

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL

Thursday, April 29, 2004

MINUTES OF THE GOVERNING COUNCIL meeting held on Thursday, April 29, 2004 at 4:30 p.m. in the Council Chamber, Simcoe Hall.

Present:

Dr. Thomas H. Simpson (In the Chair)
Ms Rose M. Patten, Vice-Chair
Professor Robert J. Birgeneau, President
Mr. Sachin K. Aggarwal
Mr. Muhammad Basil Ahmad
Professor Mary Beattie
Dr. Robert M. Bennett
Ms Murphy Browne
Professor Philip G. Byer
Mr. Bruce G. Cameron
Professor Pamela Catton
Professor John R. G. Challis
Professor Brian Corman
Professor W. Raymond Cummins
Dr. Claude S. Davis
The Honourable William G. Davis
Dr. Alice Dong
Dr. Inez N. Elliston
Ms Susan Eng
Mr. Mike Foderick
Professor Vivek Goel
Dr. Gerald Halbert
Ms Shirley Hoy
Ms Françoise D. E. Ko

Ms Karen Lewis
Mr. Joseph Mapa
Professor Michael R. Marrus
Professor Ian R. McDonald
Dr. John Nestor
Mr. John F. (Jack) Petch
The Honourable David R. Peterson
Mr. Chris Ramsaroop
Mr. Timothy Reid
Professor Arthur Ripstein
Mr. Amir Shalaby
Professor Barbara Sherwood Lollar
Professor Jake J. Thiessen
Mr. Adam Watson
Professor John Wedge
Mr. Robert S. Weiss

Mr. Louis Charpentier,
Secretary of the Governing Council

Secretariat:
Mr. Neil Dobbs
Ms Cristina Oke

Absent:

Mr. Brian Davis
Dr. Shari Graham Fell
Dr. Paul Godfrey
Professor David J. A. Jenkins
Mr. George E. Myhal
Ms Jacqueline C. Orange

The Honourable Vivienne Poy
Dr. Joseph Rotman
Dr. Susan M. Scace
Mr. W. David Wilson

In Attendance:

Mr. Shaun Chen, member-elect of the Governing Council
Mr. P.C. Choo, member-elect of the Governing Council
Ms Shaila Kibria, member-elect of the Governing Council
Mr. Ari Kopolovic, member-elect of the Governing Council
Mr. Stefan Neata, member-elect of the Governing Council
Ms Maureen Somerville, member-elect of the Governing Council
Professor Angela Hildyard, Vice-President, Human Resources and Equity
Ms Catherine J. Riggall, Interim Vice-President, Business Affairs
Professor Carolyn Tuohy, Vice-President, Government and Institutional Relations
Professor Rona Abramovich, Director, Transitional Year Program

In Attendance (cont'd):

Ms Sue Bloch-Nevitte, Director, Public Affairs and Advancement Communications
Ms Kendra Coulter, President, Graduate Students' Union
Mr. Andrew Drummond, Assistant Secretary, Office of the Governing Council
Ms Sheree Drummond, Assistant Provost and Special Assistant to the Provost
Dr. Beata FitzPatrick, Director of the Office of the President and Assistant Vice-President
Mr. Anthony Kola Olusanya, Vice-President, Graduate Students' Association, OISE/UT
Ms Bryn Macpherson-White, Director of University Events and Presidential Liaison
(Advancement)
Mr. Joseph Mulongo, International Students' Association
Professor Tas Venetsanopoulos, Dean, Faculty of Applied Science and Engineering
Professor Ronald Venter, Vice-Provost, Space and Facilities Planning
Mr. Yansong Yang, Head, Chinese Students' Association
Professor Safwat Zaky, Vice-Provost, Planning and Budget

THE MEETING BEGAN *IN CAMERA*.

