

**MINUTES OF THE OPEN SESSION MEETING
OF THE BOARD OF GOVERNORS**

Held on Tuesday, May 28, 2019, at 4 p.m.
in Room GM 410 (Board of Governors Meeting Room)
located on the 4th floor of the Guy-Metro Building,
1550 de Maisonneuve Blvd. West
on the SGW Campus

PRESENT

Governors: Norman Hébert jr., *Chair*, Helen Antoniou, Françoise Bertrand, *Vice-Chair*, Patrice Blais, Jeff Bicher, Antoinette Bozac, Ken Brooks, Stéphane Brutus, William Bukowski, Jarrett Carty, Gina P. Cody, Sophie Hough-Martin, Tony Loffreda (*via telephone*), Frédérica Martin, *Vice-Chair*, Michael Novak (*via telephone*), Georges Paulez, Philippe Pourreaux, Alan Shepard, *President and Vice-Chancellor*, Suzanne Sauvage, Ted Stathopoulos

Alternate Governor: Eunbyul Park

Also attending: Philippe Beauregard, Sylvie Bourassa, Graham Carr, William Cheaib, Paul Chesser, Denis Cossette, Roger Côté, Christophe Guy, Jean-François Hamel, Frederica Jacobs, Anne Whitelaw

ABSENT

Governors: Daniel Cross, Adriana Embiricos, Rana Ghorayeb, Chaim Kuhnreich, Kim Thuy Ly Thanh

Non-voting observer: Jonathan Wener, *Chancellor*

1. **Call to Order**

Mr. Hébert called the meeting to order at 4:02 p.m.

1.1 **Adoption of the Agenda**

Upon motion duly moved and seconded, it was unanimously RESOLVED:

R-2019-4-4 *That the Agenda be approved, including the items on the Consent Agenda.*

CONSENT

2. Adoption of April 17, 2019 Minutes

R-2019-4-5 *That the Minutes of the meeting of the Open Session of April 17, 2019 be approved.*

3. Request for the use of the Concordia name (Document BG-2019-4-D2)

R-2019-4-6 *That, subject to the conditions set out in the Policy on the Use of Concordia University's Name, Logo and Related Insignia, and the Governance of its Visual Character and Digital Presence (SG-4), the Board of Governors approve the following requests to use the Concordia name:*

- ***Katalis - Concordia***

4. Line of Credit Framework (Document BG-2019-4-D3)

R-2019-4-7 *Whereas Concordia University (the "**University**") currently has a total of \$245 million of available credit facilities, via lines of credit, with BMO (\$75 million), Royal Bank (\$70 million), TD Bank (\$60 million) and Caisse Centrale Desjardins (\$40 million) (collectively the "**Current Facilities**") that may be used to finance its operational cash flow needs, accumulated deficit, capital investments, the temporary financing of maturing capital bonds and payment of outstanding loans made to the University by Financement-Quebec, funding of the University's working capital due to timing differences between the collection of revenues and disbursement of expenses as well as financing of the University's restricted funds and other short-term needs (the "**Short-Term Loans Purposes**").*

*Whereas as a result of the University's growing needs as expressed through its operating and capital budgets, as well as due to delays in collecting grant receivables from the government, with a view to comply with the University's funding and financing policies and in order to ensure that Concordia has enough cash to pay for its financial commitments over the short term, the University requires an increase to its the short-term borrowing capacity to an aggregate amount not to exceed \$330 million CAD (the "**Global Threshold**").*

*Whereas, approval is being sought for the establishing of a line of credit framework, as more specifically set out in paragraph 1 of the present resolution (the "**Line of Credit Framework**"), that will allow for allocation of the Global Threshold among any member of the Desjardins Group, including Caisse Centrale Desjardins, and the institutions, as at December 31, 2018, listed in Schedule I of the Bank Act, S.C. 1991, c.46, ("**Schedule I of the Bank Act**"), a copy of which is annexed to this resolution as Schedule A (collectively the "**Approved Institutions**" or one "**Approved Institution**") without the need to seek Board approval on a per credit facility basis.*

Whereas pursuant to "SPECIAL BY-LAW "E" REGARDING BORROWING", the Board of Governors is, among other things, authorized to engage in such borrowing and to delegate such powers and designate directors and officers of the University to sign any

contract or instrument on behalf of the University for the purposes of the Borrowing By-Law;

