

Item: Board of Governors Minutes, January 1990
Call Number: Board of Governors Fonds UA-1, 56.16

Additional Notes:

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**BOARD OF GOVERNORS
DALHOUSIE UNIVERSITY**

AGENDA

Tuesday, January ~~16~~²³, 1990 4:00 p.m.
Board and Senate Room

1. Minutes of Special Board Meeting of November 30, 1989 (enclosed)
Minutes of Board Meeting of December 12, 1989 (enclosed)
2. Approval of Agenda
3. Board Matters
 - (a) February Meeting
 - (b) Committee Membership
4. Reports of Standing Committees
 - (a) Audit Committee - Financial Statements (enclosed for information)
 - (a) Staff Pension Fund
 - (b) Retirees' Trust Fund
 - (b) Finance and Budget Committee
 - (c) Staff Relations Committee
5. Campaign for Dalhousie
6. Proposed Endowment Management Policy (enclosed)
7. Financial Strategy Committee
8. Ex Gratia Payments to Retired Staff
9. President's Report
10. Other Business

Enclosed:

University Affairs - January 1990

BOARD OF GOVERNORS

January 16, 1990

MOTIONS TO BE PROPOSED

BE IT RESOLVED:

Item #

- 3.(b) A report from the Nominating Committee will be presented at the Board meeting.
6. That the Board of Governors approve the Endowment Management Policy Statement as recommended by the Finance and Budget Committee.
8. That the Board of Governors approve the payment of an ex gratia amount to those persons who retired in 1981 or prior years. The amount payable to each individual shall be the ex gratia sum paid to that individual in 1989 incremented by 2.8%.

Minutes of a Meeting of the
Board of Governors held on Tuesday,
January 23, 1990 at 4:00 p.m. in
the Board and Senate Room

Dalhousie University
Halifax, Nova Scotia

PRESENT: Mr. W. Struan Robertson Chairperson	Mrs. Annemarie Macdonald
Dr. D. Wayne Bell	Dr. Albro D. MacKeen
Dr. Mary R. Brooks	E. Neil McKelvey, Q.C.
Dr. Howard C. Clark President	Mrs. Shirlee Medjuck
James S. Cowan, Q.C.	Ms. Lara Morris
Dr. Donna M. Curry Honorary Secretary	Dr. Clifford Murray
Mr. Stephen Davis	Ms. Suellen Murray
Mr. H. Lawrence Doane	Mr. Norman Newman
Mrs. Janice Flemming	George C. Piercey, Q.C. Vice-Chairperson
Dr. Om P. Kamra	Dr. Judith A. Ritchie
Donald A. Kerr, Q.C.	Mr. David Shannon
Dr. Patricia Lane	Mr. Allan C. Shaw Honorary Treasurer
Mr. Gordon Lawley	Dr. Thomas C. Vinci
Mr. Thomas E. G. Lynch	Mrs. Peggy Weld Vice-Chairperson

Also present were Dr. Denis Stairs (Vice-President, Academic & Research); Mr. Bryan G. Mason (Vice-President, Finance & Administration); Mr. Win Hackett, (Assistant Vice-President, Development and Alumni Affairs); Dr. David A. Tindall (President, Dalhousie Faculty Association); and Mr. Brian C. Crocker (University Secretary & Legal Counsel), who also acted as Secretary for the meeting.

Regrets were received from: Mr. David Almon, Mr. Aubrey Browne, Mr. George Cooper, Mr. John Lindsay, Ms. Bernadette Macdonald, Judge Ian Palmeter, Ms. Maxine Tynes and Ms. Barbara Walker.

Minutes

The Minutes of the special Board meeting held on November 30, 1989, and of the regular Board meeting held on December 12, 1989, were approved as circulated.

Agenda

An in camera portion of the meeting was added to the Agenda, to be held at the end of the regular meeting.

Board
Matters

February Meeting

Dr. Clark reported that the February meeting of the Board would commence at 3:00 p.m. and would be followed by a tour of the Faculty of Science to give Board Members an opportunity to become better acquainted with the facilities, programs and research activities of that Faculty.

Board
Matters
(cont'd)

Committee Membership

Mrs. Medjuck reported on nominations that were being recommended by the Nominating Committee. Upon motion being made, it was agreed that:

- (i) Mr. J. Dickson Crawford be appointed a member of the Investment Committee, and
- (ii) Dr. Clifford Murray be appointed a member of the Staff Relations Committee.