1. Senior Appointment

Associate Vice-President, International Research and Development

On motion duly moved and seconded,

It was RESOLVED

THAT the position of Associate Vice-President, International Research and Development be established; and

THAT Professor Patricia McCarney be appointed as Associate Vice-President, International Research and Development for a two and one-half year term effective April 30, 2004 and ending December 31, 2006.

THE GOVERNING COUNCIL MOVED INTO OPEN SESSION.

2. Chair's Remarks

(a) Welcome

The Chair welcomed members and guests to the meeting, and recognized the members-elect of the Governing Council who were in attendance – Mr. Shaun Chen, Mr. P.C. Choo, Ms Shaila Kibria, Mr. Ari Kopolovic, Mr. Stefan Neata and Ms Maureen Somerville.

(b) Resolution approved by Council during *in camera* session

The Chair announced that the Council had approved the appointment of Professor Patricia McCarney to the newly-created position of Associate Vice-President, International Research and Development for a two and one-half year term effective April 30, 2004.

2. Chair's Remarks (cont'd)

(c) Election of Chair and Vice-Chair of Governing Council for 2004-05

The Chair congratulated Ms Rose M. Patten and Mr. Jack Petch on being elected as Chair and Vice-Chair, respectively, of the Governing Council for 2004-05.

Ms Patten stated that she felt deeply privileged and honoured to have been elected as Chair, and she committed herself to bringing all of her experience to the position of Chair. She acknowledged the dedication that the current Chair had brought to the position. Members and guests joined Ms Patten in showing their appreciation of Dr. Simpson's service to the Governing Council.

Mr. Petch commented that he was honoured to have been chosen as Vice-Chair. His two years on the Governing Council had been a learning experience. He committed himself to being open to the views of all members.

(d) Congratulations

The Chair congratulated the President on his recent election to the National Academy of Sciences as a foreign associate. The Chair noted that University Professor Anthony Pawson, director of research at Mount Sinai Hospital's Samuel Lunenfeld Research Institute, and former University Professor Lap-Chee Tsui had also been elected this year as foreign associates. They joined University Professors Tak Mak, David MacLennan, Stephen Cook and Nobel laureate John Polanyi and University Professors Emeriti Louis Siminovitch and Endel Tulving as recipients of one of the highest honors that could be accorded a scientist or engineer. The University of Toronto had more members of the National Academy than all other Canadian universities combined.

The Chair explained that the National Academy of Sciences (NAS), comprised of approximately 2,000 members and 300 foreign associates, was a private, non-profit society of distinguished scholars engaged in scientific and engineering research. Members and foreign associates of the Academy were elected in recognition of their distinguished and continuing achievements in original research.

(e) Requests from Non-members to Address Governing Council

The Chair indicated that he had granted speaking requests to the Graduate Students' Union, the Arts and Science Students' Union, the Graduate Students' Association of OISE/UT, and the International Students' Association, and would call upon the speakers at the appropriate time in the agenda.

(f) Audio web-cast

The Chair reminded members that meeting was being broadcast on the web and that private conversations could be picked up and broadcast. He asked non-members who were invited to speak during the meeting, to use a standing microphone so that their comments would be heard by those listening to the audio web cast.

3. Minutes of the Previous Meeting, March 29, 2004

The minutes of the meeting held on March 29, 2004 were approved.

4. Business Arising from the Minutes of the Previous Meeting

There was no business arising from the previous meeting.

5. Report of the President

a) Government Relations

(i) Provincial

The President recalled that the provincial government had frozen tuition fees. Replacement funding was being provided, based on actual enrolment. There would be no replacement funding for the 30% of revenue from increased tuition fees that would have been set aside for student financial assistance. For the University of Toronto, this amounted to \$4.5 million that could have been available for student aid. The replacement funding was being provided for one year only. The Province had also announced that it would be reviewing over the summer the funding formula for post-secondary education.

