

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL

Monday, May 1, 2006

MINUTES OF THE GOVERNING COUNCIL meeting held on Monday, May 1, 2006 at 4:30 p.m. in the Council Chamber, Simcoe Hall, University of Toronto.

Present:

Ms Rose M. Patten (In the Chair)
Mr. John F. (Jack) Petch, Vice-Chair
Professor C. David Naylor, President
Mr. Navine K. Aggarwal
Dr. Robert M. Bennett
Professor Philip H. Byer
Mr. Ryan Matthew Campbell
Mr. P.C. Choo
Professor Brian Corman
Professor W. Raymond Cummins
Miss Coralie D'Souza
Mr. Brian Davis
Dr. Claude S. Davis
Ms Susan Eng
Dr. Shari Graham Fell
Mr. Ran Goel
Professor Vivek Goel
Dr. Gerald Halbert
Professor Glen A. Jones
Dr. Joel A. Kirsh
Mr. Joseph Mapa
Professor Michael R. Marrus
Mr. Geoffrey Matus

Professor Ian R. McDonald
Ms Florence Minz
Mr. Richard Nunn
Professor Ian Orchard
Mr. Timothy Reid
Ms Marvi H. Ricker
Professor Arthur S. Ripstein
Professor Barbara Sherwood Lollar
Mr. Stephen C. Smith
Miss Maureen J. Somerville
Mr. Mahadeo Sukhai
Ms B. Elizabeth Vosburgh
Professor John Wedge
Mr. Robert S. Weiss

Mr. Louis R. Charpentier, Secretary of the
Governing Council

Secretariat:

Ms Cristina Oke
Mr. Henry T. Mulhall

Absent:

Mr. Husain Aboghodieh
Ms Holly Andrews-Taylor
Professor Pamela Catton
Mr. Shaun Chen
The Honourable William G. Davis
Dr. Alice Dong

Professor Linda McGillis Hall
Mr. George E. Myhal
Ms Jacqueline C. Orange
The Honourable David R. Peterson
The Honourable Vivienne Poy
Mr. W. David Wilson

In Attendance:

Mr. John Badowski, Member-elect, Governing Council
Mr. Kristofer Coward, Member-elect, Governing Council
Mr. Robin Goodfellow, Member-elect, Governing Council
Professor William Gough, Member-elect, Governing Council
Ms Johanna Weststar, Member-elect, Governing Council
Dr. John R. G. Challis, Vice-President, Research and Associate Provost

In Attendance: (cont'd)

Ms Rivi Frankle, Interim Vice-President and Chief Advancement Officer
Professor Angela Hildyard, Vice-President, Human Resources and Equity
Ms Susan Addario, Director, Student Affairs
Professor Derek Allen, Vice-Provost and Dean of Arts, Trinity College
Mr. John Bisanti, Chief Capital Projects Officer
Mr. Paul Bretscher, Vice-President, External, Students' Administrative Council
Dr. Chris Cunningham, Special Advisor to the President
Mr. Jim Delaney, Assistant Director, Student Affairs
Mr. Neil Dobbs, Deputy Secretary of the Governing Council
Mr. Andrew Drummond, Assistant Secretary of the Governing Council
Ms Sheree Drummond, Assistant Provost
Ms Mary Jane Dundas, Special Assistant to the Vice-President, Human Resources and Equity
Professor David Farrar, Deputy Provost and Vice-Provost, Students
Ms Liz Finney, Director, Government Liaison, Office of the Vice-President, Government and Institutional Relations
Ms Sally Garner, Senior Planning and Budget Officer, Planning and Budget Office
Professor Jane Gaskell, Dean, OISE/UT
Ms Margaret Hancock, Warden, Hart House
Professor Edith Hillan, Vice-Provost, Academic
Professor Wayne Hindmarsh, Dean, The Leslie Dan Faculty of Pharmacy
Professor Charles Jones, Acting Vice-Principal and Dean, University of Toronto at Mississauga
Professor Shashi Kant, Faculty of Forestry
Professor Gretchen Kerr, OISE/UT
Professor Bruce Kidd, Dean, Faculty of Physical Education and Health
Mr. Anthony Kola-Olusanya, President, Graduate Students' Union
Ms Helen Lasthiotakis, Director, Policy and Planning, Office of the Vice-President and Provost
Ms Myra Lefkowitz, Manager of Health and Well-Being Programs and Services
Ms Anne Lewis, Manager, Student Accounts, Financial Services Department
Dr. Jeanne Li, Special Assistant to the Vice-President, Business Affairs
Mr. Ari Linds, Policy and Research Officer, Office of the Vice-President, Government and Institutional Relations
Ms Rosanne Lopers-Sweetman, Director, Special Projects, Office of the Vice-President and Provost
Ms Margaret McKone, Administrative Manager, Office of the Governing Council
Dr. Tim McTiernan, Assistant Vice-President, Research, and Executive Director of Innovations at the University of Toronto
Mr. Steve Moate, Senior Legal Counsel
Professor David Mock, Dean, Faculty of Dentistry
Ms Carole Moore, Chief Librarian
Professor Mayo Moran, Dean, Faculty of Law
Professor Peter Pauly, Associate Dean, Research and Academic Resources, Joseph L. Rotman School of Management
Professor Susan Pfeiffer, Dean, School of Graduate Studies
Professor Cheryl Regehr, Interim Dean, Faculty of Social Work
Professor Jay Rosenfield, Associate Dean, Undergraduate Education, Faculty of Medicine
Ms Christina Sass-Kortsak, Assistant Vice-President, Human Resources
Ms Marny Scully, Director, Enrolment Planning and Statistics
Professor Pekka Sinervo, Dean, Faculty of Arts and Science
Ms Elizabeth Sisam, Assistant Vice-President, Space and Facilities Planning
Ms Elaine Smith, Public Affairs
Mr. Robert Steiner, Assistant Vice-President, Strategic Communications
Ms Karel Swift, University Registrar
Professor Tas Venetsanopoulos, Dean, Faculty of Applied Science and Engineering

