



Board of Governors
**FINANCE COMMITTEE MEETING
MINUTES**

Monday, November 20, 2023

2:03 PM to 4:06 PM

VIDEOCONFERENCE

Approved: February 1, 2024

Chair	Mr. Azim Lalani	Designated Executive Liaison	
Members in Attendance	President Benoit-Antoine Bacon Ms. Eshana Bhangu Mr. Jessie Dusangh Board Chair Nancy McKenzie Mr. Matthew Tan Mr. Byron Thom	Mr. Frank Laezza, Vice-President Finance & Operations	
Regrets	Dr. Natalie Chan Dr. Sandy Hilton, Vice-Chair Hon. Steven Point, Chancellor	Administration Dr. Gage Averill, Provost and Vice-President Academic, UBC Vancouver Ms. Marcia Buchholz, Vice-President Human Resources Dr. Ainsley Carry, Vice-President Students Ms. Robin Ciceri, Vice-President External Relations Dr. Lesley Cormack, Deputy Vice-Chancellor and Principal, UBC Okanagan Mr. Hubert Lai, K.C., University Counsel Ms. Heather McCaw, Vice-President Development & Alumni Engagement Dr. Gail Murphy, Vice-President Research & Innovation Dr. Rehan Sadiq, Provost and Vice-President Academic, UBC Okanagan	
Governors In Attendance	Dr. Philipp Reichert	Board Secretary	Ms. Karen Hakkarainen

Committee Chair Azim Lalani called the open session of the November 20, 2023 Finance Committee meeting to order at 2:03 p.m., and respectfully acknowledged the ancestral and unceded territories of the Musqueam and of the Syilx Okanagan Nation upon which UBC campuses are located.

The Chair welcomed UBC's new President, Dr. Benoit-Antoine Bacon.

The Board Secretary reviewed attendance and confirmed quorum.

1. Approval of Agenda

Noting the deferral of Agenda Item #7, the Chair asked if any Committee member would like to make any additional amendments to the Agenda. No requests were made.

The following resolution was moved, seconded, and **CARRIED**:

IT IS HEREBY RESOLVED that the Finance Committee approves as amended the Agenda for the open session of the November 20, 2023 Finance Committee meeting.

The Chair asked if Governors had any actual, potential or apparent conflicts of interest to declare with any items on the open Agenda. None were raised.

2. Consent Agenda

The Chair asked if Committee members had noted any errors or omissions in the Minutes of the previous meeting, circulated under the appended Consent Agenda. None were raised.

The following resolution was moved, seconded, and **CARRIED**:

IT IS HEREBY RESOLVED that the Finance Committee approves the resolutions forwarded under the open Consent Agenda, as presented in the Appendix.

The Chair noted that two items were circulated under the Consent Agenda for the Committee's information: the Endowment Status Report as at September 30, 2023 and the UBC-Controlled, Affiliated or Related Organizations, Major Campus Tenancies, Off-Campus Properties Annual Report.

3. Integrated Renewal Program (IRP) Student – Update and Program Change Request

Responsible Executives: Lesley Cormack, Deputy Vice-Chancellor and Principal, UBC Okanagan
Gage Averill, Provost and Vice-President Academic, UBC Vancouver
Rehan Sadiq, Provost and Vice-President Academic, UBC Okanagan

The Administration provided an update on the Student component of the Integrated Renewal Program (IRP), as set out in the circulated briefing. The Committee was advised that in the interval since the briefing was submitted, three additional go-decision criteria have been completed, with the remaining criteria considered to be on track for the November 30, 2023 check in.

The presentation included an overview of the rationale and anticipated benefits of the proposed Student Completion Program, as set out in the circulated briefing. Governor Thom, a member of the IT Advisory Council (ITAC), advised that the Student Completion Program was discussed in depth and supported by ITAC.

The Committee was advised that even with the requested release of up to \$55 million for the Student Completion Program from the IRP Student contingency reserve, the Administration is confident that sufficient contingency remains in the IRP Student budget to accommodate any unforeseen circumstances.

The following resolution was moved, seconded, and **CARRIED**:

IT IS HEREBY RESOLVED that the Finance Committee recommends the Board of Governors grant approval for a release of up to \$55 million from the IRP Student contingency reserve for the purpose of funding the IRP Student Completion Program.

4. UBC Investment Management Q2 2023-2024 Investment Report

Responsible Executive: Frank Laezza, Vice-President Finance & Operations
UBC Investment Management: Dawn Jia, President and CEO

The presentation provided to the Committee included highlights of market conditions and a summary of the performance of UBC funds to September 30, 2023, as set out in the circulated briefing.