(ii) Federal

The President described his meeting with the Prime Minister's External Advisory Committee on Cities and Communities. The President indicated that many of those attending the meeting emphasized the need for the federal government to address urban issues such as poverty, homelessness and infrastructure. There was a concern that by extending the mandate to communities, the focus on the problems facing large cities would be diluted.

b) International Initiatives

(i) Review of Germany's Scientific Institutes

The President reported that he had recently returned from Germany, where he had been reviewing Scientific Institutes. He noted that the German government was investing heavily in science, although, unlike in Canada, universities played a secondary role in scientific research.

(ii) Visit of Lord Robert May

The President noted that Lord Robert May, President of the Royal Society of London, had visited the University earlier in the day.

(iii) Special Convocations

The President described the special convocation that had been held on April 27, 2004 to honour His Holiness the 14th Dalai Lama, Tenzin Gyatso. He noted that a special convocation for the Nobel Peace Prize Laureate Ms Shirin Ebadi would be held on May 7, 2004.

(iv) President's International Alumni Council

The President informed Council that the President's International Alumni Council, some 50 prominent alumni from around the world, would be meeting at the University in two weeks to talk about the University and provide advice to the President on international strategy.

5. Report of the President (cont'd)

c) Questions and Discussion

A member commented that the Dalai Lama spoke to values that the University of Toronto wished to have.

The member asked whether the President's International Alumni Council would be replacing the University of Toronto Alumni Association (UTAA). The President replied that the creation of the President's International Alumni Council had been driven by the office of the Assistant Vice-President, Alumni and Development in response to the University's goal of enhancing its international outreach. He did not know what, if any, effect this group would have on the UTAA, and would take the question under advisement.¹

A member asked whether tuition fees for international students would be on the agenda of the meeting of the President's International Alumni Council. The President replied that the agenda for the meeting was being drafted. Tuition fees for international students might well be among the issues on which these international alumni could have advice for him.

6. Policy on Approval and Execution of Contracts and Documents: Revisions

The Vice-Chair explained that the development of a revised policy had been encouraged by the Audit Committee of the Governing Council. This revised policy had been developed in consultation with the Director of Internal Audit and the Acting Chief Financial Officer, and had been reviewed by the chief administrative officers of the Faculty of Medicine, the Ontario Institute for Studies in Education of the University of Toronto (OISE/UT) and the University of Toronto at Scarborough (UTSC). It had also been presented to Principals and Deans. The proposed changes reflected the decentralization and expansion of the University, clarified the authority of administrators to enter into contracts, and provided for appropriate review and controls to be built into the process.

A member congratulated all those who had been involved in the development of the revised policy, and asked how the policy would be communicated to members of the University community, and what the consequences of non-compliance with the policy would be. The Secretary replied that the effective date of the policy would be October 15, 2004, to allow time to provide appropriate information concerning the policy. Professor Goel added that everyone who held an administrative role within the University was required to complete an annual accountability report. Failure to comply with the revised policy would be dealt with as follow-up to the accountability reports. It was also possible that issues would be identified in an internal audit, and an appropriate response would be made.

On motion duly moved and seconded

It was RESOLVED

THAT the proposed revised Policy on Approval and Execution of Contracts and Documents dated March 31, 2004, a copy of which is attached as Appendix "A" to Report Number 372 of the Executive Committee, be approved, effective October 15, 2004, replacing the policy approved by the Governing Council on June 26, 2003.

¹ Secretary's Note: An answer was provided later in the meeting. Please see the discussion under item 14: Other Business.

7. Tuition Fee Schedule for Publicly Funded Programs

(a) Introduction

Mr. Petch encouraged members to read the discussion on this item in the excerpt from Report Number 133 of the Business Board which had been included with the agenda package. The University recognized the importance of international students, and acknowledged that the proposed increase in tuition for international students was a sensitive issue. Mr. Petch pointed out that part of the tuition fee increase would be set aside for student financial assistance. He also noted that a report on efforts to raise funds for international students studying at the University of Toronto would be presented to the June meeting of the Business Board.

