



BOARD OF GOVERNORS

March 23, 2023

MINUTES

(Meeting #365)

Adopted:

In Attendance: Maggie Marwah (*Chair*), Bill Barker (*Vice-Chair*), Bruce Sparks, Dave van de Wetering, Gary Edwards, Jim Horwich, John Keating, Marco Chiarot, Kathryn Toope, Cheryl Hann, Sunil Sarwal, Peggy Shannon, Sarah McInnes, Shelley Burke, Chris Parsons, Mark Bovey, Olivia Fay, Rudi Meyer

Regrets: Anthony Novac, Dean Leland, Sylvia Parris-Drummond

Absent: Fabienne Colas

Invited: Ann-Barbara Graff, VP (Academic & Research) and Provost; Leanne Dowe, Chief Financial Officer; Kara Holm, Advancement Director; Bruce DeBaie, Chief of Staff

1. **Call to Order and Establishment of Quorum**

Meeting called to order at approximately 5:01 p.m. by Chair Maggie Marwah with quorum established.

2. **Acknowledgement**

President Dr. Peggy Shannon read into the record the Acknowledgement, which is an acknowledgement of First Peoples on whose traditional territories we live and work as well as recognition of the loss of the community and heritage of the residents of Africville.

“We are here today in Mi’kma’ki, the ancestral and unceded territory of the Mi’kmaq and Wəlastəkwiyik peoples. I ask you to join us in acknowledging their communities, their elders, both past and present, as well as their future generations. NSCAD University also acknowledges that it was founded upon exclusions and erasures of Indigenous peoples, including those on whose land this institution is located. This acknowledgement reflects the university’s commitment to beginning the process of working to dismantle the ongoing processes and legacies of settler colonialism. I also ask you to join us in recognizing the loss of the African Nova Scotian community of Africville, and its history of civic neglect and misappropriation. As an educational institution, NSCAD recognizes its ethical obligation to create truthful and factual representations.”

3. **Declaration of any Conflict of Interest**

There were no conflicts of interest declared. It was declared that Faculty and Student members will be recused in advance of the below agenda items.

Agenda Item #16: In-Camera – As appropriate – members to be recused

Agenda Item #17: Out of Camera – As appropriate – members to be recused

Board Chair M. Marwah noted agenda item 10.1.3 would be a confirmation of the President's Performance Goals and Objective and not an assessment, thus an in-camera motion would not be needed, and the discussion could include faculty and students should they wish (with no disagreement from any governors).

4. **Acceptance of the Agenda**

There being no amendments to the agenda as presented, the following motion was tabled:

Motion: To approve the March 23, 2023, Board of Governors meeting agenda as presented.
Moved by *M. Chiarot*. Carried. [BOG 365/23-20]

5. **Getting to Know the NSCAD Community**

Kara Holm, Advancement Director

K. Holm shared a presentation on how she and President Shannon are engaging alumni, supporters, prospects and thought leaders about the role for NSCAD in the future, with a focus is on transformation, relevance, and legacy, noting that:

- Alumni typically consider their experience at NSCAD transformational, and to actively raise funds we are looking at opportunities globally rather than locally
- Advancement needs to identify emerging themes, what makes NSCAD different, and what elements can influence how people engage with NSCAD, both past and future
- Taking art and artists seriously is a concept that emerges in all engagement conversations as well as the discipline of studio practice
- Prior to her role in Advancement, funding was approximately \$400,000/year; it is forecasted to reach close to \$600,000 in 2022-23
- Advancement's target is 1,000 regular donors by 2030 to support a sustainable revenue stream, a goal now achievable with President Shannon being very active in friend-raising

Leanne Dowe, Chief Financial Officer

L. Dowe discussed the various revenue streams to balance NSCAD's annual budget (provincial operating grants, student tuition and fees, commercial rental income, interest on endowments, ancillary revenue from Extended Studies and the art supply store) noting:

- The revenue from donations (2% at NSCAD) and income from endowments for universities (especially small ones) is a small but essential part of the operating budget and a key driver for capital investment
- The majority (89%) of NSCAD funding comes from student academic fees and the provincial operating grant, which are subject to external constraints including the MOU between universities in Nova Scotia and the province that caps domestic student academic fees at 3% per year (NSCAD's domestic tuition is near the top of comparators scale while international tuition is still competitive) and the government grant at 1% per year
- NSCAD is challenged to bridge the financial gap of additional supports for students, inflation, salary increases within collective agreements or market forces, deferred maintenance on aging facilities and any new initiatives that NSCAD wants to undertake

6. Adoption & Approval of the Meeting Minutes

The February 9, 2023, Board meeting minutes were not available in time for the meeting and will be emailed to the Board for review and approval.