1. Senior Appointments

(a) Deputy Provost, Extension of Appointment

On motion duly moved and seconded

It was RESOLVED

THAT the term of Professor David Farrar as Deputy Provost be extended for three years from July 1, 2006 to June 30, 2009.

(b) Assistant Vice-President, Strategic Communications

On motion duly moved and seconded

It was RESOLVED

THAT Mr. Robert Steiner be appointed to the position of Assistant Vice-President, Strategic Communications, effective May 2, 2006.

(c) Assistant Vice-President, Research

On motion duly moved and seconded

It was RESOLVED

THAT the position of Assistant Vice-President, Research be established, to replace the position of Assistant Vice-President, Technology Transfer; and

THAT Dr. Tim McTiernan be appointed to the position of Assistant Vice-President, Research effective June 5, 2006.

2. Chair's Remarks

(a) Welcome and Congratulations

The Chair welcomed members and guests to the meeting. She extended congratulations on behalf of the Council to three members who had recently been re-elected to the Governing Council for the next year: Professor Brian Corman, Ms Coralie D'Souza, and Ms Susan Eng. The Chair also congratulated and welcomed five members-elect who would begin their terms on the Governing Council on July 1, 2006, Mr. John Badowski, Mr. Kristofer Coward, Mr. Robin Goodfellow, Professor William Gough, and Ms Johanna Westar.

(b) Speaking Requests

The Chair informed members that two speaking requests had been received. Both had been granted, and she would call on the speakers at the appropriate time in the meeting.

(c) Audio Web-cast

The Chair reminded members that the meeting was being broadcast on the web, and that private conversations might be picked up and broadcast. She asked all members, senior administrators, and guests who were invited to speak during the meeting to use a microphone, so that their comments could be heard by those listening to the audio web cast.

2. Chair's Remarks (cont'd)**(d) Resolutions Approved by Council During the *In Camera* Session**

The Chair announced that, during the *in camera* session at the beginning of the meeting, the Council had approved three senior appointments. The term of Professor David Farrar as Deputy Provost had been extended for three years from July 1, 2006 to June 30, 2009, concurrent with his term as Vice-Provost, Students. Mr. Robert Steiner had been appointed to the position of Assistant Vice-President, Strategic Communications, effective May 2, 2006. And finally, the position of Assistant Vice-President, Research had been established, to replace the position of Assistant Vice-President, Technology Transfer, and Dr. Tim McTiernan had been appointed to that new position effective June 5, 2006. The new appointees were congratulated with applause.

3. Minutes of the Previous Meeting

The minutes of the meeting of March 23, 2006 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) External Relations: PACER**

The President's Advisory Committee on External Relations (PACER) had concluded its interviews of candidates for the new position of Vice-President, University Relations. It was expected that a recommendation for the appointment of an individual would proceed within the next 2-3 days to the Senior Salary Committee, and then to the Executive Committee and Governing Council.

(b) Provincial Government Relations

Further information had been received in recent weeks from the Ministry of Training, Colleges and Universities regarding the planned expansion of graduate studies, but greater clarity was still needed. It now appeared likely that the University would receive funding for approximately the number of new graduate places that it had proposed to create in its submission to the Government. However, the Government had introduced a target ratio of master's to doctoral students of approximately 4:1, whereas the current ratio at the University was approximately 2:1. Further, the Government intended to introduce the expansion of graduate places very rapidly through the 2006-07 and 2007-08 academic years, rather than phasing in the expansion over four years. This was especially problematic because the Government had waited so long to clarify its commitment to graduate expansion. On the positive front, however, it appeared likely that the University would be able to 'convert' many of its master's level places into doctoral places. This could allow the University to shift from the target ratio of 4:1 master's to doctoral students, back towards its more usual ratio. Nonetheless, meeting the accelerated expansion targets would be a major challenge, and Principals and Deans were actively engaged in the planning process. Complicating matters was the lack of information regarding the capital plan to support the graduate expansion. Similarly, the Provincial Government had not yet announced whether the Ontario Graduate Scholarship program would be enhanced. Thus far, information that had been received from the Government was consistent with the assumptions that had been factored into the University's Budget.