Mr. Petch reminded members that the Provincial Government had frozen tuition fees for Canadian students for the next two years. The proposed tuition-fee schedule adhered to that requirement. Fee increases were proposed for international students. The formula that had been used for the past few years has been that fees for international students were, in principle, to be the same as (1) fees for Canadian students, plus (2) Government grants to support Canadian students. Government grants were not provided for international students. However, this formula had merely extended the effects of provincial government under-funding of Canadian students to include international students. The proposal now, therefore, was to increase fees for new international students – over two years – to an amount that would equal fees plus grants for Canadian students if those grants had been at the national average.

Mr. Petch explained that the fee increase proposed for international students for 2004-05 was five percent. The further increases for 2005-06 were not being put forward for approval at this time. However, the kinds of increases currently being contemplated had been provided for members' information. They varied widely by program, ranging from as little as 5% to as much as the 20% or 30% range, or even more in some exceptional cases.

A part of the proceeds of the fee increase would be used to expand efforts to recruit the very best international students and then to provide the financial aid necessary for those requiring support. Once students arrive, they would have the benefit of the usual guarantee of a commitment to the level of fees to be charged.

The resulting international student fees would be well within the range charged by other Canadian universities and significantly lower than those charged by U.S. universities. The Business Board had held a good debate on this matter, hearing from four student representatives about the financial problems facing current international students. Professor Farrar had advised the Board that international students were permitted to enter Canada only if they could demonstrate that they had the financial means to pay their fees and their living costs for the forthcoming year. If circumstances changed for such students, especially as they neared the end of their programs, the University would continue to make every effort to provide financial support. The increased fees for international students in doctoral-stream graduate programs would be included in the graduate student funding packages.

(b) Addresses by Non-Members

The Chair invited Ms Kendra Coulter, President of the Graduate Students' Union, to address Council. Ms Coulter stated that, in her view, tuition fees were user fees, and were not the appropriate way to fund universities or to provide funds for student financial aid. Providing student support from the proceeds of tuition fees was regressive because it resulted in one group of students funding another group of students. There were still three or four thousand graduate students who were not covered by graduate student funding packages. Ms Coulter stressed that some students had indicated that they had

7. Tuition Fee Schedule for Publicly Funded Programs (cont'd)**(b) Addresses by Non-Members (cont'd)**

left the University because they could no longer afford to remain. In her view, high tuition fees deterred poor students and prevented economic diversity in the University. The Chair thanked Ms Coulter for her remarks.

The Chair invited Mr. Joseph Mulongo, a representative of the International Students' Association, to address Council. Mr. Mulongo expressed his thanks for the opportunity to speak. He noted that the presence of so many international students at the University of Toronto reflected the reputation of the University as one of the best in the world for research and teaching. However, a number of international students were experiencing difficulties as a result of the high cost of living in Toronto. By law, international students were allowed to work only on campus. Their partners had difficulties finding employment. In addition, international students were now required to renew their visas annually. Many international students were focusing on surviving until the completion of their program, and could not participate in a quality university experience. On behalf of the University's international students, Mr. Mulongo requested that the Governing Council reconsider the proposed increase in tuition fees. The Chair thanked Mr. Mulongo for his remarks.

The Chair invited Mr. Anthony Kola-Olusanya, Vice-President of the OISE/UT Graduate Students' Association to address Council. Mr. Kola-Olusanya urged members to reject the proposed increase in tuition fees for international students. It was his view that domestic students did not subsidize international students, as had been suggested. International students paid a 50 per cent or greater fee differential than domestic students. It was also, in his view, ironic for the University to raise tuition fees for international students, and use a portion of this increase to fund scholarships and financial aid for these students. Mr. Kola-Olusanya noted that international students were not allowed to work outside the University, even though they were considered residents of Canada for income tax purposes. International students also paid general sales tax (GST) and provincial sales tax (PST), in addition to health insurance premiums and other living expenses. The proposed increase in tuition would have a substantial impact upon the ability of international students to survive at the University of Toronto, and would, in his opinion, limit and threaten the recruitment of excellent students. The Chair thanked Mr. Kola-Olusanya for his comments.