7. Business Arising from the Minutes

No business arising.

8. Key Correspondence

No key correspondence.

9. Consent Agenda

Maggie Marwah, Board Chair

The Chair stated the committee reports that have been approved were presented under the Consent Agenda for review. Those pending will be part of the Consent Agenda at the next Board meeting. There were four items removed from the consent agenda.

10. Consideration of Items Removed from Consent Agenda

10.1 Governance & Human Resources Committee (GHR)

David van de Wetering, Chair – G&HR

D. van de Wetering noted the GHR Committee documents previously shared with the Board, prompting no questions from the meeting.

- **10.1.1 – CONSIDER ANY PROMOTIONS OR APPOINTMENTS FORWARDED BY THE VP (Academic & Research) AND PROVOST***
 - 10.1.1a – CHRISTOPHER SPENCER-LOWE** – Appointment to Regular Part-Time Faculty
 - 10.1.1b – GREG DUBEAU** – Appointment to Regular Part-Time Faculty
 - 10.1.1c – KONSTANTINOS KOUTRAS** – Appointment to Regular Part-Time Faculty
 - 10.1.1d – MARCIA CONNOLLY** – Appointment to Regular Part-Time Faculty
 - 10.1.1e – TARA MILLS** – Appointment to Regular Part-Time Faculty
- **10.1.2 – PROFESSOR EMERITUS/EMERITA***

[*NOTE: Items 10.1.1 and 10.1.2 to be discussed in-camera under item #16 and motions voted on under item #17]

- **10.1.3 – PRESIDENT’S PERFORMANCE GOALS & OBJECTIVES**

M. Marwah recognized the Board was late in formalizing the President’s Performance Goals and Objectives for 2022-23 and that the proposed President’s Performance Goals and Objectives for 2023–24 will be brought to the Board meeting in June.

Motion: To accept the recommendation of the Governance & Human Resources Committee and approve the President's Performance Goals & Objectives for the 2022-23 Academic Year as presented.

Moved by J. Horwich, seconded by K. Toope. Carried. [BOG 365/23-21]

10.2 Financial & Physical Resources Committee (FPR)

Jim Horwich, Chair – F&PR

▪ **FACILITIES UPDATE***

[*NOTE: Item 10.2 to be discussed in-camera under item #15]

11. Q3 Financial Statements

Leanne Dowe, Chief Financial Officer

L. Dowe gave a high-level overview of the Q3 Financial Statements to the Board of Governors as outlined below.

Forecast 2022-23:

- Total Operating Revenue = \$19.34M
- Total Operating Expenses = \$19.7M
 - Deficit = (-360,000)
(excludes the \$2.2M for the Port HVAC replacement project)

Budget 2022-23:

- Total Operating Revenue = \$19.45M
- Total Operating Expenses = \$20.56M

Projections 2022-23:

- Expense savings of \$854,000 less revenue shortfall of \$82,000
- Close to a balanced budget due in part to vacancy management

Forecast Enrolment 2022-2023

- Domestic 525 (highest in the last 6 years)
- International 131 (short of budgeted 149)
- Total 656

Budgeted Enrolment 2022-23:

- 635 FTE (number of students taking a full-time course load of 30 credits per year) enrolments exceeded
- NSCAD is down 31% of pre-pandemic international enrolment levels, a situation exacerbated by a lack of affordable housing and visa and travel restrictions for international students

Tuition Revenue 2022-2023

- Overall shortfall budget of \$232,000, which includes \$42,000 for Ukrainian student humanitarian tuition reduction (to be covered by a scholarship donation for years 2 to 4).

Student Fees

- Projecting over the prior year by approximately \$45,000; higher projected enrolments have increased facility and technology fees.

Government Grants

- Operating grant is up +1% over 2021-22 as per the MOU with the province
- The \$1.9M annual provincial facilities grant ended with the retirement of the Fountain mortgage in March 2022
- The projection for this year has been adjusted by \$62,000 due to the net outcome of a pause in CRC funding and higher-than-budgeted grants for the Anna Leonowens Gallery

Investment Income

- Exceeds the prior year budget (YTD amount includes funds set aside for the launch of the special project investment fund)
- No projection or adjustment for commercial rental income side
- Slightly increased projections for donations revenue exceeding budget by approximately \$8,600
- Ancillary revenues exceed the prior year budget by approximately \$200,000 mostly due to Extended Studies areas and projections are adjusted by approximately \$138,000
- Miscellaneous income is exceeding prior year to date with no adjustment to forecast

Expenditures

- Academic compensation was lower than the prior year by \$179,000, with projected annual savings to budget of \$577,000 due to several vacant full-time faculty positions offset by the cost of interim by part-time faculty positions.

