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| SUBJECT | Disestablishment: Rick Hansen Institute |
| SUBMITTED TO | Learning & Research Committee |
| MEETING DATE | November 24, 2020 |
| SESSION CLASSIFICATION | Recommended session criteria from Board Meetings Policy: OPEN |
| REQUEST | Action requested - Final approval The attached Supplemental Materials supplement the material forwarded directly to the Committee from the Vancouver Senate which contains the Vancouver Senate's recommendation to the Learning & Research Committee to approve the disestablishment of the Rick Hansen Institute. |
| LEAD EXECUTIVE | Hubert Lai, Q.C., University Counsel Andrew Szeri, Provost and Vice-President, Academic (Vancouver) |
| SUPPORTED BY | Dermot Kelleher, Dean, Faculty of Medicine Janet Mee, Director, The Centre for Accessibility Elizabeth Moxham, Legal Counsel, Office of University Counsel |

PRIOR SUBMISSIONS

The subject matter of this submission has not previously been considered by the Learning and Research Committee.

EXECUTIVE SUMMARY

The offices of the Provost and Vice-President, Academic (Vancouver) and the University Counsel have worked closely on the development of a plan to restructure and reinvigorate its relationship with the Rick Hansen Foundation. The plan includes (i) the disestablishment of the Rick Hansen Institute at UBC; and (ii) changes to the Rick Hansen Trust and the endowment funds that are associated with the Rick Hansen Trust. The Board of Governors has the authority, upon the recommendation of the Vancouver Senate, to disestablish the Rick Hansen Institute at UBC and the Vancouver Senate has made that recommendation, as set out in materials that have been forwarded directly to the Learning & Research Committee from the Vancouver Senate. The Board of Governors has delegated to the Finance Committee the authority to approve the amendments to the documentation for the Rick Hansen Trust and associated endowment funds and a recommendation from the Provost and Vice-President, Academic (Vancouver) and University Counsel to approve those changes has been submitted to the Finance Committee.

The submission to the Finance Committee is attached for the information of the Learning and Research Committee.

The Senate materials also address the naming of the Spinal Cord Rehabilitation Chair. Section 3.1 of UBC's Naming Policy gives authority to the Senate to name a Chair. The request to change the name on the endowment deed to match the name of the Chair that it supports is included in the submission to the Finance Committee.

The requests that are being made to the Learning and Research Committee and the Finance Committee must both be approved in order for the University to carry out the restructuring plan for the Rick Hansen Trust.

SUPPLEMENTAL MATERIALS (optional reading for Governors)

1. Endowment Variation and Encroachment Docket for the Rick Hansen Trust Endowments



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| SUBJECT | Endowment Variations and Encroachment: Rick Hansen Trust Endowments |
| SUBMITTED TO | Finance Committee |
| MEETING DATE | November 20, 2020 |
| SESSION CLASSIFICATION | Recommended session criteria from Board Meetings Policy: OPEN |
| REQUEST | <p>Action requested - Final approval</p> <p>IT IS HEREBY RESOLVED, as recommended by the President and University Counsel, that the Finance Committee, in accordance with authority delegated from the Board of Governors:</p> <ol style="list-style-type: none"> 1. Approve a variation to the Deed of Trust for the Establishment of the Rick Hansen Trust, to be renamed the George Gaffney – Rick Hansen Man In Motion Endowment Trust, to be effective on December 3, 2020, attached as Appendix 1; 2. Approve an encroachment of \$1.92 million on the capital of the amended and restated George Gaffney – Rick Hansen Man In Motion Endowment Trust; and 3. Approve variations to the Endowment Deeds for the: <ul style="list-style-type: none"> - B.C. Neurotrauma Fund Professorship Endowment Fund (to be renamed to add Lyall Knott), - Edie Ehlers Spinal Cord Research Endowment Fund (to be renamed to add “Chair in”), - Cordula and Gunter Paetzold Chair in Spinal Cord Clinical Research Endowment Fund (the “Paetzold Chair”), - John and Penny Ryan BC Leadership Chair in Spinal Cord Research Endowment Fund (the “Ryan Chair”), - Chair in Spinal Cord Rehabilitation Research Endowment Fund (to be renamed to add Patrick Reid) (the “Reid Chair”), (each a “Research Endowment Fund”) <p>as set out in the amended Research Endowment Deeds, and to be effective on December 3, 2020, attached as Appendix 2-6.</p> <p>(The requests that are being made to the Learning and Research Committee, as described below, and the Finance Committee, as noted above, must both be approved in order for UBC to carry out the restructuring plan for the Rick Hansen Trust.)</p> |
| LEAD EXECUTIVE | Andrew Szeri, Provost and Vice-President, Academic (Vancouver) Hubert Lai, Q.C., University Counsel |
| SUPPORTED BY | Janet Mee, Director, The Centre for Accessibility Dermot Kelleher, Dean, Faculty of Medicine Elizabeth Moxham, Legal Counsel, Office of University Counsel |