The Chair invited Ms Ranjini Ghosh to address the Council on behalf of the Arts and Science Students Union. It was noted that Ms Ghosh was unavailable, due to illness.

The Chair invited Mr. Yansong Yang, Head of the Chinese Students' Association, to address Council. Mr. Yang stated that, in his opinion, the proposed tuition fee increase for international students was discriminatory. International students were not being subsidized by domestic students. In the Faculty of Arts and Science, for example, international students currently paid \$3,147 per credit, while domestic students paid \$1,224 per credit. Mr. Yang also commented that the increase in tuition fees for international students would have an adverse effect on future fund-raising initiatives. He urged members to consider the fairness of the proposed increase before approving it.

(c) Discussion

A member asked whether international students at the University of Toronto were paying the highest tuition fees in Canada, as had been suggested. Professor Goel replied that fees for international students at the University of Toronto were currently at the low end of those charged by its American Association of Universities (AAU) peers, and in the mid to low end among Canadian universities.

7. Tuition Fee Schedule for Publicly Funded Programs (cont'd)**(c) Discussion (cont'd)**

A member asked for clarification concerning the cross-subsidy of domestic and international students. Professor Goel replied that, until three years ago, revenue provided by the enrolment of international students was substantially less than that provided by the enrolment of domestic students. It was only recently that the University had increased its fees for international students so that those fees would equal those for domestic students plus government grants for domestic students, which grants were not provided for international students. The problem was that the grants provided for domestic students represented under-funding of those students, and maintaining the present formula would only extend that problem to all students, domestic and international.

A member asked when the previous increase in tuition for international students had been approved. Professor Goel replied that the previous increase had been for 2001-02. He noted that enrolment of international students had increased in spite of tuition increases.

A member asked if a socio-economic profile of international students was available. Professor Goel replied that the University did not have such information. The University did, however, have data on the country of origin of international students, and it was apparent that, in many programs, international students included some from wealthy families in wealthy countries. He stressed that the University was not currently in a position to recruit students from lower socio-economic backgrounds. With the second phase of the tuition-fee increases, the University would begin to be in a position to provide support to less well-off students from poorer countries. Professor Goel added that special development efforts were currently underway to raise funds in such countries as Hong Kong and Singapore to assist students from those countries to study at the University of Toronto. Information on those programs would be reported to the Business Board in June.

A member asked what taxes international students were required to pay. Professor Goel replied that international students who were employed in Canada were required to pay income tax. International students with student visas were usually allowed to work only on the University campus.

A member noted that, before the establishment of the current Tuition Fee Policy, an advisory committee had been established to consider the proposed Policy, and the member asked why an advisory committee had not been established to discuss this proposed increase in tuition. The member asked whether funds could be accessed from the Canadian International Development Agency (CIDA) or other government agencies. The member also asked what peer institutions were doing with respect to international students. Professor Goel replied that funds from research grants and from teaching hospitals supported some international students. CIDA generally provided funding only for projects outside of Canada, but it did provide some funding for students to enrol in some programs in Canada. The University did participate in such programs. Various foundations also supported some international students in particular programs at this University, such as bio-ethics. However, the University did have to do more work with agencies in the area of international development. The Association of Universities and Colleges of Canada (AUCC) had also given top priority to advocating the extension of the Canada Graduate Scholarship program to international students.

A member asked how many international students held part-time jobs. Professor Goel replied that no figures were available on part-time employment for international students. He noted that all students were competing for the limited number of available part-time jobs.

A member asked whether information was available on students who had to leave the University for financial reasons. Professor Goel replied that no information was presently available.