Academic Operating

- Currently in line with the prior year with adjusted forecast to include emergency budget request for one-time funding
- Facilities expenses increased over the prior year due to additional costs for alterations, renovations, maintenance, and repairs
- An additional \$69,000 this year representing the first of three rent payments to the Port of Halifax
- Facilities projections for 2022-23 are higher by approximately \$228,000

Service expenses

- Annual projection updated to reflect savings from vacant positions in University Relations and Occupational Health and Safety
- Administration compensation costs for Q1 and Q2 are higher than prior year as vacant positions were staffed

- Ancillary projection adjusted for increased revenues and expenses
- Financing costs and facility renewal are down over prior year by \$800,000 due to the Fountain mortgage being fully paid at the start of the current year (no adjustment to projection)

B. Barker asked where the \$1.4 million (about six or seven per cent of the annual budget) being given to students comes from, given potential donors' interest in how much of the budget flows back to students in some form. L. Dowe explained there are many lines of support for students split between endowments and operating budgets.

12. **Budget 2023-2024**

Leanne Dowe, Chief Financial Officer

L. Dowe gave a topline review of the 2023-24 budget and the process and timing to review and advance it through the Budget Advisory Committee.

The 2023-24 budget must deal with:

- A decrease in NSCAD's international student cohort by 31 per cent (and revenues of approximately \$640,000) resulting from the global after-effects of the pandemic
- Decreasing availability of affordable student housing in a chronic housing shortage environment, which is a significant barrier to growing NSCAD's enrolment (the Halifax area vacancy rate for affordable housing of \$850-\$949 is 0.5%, and NSCAD has no residences of its own)

One fundamental budget challenge is a structural deficit under which projected operating costs are increasing at a faster rate than anticipated revenues.

- This creates a gap that must be addressed by consistently and continuously growing enrolments, decreasing expenditures, or supplementing additional revenue streams. The annual 1 to 3 per cent increase from grants and tuition cannot cover the projected costs of collective agreement increases and inflation.
- NSCAD has continuously cut expenses over the past decade and has little room to make further cuts. The university will remain under heavy financial pressure into fiscal 2023-24 and beyond if enrolment does not grow annually at the level to sustain the growth in costs, primarily wage increases.

The other challenge is NSCAD's constrained ability to increase its current revenue streams. Both the annual operating grant and tuition are regulated by the provincial MOU with the universities in Nova Scotia.

L. Dowe shared that year-to-date NSCAD is ahead of its goals from prior year for inquiries and prospects, and applications are strong at 97% to target and projecting new fall starts as noted below:

NEW FALL ENROLMENT (FFTE)

○ Domestic	= 350
○ International	= <u>60</u>
○ Total	= 410

Recommendations for Next Year

- Increase tuition across the board to 3 per cent for both domestic and international students
- Tie increases for auxiliary fees to the consumer price index for services (5.6 per cent) and introduce no new fees this year

Other Revenue Streams

- Government grants are increasing \$25,000 over the current budget (includes 1 per cent increase for the operating grants continuation of the Canada Research Chairs, provincial funding for learning resources and research support)
 - NSCAD is one of the highest percentages of operating budget university for provincial grants
- Investment income remains static
- Commercial rental incomes continue to improve, increasing \$35,000
- Donation revenues remain static
- Ancillary revenues increasing of \$88,000 mostly due to the success of Extended Studies' summer camps

Compensation

- Largest budget line at \$14.9 million (74 per cent of budget)
- Collective agreements with faculty and technicians renewed effective July 1, 2022 to June 30, 2026
- Budgeted step and COLA increases for all staff and faculty of \$375,000 (\$319,000 – 2022-23)
- An increase in salaried positions from 124 to 128:
 - 1.0 Chief of Staff, President's Office (permanent)
 - 2.0 Recruiters, Admissions & Recruiting (term)
 - 0.5 Miscellaneous positions, increased number of hours
 - 0.5 Facilities moved from external contract to employee

Operating Expenses

- Academic studio expenses increased 4% to cover effect of inflation
- Admissions and recruiting travel budget increased 25% and \$14,000
- Cyber-security penetration testing \$20,000
- Strategic planning expenses \$20,000
- Student interns – event planning \$67,000