In addition, Ms. Jia provided the following information in response to questions forwarded by Governors in advance of the meeting:

- There is reduced activity in the United States in terms of identification and investment in ESG-aligned assets, but this trend is less evident in Canada. Environmental, social and governance (ESG) considerations remain central to UBC Investment Management's investment process.
- Inflation is the greatest contributing factor to the differential between actual and required returns for the Main Endowment Pool (MEP) and for Staff Pension Plan investments. UBC Investment Management continues to monitor both funds closely, with relatively greater confidence in the long-term performance of the Main Endowment Pool due to the structure of that portfolio. The Staff Pension Plan Board of Directors has approved a more conservative approach for the funds they oversee, and could consider adopting the same investment framework in place for the MEP.
- UBC Investment Management publishes on their website two annual reports in which UBC's sustainable investing practices are shared publicly: the UBC Investment Management Annual Report and the Responsible Investing Report.

Ms. Jia further advised that UBC Investment Management was nominated for the Institutional Connect Asset Owner Award. This award recognizes an institutional investor firm that has delivered outstanding fiduciary duties to their clients through achieving desired investment objectives, clear communication with their members and clients, and having an effective governance system.

5. Amendments to the Main Endowment Pool (MEP) Statement of Investment Policy (SIP)

Responsible Executives: Frank Laezza, Vice-President Finance & Operations
Hubert Lai, K.C., University Relations

UBC Investment Management: Dawn Jia, President and CEO

The Committee was advised that following approval of UBC's Statements on Responsible Investing in June 2023, the Main Endowment Pool Statement of Investment Policy was reviewed and revised to ensure compliance.

The following resolution was moved, seconded, and **CARRIED**:

IT IS HEREBY RESOLVED that, under authority delegated by the Board of Governors, the Finance Committee approves as circulated the revised Main Endowment Pool Statement of Investment Policy, effective January 1, 2024.

6. Main Endowment Pool (MEP) Spending Rate FY2025

Responsible Executive: Frank Laezza, Vice-President Finance & Operations

UBC Investment Management: Dawn Jia, President and CEO

The Administration presented their recommendation for the Main Endowment Pool spending rate in 2024-2025, as set out in the circulated briefing.

The following resolution was moved, seconded, and **CARRIED**:

IT IS HEREBY RESOLVED that the Finance Committee recommends that the Board of Governors approve retention of the endowment spending rate at 4.0% for Fiscal Year 2025 for the Main Endowment Pool.

7. Trek Endowment Fund Flat Spend FY2025

Consideration of this item was deferred to the December 5, 2023 Board of Governors meeting.

8. Ratification of Fees

Responsible Executive: Gage Averill, Provost and Vice-President Academic, UBC Vancouver

The Administration presented an overview of the issue of student fees for which previous Board approval could not be confirmed. Information was also provided about the steps taken to date and mechanisms to be implemented to ensure that all fee approvals are tracked going forward, as set out in the circulated briefing.

The following resolution was moved, seconded, and **CARRIED**:

IT IS HEREBY RESOLVED that, under authority delegated by the Board of Governors, the Finance Committee ratifies and approves the collection of the student fees specified in Appendix 2 to the briefing.

9. 2024-2025 Budget Process Overview and Key Assumptions

Responsible Executives: Frank Laezza, Vice-President Finance & Operations
Lesley Cormack, Deputy Vice-Chancellor and Principal, UBC Okanagan
Gage Averill, Provost and Vice-President Academic, UBC Vancouver
Rehan Sadiq, Provost and Vice-President Academic, UBC Okanagan

The Administration presented an overview of key considerations, and of the process and timeline for drafting the University's FY2024-2025 budget, as set out in the circulated briefing.

The Committee discussed with the Administration the challenges inherent in balancing the University's ability to fund existing initiatives and to implement new initiatives while continuing to sustain the foundational elements that support the University's academic mission, all in a financially constrained context. The Committee encouraged the Administration to continue identifying opportunities for savings and for incorporating incremental continuous improvement into the University's budget-planning process.

The Committee was advised that the Administration has undertaken the process of reviewing existing post-secondary institution budget models and assessing their applicability to the UBC environment.

10. Tuition Engagement 2024-2025 and Tuition and Non-Instructional Fees 2024-2025

Responsible Executives: Gage Averill, Provost and Vice-President Academic, UBC Vancouver
Ainsley Carry, Vice-President Students
Lesley Cormack, Deputy Vice-Chancellor and Principal, UBC Okanagan
Rehan Sadiq, Provost and Vice-President Academic, UBC Okanagan
Frank Laezza, Vice-President Finance & Operations

The Administration presented an overview of feedback received from students in response to the 2024-2025 tuition proposal and of the rationale underlying the recommended tuition levels, as set out in the circulated briefing.