7. Tuition Fee Schedule for Publicly Funded Programs (cont'd)**(c) Discussion (cont'd)**

A member asked how other universities were addressing tuition for international students. Professor Goel replied that a number of other Canadian universities had increased tuition for international students by substantial amounts. Those universities that had higher fees for international students had succeeded in attracting more international students than the University of Toronto. Professor Goel emphasized the need to invest some of the proceeds of the fee increase in international student recruitment, development and financial aid.

A member asked that, in future, a survey of socio-economic data for international students be completed. Another member suggested that a study similar to that on access and tuition in law school should be completed and reported to the Council. He also asked whether the University's data on tuition fees charged by other Canadian universities were up to date. He noted that data from the Canadian Federation of Students (CFS) indicated that tuition for international students at the University of Toronto was the highest in Canada. Professor Goel replied that the data that had been reported in the documentation for the tuition fee schedule were from 2003-04. He stressed that there was no link between the tuition freeze for domestic students and the tuition fee increase for international students. The intent of the tuition increase was to enhance international programs at the University.

A member commented that students would not be happy until the provincial funding for post-secondary education in Ontario reached the national average funding.

A member suggested that the proposed tuition-fee schedule be referred back to the Business Board. In his view, the increased tuition would attract students who were able to pay, rather than those who were best able to learn.

A member commented that when international students returned to poorer countries of origin, they contributed to boosting development in those countries. Nonetheless, it was appropriate that international students generate sufficient revenue to pay a fair share of the cost of their education. It was his view that the funding of international students at universities was a national issue that required a strong lobby at the federal level. Given the University's financial situation, it could not be expected to assume the burden of supporting international development by subsidizing students from poorer countries. The President commented that Canadian university presidents had been aggressively lobbying the federal government for increased funding for international graduate students.

A member expressed her opposition to the proposed five percent increase, and asked members to consider the points raised by the external speakers. Students and their parents should not be expected to mortgage their lives to come to the University. The best minds should be encouraged to come to the University, and many of those people from other countries would not be able to afford to do so.

Another member expressed his opposition to the increase, and stated that students would be discouraged from attending the University of Toronto once they became aware of the cost of tuition. The member also asked what would happen once all of the University's funds for student financial aid had been used. Students would then be forced to assume an increased debt load. The member was concerned that the University was working to increase tuition fees for all students in a piecemeal manner, first for students in certain professional programs and then for international students. All students should resist all fee increases. The proposed increase in tuition for international students was sending a message to international students that they were not welcome. While it was true to say that the Government of Canada should support students from poorer countries, a commitment to provide such support should come before any increase

7. Tuition Fee Schedule for Publicly Funded Programs (cont'd)

(c) Discussion (cont'd)

in international student tuition fees. Professor Goel stressed that the previous increases in tuition fees had not discouraged the enrolment of international students; on the contrary, the number of such students had increased. He did not share the member's concern about "sticker shock." The member reiterated his concern. A student from a poor country, seeing the high tuition fees, would not even both to pursue an application for admission to, or support from, the University.

A member noted that the proposed changes were consistent with the Tuition Fee Policy and with the Student Financial Support Policy. Tuition fees should be set at the level required to maintain program quality, and accessibility for needy students should be ensured through financial aid programs. He therefore expressed his support for the proposed increase.

A member stated that, while the five percent increase proposed for 2004-05 was reasonable, she did not have a clear picture of what the proposed increases would mean over the next four-year period. What student assistance would be available? How many international students would the University be able to support? Professor Goel replied that international students, to obtain a student visa, had to demonstrate that they had sufficient resources to afford to attend the University and to live in Toronto. Those resources could take the form of a scholarship or family resources. The increase proposed for 2004-05 was, in most cases, five per cent. The increases planned in subsequent years would be more substantial, but the University would be developing plans for increased student financial aid, conducting advocacy for government support for international students and raising funds for scholarships for top international students.