5. Report of the President (cont'd)**(c) Federal Government Relations**

The President reported that the University was pleased that the Federal Budget announced on May 2, 2006 had contained some measures in support of post-secondary education. The most significant item was the Post-Secondary Education Infrastructure Trust, a one-time payment of \$1 billion into a third-party trust, contingent on sufficient funds from the 2005-06 surplus in excess of \$2 billion. The Trust was intended to support critical and urgent investments to promote innovation and accessibility, particularly investments that would enhance universities' and colleges' infrastructure and equipment, as well as related institutional services. The Council of Ontario Universities (COU) and the University would be taking a proactive approach with respect to the distribution of these funds. The Federal Budget had also provided \$100 million of increased base funding for research, expanded eligibility for Canada Student Loans, and introduced tax credits and tax reductions for post-secondary students. A particularly welcome and unanticipated announcement was the provision of \$40 million in new base funding for the indirect costs of research. The President was cautiously optimistic that these Budget measures could be an indication of future additional federal measures in support of higher education and research.

(d) Government Funding Context

The President stated that he wished to provide some context for the consideration of the proposed tuition fee schedule that would follow later in the meeting. The COU was working to develop an accurate analysis of the total impact of the \$6.2 billion in funding announced in the Provincial Government's *Reaching Higher Plan* in May 2005. For a variety of reasons, the impact of the funding would be less than what one might have expected. First, the funding would be released over the course of 5 years, and inflation in the post-secondary sector was currently close to 5% per year. Second, the funding was to be shared on a yet to be determined basis between colleges and universities. Third, with more students entering the system, much of the new funding would be committed to enrolment expansion, especially for graduate studies, while the amount of funding for quality enhancement would be relatively modest. Funding per basic income unit (BIU) was, in fact, projected to increase in the next four years at a sub-inflationary rate. The President referred members to the COU website (www.cou.on.ca) for further details of this study. He concluded by stating that his remarks and the COU study were not intended to diminish the importance of the historic commitment to higher education contained in the *Reaching Higher Plan*, but rather to point out that the *Plan* was unlikely on its own to bring about transformative change. There needed to be a realistic view of the impact of the *Reaching Higher* funding on the University and its sister institutions in the years ahead, as they weighed the various revenue instruments available to them, including tuition fees. In addition, the University, in partnership with the COU, would need to continue to advocate with the Provincial and Federal Governments for the needs of the post-secondary education sector.

(e) Hong Kong / Singapore / China Trip

The President noted that he, Chancellor Poy, Interim Vice-President Frankle, and other members of the senior administration had had a very successful trip in mid-April to Asia. The group had traveled together to Hong Kong. The President went on to Singapore, while the Chancellor convened an alumni reception in Shanghai. A highlight of the trip had been a ceremony in Hong Kong to celebrate the convocation of more than 90 recent graduates of the University who were based in the region. The President noted that his brief visit had made readily apparent the degree to which the governments of the countries he had visited were investing in education, innovation,

5. Report of the President (cont'd)**(e) Hong Kong / Singapore / China Trip (cont'd)**

technology, and the knowledge economy. Canada, along with its leading teaching and research institutions like the University, would need to do likewise to remain competitive on a global scale.

(f) Maclean's Magazine

The President updated members of the Council that it was likely that as many as 18 Canadian universities, including the University of Toronto, would decline to participate in *Maclean's* magazine's proposed survey of recently graduated students that would be published in June 2006. The executive heads of these institutions had serious concerns about the scientific validity of the survey, based on the low response rates used in the past, and the lack of rigorous analysis carried out on the data. There was also growing dissatisfaction with *Maclean's* annual fall rankings of Canadian universities which attempted to reduce the assessment of very complex and different institutions to rankings on a league table. The President saw little information value in the University's Number 1 *Maclean's* ranking among Canadian universities with medical schools and Ph.D. programs for the last 12 years. In essence, the University's excellent performance in some measures masked the fact that there was a pressing need to enhance the undergraduate student experience in some of its largest programs.

The President concluded by congratulating the Chair and Vice-Chair on their respective acclamations to these same positions on the Governing Council for the 2006-07 governance year. The Chair responded that she and the Vice-Chair considered it an honour to be able to serve the University in this way.

In response to a question, the President stated that advocacy for increased funding for the indirect costs of research would remain a very high priority for the University and the Association of Universities and Colleges of Canada (AUCC). The group of the nation's most research-intensive universities that was collaborating most closely in this effort had recently been expanded from 10 to 13 institutions.

6. Items for Governing Council Approval**(a) Tuition Fee Schedule for Publicly Funded Programs, 2006-07 and, for Special Programs, 2006-07 and 2007-08**

Mr. Nunn reported that the Business Board had considered the proposal for tuition-fee increases in the light of four very important factors. First, the Board had been briefed on the University's budget situation. The Budget Report for 2006-07 called for severe expense-containment measures, requiring a 5% base-budget reduction for the year. No one welcomed tuition-fee increases, but without any increase, the expense-containment for the next year would have been 8%, with a further 1.5% one-time-only reduction. The outcome would have been devastating to the quality of education. If the increase had been limited to 2%, the budget would have required a 6% expense-containment plus a 1.5% one-time-only reduction.

