

# Board of Governors

Agenda and Supporting Documents

Tuesday, February 26, 2019

4 pm

**Freed-Orman Commons, Assumption Hall**

Please review all documents prior to the Board of Governors meeting.

All documents for this meeting are contained in the one PDF file for easy reading/printing.

RSVP to Carol Perkes: [carol7@uwindor.ca](mailto:carol7@uwindor.ca)/519-253-3000 Ext. 2005

**NOTICE OF MEETING**  
There will be a meeting of the  
Board of Governors  
Tuesday, February 26, 2019  
at 4:00 pm  
Freed-Orman Commons, Assumption Hall

BG190226A

**AGENDA**

ITEM	DESCRIPTION	DOCUMENT/ACTION
	<i>Declaration of conflict of interest</i>	
1	Approval of the Agenda	
2	Minutes of the meeting of November 27, 2018	Willis-Approval BG181127M
3	Business arising from the minutes	
4	Outstanding Business/New Business	
4.1	Reports:	
4.1.1	Remarks from the Chair	Willis-Information
4.1.2	President's Report	Kneale-Information
4.1.2.1	Annual Update for the Board of Governors	
4.1.2.2	Changes to Post-Secondary Education – Update (p3)	BG190226-4.1.2.2
4.2	Audit Committee	
4.3	Executive Committee (see 4.1.2.2)	
4.4	Governance Committee	
4.4.1	Suspension of Executive Compensation Policy (p7)	Wright-Approval BG190226-4.4.1
4.5	Investment Committee	
4.6	Pension Committee	
4.7	Resource Allocation Committee (see 4.1.2.2)	
4.7.1	2018-2019 Operating Budget 9-month Review (p8)	Chetty-Information BG190226-4.7.1
5	In Camera	
6	Adjournment	

[Bylaw 1, Section 2.6 – Consent Agenda: Items that normally do not require debate or discussion either because they are routine, standard, or noncontroversial, shall be “starred” (identified by an asterisk (\*)) on the agenda. “Starred” items will not be discussed during a meeting unless a member specifically requests that a “starred” agenda item be ‘unstarred’, and therefore open for discussion/debate. A request to “unstar” an agenda item can be made at any time before (by forwarding the request to the Secretary) or during the meeting. By the end of the meeting, agenda items which remain “starred” (\*) will be deemed approved or received by the Board, as the case may be. No individual motion shall be required for the adoption of “starred” agenda items.]

**University of Windsor  
Board of Governors**

**4.1.2.2: Changes to Post-Secondary Education – Update**

Item for: **Information**

*See attached for a report detailing the changes to post-secondary education announced in January 2019 and strategies and consultations undertaken thus far.*

**Report of Resource Allocation Committee and the Executive Committee**

The changes announced by the provincial Government on January 17, 2019, and strategies for addressing them, were discussed in detail at the Resource Allocation Committee and the Executive Committee meetings held on February 13, 2019.

1) 10% reduction in tuition fees for domestic students for 2019-2020 and freeze on domestic tuition fees for 2020-2021

It was noted that while tuition cuts will benefit students, the cuts will not address the government's deficit and although there are no changes to the operating grants side at this time, it is anticipated that some further operating grant cuts could be forthcoming.

Members were informed that both domestic and international student applications are up significantly this year which should help mitigate the impact of these government changes. Members suggested that it would be strategic to diversify international recruitment to other countries and were assured that work is underway to this end. Following-up on this, members emphasized the need for a community-wide communication strategy which should include a clear statement that no eligible domestic student will be turned away. It is important to communicate that international students are not taking seats away from domestic students and their tuition is not subsidized by the Ontario government (as are domestic students' tuition fees), resulting in higher tuition rates.

2) Restructuring of OSAP

With a significant number of University of Windsor students receiving some form of OSAP, it is unknown how the changes to the program, which include lowering the income thresholds for eligibility, may affect students' ability to continue their studies. Members were informed that Administration will be monitoring this closely.

3) Opt-out provisions for certain student ancillary fees

Members noted with concern that with students being able to "opt-out" of student services in which they are not interested, this will likely result in a reduction in revenue to the student organizations and may impact the viability of certain services and student clubs. Administration is working on the assumption that the funds paid for student services that are no longer available (due to too many students opting out) would be refunded. It will be important for student body leaders to communicate the benefits of the services they provide to ensure support from students.

Changes to PSE in Ontario: Update for the University of Windsor Board of Governors  
Douglas Kneale, Interim President  
February 17, 2019

On January 17, 2019 the Minister of Training, Colleges and Universities announced (see [here](#)) a number of changes to postsecondary education, including

- a 10% reduction in domestic tuition fees for 2019-20 and a freeze on them for 2020-21;
- opt-out provisions for student ancillary fees; and
- reforms to the Ontario Student Assistance Program (OSAP).