A member commented that the University of Toronto's tuition fees should be balanced, not at the same high level as the University's peers in the Association of American Universities and not at the low end among Canadian universities. The latter option would mean an impoverished University that would be unable to provide a high-quality education. He would support the increase, with regret, acknowledging that the increase would cause some hardship but relying on student financial aid programs to assist the most needy students. That approach would be consistent with the University's pioneering policies on tuition fees and student financial support.

A member requested that the President advise the Governing Council of actions it could take to assist in securing federal government support for recruiting and aiding international students. Another member supported this request. The federal government should assist international students both to attract them to Canadian universities and to advance Canada's efforts to promote the social and political development of poorer countries.

Two members expressed their continuing opposition to the increase.

It was duly moved and seconded

THAT the proposed tuition-fee schedules for publicly funded programs for 2004-05 be referred back to the Business Board with a view to limit the increase in tuition fees for international students to less than 5 percent.

The motion was defeated.

7. Tuition Fee Schedule for Publicly Funded Programs (cont'd)

(c) Discussion (cont'd)

On motion duly moved and seconded

It was RESOLVED

THAT the proposed tuition-fee schedules for publicly funded programs for 2004-05, copies of which are attached to Report Number 133 of the Business Board as Appendices "A" and "B", be approved.

8. Tuition Fee Schedule for Self-Funded Programs

Mr. Petch explained that these were fees for programs that received no Government funding, and were therefore not subject to government regulation. According to University policy, fees for these programs had to cover at least their direct costs. The proposed fee schedule adhered to that principle. In most cases, fee increases were 5% or less. In those cases where increases were greater than 5%, detailed explanations had been provided.

A member stated his opposition to the increase in tuition for self-funded programs. First, he objected that students who were able to pay the high fees in these privatized programs, in particular the students in the \$75,000 per year executive MBA program, had special facilities and privileges while other students had problems gaining access to libraries. Second, in his opinion, some of the programs clearly served the public good and should be publicly supported. Third, he was opposed in principle to any tuition-fee increase.

On motion duly moved and seconded

It was RESOLVED

THAT the proposed tuition-fee schedule for self-funded programs for 2004-05, a copy of which is attached to Report Number 133 of the Business Board as Appendix "C", be approved.

9. Long-Range Budget Framework, Guidelines and Projections, 2004-05 to 2009-10

Professor Cummins reported that the Academic Board had heard one presentation from Professor Goel on both the Framework and the Budget Report for 2004-05. Following the presentation, there had been an extensive discussion of the Budget Framework as outlined in the Board's report. Members had been interested in the international students' fees, administration costs, the effect of unexpected events on the assumptions, energy cost containment, student financial support, and the effects of the long-range budget framework on academic planning.

Mr. Petch explained that the Business Board was asked to concur with the Academic Board's recommendation for approval of the budget documents. Such concurrence indicated the Business Board's view that the budget documents were financially responsible, that the assumptions underlying the budget framework were reasonable, and the level of risk involved was prudent. The Board had received assurances from the President that the budget projections were, in his words, "realistically pessimistic," and that he expected that, on balance, any need for adjustments would be on the upside. On that basis, the Board had been willing to accept the operating deficits above the usual 1.5% of operating revenues in the early years of the budget plan. The Business Board therefore concurred with the recommendation to approve the long-range budget framework.

9. Long-Range Budget Framework, Guidelines and Projections, 2004-05 to 2009-10 (cont'd)

Professor Goel reminded members that the Governing Council required that the accumulated operating deficit must be no greater than 1.5 per cent of gross revenue (a cumulative deficit of \$18.4 million) at the end of the planning period. Greater variances were allowed within the planning period. The long-range budget guidelines assumed that revenues would increase to \$1229 million by 2009-10, while expenses would increase to \$1325 million. If no action were taken, the accumulated deficit at the end of the planning period would equal \$384 million. The budget guidelines proposed base budget reductions of 2 per cent in 2004-05 and in 2005-06, 5 percent in 2006-07, and 2 percent base plus 2.5 percent one-time-only reductions in 2007-08. By scheduling the larger cuts in years three and four, divisions would be able to plan and adjustments could be made for new revenue. Professor Goel stated that the University would have to be very selective in setting priorities for the coming years.