Second, the Business Board, at its February meeting, had reviewed the enrolment report. The University's enrolment was strong, the quality of its entering class remained very high, and the yield rate on offers of admission continued to improve. In addition, international enrolment had continued to increase to 9.5% of the total student body. The University was not pricing itself out of the market.

6. Items for Governing Council Approval (cont'd)**(a) Tuition Fee Schedule for Publicly Funded Programs, 2006-07 and, for Special Programs, 2006-07 and 2007-08 (cont'd)**

Third, the University was not pricing under-represented students out. The Business Board had reviewed the Report of the Vice-Provost, Students on Student Financial Support. The University was spending nearly \$46-million on need-based aid, as well as \$143-million on graduate-student funding. Students from lower income families, visible minorities and other traditionally under-represented groups had maintained or improved their share of the University's enrolment.

Fourth, the Ontario Government had mandated new limits on tuition-fee increases. The proposed fee schedule had adhered to those limits. For 96% of students, fees would increase either by 4% (all continuing students and graduate students) or by 4.5% (most entering students, apart from high-cost professional programs). The annual dollar cost in 62% of cases would be under \$200 per year, and under \$300 for a further 26%. Students in Engineering, Law, Dentistry and the M.B.A. program would have increases of 6% or 8%. Because of generous government support, fees in Medicine would increase by only 2%. This followed a two-year tuition fee freeze.

Mr. Nunn also reported that, for international students (who generated no Government funding), the new tuition fee schedule had been posted a year in advance to give applicants full notice. Fees for 2006-07 were to increase by 5% over the current year. In a few programs, including Commerce and Computer Science, students paid the regular Arts and Science fee in first year but paid higher fees beginning in second year. To give students proper notice, the fees in those programs for 2007-08 had also been presented for approval.

Mr. Nunn concluded by pointing out that the Business Board had also heard from student representatives of real problems faced by students, especially those who were not from wealthy families but also not from lower income families that would qualify them for student aid. It had been noted that 40% of students worked part-time. Some did so to obtain employment experience, but many others did so out of necessity, and the quality of their student experience suffered as a result. The President was well aware of this situation, and the University was making every effort to achieve increases in public funding. However, in the current situation, the University had little choice but to proceed as planned with the proposed tuition increases. For all these reasons, the Business Board had recommended the approval of the proposed tuition-fee schedules.

At the invitation of the Chair, Mr. Paul Bretscher, Vice-President, External of the Students Administrative Council (SAC), addressed the Council. He stated that he wished to express the concern felt by many undergraduate students that increases to tuition fees were not a sustainable solution to chronic government under funding of universities, and invariably led to diminished access. Despite recent government investments in higher education, most students were unlikely to receive increased amounts of financial aid, and so would be required to either take on greater amounts of debt, or to spend more time in paid employment. Average student debt loads upon graduation were rising, while starting salaries for graduates remained low. Tuition fee increases that were supposed to improve the quality of education had the opposite effect if they forced students to spend more of their time in paid employment rather than pursuing their studies. Mr. Bretscher concluded by urging the Administration to address this link between student employment levels and the quality of education, and to work together with student groups to lobby the various levels of government for increased funding for post-secondary education.

Mr. Anthony Kola-Olusanya, President of the Graduate Students' Union (GSU) was also invited to address the Council. He stated that he wished to speak on the implications of

6. Items for Governing Council Approval (cont'd)**(a) Tuition Fee Schedule for Publicly Funded Programs, 2006-07 and, for Special Programs, 2006-07 and 2007-08 (cont'd)**

the proposed tuition fee increases for students, and that the GSU was opposed to these increases for a variety of reasons. Increased fees would erode the University's access guarantee, and would force students to borrow greater amounts from banks. Students from low-income families would be less likely to attend university, and in particular to enroll in programs with high fees. Many members of the GSU were from middle-income families with a limited ability to access student assistance, and levels of student assistance were not rising as quickly as tuition fees. Over 40% of the GSU membership did not receive graduate funding, as they were in professional programs or beyond the fourth year of their doctoral programs. Mr. Kola-Olusanya stated that increased tuition fees were neither progressive nor the best solution to government under funding, and added that the GSU was willing to work with the Administration to lobby governments for increased funding for higher education.

In response, Professor Goel stated that existing research had not provided a clear answer to the question of whether increased tuition levels decreased access to institutions of higher learning. Jurisdictions such as Quebec and British Columbia that had kept tuition levels low had generally not been able to increase overall participation rates. A recent Education Policy Institute (EPI) study that examined five countries had found no clear relationship between changes in tuition levels and access. The University took seriously the question of access to higher education for traditionally under-represented populations, and had a variety of programs to address this issue. These included the Transitional Year Program and the Academic Bridging Program. Research consistently indicated that participation rates for such populations was largely driven by social and family factors, rather than by income levels.

Among the matters that arose in discussion were the following. A member stated that it was his view that the University was not adequately tracking levels of private debt held by students, but rather was relying only on data concerning debt acquired through the Ontario Student Assistance Program (OSAP). Comprehensive data on debt loads was one of the best ways to assess the utility of student aid programs, and in the absence of such data, it was irresponsible to raise tuition fees. He encouraged the University to survey graduating students in order to collect this data. Professor Goel responded that, according to the latest Statistics Canada data, 47% of undergraduate students graduated with no debt. Of the 53% with debt, 45% held government debt, 19% reported private debt, and 11% held both. This data did not indicate that levels of student debt from private sources were excessively high. Professor Goel added that additional data on private debt was not available to the University as it was information that was held by private institutions.