Here is what we know so far about each of these changes.

### **Tuition**

The 10% cut in tuition fees means savings of hundreds or thousands of dollars for students and their families. At the same time, it means a loss of approximately \$10 million dollars in revenue for the University of Windsor. Given the financial position of the province, as confirmed by the Auditor General's 2018 Annual Report ([here](#)) and the Ernst & Young report ([here](#)), we were expecting that the government would indeed announce cuts, although the consensus across the PSE sector was that the target would be our operating grants.

We are considering two complementary strategies to address the reduction in tuition revenue: (a) strategic enrolment growth and selected increases to international tuition fees; and (b) internal belt-tightening measures.

Under (a), we are modelling Fall 2019 projections with targeted increases in first-year intake of 101s and undergraduate Visa students. Preliminary application numbers for Visa students are up significantly over last year, so we will be responding to this demand and strategically managing enrolments. Through discussions with deans, we are also projecting domestic increases in programs where we know there is student demand, such as Education, Engineering, and Law. On the graduate side, we are projecting enrolment gains in our course-based Master's programs, and will be modelling selected increases in international tuition fees again this year. Comparing our international rates to those of our competitors, we know that we are below the median fee for some programs and will be looking at adjustments to bring our rates more in line.

Under (b), we are discussing a variety of adjustments for both administrative and academic operations, and further exploratory consultation has been scheduled with members of Provost's Council.

Speaking of consultation, during the week of February 4-8 the four vice-presidents and I held five town hall sessions with different stakeholder groups (students, faculty, and multiple staff groups). The Acting VP Planning and Administration and I met with the leaders of the three student associations (UWSA, GSS, and OPUS) and the VP Human Resources and I met with the leaders of the eight unions on campus (four Unifor, three CUPE, and WUFA). These meetings were to update colleagues on what we know and to hear their concerns and questions. The meetings were well received and productive.

We will continue to update campus stakeholders as we model a combination of enrolment growth and budget adjustments. We are proceeding on the principles of being consultative, transparent, and accountable, and in managing this \$10M reduction in revenue we aim to minimize as far as possible the impact on students, staff, faculty, programs, and the University of Windsor experience. I am confident that together as a University community we will find a 10% solution.

## **Student Ancillary Fees**

The Ministry is dividing the ancillary fees that students pay to UWSA, GSS, or OPUS into two categories: essential (or mandatory) and non-essential (or opt-out). The stated goal is one of “ensuring transparency regarding the fees that students are expected to pay; bringing consistency and simplicity to the ways students can opt-out of ancillary fees; ensuring students have more choice regarding the service and activities they wish to support.”

The following fees fall into the **essential** category:

- Athletics and recreation
- Career services
- Student buildings
- Health and counselling
- Academic support
- Student ID cards
- Transcripts, convocation, etc.
- Financial aid offices
- Walk safe programs

Anything not covered under the above bullets (for example, student newspaper, radio station, CFS, OPIRG, society fees) is to be considered opt-out.

Health and dental plans remain unchanged (that is, students may opt out if they provide proof of existing coverage), but our Bus Pass (UPass) agreement runs out in August 2019 and therefore must go to a student referendum again this Spring. Fees for co-op, field trips, and other program-specific activities continue as before.

It remains to be seen to what extent students will opt out of fees for specific initiatives and what impact their opting out will have. I would note that the University, through the offices of the President, the Provost, the AVP Student Experience, and others, sustains the student experience to a significant degree financially, and we will continue to provide support.

The Ministry is requiring us to have online menus that will unbundle and itemize individually the ancillary fees up front (that is, upon initial billing) to provide students with transparent opt-out choices. The Ministry warns that if “non-essential fees are being charged as mandatory, institutions will be expected to reimburse students for these fees or the Ministry may reduce operating grants by a commensurate amount.” We are working with UWSA, GSS, and OPUS and with IT Services to develop a drop-down, unbundled online menu for students.

## **OSAP**

The OSAP reforms involve changes to income thresholds, grants-to-loans ratios, repayment terms, and other criteria, and these revisions will affect some students’ eligibility. Last year, the University of Windsor awarded more than \$12 million in financial aid to students, not counting donor-funded awards, and we remain committed to providing support to qualified students. More than two-thirds of University of Windsor students receive some form of OSAP assistance, and we will be tracking the impact of these reforms on them.