Whereas the Board wishes to increase the Global Threshold and to delegate by resolution to the two (2) individuals that are described in paragraph 5 below (the "**Agreement Signatories**") the authority to sign, execute and deliver any agreement to be entered into by the University to obtain short-term borrowing facilities with any Approved Institution (a "**Facility**" or collectively "**Facilities**") for and on behalf of the University and to do all such other acts as are ancillary to the execution of any such Facility and as are necessary to give effect to any such Facility;

Whereas the Board wishes to delegate by resolution to any two (2) of the individuals that are described in paragraph 6 below (the "**Transaction Signatories**") the authority for and on behalf of the University to: (i) use any Facility for the benefit of the University in accordance with the terms and conditions of the relevant Facility; and (ii) conclude with any Approved Institution all such other related, ordinary course transactions; and

Whereas the University may only use the Facilities only for the Short-Term Loan Purposes;

Be it resolved:

1. That the Line of Credit Framework is hereby approved and is comprised of the following conditions:
 - a. The aggregate total of all available credit under the Facilities available to the University, including the Current Facilities, cannot exceed the Global Threshold of \$330 million CAD;
 - b. The University may enter into one or more Facilities with any of the Approved Financial Institutions;
 - c. The University cannot enter into any Facilities with an Approved Financial Institution when the total aggregate value of the available credit under all of the Facilities with said Approved Financial Institution represent more than 45% of the Global Threshold;
 - d. One or more Facilities may be in US dollars;
 - e. The Facilities can only be used for the Short-Term Loan Purpose; and
 - f. The terms and conditions of any Facility must be submitted to, examined, approved and executed by the Agreement Signatories.
2. That for any Facility that meets with the Line of Credit Framework, the University is hereby authorized to enter into any such Facility without any need to seek any other Board approval.
3. That the two Agreement Signatories be and they are hereby authorized and directed for and on behalf of the University to sign, execute and deliver any Facility that complies with the Line of Credit Framework and all documents in relation thereto, together with such amendments or variations as they may deem necessary, appropriate and expedient (provided that such modifications to any Facility do not have the effect of increasing the Global Threshold) (collectively referred to as "**Required Modifications**");

4. That the two Agreement Signatories be and they are hereby authorized and directed for and on behalf of the University to sign, execute and deliver all such other documents, instruments or other writings and perform and do all such acts and things as they in their discretion may consider to be necessary, appropriate and expedient, provided that such acts do not have the effect of increasing the Global Threshold (collectively referred to as "**Required Acts**" and individually referred to as a "**Required Act**");

5. That:

- a) The President and Vice-Chancellor; and
- b) The Chief Financial Officer.

(the "**Agreement Signatories**")

shall, together, be and they are hereby authorized and directed for and on behalf of the University to sign, execute and deliver: (i) any Facility (with or without any Required Modifications); and (ii) any Required Act and any Facility so executed as well as any other obligation created pursuant to a Required Act shall be binding upon the University;

6. That for all accounts under any Facility, any two of the persons holding the following positions with the University:

- a) The President and Vice-Chancellor;
- b) The Chief Financial Officer;
- c) Any Vice-President;
- d) The Secretary-General;
- e) The Controller;
- f) The Treasurer and Investment Officer;
- g) The Senior Director, Financial Planning and Budgets; and
- h) The Director, Capital and Financing.

(the "**Transaction Signatories**")

shall, for any Facility that complies with the Line of Credit Framework, together, be and they are hereby authorized to:

- i) use any such Facility for the benefit of the University (for credit to the University's account only) in accordance with the terms and conditions of said Facility by executing and delivering all such documentation as may be required by the relevant Approved Financial Institution for this purpose;
- ii) receive from an Approved Financial Institution, and where applicable grant receipt for, all statements of accounts (pass books), cancelled cheques and other debit vouchers, unpaid and unacceptable bills of exchange and other negotiable instruments; and

iii) negotiate, deposit with or transfer to any relevant Approved Financial Institution (but for the credit of the University's account only) all or any promissory notes, bills of exchange or other negotiable instruments and orders for the payment of money including drafts, letters of credit, treasury bills and bankers' acceptances and for the said purpose, to draw, sign, endorse (by rubber stamp or otherwise) all or any of the foregoing, and such signatures or stamping shall be binding upon the University;

7. That a certified copy of this resolution be delivered, as required for any new Facility or otherwise, to any relevant Approved Financial Institution for its guidance and information and that this resolution be valid until a resolution abrogating the same shall have been passed and a certify copy thereof delivered to said Approved Financial Institution.

5. Audit Committee report (Document BG-2019-4-D4)
6. Human Resources Committee report (Document BG-2019-4-D5)

These reports were submitted for information.