A member recalled that there had been a thorough discussion of the long-range budget framework at the Business Board. Members of the Business Board felt that the budget framework minimized risk, and was based on a prudent and conservative set of assumptions. The member asked for confirmation that the borrowing level would not exceed the level which had been approved. Professor Goel replied that the capital budget had been separated from the operating budget, and that there was no new borrowing included in the operating budget.

A member expressed concern about the quality of education that would result from reductions to administrative staff. Professor Goel agreed that, if the worst-case budget scenarios came to pass, there would be a detrimental effect on the University's ability to achieve its aspirations.

On motion duly moved and seconded

It was RESOLVED

THAT the *Long-Range Budget Framework, Guidelines and Projections, 2004-05 to 2009-10*, pages 1-11 inclusive, dated March 2, 2004, a copy of which is attached to Report Number 127 of the Academic Board as Appendix "B", be approved.

10. Budget Report, 2004-05

Professor Cummins stated that, following the thorough discussion of the budget framework, members of the Academic Board had had less to say about the budget itself since the framework informed the drafting of the budget. A question had been asked about the possibility of administrative staff layoffs. Professor Goel had responded that staff reductions, when necessary, would be made primarily through attrition.

Mr. Petch commented that, like the Academic Board, the Business Board had focused its discussion on the long-range framework, with the Budget Report being a reflection of the first year of the framework. He reported that the Business Board had concurred with the Academic Board recommendation.

On motion duly moved and seconded

It was RESOLVED

THAT the *Budget Report, 2004-05*, dated March 16, 2004, a copy of which is attached to Report Number 127 of the Academic Board as Appendix "C", be approved.

11. Reports for Information

The Council received the items for information contained in the following reports:

- (a) Report Number 127 of the Academic Board (April 8, 2004)
- (b) Excerpt of Report Number 133 of the Business Board (April 14, 2004)
- (c) Report Number 120 of the University Affairs Board (March 26, 2004)
- (d) Report Number 372 of the Executive Committee (April 15, 2004)

12. Date of the Next Meeting

The Chair reminded the members that the next regular meeting of the Governing Council was scheduled for Monday, May 31, 2004.

13. Question Period

A member asked whether the Noah Meltz awards for part-time undergraduate students would be affected by the lack of replacement funding for student financial support. The President replied that the current endowment would remain, and that new endowments would be created through the Ontario Student Opportunity Trust Fund (OSOTF).

A member asked whether it would be appropriate to give a notice of motion concerning possible actions that the federal government could undertake with respect to international students. The Chair assured the member that the President would address this matter at the next meeting of Governing Council.

14. Other Business

A member stated that she had received an answer concerning her earlier question about the President's International Alumni Committee (PIAC). She had been informed that this group would work collaboratively with the University of Toronto Alumni Association (UTAA). UTAA would continue as currently structured, and would provide both financial and planning support to the development of PIAC. The ten members of the UTAA Board were members of PIAC, which had a total membership of 57. The Chair of PIAC was Ms Wendy Cecil.

The member asked how financial and planning support could be provided by the UTAA to PIAC without a meeting of the UTAA Board.²

A member expressed his concerns about the UTAA. The Chair reminded the member that the UTAA was a separate corporation over which the Governing Council had no authority. Any concerns about the UTAA should be taken up with the leadership of that corporation.

The meeting adjourned at 6:20 p.m.

Secretary
May 25, 2004

Chair

² Secretary's Note: After the Governing Council meeting, it was clarified that, to date, financial and administrative support for PIAC had been provided by the Division of University Advancement.