Continuing Expenses from 2022-23

- Moving expenses for new faculty positions \$30,000 (\$55,000 – 2022-23)
- SMU Health Clinic usage cost increasing to \$17,000 (\$1,000 – 2022-23)
- Cyber-security consortium membership \$35,000, (no change – 2022-23)
- Adobe Creative Cloud for students \$57,000, cost-recovery in revenue (no change – 2022-23)
- Kaltura online synchronous software \$28,000 (no change – 2022-23)
- In-person graduation, expect some cost-savings in consolidating location for ceremony and reception

- Continued website upgrades \$110,000
- Continued investment of \$50,000 to advance strategic initiatives through the EDI Targeted Action Plan (TAP)
- Investment of \$50,000 to advance strategic initiatives developed through the NSCAD Accessibility Plan

J. Keating asked if NSCAD backed up its data on site or offsite and how often is it done. L. Dowe noted the university uses the Rogers Data Centre to do a daily backup and that NSCAD has cyber-security insurance.

Facilities Budget

- Facilities budget is at \$3.32 million (includes the operating and facilities expenditures for all three campuses)
- Next year's budget includes the following changes in facilities:
- A new external project manager (Colliers, required by HPA lease) \$149,000
- Second payment of \$69,000 for new Port Campus annex space lease
- Maintenance and repairs reduced by \$80,000 due to HVAC overhaul in current year
- Additions and renos remain static

L. Dowe noted that facilities represent 15 to 18% of the operating budget, with NSCAD spending about \$4,000 per student (FTE).

NSCAD is presenting a deficit budget this year and must ensure that the university has enough resources in the operating reserve to be able to fund it. The operating reserve is split into the Special Project Investment Fund of \$2.5 million and the operating reserve at \$8.1 million.

The following projected allocations from the Operating Reserves take NSCAD to March 31, 2024:

- Funding for the second of three years for the Advancement team investment
- Continued designed costs
- Projecting a deficit budget of approximately \$360,000 for 2022-23
- Spending \$2.2 million on the Port Campus HVAC replacement

J. Horwich thanked L. Dowe and all the people who participated in the budget development and all the work that goes into this thorough process.

Motion: To accept the recommendation of the Financial & Physical Resources Committee that the Board of Governors approve the 2023-24 deficit budget as presented. The budget has been prepared and presented using the assumption of a 3% increase in tuition fees for both domestic and international students. If required, funds will be allocated from the operating reserve to fund the deficit.

Moved by B. Sparks, seconded by B. Barker. Carried. [BOG 365/23-22]

13. President's Update Report

Peggy Shannon, President

President Shannon thanked the Board of Governors for their work on behalf of NSCAD and recognized retiring faculty member, Dr. Jayne Wark, Professor of Art History & Contemporary Culture who shared the story of her time at NSCAD on CBC Radio.

Dr. Shannon underscored the importance of actively engaging new supporters, student, alumni and foundations and travelling to Toronto, New York and Europe to meet with people and advance the quiet phase of the capital campaign while learning how people want to engage with NSCAD.

The Envisioning Our Future Committee is well underway with two meetings completed and the third set to split into four theme groups on April 11 for targeted collaboration on the plan themes and goals. The NSCAD community is broadly represented in the committee with Board governors, alumni, faculty, staff, students, technicians and thought leaders in art and design.

Since President Shannon started at the beginning of the academic year, she has spent much time listening and speaking with people about their experiences and was looking for an external auditor who could conduct an EDIA environmental audit, hopefully starting in April or May.

14. Other/New Business

Maggie Marwah, Chair

Dan van de Wetering, Chair – GHR

Governor-At-Large Nominations

Dave van de Wetering shared with the Board that the nomination process is a key part of keeping the Board at the appropriate level and having the necessary skills sets and an integral part of the Governance & Human Resources Committee. This commitment belongs to the entire Board and is led this year by incoming Chair and current Vice-Chair Bill Barker.

B. Barker shared with the Board that GHR is currently assessing which Board governors are renewing and not renewing their terms. Continuity is important for the Board, as well as ensuring the appropriate skills and experience on the Board to fulfil its fiduciary duties.

Chair M. Marwah shared that she has kept an ongoing list of potential Board candidates as people of identified them. The Chair confirmed the Board can have as few as six Governors at Large and as many as 10; four vacancies are anticipated for the fall. B. Barker will prepare a nomination report for the Governance & HR Committee for recommendation to the Board in September.

15. In Camera

○ Facilities Update

Motion: By motion of S. Burke the March 23, 2023 meeting of the Board of Governors moved in-camera at approximately 7:06 pm. [BOG 365/23-23]

16. In Camera

- 16.1 – Academic Appointments
- 16.2 – Professor Emeritus/Emerita

Student members of the Board were recused from this item.