Reports of
Standing
Committees

Audit Committee

Mr. Shaw noted that the Financial Statements for the Staff Pension Plan and the Retirees' Trust Fund had been circulated for information purposes, having been approved by the appropriate committees and having been reviewed by the Audit Committee. Mr. McKelvey inquired when the next actuarial calculation will be completed and Mr. Mason reported that it is expected to be completed by the actuary in the next two weeks or so.

Finance and Budget Committee

Mr. Piercey reported that the Committee has met on two occasions since the last regular meeting of the Board. He indicated that the last reported expected deficit of \$93,000 for this year's budget of \$105 million was now anticipated to be a surplus of approximately \$183,000. This will be largely the result of increased tuition fee revenue and a decrease in interest expenses.

With respect to the 1990/91 Budget, Mr. Piercey reported that there is an anticipated shortfall between revenues and expenditures of \$2.1 million and this will result in required cuts of 1.85% for all Faculties, which will reduce the expected shortfall to \$300,000. He noted that ways will be sought during the 1990/91 year to bring the budget into balance. He stated that the Committee recommends the Administration proceed with the proposed 1.85% cutback for the 1990/91 fiscal year. It was noted in discussion that the University's accumulated operating deficit was \$8.3 million dollars and its accumulated capital debt was \$25 million, and that any year-end surplus would be applied against the accumulated operating deficit.

Staff Relations Committee

Mr. Newman reported that the Committee is reviewing its mandate to review the purpose of the Committee, establish goals and procedures, understand the appropriate role to be played by the administration, and to set priorities for the Committee. He indicated that it will take some time for this review to be completed.

Campaign for
Dalhousie

Mr. Hackett distributed a summary of the Campaign results which was reviewed. He reported that the Campaign has exceeded \$40 million. The Annual Fund achieved its goal of \$650,000 in December and, with two months remaining, may reach as much as \$850,000. There is to be a Phonathon in February and a Parent's Giving program has been launched. Membership in the 1818 Society has doubled this year to 163 and their contributions to the Annual Fund are in excess of \$200,000.

Proposed
Endowment
Management
Policy

Mr. Mason reviewed the background for the proposed endowment management policy and noted that the University has increasingly relied on its endowment earnings to support the operations of the University in scholarship and salary support and, as a result, has been spending the earnings at a rate which is not sustainable over time if the capital value of the endowments is to be preserved. The Killam Trustees have urged all universities receiving Killam funds to adopt a more conservative policy for the management of these funds, and this has provided the impetus for the proposed endowment management policy for Dalhousie's endowments, including the Killam funds. Essentially the policy will be to limit endowment spending to 5% annually as a three-year target, and this spending limit will be reviewed regularly. An immediate problem is that the University is spending approximately \$2.5 million more than it should in order to meet the 5% target, and to implement the policy immediately would have a significant adverse effect on the budget. It is proposed, therefore to phase in the policy over a ten-year period by committing \$250,000 annually out of the operating funds. Mr. Mason reported that discussions with the Killam Trustees will continue since they might have some concerns that the proposed phase-in period is too long.

A discussion followed and it was noted that the Budget Book for 1990/91 contains a provision for the implementation of the policy, and the commitment of an additional \$250,000 out of operating funds. The Investment Committee has recommended the policy for Board approval and the Finance and Budget Committee and the Senate Financial Planning Committee have both endorsed the policy. He added that the Senate Financial Planning Committee had expressed the hope that the phase-in period could be extended beyond 10 years in order to soften the impact on the operating budget. Mr. Mason undertook to obtain additional information on the total rates of return and spending and inflation rates.

It was moved by Mr. Piercey and unanimously agreed

That the Board of Governors approve the Endowment Management Policy Statement as recommended by the Finance and Budget Committee.

Financial
Strategy
Committee

Mr. Shaw commented on the Seventh Progress Report of the Financial Strategy Committee which had been precirculated to Board Members. He noted that the Fifth Progress Report had contained discussion on some of the issues dealt with in the

Seventh Report, and that there had been good consultation on many of the issues with various units and every Faculty has had (or will have) a chance to comment. He suggested that the issues are extremely important for the Board to be concerned with, and he noted that several of the issues have been referred to the Staff Relations Committee and that there is a great deal to be done.

Mr. Shaw reviewed the recommendations contained in the report including the Statement of Principles on Human Relations, Student Relations, Informal Discussions for Problem Solving, Managements Skills, Administration Support, Access to Financial Information, Personal Relations, Grievances and the Role of the Staff Relations Committee in monitoring and developing policies in the area of Human Relations.