PRIOR SUBMISSIONS

The subject matter of this submission has not previously been considered by the Finance Committee.

EXECUTIVE SUMMARY:

Separate requests are being submitted to the Learning and Research Committee and the Finance Committee because each of these committees has been delegated authority from the Board of Governors to approve different parts of the overall plan to restructure and simplify the complex arrangement described in this docket. The Vancouver Senate is recommending to the Learning and Research Committee that the Rick Hansen Institute be disestablished. The Provost and Vice-President, Academic (Vancouver) is recommending that the Finance Committee (i) approve variations to endowment deeds that reference the Rick Hansen Trust and the Rick Hansen Institute, which will improve the administration of the endowments, (ii) approve renaming of the Rick Hansen Trust and the Research Endowment Funds, including incorporating the change to the name of the Reid Chair approved by the Senate into the endowment documentation for that chair; and iii) approve the encroachment of a portion of the capital of the amended and restated Rick Hansen Trust to support a donation to the Rick Hansen Foundation.

This restructuring will normalize UBC's financial management and administration of endowment funds that support accessibility leadership activities and spinal cord research and will restore funding to the Centre for Accessibility to support strategic projects at UBC. The requested donation will provide funds to the Rick Hansen Foundation, an important ally of UBC that has been receiving funding for the past 15 years to carry out accessibility leadership activities under contract to UBC, so that the two organizations can continue to build their relationship to support accessibility at UBC and in the community.

DISCUSSION:

The Rick Hansen Trust was established in 1996 to support the Rick Hansen Institute at UBC. It had mandates relating to accessibility leadership at UBC and in the broader community (the "**Accessibility Leadership Mandates**") and relating to spinal cord injury research. The Rick Hansen Trust's associated endowments have capital of approximately \$18 million supporting the Accessibility Leadership Mandates and approximately \$22 million supporting spinal cord injury research.

The Rick Hansen Trust has an overly administratively complex structure also involving UBC Foundation as trustee, as well as Vancouver Foundation, IMANT and an externally-controlled group of advisors. There are eight endowment funds that are part of the Rick Hansen Trust, six of which refer to the Rick Hansen Trust and the Rick Hansen Institute in their terms.

The Rick Hansen Institute has not been operational since 2005. Since that time, the Rick Hansen Foundation has carried out the Accessibility Leadership Mandates with the funds available for spending from three endowments that are part of the Rick Hansen Trust under an outreach agreement which ends December 31, 2020 (the "**Outreach Agreement**"). They have received between \$650,000 and \$800,000 per year to support this work. ICORD carries out the Rick Hansen Institute mandates relating to spinal cord injury research. At its November 2020 meeting, the Learning & Research Committee of the Board of Governors will be considering a recommendation from the Senate that the Rick Hansen Institute at UBC be disestablished (the request to the Senate is attached in Supplemental Materials 7).