A member stated that he supported the fee increases, but felt it was very important for the University to carry out more thorough analysis of the amount of time students were spending in paid employment, and the effect that was having on the student experience. Professor Goel responded that it was clear that student work patterns had changed significantly in recent decades. This was a societal change that had occurred across the country, including those jurisdictions where tuition levels had been kept low, and it was important to better understand why it had occurred. Research opportunities and co-op programs were also being developed to allow students to earn income for work linked to their academic studies.

A member commented that the University continued to voluntarily exceed what had recently been mandated by the Government in terms of levels of financial assistance for students. The University would need to continue to advocate for increased government

6. Items for Governing Council Approval (cont'd)**(a) Tuition Fee Schedule for Publicly Funded Programs, 2006-07 and, for Special Programs, 2006-07 and 2007-08 (cont'd)**

funding, and to monitor student debt levels. However, it would be inaccurate to state that the University had not considered and addressed issues concerning appropriate levels for tuition fees and student assistance, and the balance between public and private support for higher education.

A member asked whether the Provincial Government had provided more detailed information about the nature of the Student Access Guarantee, and whether the University Administration shared his concern that universities were increasingly being required by the Government to provide greater levels of needs-based financial assistance to their students. The President responded that the executive heads of the province's universities were concerned about this issue, and did not want their institutions to function as *de facto* 'tax collectors', raising revenue from students and their families in the form of tuition fees, and then redistributing it through student financial assistance.

On motion duly moved and seconded

It was RESOLVED

THAT the "Tuition-Fee Schedule For Publicly Funded Programs, 2006-07," a copy of which is attached to Report Number 148 of the Business Board as Attachment "A" be approved, including: the tuition fees for domestic students for 2006-07 contained in Table 1 of Appendix "B", the tuition fees for domestic students in special programs for 2006-07 and 2007-08 contained in table 2 of Appendix "B", and the tuition fees for international students for 2006-07 contained in Appendix "C".

(b) Tuition Fee Schedule for Self-Funded Programs, 2006-07

Mr. Nunn reported that the self-funded programs received no government funding, and their fees were set to recover their costs, at least their direct costs.

On motion duly moved and seconded

It was RESOLVED

THAT the proposed tuition-fee schedule for self-funded programs for 2006-07, which is Table 1 of Attachment "B" to Report Number 148 of the Business Board, be approved.

(c) Budget Report, 2006-07

Professor Cummins reported that members of the Academic Board had been given a presentation of the Budget Report by the Provost. The highlights of the presentation had included the following. Revenue and expense assumptions had been based on current circumstances and known Government policies, and did not reflect the University's advocacy objectives. The Budget had assumed some reduction in overall undergraduate enrolment, with increased international enrolment and a significant proposed expansion in graduate enrolment. The Budget had also assumed that the government would continue to provide full funding for undergraduate enrolment and for an additional 4,400 graduate full-time equivalents (FTEs) by the end of the plan period, and would continue allocations from the Quality Fund at the current proportion.

6. Items for Governing Council Approval (cont'd)**(c) Budget Report, 2006-07 (cont'd)**

Budget assumptions regarding salaries and benefits had reflected negotiated settlements, the current University position in ongoing negotiations, and the Consumer Price Index (CPI) thereafter. Significant changes in expense from the previous year had included increased costs for utilities, increased costs for compensation above CPI assumption, and increased costs for benefits. New expenses in 2006-07 had included support for proposed graduate expansion, re-integration of the University of Toronto Innovations Foundation (UTIF) into the University, the Varsity Centre, the Multi-Faith Centre, and the proposed Student Experience Fund. The proposed Student Experience Fund had been intended to support initiatives that would have an immediate positive impact on the student experience.

Overall, revenues were expected to increase by 30% during the following four years, but there would also be expenses associated with the increased revenue. Expenditures were projected to increase more rapidly than revenues, and therefore expenditure containment would be required. The Budget had represented a significant reallocation of resources to the academic divisions, as they would receive most of the new revenue in the following few years. Professor Cummins concluded by noting that the Academic Board's thorough discussion of the Budget had been reported on pages 7 and 8 of Report Number 142.

Mr. Nunn pointed out that the Business Board was responsible for advising the Governing Council on the financial prudence of the Budget Report. It needed to satisfy itself that the Budget, as part of the longer term budget framework, would allow the University to manage its deficit. The University would be required to bring the cumulative deficit back to 1.5% of operating revenue by the end of the planning period on April 30, 2010. It also had to bring in a balanced annual budget at that time. Finally, the Business Board needed to be satisfied that the Budget assumptions were realistic, and that the level of risk was prudent.