Mr. Shaw noted that there had been a meeting the previous day to receive University comment on the Sixth Progress Report and he indicated that there would be further consultation on the Seventh Progress Report. The Financial Strategy Committee is currently looking at the issue of debt retirement which will be discussed in the Eighth Progress Report. It is hoped that a final report might be completed sometime in March for presentation to the Board in April.

A discussion followed and included in the items addressed were the role played by Senate in the preparation of and consultation on the Progress Reports, the difficult decisions that will have to be made on how to reduce the deficit and establish expenditure priorities, the issue of restructuring the University that will be reviewed by the Senate Academic Planning Committee, the human relations problems that exist, and the excellent cooperation across the campus in discussing the issues that are dealt with in the various Progress Reports. In response to a question from Dr. Tindall, an explanation to the regression analysis data contained in Note 1 to the Seventh Progress Report was offered by Mr. Christie.

Ex Gratia
Payments
Retired
Staff

Mr. Mason indicated that the Board has agreed for the last six years to approve an increase to the pensions of those former employees of the University who retired in 1981 or earlier and who are not covered by the provisions in the current pension plan which provide for some indexation of pensions. In 1984 the Board concluded that some protection against inflation was appropriate in that year, and the Board has considered this issue in each of the subsequent years to determine whether an ex gratia payment, which is not legally required, might be appropriate. Mr. Mason noted that an adjustment this year, if based on the formula used in previous years and in the current pension plan, would be 2.8%. The cost of the adjustment would be \$85,690 which would be paid to 92 pensioners this year.

It was moved and unanimously agreed

That the Board of Governors approve the payment of an ex gratia amount to those persons who retired in 1981 or prior years. The amount payable to each individual shall be the ex gratia sum paid to the individual in 1989 incremented by 2.8%.

President's Report

Dr. Clark commented on the President's Report which was circulated at the meeting (copy attached to minutes as Appendix A), and noted that MPHEC had released its 1990/91 recommendations for university funding. For Nova Scotia, the recommendations would provide for a 6.9% increase in unrestricted and restricted operating assistance plus funding for equalization and new programmes for a total increase of 8.4%. He also noted that it is anticipated substantial discussions will occur in the next few weeks on the Role and Capacity work that the universities undertook last year. Dr. Clark added that, although there has not yet been any indication from the provincial government, it is expected the level of funding will be somewhat better than last year but, as in previous years, probably not at the levels recommended by MPHEC. The exact mechanism for distribution is not yet known. The Minister has indicated that, in addition to equalization, there will be transitional funding although the nature of that funding has not yet been disclosed.

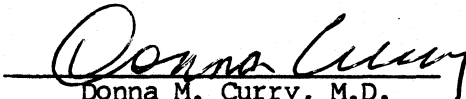
Dr. Clark also noted that there has been some recent debate in the media on the issue of tuition fees and he provided information on tuition fees for B.A. students at Dalhousie which showed that they are the lowest in the Province. He noted that there would be further discussion on tuition fees when the Financial Strategy Committee issues its final report. In response to a question from Mr. McKelvey, it was confirmed that tuition fees in Nova Scotia do tend to be generally higher than the rest of the country. Mr. Shannon reported that a recent study showed that Dalhousie was the most expensive university in Canada for undergraduate arts students when compared to other universities of comparable size.


In Camera

The meeting moved to an in camera session to discuss the appointment of a Chancellor and the appointment of a Chancellor Emeritus. At this point non Board members withdrew from the meeting.

Adjournment

Following the in camera session the meeting adjourned at 5:25 p.m.


Donna M. Curry, M.D.
Honorary Secretary


W. Struan Robertson
Chairperson

23 January 1990

Dalhousie University
Board of Governors
Report of the President

1. MPHEC Recommendations

Last week MPHEC released its recommendations to the Maritime provinces for university funding for 1990-91. For Nova Scotia, these recommendations would provide for a 6.9% increase for unrestricted and restricted operating assistance, plus funding for equalization and new programmes for a total of 8.4%. The MPHEC document also comments on the Institutional Role and Planned Capacity exercise and indicates that substantial discussions will be undertaken in the next few weeks. It also acknowledges the declared intent of the Nova Scotia government to have a new funding mechanism in place for 1990-91 but gives no details.