REGULAR

7. Business arising from the Minutes not included on the Agenda

There was no business arising from the Minutes not included on the Agenda.

8. President's report (Document BG-2019-4-D6)

As complementary information to his written report, Prof. Shepard updated the Board on some recent appointments, ongoing University events and initiatives.

He informed the Board that at its meeting of May 17, Senate ratified a statement against proposed Bill 21 (*An Act respecting the laicity of the State*), which he has forwarded to the Minister of Education as well as the Minister of Immigration, Diversity and Inclusiveness who is sponsoring the Bill.

He noted that a list of accomplished individuals will be receiving honorary degrees at the upcoming Convocation ceremonies and encouraged Governors to attend.

9. Report on compliance with environmental legislation and health and safety (EH&S) regulations (Document BG-2019-4-D7)

Mr. Côté presented the highlights of the report which covers the reporting period for the first quarter of 2019.

10. Profile of President and Vice-Chancellor (Document BG-2019-4-D8)

The Chair, who also chairs the Advisory Search Committee, conveyed the process leading up to the presentation of the profile for the Board's approval.

Upon motion duly moved and seconded, it was unanimously RESOLVED:

R-2019-4-8 *That the Board of Governors approve the profile of President and Vice-Chancellor, as outlined in Document BG-2019-4-D8.*

11. Finance Committee recommendations:

11.1 Tuition fee model for international students in deregulated programs (Document BG-2019-4-D9)

Mr. Paulez noted the Finance Committee is submitting a series of motions for the Board's approval today.

The first ones deal with the tuition fees charged to international students and lay out a framework to manage the process. He acknowledged that this is a challenging subject but a necessary move for the University. As the highest governing body, the Board needs to ensure that the University has the tools and resources to meet the continuing and growing needs of all members of the Concordia community and its stakeholders.

Mr. Paulez indicated that the process and conclusions outlined by the Provost and Chief Financial Officer offer a balanced and reasonable approach to the valid concerns raised and, that for those reasons, the Finance Committee is recommending Board approval.

The President added that he was seeking the Board's support for the new tuition fee model, which constitutes a fair response to the government's policy concerning the funding of international students while protecting the quality of education for all of our students.

The Provost and Vice-President, Academic, Graham Carr, explained that a number of changes to the funding formula will come into effect on September 1, 2019, which include the deregulation of government funding for all international undergraduate students as well as all international graduate students in professional and non-research Masters programs. In other words, effective September 1, the government will cease to provide any grants for those students, and the University will have the discretion to set the tuition and will keep all the revenue generated by it, with one notable exception: the international students from France and Belgium. The government has determined that tuition for the latter remain regulated and that their tuition fees be increased at the same rate applied to students from the rest of Canada, set at 4.25% for 2019/2020. Also unaffected by the deregulation are the international research Masters and PhDs students, which are key to achieving the University's direction to double our research. The government has set the increase for those students at 3.6% for 2019/2020.

Dr. Carr said that the government calculates that this policy change will result in an annual loss of \$6.6 million, representing the difference between the amount of tuition collected by the University and the amount of the government grant that the University would have received.

Therefore, a lot of thought went into how to address this new reality in a fiscally responsible and fair-minded way while continuing to advance the University's mission

and keeping in mind the 3,850 returning international students who were recruited under the old framework. For those students, Dr. Carr explained that they will continue to be treated as the students from the rest of Canada, which means that their increase will be set at 4.25% for 2019/2020.

The Provost said the government is providing a one-time only grant of \$6.6 million to help the University transition to the new funding model. However, going forward the University must establish a framework to address that annual recurring \$6.6 million loss. He added that this amount is not only very material to the University's academic mission but also key to extricating the University out of its deficit situation.

The framework relates to the kind of institution Concordia is and aspires to be - accessible, diverse and globally ranked -, and that the University must continue to advance its strategic priorities and academic mission while ensuring student support. Dr. Carr made the point that the framework proposes a gradual approach based on predictable and modest tuition rates compared to other jurisdictions, Concordia being well below the average of comparator universities. He outlined the framework which will provide an annual increase per entering cohort ranging between 4.25% and 8.25%, noting that the five-year horizon will allow to test the model on multiple cohorts and with the expectation of returning to equilibrium vis-à-vis the impact of reduction in the government grant in the fourth year.

In accordance with the above framework, the increase for 2019/2020 for new international undergraduate and MBA students will be 8.25% while that for those in other professional and non-research Masters programs will be 4.25%. The Provost reiterated that returning international students will not be affected by those increases. He referred to price elasticity studies which confirm that tuition predictability is an important element for international students and their parents when choosing an institution.