The Business Board had also received a thorough presentation of the Budget Report from the Provost. In addition, it had received the President's assessment of the Budget. While the 5% reduction would be onerous, divisions had had time to plan for it and should have been able to achieve it. While there had been a lack of clarity about one element of revenue, namely the level of Government funding for graduate expansion, the President had been confident that the issue would not be sufficient to place the budgetary framework in question. Mr. Nunn reported that the Business Board had voted to concur with the recommendation of the Academic Board that the Budget Report be approved.

A member expressed his concern that the process by which compulsory non-academic ancillary fees were set had not been functioning satisfactorily in recent years. He recommended that the protocol which governed this process be revised, perhaps by introducing the use of referenda or electronic voting in order to engage greater numbers of students. The President responded that he shared the member's concern, and that the issue was under active consideration by the University's senior administration. However, the protocol was partially set by the Provincial Government, and its revision would also require thorough consultation with the student community.

A member asked what effect the upcoming government announcement on graduate expansion was expected to have on the University's Budget. The Provost responded that, with respect to the Budget, the exact number of graduate places allocated to the University would not be of major significance, since most of the revenues received for those places would be used to finance the graduate expansion.

6. Items for Governing Council Approval (cont'd)**(c) Budget Report, 2006-07 (cont'd)**

On motion duly moved and seconded

It was RESOLVED

THAT the "Budget Report for 2006-07" dated March 13, 2006, including the revisions to the long-range budget assumptions and the Contractual Obligation and Policy Commitments list, be approved.

Documentation is attached to Report Number 142 of the Academic Board as Appendix "A".

(d) Academic Initiative Fund (AIF) Allocations - Round 3

Professor Cummins noted that the third call for Submissions to the Academic Initiatives Fund (AIF) had been made in the fall of 2005. Forty-one proposals had been received from seventeen University divisions, and the requests had totalled \$11 million of base funding and \$55 million of one-time-only (OTO) support. Projects recommended for funding had included the following. The Cities Centre would raise the profile of and awareness for urban teaching and research at the University. The Enhancing Engineering Student Experience through Leadership Development program would serve as a pilot project for implementation within other divisions of the University. The School of Public Policy was envisioned as a networked organization within the strong cluster of related academic work and policy activity at the University. Finally, the Centre for the Analysis of Genome Evolution and Function would bring together researchers and educators with interests in comparative, evolutionary, and functional analyses of genomes and proteomes. All of these allocations had been discussed thoroughly at the Planning and Budget Committee, and no questions concerning the allocations had been raised at the Academic Board.

On motion duly moved and seconded

It was RESOLVED

THAT the Third Round of the Academic Initiative Fund be allocated as per the table (Appendices 2 & 3) attached to the Memorandum from the Vice-President and Provost dated March 3, 2006, a copy of which is attached to Report Number 142 of the Academic Board as Appendix "B".

(e) Ontario Institute for Studies in Education of the University of Toronto: Concurrent Teacher Education Program

Professor Cummins reported that the Academic Board had been informed that the Concurrent Teacher Education Program (CTEP) would be a collaborative partnership of the Ontario Institute for Studies in Education of the University of Toronto (OISE/UT) with the University of Toronto at Mississauga (UTM), the University of Toronto at Scarborough (UTSC), the Faculties of Music and Physical Education and Health, and two federated universities, the University of St Michael's College and Victoria University. There had been strong support for the program at both the Committee on Academic Policy and Programs and the Planning and Budget Committee.

On motion duly moved and seconded

It was RESOLVED

6. Items for Governing Council Approval (cont'd)**(e) Ontario Institute for Studies in Education of the University of Toronto: Concurrent Teacher Education Program (cont'd)**

THAT the Concurrent Teacher Education Program (CTEP), as described in the documentation dated February 3, 2006 and attached to Report Number 142 of the Academic Board as Appendix 'C', be offered at the University of Toronto, subject to approval of the University Faculties involved, and pending OISE/UT initial accreditation of CTEP by the Ontario College of Teachers and effective for the academic year 2007-2008.

(f) Affiliation Agreement between the Governing Council of the University of Toronto and the University of Toronto Schools, July 1, 2006 to June 30, 2021

Professor Cummins reported that members of the Academic Board had been informed that it was being proposed that the Interim Agreement would be extended for a two-month period to allow the proposed affiliation agreement to begin on July 1st, the beginning of the fiscal year for the University of Toronto Schools (UTS). The proposed Affiliation Agreement was intended to provide financial support when it was needed; to establish UTS on a financial model that clarified the actual operating costs of the School and provided explicit subsidies and an operating line of credit; and, finally, to set a repayment schedule that was reasonable and would encourage the School to achieve financial self-sufficiency. The recommendation had been passed unanimously at the Planning and Budget Committee, and no questions had been raised at the Academic Board.

Mr. Richard Nunn noted that the Business Board had reviewed the proposed agreement carefully, and had concurred with the recommendation of the Academic Board. In addition, subject to Governing Council approval, the Board had approved the termination of UTS being designated as an ancillary operation of the University.