UBC has worked with Rick Hansen, the Rick Hansen Foundation, the UBC Foundation and the Vancouver Foundation to put in place a plan to simplify the complexity of the Rick Hansen Trust and related endowments. As a result of this work, the trusts will be simpler, easier to administer and involve fewer institutions, while preserving the history and the important mandates of the Rick Hansen Institute. All funds associated with the Rick Hansen Trust will be held by UBC as trustee, except for one fund which must continue to be held by the Vancouver Foundation after the

reorganization because of the terms of its deed. Beginning in 2021, the Accessibility Leadership Mandates that have been carried out by the Rick Hansen Foundation under the Outreach Agreement will be carried out by the Centre for Accessibility at UBC, thereby restoring to UBC annual allocations of approximately \$650,000 for strategic accessibility activities. Activities carried out by ICORD will continue to be carried out by ICORD.

The requests in this docket that are being directed to the Finance Committee of the Board of Governors deal with the trust deeds for the six endowments in this structure which refer to the Rick Hansen Trust and the Rick Hansen Institute in their terms: the deed of the Rick Hansen Trust, and the deeds of the five Research Endowments. The other endowments that are part of the Rick Hansen Trust do not require any variations to their deeds to carry out the restructuring plan.

1. RICK HANSEN TRUST VARIATION

The Provost and Vice President, Academic (Vancouver), with the support of the stakeholders described below, recommends that the Finance Committee, in accordance with authority delegated from the Board of Governors, approve the variation to the Deed of Trust for the Rick Hansen Trust as set out in the attached proposed amended and restated Endowment Deed (attached as Appendix 1).

The variation will have the effect of:

- (a) UBC becoming the trustee in place of the UBC Foundation;
- (b) acknowledging the history of the Rick Hansen Institute;
- (c) updating the deed terms to reflect UBC's policies;
- (d) varying the purpose to support purposes and activities which reflect the Rick Hansen Institute's mandates even though the institute itself is being disestablished as a unit;
- (e) permitting encroachment on capital; and
- (f) changing the name of the fund as requested by the Rick Hansen Foundation to the "George Gaffney - Rick Hansen Man In Motion Fund", to honour a former chair of the Rick Hansen Foundation.

The Board's authority to vary the terms of the Rick Hansen Trust are found in section VI of the Deed of Trust for the Rick Hansen Trust, which provides that:

The terms and conditions of the RICK HANSEN TRUST may, with the approval of the Advisors, but subject to the terms and conditions of any Endowment, be amended from time to time by agreement in writing executed by Rick Hansen, the UBC Foundation and the University. All rights and privileges given to Rick Hansen in this Deed are personal to Rick Hansen during his lifetime and may not be assigned or otherwise transferred or exercised after his death. If Rick Hansen shall be unable to consent to an amendment, the UBC Foundation and the University may amend the terms and conditions of the RICK HANSEN TRUST, subject to the terms and conditions of any Endowment, by agreement in writing approved by the Advisors.

Written agreement to the proposed variation has been executed by the UBC Foundation and by Rick Hansen in his personal capacity and in his capacity as the sole Advisor of the Rick Hansen Trust. (Under the Amendment to the Rick Hansen Institute Memorandum of Understanding (Supplemental Materials 15), Rick Hansen has been appointed as the sole member of the board of directors of the Rick Hansen Institute and is accordingly the sole Advisor, with the authority to execute consents on behalf of the Advisors in connection with the variation of the

endowment deeds and the disestablishment of the Rick Hansen Institute.) The Rick Hansen Foundation has also acknowledged and confirmed its support of this amendment.

Upon the Finance Committee's approval of this request, the Rick Hansen Trust and each endowment which was part of the Rick Hansen Trust will be managed under its own deed, instead of under two or more pieces of documentation as is the current situation. As a result of these changes, the capital which will be managed under the amended and restated Rick Hansen Trust (referred to in the next section as the "**George Gaffney Endowment Trust**") is approximately \$6.92 million (the three-year average value as at June 30, 2020).