Motion: By motion of M. Chiarot the March 23, 2023 meeting of the Board of Governors moved out of in-camera at approximately 7:26 p.m. [BOG 365/23-24]

17. Out of Camera Motions

GOVERNANCE & HUMAN RESOURCES Committee

- Dave van de Wetering, Chair

ACADEMIC APPOINTMENTS

Motion: In accordance with Article 37.05 of the Collective Agreement and the recommendation of the Governance & Human Resources Committee, the Board of Governors approves the appointment of **CHRISTOPHER SPENCER-LOWE** to a Regular Part-Time faculty position effective May 1, 2023.

Moved by M. Chiarot, seconded by S. Burke. Carried. M. Bovey, R. Meyer, C. Parsons & O. Fay abstained. [BOG 365/23-25]

Motion: In accordance with Article 37.05 of the Collective Agreement and the recommendation of the Governance & Human Resources Committee, the Board of Governors approves the appointment of **GREG DUBEAU** to a Regular Part-Time faculty position effective May 1, 2023.

Moved by M. Chiarot, seconded by S. Burke. Carried. M. Bovey, R. Meyer, C. Parsons & O. Fay abstained. [BOG 365/23-26]

Motion: In accordance with Article 37.05 of the Collective Agreement and the recommendation of the Governance & Human Resources Committee, the Board of Governors approves the appointment of **KONSTANTINOS KOUTRAS** to a Regular Part-Time faculty position effective May 1, 2023.

Moved by M. Chiarot, seconded by S. Burke. Carried. M. Bovey, R. Meyer, C. Parsons & O. Fay abstained. [BOG 365/23-27]

Motion: In accordance with Article 37.05 of the Collective Agreement and the recommendation of the Governance & Human Resources Committee, the Board of Governors approves the appointment of **MARCIA CONNOLLY** to a Regular Part-Time faculty position effective May 1, 2023. Moved by M. Chiarot, seconded by S. Burke. Carried. M. Bovey, R. Meyer, C. Parsons & O. Fay abstained. [BOG 365/23-28]

Motion: In accordance with Article 37.05 of the Collective Agreement and the recommendation of the Governance & Human Resources Committee, the Board of Governors approves the appointment of **TARA MILLS** to a Regular Part-Time faculty position effective May 1, 2023. Moved by M. Chiarot, seconded by S. Burke. Carried. M. Bovey, R. Meyer, C. Parsons & O. Fay abstained. [BOG 365/23-29]

PROFESSOR EMERITA/EMERITUS

Motion: To accept the recommendation of the Governance & Human Resources Committee and the Committee on Status and Affairs to confer the honorary title of "**Professor Emerita**" to **BARBARA LOUNDER**. The title of Professor Emerita will be conferred effective July 1, 2023, but acknowledged at the May 2023 Convocation. Moved by B. Barker, seconded by S. Burke. Carried. M. Bovey, R. Meyer, C. Parsons & O. Fay abstained. [BOG 365/23-30]

Motion: To accept the recommendation of the Governance & Human Resources Committee and the Committee on Status and Affairs to confer the honorary title of "**Professor Emeritus**" to **NEIL FORREST**. The title of Professor Emeritus will be conferred effective July 1, 2023, but acknowledged at the May 2023 Convocation. Moved by B. Barker, seconded by G. Edwards. Carried. M. Bovey, R. Meyer, C. Parsons & O. Fay abstained. [BOG 365/23-31]

Motion: To accept the recommendation of the Governance & Human Resources Committee and the Committee on Status and Affairs to confer the honorary title of "**Professor Emeritus**" to **ROBERT BEAN**. The title of Professor Emerita will be conferred effective July 1, 2023, but acknowledged at the May 2023 Convocation. Moved by S. Sarwal, seconded by S. McInnes. Carried. M. Bovey, R. Meyer, C. Parsons, O. Fay & P. Shannon abstained. [BOG 365/23-32]

18. In Camera – Excluding Faculty & Students

No additional in camera was needed.

19. In Camera – Excluding Senior Leadership Team

No additional in camera was needed.

20. In Camera – Excluding President

No additional in camera was needed.

21. Adjournment – Next Meeting

Motion: By motion of S. Burke, the March 23, 2023, meeting of the Board of Governors adjourned at approximately 7:35 pm. [BOG 365/23-33]

The next regularly scheduled meeting will be held May 4, 2023, at 4 p.m.-6:30 p.m. as an in-person/hybrid meeting at the Port Campus.

Recorded by Sandra Di Nardo, Executive Assistant, Governance.

Approved for circulation to the Board by Maggie Marwah, Chair, on May 4, 2023.