He explained that a key component of the proposal includes a significant increase in student support, in the form of recurring annual funding of \$2 million dedicated to international students, comprised of \$1.1 million in fee remissions for PhD students and \$900,000 in merit-based entrance scholarships for undergraduate students.

Dr. Carr opined that the framework aligns with the University's values and academic mission, which would be in jeopardy if not adopted. He concluded his presentation by noting that the proposal will allow the University to offer more financial support and pathways to financial support and to sustain its diversity and the quality of its teaching and research while remaining one of the most affordable universities.

Following the presentation, and given the importance of the subject, Mr. Hébert invited each Governor to comment on the proposal. On the one hand, the overwhelming majority of Governors expressed satisfaction with the quality of the presentation and indicated their support for the proposed framework, which they found to be in the best interests of the University, balanced, fair and responsible.

On the other hand, Ms. Park voiced concerns about the process, noting the lack of information about the budget and that the experience of the current study body was not taken into account, despite the fact that over 2,600 current students signed a petition

against the tuition hike. With respect to the content, she opined that international undergraduate students would carry a bigger part of the burden and that it was not the best approach that the higher tuition of some students would benefit to other students who pay lower tuition. Ms. Hough-Martin argued that entrance bursaries cover only a few students and are not sufficient to cover their living expenses and spoke of the poverty and vulnerability of international students.

Upon motion duly moved and seconded, it was RESOLVED (Hough-Martin voting against):

R-2019-4-9 *That, on recommendation of the Finance Committee, the Board of Governors approve the new tuition fee model for international students, effective as of the Fall term of 2019 (2019/2) until the end of the Summer term of 2024 (2024/1), to be reviewed by the Board of Governors for the period beginning in the Fall term of 2024 (2024/2), or at such earlier date as deemed appropriate by the Provost and Vice-President, Academic following consultation with the Chief Financial Officer, as follows:*

All international students currently registered for a term ending before August 31, 2019 in deregulated Cycle 1 (undergraduate) and Cycle 2 (Professional or non-research Masters) programs: *Tuition fees be increased annually at the same rate as the increase mandated by the Government of Quebec for students from France, Belgium and the rest of Canada, until the completion of the program;*

All new international students registered for a term starting as of September 1, 2019 in deregulated Cycle 1 (undergraduate) programs: *Tuition fees be increased annually between 4.25% and 8.25%, the rate of such increase being dependent upon the program, as determined by the Provost and Vice-President, Academic in consultation with the Chief Financial Officer. Once determined, the rate of such annual increase shall be fixed for each of the students in that cohort for each of the years until completion of their program; and*

All new international students registered for a term starting as of September 1, 2019 in deregulated Cycle 2 (Professional or non-research Masters) programs: *Tuition fees be increased annually between 4.25% and 8.25%, the rate of such increase being dependent upon the program, as determined by the Provost and Vice-President, Academic in consultation with the Chief Financial Officer and representing a one-time increase for the duration of the program.*

11.2 Administrative fee (Document BG-2019-4-D10)

Upon motion duly moved and seconded, it was RESOLVED (Hough-Martin abstaining):

R-2019-4-10 *Whereas the current Administrative fee being charged to all students is \$10.54 per credit; and*

Whereas the government has allowed the University to increase this fee up to 3.6% for 2019/2020;

Be it resolved:

That, on recommendation of the Finance Committee, the Board of Governors approve the collection of an increased Administrative fee of \$10.92 per credit from all students, to be implemented with registration for the Fall term of 2019 (2019/2), in accordance with the University billing, refund and withdrawal policy.

11.3 Technology Infrastructure fee (Document BG-2019-4-D11)

Upon motion duly moved and seconded, it was RESOLVED (Hough-Martin abstaining):

R-2019-4-11 *Whereas at the current Technology Infrastructure fee being charged to all students is \$5.05 per credit; and*

Whereas the government has allowed the University to increase this fee up to 3.6% for 2019/2020;

Be it resolved:

That, on recommendation of the Finance Committee, the Board of Governors approve the collection of an increased Technology Infrastructure fee of \$5.23 per credit from all students, to be implemented with registration for the Fall term of 2019 (2019/2), in accordance with the University billing, refund and withdrawal policy.

12. Other business

There was no other business to bring before the Open Session.

13. Adjournment

The meeting adjourned at 5:22 p.m.



Danielle Tessier
Secretary of the Board of Governors