2. GEORGE GAFFNEY ENDOWMENT TRUST ENCROACHMENT

The Provost and Vice President, Academic (Vancouver), with the support of the Centre for Accessibility and the President, also requests that the Finance Committee, in accordance with authority delegated from the Board of Governors, approve encroachment of \$1.92 million of capital of the George Gaffney Endowment Trust to facilitate a donation to the Rick Hansen Foundation.

The funds in the George Gaffney Endowment Trust are derived solely from a \$5 million donation that the Rick Hansen Foundation made to the UBC Foundation in 1994 which has grown over time. The average three-year market value of the capital of that fund as at June 30, 2020 is approximately \$6.92 million. The amount of the donation reflects the approximate value of the growth of the original gift from the Rick Hansen Foundation, and is equivalent to approximately three years of funding which would have been provided had the Outreach Agreement not ended.

This donation will support the Rick Hansen Foundation's ability to continue to carry out its work, including providing resources to support its funding transition upon expiry of the Outreach Agreement. The Rick Hansen Foundation is a leader in accessibility activities in the community and continues to be an important partner with UBC to advance accessibility both at UBC and in the community. In part with the support of this gift, UBC and the Rick Hansen Foundation are planning to carry out strategic projects together into the future.

The donation has been documented in an agreement that has been approved by the Rick Hansen Foundation, subject to approval of this encroachment request. The agreement requires the Rick Hansen Foundation to use the funds to carry out those aspects of its work that fall within the community aspects of the purposes of the amended and restated trust. The agreement also requires the Rick Hansen Foundation to report to UBC and empowers UBC to audit the use of the funds.

The authority of UBC to encroach upon the capital of the fund is found in section VI of the Deed of Trust for the amended and restated George Gaffney Endowment Trust:

Although very uncommon, circumstances may arise where it is advisable for the University to encroach on the Fund. The University may encroach on the Fund in such circumstances, but only if that encroachment is recommended by the President to the Board of Governors and is approved by the Board of Governors.

3. RESEARCH ENDOWMENT DEEDS VARIATIONS

The Dean of the Faculty of Medicine and the Provost and Vice President, Academic (Vancouver), with the support of the stakeholders described below, request that the Finance Committee, in accordance with authority delegated from the Board of Governors, approve the variation to the deeds of the five Research Endowment Funds as set out in each attached proposed amended Research Endowment Deed (attached as Appendices 2-6).

The deeds for the Research Endowment Funds will be varied in the same way as the Rick Hansen Trust and will have the effect described in (a), (b), (c) above, as well as having the effect of:

- (a) confirming that each Research Endowment Fund is a stand-alone trust, no longer part of the Rick Hansen Trust;
- (b) requiring that future variations of the purpose of any of the Research Endowment Funds must support the purposes and activities which were the mandates of the Rick Hansen Institute even though the institute itself is being disestablished as a unit;
- (c) in the case of the Reid Chair Endowment Fund and the Paetzold Chair Endowment Fund, removing the reference to the dedication of capital from the Disability Resource Centre Endowment Fund and removing the reference to these Endowment Funds being sub-trusts of the Disability Resource Centre Endowment Fund. Instead, this dedication of capital will be managed by separate endowment documentation which aligns with UBC's endowment accounting processes for allocating income available from the UBC – Disability Resource Centre Endowment held at Vancouver Foundation between these two chairs and the Disability Resource Centre Endowment Fund held at UBC; and
- (d) reflecting in the endowment deeds the following name changes:
 - (i) changing the name of the BC Neurotrauma Fund Professorship, approved under the Naming Policy, as requested by the Rick Hansen Foundation to honour Lyall Knott, a former chair of the Rick Hansen Foundation;
 - (ii) changing the name of the Chair in Spinal Cord Rehabilitation Research, approved under the Naming Policy, as requested by the Rick Hansen Foundation to honour Patrick Reid, a former chair of the Rick Hansen Foundation;
 - (iii) adding “Chair in” to the Edie Ehlers Spinal Cord Research Fund to clarify that the fund supports an existing chair; and
 - (iv) recognizing all five Research Endowment Funds have been “inspired and supported by Rick Hansen”.