In response to the information provided with respect to the Administration's plans for mitigating cost pressures on tuition, the Committee asked the Administration to provide biannual updates on progress in the areas identified:

- reviewing and adjusting staffing levels;
- enacting efficiencies through optimization of service delivery models;
- implementing Robotic Process Automation where it is feasible and desirable;
- carrying through on proposals re the FY23 Structural Deficit Relief Fund; and,
- requesting that no new funding requests come through the budget process from either the Faculties or the Administrative units.

It was suggested that it would be helpful were the Administration to indicate the cost savings that have been identified for each fiscal year and whether the savings are recurring or one time.

During discussion, the Committee pointed to assessment of financial support for continuing international students and the implementation of a multi-year tuition framework to enhance financial predictability for new international students as areas of continuing interest. The Committee was advised the March 2024 Student Affordability Task Force report would include updates on these issues, as well as details of progress in areas such as food security, housing, textbooks, and childcare. The Committee asked that the Administration include in the March 2024 briefing the anticipated timeline for conversion of the calculator available on the UBC website from the current one-year model to a multi-year model.

The following resolution was moved, seconded, and **CARRIED**:

IT IS HEREBY RESOLVED that the Finance Committee recommends that the Board of Governors approve the following, applicable to students on the Vancouver and Okanagan campuses effective May 1, 2024:

- A 2% increase in tuition for new and continuing domestic undergraduate and graduate students, for the programs specified in Schedule A.**
- An increase in tuition for international students as follows:**
 - a 5% increase in tuition for new incoming international undergraduate students, as set out in Schedule A;**
 - a 3% increase in tuition for continuing international undergraduate students, who entered their degree programs prior to May 1, 2024, as set out in Schedule A;**
 - a 2% increase in tuition for new international graduate students in programs with standard rates, as set out in Schedule A;**

- d. a 2% increase in tuition for continuing international graduate students in programs with standard rates, as set out in Schedule A;
 - e. a 5% increase in tuition for new incoming international graduate students in programs with specialized rates, as set out in Schedule A;
 - f. a 3% increase in tuition for international graduate students in programs with specialized rates, who entered their degree programs prior to May 1, 2024, as set out in Schedule A; and,
 - g. a 5% increase in international per credit tuition for unclassified, qualifying, visiting, access studies, and auditing students.
- iii. An increase of 2% for Non-Instructional Fees as specified in Schedule B, applicable to students on the Vancouver and Okanagan campuses effective May 1, 2024.

Governor Bhangu was opposed.

The open session of the November 20, 2023 Finance Committee meeting adjourned at 4:06 p.m.

ACTION ITEMS

None identified.

CONSENT AGENDA – FOR APPROVAL

The following items were approved under the appended Consent Agenda:

11. Minutes of Previous Meeting

IT IS HEREBY RESOLVED that the Finance Committee approves as circulated Minutes of the open session of the September 14, 2023 Finance Committee meeting.

12. New Program Tuition | Bachelor of Science in Food and Resource Economics, Faculty of Land & Food Systems, UBC Vancouver

IT IS HEREBY RESOLVED that the Finance Committee, in accordance with authority delegated by the Board of Governors, approves tuition of \$194.78 per credit for domestic students and \$1,543.19 per credit for international students for the Bachelor of Science in Food and Resource Economics in the Faculty of Land & Food Systems at UBC Vancouver, in alignment with other Faculty of Science programs for 2023-2024, subject to increases as approved by the Board of Governors.

13. Reduction of Minimum Number of Tuition Installments | Master of Design (MDes), UBC Okanagan

IT IS HEREBY RESOLVED that the Finance Committee, in accordance with authority delegated by the Board of Governors, approves a reduction in the minimum number of instalments for the Master of Design (MDes) program at UBC Okanagan from four (4) to three (3) minimum instalments, effective 2023 Winter Term 2.

14. Endowment Variation Request | Rose Hinselwood McCaffrey Education Endowment Fund

IT IS HEREBY RESOLVED that the Finance Committee, in accordance with authority delegated by the Board of Governors, approves the collapse of the Rose Hinselwood McCaffrey Education Endowment Fund (the “Education Endowment Fund”), effective immediately.

CONSENT AGENDA – FOR INFORMATION

The following items were received for information under the appended Consent Agenda:

- 15. Endowment Status Report as at September 30, 2023**
- 16. UBC-Controlled, Affiliated or Related Organizations, Major Campus Tenancies, Off-Campus Properties Annual Report**