On motion duly moved and seconded

It was RESOLVED

1. THAT the Interim Agreement between the University and the University of Toronto Schools (UTS) be extended from April 30, 2006 to June 30, 2006;
2. THAT the Vice-President, Human Resources and Equity be given authority to execute an Affiliation Agreement between the Governing Council of the University of Toronto and the University of Toronto Schools, for the period July 1, 2006 to June 30, 2021, that is essentially in accordance with the principles and terms outlined in the Term Sheet (Appendix 1), a copy of which is attached to Report Number 142 of the Academic Board as Appendix "D".

(g) Capital Project: Energy Efficiency Project on Lighting Retrofit and Chiller Replacement, St. George Campus: Project Planning Report

Professor Cummins reported that the Academic Board had been informed that the proposed project would reduce energy use, energy costs, and the demand on the University's near-capacity electrical distribution system. Mr. Nunn noted that, before considering this project, the Business Board had received a full and helpful presentation on the University's utilities infrastructure and on plans for its renewal. Subsequently, and subject to Governing Council approval, the Board had approved the execution of this project.

6. Items for Governing Council Approval (cont'd)**(g) Capital Project: Energy Efficiency Project on Lighting Retrofit and Chiller Replacement, St. George Campus: Project Planning Report (cont'd)**

On motion duly moved and seconded

It was RESOLVED

That the Project Planning Report for the St. George Campus Cooling Infrastructure Upgrade and Major Lighting Retrofit Project, a copy of which is attached to Report Number 142 of the Academic Board as Appendix "E", be approved in principle at an estimated total project cost of \$19.87 million, with sources of funding as follows:

NRCan grant	\$ 0.25-million
Toronto Hydro grant	0.68-million
Facilities Renewal funds	2.00-million
Interest-free loan from the City of Toronto Better Buildings Partnership to be repaid by the operating budget from energy savings	2.74-million
Debt financing to be repaid by the operating budget from energy savings	14.20-million

(h) Capital Project: University of Toronto at Scarborough (UTSC) Infrastructure Upgrades Phase V: Project Planning Report

Professor Cummins reported that members of the Academic Board had been informed that the construction of several new buildings at UTSC had resulted in the identification of a number of potentially critical conditions and deficiencies in the existing electrical and mechanical infrastructure. The original projected total cost of \$17.351 million for the required upgrades had been reduced to \$15.255 million, because Phase 5C had made Phase 6 unnecessary. Mr. Nunn added that the Business Board had also reviewed this project, and the following two on the Agenda, and it had approved their execution, subject to Governing Council approval.

On motion duly moved and seconded

It was RESOLVED

THAT the Project Planning Report for the Electrical and Mechanical Infrastructure Upgrades at the University of Toronto at Scarborough, Phase 5, comprising the replacement of the existing electronic controls for the two existing boilers, the replacement of the existing 200 kW diesel generator, and the replacement of the 6 existing PCB transformers, a copy of which is attached to Report Number 142 of the Academic Board as Appendix "F", be approved in principle at an estimated total project cost of \$4.530 million, with the sources of funding as follows:

Funding for the new UTSC Science Building provided by the UTSC operating budget	\$ 3.785-million
Enrolment Growth Fund	.320-million
Deferred Maintenance Funds	.425-million

6. Items for Governing Council Approval (cont'd)**(i) Capital Project: University of Toronto at Scarborough: East Arrival Court: Project Planning Report**

Professor Cummins informed the Governing Council that the East Arrival Court would provide a new entrance to UTSC from Military Trail. The parking area would be re-organized to provide twenty-one barrier free spaces for patrons with disabilities and increased visitor parking capacity. The motion had been passed unanimously by the Academic Board.

At the meeting of the Executive Committee on April 21, 2006, concerns had been raised about possible unsafe conditions at UTSC. The Assistant Principal and Chief Administrative Officer of UTSC had subsequently explained that the unsafe conditions referenced in the covering letter had pertained to two past situations, since addressed. The first had been the intersection of busy pedestrian pathways with changing traffic flows. A number of traffic signs and speed bumps had been installed in the area several years previously to address the problem. The second issue had pertained to lighting. The cabling for the lighting in the specific area was direct buried. Over time it had deteriorated, resulting in frequent outages. A protocol had been developed several years previously where lighting audits were carried out weekly and any problems were immediately addressed.

On motion duly moved and seconded

It was RESOLVED

1. THAT the Project Planning Report for the East Arrival Court at the University of Toronto at Scarborough, a copy of which is attached to Report Number 142 of the Academic Board as Appendix "G", be approved in principle.

2. THAT the project scope as described in this report at an estimated cost of \$3,112,642 be approved.

3. THAT three sources of funding be approved as follows:

a) UTSC Carry Forward	\$ 232,763
b) Ancillary Investment in Capital Assets	\$ 249,961
c) Bridge funding over a 12 year term from the UTSC Operating Fund to be paid back from the Ancillary	\$2,629,918

TOTAL	\$3,112,642
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(j) Capital Project: University of Toronto at Scarborough (UTSC) New Science Building: Change in Scope

Professor Cummins reminded members that, in June 2005, the Project Planning Report for the UTSC Science Building had been approved in principle, with a \$3 million cash allocation for the completion of detailed planning, through to the concept design and detailed costing. The current proposal would increase the space program to approximately 3000 net assignable square meters (nasm) from the originally approved 2543 nasm, thereby increasing the cost of the new building by approximately \$1.59 million.