2. Tuition Fees and Accessibility

In view of recent media debate, Board members may wish to have the following information concerning fees at Nova Scotia universities. Listed are the tuition fees for a B.A. student in 1989-90. The issue of accessibility is often raised as an argument against tuition fee increases; a copy of a recent Globe and Mail article is attached. The fact is that no serious study has found a relationship between tuition fees and "accessibility". It is recognized in Quebec that the low fees (approximately \$600) that have been in effect there for 20 years have not significantly changed the socio-economic mix of the student population.

The Board will probably wish to discuss these matters further when the final Report of the Financial Strategy Committee is submitted; detailed discussion at present would be premature.

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1989-90 Fees for Bachelor of Arts Students

Acadia	\$1,970
Nova Scotia College of Art and Design	\$1,950
Saint Francis Xavier	\$1,825
University College of Cape Breton	\$1,780
Mount Saint Vincent University	\$1,780
Saint Mary's University	\$1,780
Sainte Anne, Universite	\$1,760
Dalhousie University/Kings College	\$1,710

attachment/President's Report

/pam

23 January 1990

CANADA

Student protest over fees is missing the mark

MONTREAL

YOUNG, restless, and with an issue finally in hand, the Quebec student movement is gearing up for a confrontation with the provincial government over next year's steep increase in university tuition fees.

For five years Premier Robert Bourassa postponed the inevitable decision, finally announced in December. His lengthy wavering gave student associations an edge, and time enough to muster some public support.

Their main war cry will be for access to higher education, which they say will be undermined by the proposed 130 per cent increase over the next two academic years. That is unsubstantiated reasoning: All serious studies on the economy of higher education show that fee fluctuations have little or no effect on university enrolments.

Moreover, even after the increase Quebec students will remain the envy of their colleagues in the rest of Canada. In 1991-92 their contribution should be \$1,240 a year on average, while even for the present year Newfoundlanders have to pay \$1,280, the lowest fees outside Quebec. And the student aid program, already one of the most generous in the country, will compensate for the raise in many cases. The effect on access is expected to be minimal.

Flawed from the start as it may be, the debate concerning access is overdue. With the lowest fees in North America during the past two decades, thanks to a 1968 freeze, and with some of the most flexible rules for entry into post-secondary education, Quebec has been unable to catch up with Ontario in producing graduates. Among the 25-34 age group, 13 per cent of Quebecers have a university diploma, compared to 17 per cent in their

LISE BISSONNETTE



sister province.

Quebec universities are nevertheless crowded — nearly 250,000 people are enrolled this year, about three times the number in the mid-seventies. But a majority of these are part-time students, often engaged in the plethora of short or made-to-measure programs, cafeteria-style courses designed during the idealistic seventies to cater to the needs of adult working students. Quebec universities saw themselves as an avant-garde in the complex task of democratizing higher education.

The over-all results, however, are more than disquieting. Some catching up has obviously been achieved, but except for some retraining courses the part-time and short programs generally experience a catastrophic dropout rate. The aggressive marketing of these programs by many universities has also encouraged young students, as well as adults, to seek jobs while studying, a combination often spelling educational disaster.

According to statistics recently released by the Association of Universities and Colleges of Canada for 1989, only Manitoba had a lower rate of increase for full-time enrolment. Ontario's went up 3 per cent last fall, and Quebec was far behind with slightly more than 1 per cent.

Less privileged people, of course, are more likely to have been

attracted by part-time studies and shorter programs. The more affluent knew better for their children, who have been able to keep their hold on the best programs, often protected by quotas against the part-time crowds. Unbelievably, no research group or institution has cared to engage in an in-depth study of these perverse effects of Quebec's special policies, unmatched in North America, though the number of part-time students is everywhere on the rise.

Universities are strong in their support of Higher Education Minister Claude Ryan, who will have to face student protests in the months to come. Young Liberals were successful in blocking his proposal for higher fees in 1986 by getting Mr. Bourassa on their side, and they are again on the warpath. This time around universities will be more vocal, desperate as they are for the \$100-million or so they expect to gain from the increase (even then they will barely catch up with other Canadian universities). They have been slower, however, to question their strategies and their failures with regard to true access to post-secondary education.

The clearest analysis has come from the minister himself, who admitted in his December speech that Quebec policies have had only a minor effect on access to university for people of modest means. So far the students are unwilling to admit such evidence, for fear the general public will see them as a privileged group.

Sadly, the fact is that by comparison they still are. Their protest movement is targeting a crucial issue for Quebec's higher education system, but if willing to embark on some research they will soon realize that their battle over fees is a rear-guard fight that will not change one iota of an unacceptable status quo.

CESSARY



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