### Working toward a 10% solution

To date, we have held four brainstorming sessions on the \$10M tuition reduction, with the senior team, consisting of the

- Interim President and Vice-Chancellor
- Acting Provost and Vice-President, Academic and Acting Associate Vice-President, Academic
- Vice-President, Human Resources
- Vice-President, Research and Innovation
- Acting Vice-President, Planning and Administration
- Executive Director, Budgets and Financial Services
- Controller and Executive Director, Financial Accounting and Reporting
- Executive Director, Institutional Analysis.

### Timeline of Ministry Announcement and Follow-up

Thursday, January 17, 2019	Minister Fullerton makes announcement
Friday, January 18	Media interviews with Interim President
Saturday, January 19	Interim President informs Board of Governors at January Retreat
Wednesday, January 23	Interim President issues Communiqué #4 to University community
Wednesday, January 23	Interim President meets with Provost's Council
Friday, January 25	University Team of academic, financial, and HR leaders meet for brainstorming
Saturday, January 26	Interim President updates Alumni Board of Directors
Tuesday, January 29	Interim President and Acting VP Planning and Administration meet with student leaders of UWSA, GSS, and OPUS
Friday, February 1	University Team of academic, financial, and HR leaders meet for brainstorming
Tuesday, February 5	Senior Team holds Town Hall for Executive Directors and Directors
Tuesday, February 5	Senior Team holds Town Hall for Managerial & Professional Staff
Wednesday, February 6	Senior Team holds Town Hall for Students
Wednesday, February 6	Interim President and VP Human Resources meet with 8 Campus Union leaders
Thursday, February 7	Senior Team holds Town Hall for Staff
Thursday, February 7	Senior Team holds Town Hall for Faculty
Friday, February 8	Interim President updates Senate
Friday, February 8	University Team of academic, financial, and HR leaders meet for brainstorming
Wednesday, February 13	Interim President updates BoG Executive Committee and RAC
Friday, February 15	University Team of academic, financial, and HR leaders meet for brainstorming

I shall continue to update the Board as more information becomes available and we move toward our budget submission for 2019-20.

**University of Windsor  
Board of Governors**

**4.4.1: Suspension of Executive Compensation Policy**

Item for: **Approval**

Forwarded by: **Board Governance Committee**

**MOTION: That the Policy on Executive Compensation be suspended.**

**Report from the Governance Committee**

**Background/Rationale:**

- The Policy on Executive Compensation was developed to be compliant with the Ontario Regulation 304/16, effective September 6, 2016 (made under the Broader Public Sector Executive Compensation Act, 2014) and was approved by the Board of Governors on November 22, 2016.
- The Ontario government filed Regulation 406/18 (a New Regulation) and revoked the Old Regulation on August 13, 2018. Under the New Regulation, all executive compensation programs developed under the Old Regulation are now null and void to the extent that they provide for compensation increases that are inconsistent with the New Regulation.
- As a result, “All designated employers in the broader public sector, including school boards, are restricted from providing executive compensation increases as of August 13, 2018 until the government completes a regulatory review of the compensation program by June 7, 2019.”<sup>1</sup>
- Under the current policy, a review of the Board’s policy is required (every three years) in order to remain compliant with the 2016 Regulation. Since this regulation is no longer in effect, and since a new one is anticipated in June 2019, it would be an inefficient use of resources to conduct this review at this time. To ensure that the Board is not in violation of its own policy, it is proposed that the policy be suspended.
- It is likely that the government’s review will result in a very different regulation than what the former government had put forward. However, until more information is known it is best to suspend rather than delete the policy.

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<sup>1</sup> Axelrod, Maddie (MAxelrod@blg.com), (2018, September 20), “Executive Salaries Frozen Effective August 13, 2018”, retrieved from URL [https://blg.com/en/News-And-Publications/Publication\\_5395](https://blg.com/en/News-And-Publications/Publication_5395).

**University of Windsor  
Board of Governors**

**4.7.1: 2018-2019 Operating Budget 9 Month Review**

Item for: **Information**

Forwarded by: **Resource Allocation Committee**

**Rationale:**

- The process for ongoing monitoring of the Board-approved 2018-2019 operating budget includes a review of the University's spending at the 9-month point.
- As the 9-month review does not include a proposal to revise the 2018-2019 operating budget but rather provides a projection to year end, the 9-month review is provided for information only.
- See attached.

**Report from the Resource Allocation Committee:**

The 2018-2019 Operating Budget 9 Month Review was received for information. Members reviewed the minor adjustments made to the budget at the 9-month mark, at the February 13, 2019 Resource Allocation Committee meeting, and were supportive of the report. Clarification was sought on the impact of potential volatile markets on investment income projections, to which members were assured that while the risk is low, there is nonetheless a reserve "safety net" of \$1m that can be accessed should the need arise.