6. Items for Governing Council Approval (cont'd)**(j) Capital Project: University of Toronto at Scarborough (UTSC) New Science Building: Change in Scope (cont'd)**

On motion duly moved and seconded

It was RESOLVED

1. THAT the February 2006 revisions change in scope for the Science Building at UTSC, approximately 2982 nasm and 6041 gross increasing the total project cost to \$33,089,000, be approved in principle.
2. THAT the additional sources of funding identified below be approved:
 - a. An allocation of \$10,089,000 from the UTSC operating budget;
 - b. Debt of \$20 million to be repaid by UTSC from its operating budget.

Documentation is attached to Report Number 142 of the Academic Board as Appendix "H".

(k) Policy on Official Correspondence with Students

Professor Cummins reported that the Academic Board had been informed that the purpose of this new *Policy* had been to specify students' responsibilities with respect to both postal mail and electronic communications. After considerable discussion, wording in the third paragraph of the *Policy* had been revised to include a phrase concerning a standard of service for student email accounts.

On motion duly moved and seconded

It was RESOLVED

THAT the proposed *Policy on Official Correspondence with Students*, a copy of which is attached to Report Number 142 of the Academic Board as Appendix "I", be approved, effective September 1, 2006.

(l) Committee on Academic Policy and Programs: Terms of Reference

Professor Cummins noted that the revisions to the Terms of Reference of the Committee on Academic Policy and Programs (AP&P) had been being proposed in the interest of streamlining the governance process for graduate programs, and reflected the changes in the revised Constitution of the School of Graduate Studies.

On motion duly moved and seconded

It was RESOLVED

Subject to approval of amendments to the Statute of the School of Graduate Studies (i) to devolve certain responsibilities for graduate education to the Faculties and other divisions offering graduate degree programs, and (ii) to identify the School of Graduate Studies Council as the Graduate Education Council,

- (a) THAT, effective July 1, 2006, section 4.1 of the Terms of Reference of the Committee on Academic Policy and Programs be amended to add the following second paragraph:

6. Items for Governing Council Approval (cont'd)**(1) Committee on Academic Policy and Programs: Terms of Reference (cont'd)**

Proposals from divisional councils to approve changes to admission requirements to graduate programs, and to approve the establishment of direct admission options for existing PhD programs, may be approved by the Graduate Education Council.

(b) THAT, effective July 1, 2006, the "Committee on Academic Policy and Programs: Guidelines Regarding levels of Approval" be amended to add the following statement in the row entitled "Admission policies" in the column headed "Received by AP&P for information"

Changes to admission requirements for graduate programs and approval of direct entry options to existing PhD programs, as approved by the Graduate Education Council, are included in an annual report of changes to graduate programs submitted to the Committee for information

(c) THAT, effective July 1, 2006, section 3 of the Terms of Reference of the Committee on Academic Policy and Programs, Function, be amended to replace the following third and fifth paragraphs:

The Committee is responsible for reviewing and, at times, approving, changes to admission and program regulations, curriculum, degree requirements and academic regulations. Much of the Committee's work concerning curriculum and regulations arises from deliberations of divisional councils. The Committee will not normally amend such a proposal forwarded by a divisional council unless the amendment(s) is (are) deemed by the Chair or the senior Presidential assessor to be minor. Rather, a proposal requiring amendment will be referred back to the divisional council.

In order to carry out its mandate, the Committee receives for its consideration proposals from the academic divisions of the University which have been approved by the relevant divisional councils. Proposals may be accepted, rejected, or referred back to the originating body by the Committee. If accepted by the Committee, the proposal may be received for information, approved by the Committee, or recommended to the Academic Board for approval, depending on the nature of the proposal.

With a new third paragraph as follows:

The Committee is responsible for reviewing and, at times, approving, changes to admission and program regulations, curriculum, degree requirements and academic regulations. Much of the Committee's work in those areas arises from proposals from the academic divisions, which have been approved by the relevant divisional councils. The Committee will not normally amend proposals forwarded by a divisional council unless the amendment(s) is/are deemed by the Chair or the senior Presidential assessor to be minor. Such proposals may be accepted, rejected, or referred back to the divisional council. If accepted by the Committee, the proposal may be received for information, approved by the Committee, or recommended to the Academic Board for approval, depending on the nature of the proposal.

Documentation is attached to Report Number 142 of the Academic Board as Appendix 'K'.

7. Reports for Information

Members received the following reports for information:

- (a) Report Number 142 of the Academic Board (March 30, 2006);
- (b) Report Number 147 of the Business Board (February 27, 2006);
- (c) Report Number 148 of the Business Board (March 27, 2006);
- (d) Report Number 134 of the University Affairs Board (March 21, 2006);
- (e) Report Number 395 of the Executive Committee (April 21, 2006).

8. Date of the Next Meeting

The Chair reminded members that the next regular meeting of the Governing Council was scheduled for Wednesday, May 24, 2006 at 4:30 p.m.

9. Question Period

Members had no questions for members of the senior administration.

10. Other Business

There were no other items of Other Business.

The meeting adjourned at 6:10 p.m.

Secretary

Chair

May 17, 2006