate Studies to enhance the level of administrative support for the international graduate student application and admissions process.

The following issues were raised by members of the Board of Governors:

- . Regarding the table on page 28, item #7 of the agenda material; the additional revenue of \$800,000, with \$750,000 going back to the students who generated it, it appears as if most of the money is being put right back to the students. Why is this being done, then?

Response: Dr. Keselman commented that in the international marketplace, the fact that the University of Manitoba's tuition fees are very low compared to other Universities causes problems in recruiting students; the perception may be that this means the University of Manitoba provides low quality education. The money generated by the increase in international graduate student fees will be put back for attracting high quality students.

Dr. Szathmáry noted that the new fee should have no negative impact on the research budgets of faculty. It will have the added benefit of drawing high quality international students who will be eligible for scholarships based on merit; or those high quality students who have financial need (bursaries) which are not available at this time.

. Why are the increases being made if the money is almost all being given back?

Response: Dr. Szathmáry noted that the point is to attract high quality students.

. Is there any evidence that higher fees attract better quality students?

Response: Mrs. McCallum indicated that the fee increase for undergraduate international students will be used for supporting recruitment, supporting the International Student Office, to provide scholarships for undergraduate entrance fees, and a variety of activities that currently have no funds available for support.

Dr. Kerr observed that there is growth in the number of international students enrolling at the University of Manitoba but no funds are available to provide bursaries for these students. Dr. Kerr noted that a line of funding to help ongoing support for the International Student Office, administrative issues, bursaries and scholarships would enable the University of Manitoba to attract high quality international students. Dr. Kerr commented that if this proposal can be seen in a long-term process, it would not only provide support for international students, but it could maintain the support for international students as well.

Dr. Szathmáry explained that a goal was set based on the *Strategic Plan* to increase international student enrolment to meet the equivalent of 10% of the student body; at this time, it is 6.2% of student body. The University of Manitoba cannot meet the 10% goal unless proper baseline funding is provided to support the International Student Office and various other activities.

. It was noted that international graduate students know they will be paying \$4,000.00 in tuition fees; three-quarters of the students will know they may get scholarships; however, some will not receive a scholarship and will have to pay \$8,000.00 in tuition fees. It was indicated that this will mean that researchers will have to pay the extra fees to help their international graduate students.

Response: Dr. Kerr mentioned that the largest portion of costs for education are the living costs, and the smallest portion is tuition. Dr. Kerr commented that the majority of international graduate students are masters students; these students pay the full program fee once, then a \$600.00 continuing fee is paid each year thereafter. The

University of Manitoba's proposed international graduate student fees are on par with most other universities, and the impact on their international students impact has been minimal.

- How will the increase in international student fees impact poorer students who will not even try to apply for admission to the University of Manitoba?

Response: Dr. Jayas indicated that researchers will continue to recruit good quality students; the incentive will be that the students will receive a bursary, thereby decreasing the impact of utilizing research grant money. Students from poorer countries will be eligible for bursaries enabling all good quality students to be given the chance to attend the University of Manitoba.

- Why is there a perception that low fees equate with low quality students?

Response: Dr. Szathmáry expressed the fact that this is not the case; it is simply the "perception" that a university that charges high fees is a better university; those universities in Canada that do charge high fees generate a high number of international students.

- Ms. Van De Kerckhove noted that a recent report given to the Board of Governors states that "Increased efforts to recruit International Graduate Students with their own sources of funds to cover tuition fees." Ms. Van De Kerckhove asked when did Administration decide to discriminate and provide education for the wealthy elite and will this philosophy be used for Canadian students as well?"

Response: Dr. Szathmáry informed the Board of Governors that the intention is to allow baseline funds to be available in order for the University of Manitoba to provide international students with bursaries and scholarships, as well as support for the International Student's Office. (help provide the services that the international students need). Dr. Szathmáry noted that the University of Manitoba wants to increase the number of high quality international students, but the money to do so is not available unless the tuition fees are increased for international graduate students.

Dr. Norrie suggested that the previous report (included with the International Undergraduate Student Fee Increase submission presented to the Board of Governors at the January, 27, 2004 meeting) be brought back to the Board of Governors such that the Board can make a well-informed decision on this matter.

It was moved by Mr. Lane, seconded by Mr. Sargeant:

**THAT the matter be deferred to the June 22, 2004 meeting of the Board of Governors**

**CARRIED**

**6. NEW BUSINESS**

**6.1 Appointment of University Representatives to the Board of Management of the Manitoba Institute of Cell Biology**

By an agreement establishing the Manitoba Institute of Cell Biology, August 21, 1969, the University of Manitoba appoints three members to the Board of Directors of the Manitoba Institute of Cell Biology for a term of three years each.

Two members' terms are nearing completion. The third University of Manitoba appointed member is Dr. Joanne Keselman, whose term will end in June 30, 2006.

It was moved by Dr. Szathmáry, seconded by Dr. Duckworth:

**THAT the Board of Governors approve the following appointments to the Board of Management of the Manitoba Institute of Cell Biology:**

- 1. The re-appointment of Dr. Leslie Degner, Faculty of Nursing (term ending June 30, 2007); and**
- 2. The appointment of Dr. Janice Dodd, Department of Physiology (term ending June 30, 2007).**

**CARRIED**

**FOR INFORMATION**

- 7. FROM EXECUTIVE COMMITTEE - none**
- 8. FROM ACADEMIC AFFAIRS COMMITTEE - none**
- 9. FROM FINANCE AND ADMINISTRATION COMMITTEE - none**
- 10. FROM OTHER COMMITTEES - none**
- 11. REPORTS**

**11.1 Report of the President**

Dr. Szathmáry met with Alumni and other benefactors in Hong Kong. Dr. Szathmáry visited several places in China and met with President and Vice-President, faculty and staff, at Shantou University and noted that some students were very interested in attending the University of Manitoba. Dr. Szathmáry commented that she also visited <sup>the City of Chengde</sup> Chengde University and University of Sichun; the former is a partner of the University of Manitoba.

Dr. Szathmáry visited the Chinese National Women's University in Beijing during the latter part of her trip to China, where faculty from the Faculty of Social Work are engaged in research projects.

11.2 Report of the UMSU President

Ms. Van De Kerckhove augmented the report of the UMSU President on behalf of Ms. Aziz, UMSU President. Ms. Van De Kerckhove informed the members of the Board of Governors that UMSU was successful in its bid to host the 2004 Sustainable Campuses Conference with the University of Manitoba Recycling & Environmental Group (UMREG). The conference will be held in mid-October, 2004.

12. **OTHER INFORMATION** - none

**MOTION TO MOVE TO CLOSED AND CONFIDENTIAL SESSION**

It was moved by Mr. Frederickson, seconded by Ms. Simons:

**THAT the meeting move to Closed and Confidential Session.**

**CARRIED**

**MOTION TO ADJOURN**

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

**THAT the meeting adjourn.**

**CARRIED**

  
Chair

  
University Secretary