**Vice-President, Planning and Administration**

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To: Members of the Resource Allocation Committee

From: Anna Kirby, Vice-President, Planning and Administration (Acting)

Date: February 6, 2019

Subject: 2018/19 Fiscal Year: Operating Budget Projection

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During each fiscal year, there are two key times when the Operating Budget is reviewed and a projection to year-end is completed. The first is the *mid-year review* completed in November following Fall enrolment, and the second is the *9-month review* which occurs following Winter enrolment. The mid-year review presented in November 2018 projected a \$1.5M surplus position to be put aside in a Contingency Fund. This amount remains in the Contingency Fund as the University has not received final confirmation on all 2018-2019 Government grants. Following is a summary of the cumulative projection of the Operating Budget to year-end.

### **Operating Revenue**

Student fees, including tuition fees, are expected to hold constant to the projection completed at the mid-year review. Government grants, however, are projected to decrease by about \$250K for the Graduate Expansion Grant largely due to a decrease of 64.1 eligible Masters student FTE's over the mid-year review projection.

The projection for investment income has increased by \$400K against budget. A significant portion of the expected investment income is from bank interest which saw prime rates increase three times during calendar 2018. Some of the new investment products with PH&N over the last few years, including the Core Plus Bond fund and the Mortgage Pension Trust fund, have generated higher than expected returns. While losses from Canadian equities are possible as markets are volatile, the working capital's fund's exposure to Canadian equities is low (less than \$10M). There is a \$1M reserve fund in place so that, if the equities should lose money, we can draw upon the reserve to meet the needs of the operating budget.

### **Operating Expenditures**

At the mid-year review, a further investment in the Enrolment Stimulus Fund was made based on the Fall 2018 enrolment projections. The total allocation to Faculties in support of teaching resources during 2018/19 is \$2.1M.

Further savings are projected in utility costs to year-end. These savings are being allocated towards necessary deferred maintenance expenditures.

The University continues to project a balanced budget to year-end, including investments in campus improvements and other strategic initiatives.

**UNIVERSITY OF WINDSOR  
2018/19 Operating Budget**

	2018/19				2018/19
	APPROVED	Mid-Year	9-month	Total	2018/19
	BASE BUDGET	Adjustment	Review	Adjustments	PROJECTION
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)
<b>BASE OPERATING REVENUE</b>					
Student Academic Fees	\$ 184,918	\$ 3,500	\$ -	\$ 3,500	\$ 188,418
Government Grant - Provincial	96,269	(29)	(250)	(279)	95,990
Government Grant - Federal	3,365	-	-	-	3,365
Investment Income	2,500	-	400	400	2,900
Other Revenue	2,529	-	-	-	2,529
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 289,581</b>	<b>\$ 3,471</b>	<b>\$ 150</b>	<b>\$ 3,621</b>	<b>\$ 293,202</b>
<b>BASE OPERATING EXPENDITURES</b>					
Faculty & Research Expenditures	\$ 156,401	\$ -	\$ -	\$ -	\$ 156,401
Academic & Student Services	25,608	-	-	-	25,608
Library	12,834	-	-	-	12,834
Scholarships	13,980	-	-	-	13,980
Administration	21,001	800	-	800	21,801
Information Technology	11,026	-	-	-	11,026
Facility Costs (including Utilities)	28,930	(1,000)	(1,100)	(2,100)	26,830
External Debt Costs	6,920	-	-	-	6,920
<i>Subtotal Base Operating Expenditures</i>	<b>\$ 276,700</b>	<b>\$ (200)</b>	<b>\$ (1,100)</b>	<b>\$ (1,300)</b>	<b>\$ 275,400</b>
<b>STRATEGIC INVESTMENT FUNDS</b>					
SMA3 Positioning Fund	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000
Strategic Mandate Agreement Fund	1,500	-	-	-	1,500
Strategic Enrolment Management Fund	500	-	-	-	500
Enrolment Stimulus Fund	1,300	800	-	800	2,100
Student Experience Fund	1,200	-	-	-	1,200
Research Activity & Stimulus Funds	1,200	-	-	-	1,200
UWinsite Fund	2,181	500	-	500	2,681
Deferred Maintenance Fund	2,000	871	1,250	2,121	4,121
<i>Subtotal Strategic Investment Funds</i>	<b>\$ 12,881</b>	<b>\$ 2,171</b>	<b>\$ 1,250</b>	<b>\$ 3,421</b>	<b>\$ 16,302</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 289,581</b>	<b>\$ 1,971</b>	<b>\$ 150</b>	<b>\$ 2,121</b>	<b>\$ 291,702</b>
<b>BALANCED POSITION PROJECTED</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>\$ 1,500</b>