The Board's authority to vary the terms of the deeds are found in the Research Endowment Deeds (either Section 6 or Section 7, depending on the deed). The variation language is set out in standard language that is consistent across all the Research Endowment Deeds, with variations for particular deeds to add additional information specific to that deed. The core language is as follows, and the deed specific language is noted as in brackets:

If in the opinion of the [Paetzold Chair: VGH & UBC Hospital Foundation and the] University the operation of the Fund becomes impossible or impractical or is not achieving its purpose in a satisfactory manner the UBC Foundation may vary the terms of this Deed of Endowment but only so that it shall be administered for teaching and research in a field or fields as closely associated as possible to that for which the Rick Hansen Trust was established [Paetzold Chair and Reid Chair: that falls within the purposes of the Disability Resource Centre Endowment]; provided that any variation may be made only with the consent of the Board of Directors of the Rick Hansen Institute [Ryan Chair: the Rick Hansen Man In Motion Foundation] and Rick Hansen [Paetzold Chair: and VGH & UBC Hospital Foundation] and upon the recommendation of the President to the Board of Governors and approval of the Board.

Written agreement to the proposed variations has been executed by the UBC Foundation, and Rick Hansen in his personal capacity and in his capacity as the sole member of the Board of Directors of the Rick Hansen Institute (as

described above). In addition, the VGH & UBC Hospital Foundation has consented to the variation of the deed for the Paetzold Chair Endowment Fund, and the Rick Hansen Foundation has consented to the variation of the deed for the Ryan Chair Endowment Fund.

SUPPORT FOR REQUESTS:

The Office of the University Counsel and the Office of the President have worked closely with the Provost and Vice-President, Academic (Vancouver) on the development of these recommendations and the associated documentation. Both the President and the University Counsel support these requests. All of the stakeholders for the Research Endowment Deeds also support this request, being the UBC Foundation, Rick Hansen, and the Rick Hansen Foundation. In addition, for the Paetzold Chair, the VGH & UBC Foundation supports this request.

The following documents were provided to the Board Secretariat and are available to Governors on request:

Rick Hansen Trust:

1. Amended and Restated Deed of Trust for the Establishment of the Rick Hansen Trust to be known by the new name of George Gaffney – Rick Hansen Man In Motion Endowment Trust

Research Endowments:

2. Lyall Knott BC Neurotrauma Fund Professorship Endowment Trust Deed, Inspired and Supported by Rick Hansen (Amended and Restated)
3. Edie Ehlers Chair in Spinal Cord Research Endowment Trust Deed, Inspired and Supported by Rick Hansen (Amended and Restated)
4. Cordula and Gunter Paetzold Chair in Spinal Cord Clinical Research Endowment Trust Deed, Inspired and Supported by Rick Hansen (Amended and Restated)
5. John and Penny Ryan BC Leadership Chair in Spinal Cord Research Endowment Trust Deed, Inspired and Supported by Rick Hansen (Amended and Restated)
6. Patrick Reid Chair in Spinal Cord Rehabilitation Research Endowment Trust Deed, Inspired and Supported by Rick Hansen (Amended and Restated)

SUPPLEMENTAL MATERIALS

7. October 2020 Vancouver Senate Submission regarding Disestablishment of Rick Hansen Institute
8. Deed of Trust for the Establishment of the Rick Hansen Trust
9. B.C. Neurotrauma Fund Professorship Endowment Deed
10. Edie Ehlers Spinal Cord Research Endowment Fund
11. Cordula and Gunter Paetzold Chair in Spinal Cord Clinical Research Endowment Deed
12. BC Leadership Chair in Spinal Cord Research Endowment Deed (later renamed to add “John and Penny Ryan”)
13. Chair in Spinal Cord Rehabilitation Research Endowment Deed
14. Rick Hansen Institute at The University of British Columbia Memorandum of Understanding
15. Rick Hansen Institute at The University of British Columbia Amendment of Memorandum of Understanding and Dissolution of Rick Hansen Institute