

THE GOVERNING COUNCIL
REPORT NUMBER 85 OF
THE PLANNING AND BUDGET COMMITTEE

January 28, 2003

To the Academic Board,
University of Toronto.

Your Committee reports that it met on Tuesday, January 28, 2003, 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present

Professor Avrum Gotlieb (in the Chair)
Professor Derek McCammond, Vice-
Provost, Planning and Budget
Professor Carl Amrhein
Professor Philip H. Byer
Professor Paul J. Halpern
Professor Edith Hillan
Professor Bruce Kidd
Ms. Karen Lewis
Professor Ian McDonald
Mr. Colm Murphy
Professor J. J. Berry Smith

Mr. Nick Turk-Browne

Non-voting Assessors:

Professor Ron Venter, Vice-Provost,
Space and Facilities Planning

Secretariat:

Mr. Neil Dobbs
Ms. Cristina Oke
Mrs. Beverley Stefureak, Secretary

Regrets:

Professor Michael Berkowitz
Mr. Felix Chee
Professor Susan Horton
Ms. Shirley Hoy
Professor John F. MacDonald

Professor David Mock
Professor Shirley Neuman
Professor Ian Orchard
Mr. Timothy Reid

In Attendance:

Professor Vivek Goel, Vice-Provost, Faculty

ITEMS 4 AND 5 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL.

ALL OTHER ITEMS ARE REPORTED TO THE ACADEMIC BOARD FOR INFORMATION.

1. Report of the Previous Meeting

Report Number 84 of January 10, 2003 was approved.

2. Business Arising from Report of the Previous Meeting

There was no business arising from the Report of the previous meeting.

3. Senior Assessor's Report

The Chair invited Professor McCammond to give the assessor's report in Professor Neuman's absence.

SuperBuild: Professor McCammond briefly reviewed what Professor Neuman had reported at the last meeting about the second round of SuperBuild funding. He confirmed that the University's submission was delivered to Queen's Park by the January 27 deadline. It consisted of three projects totaling some \$86 million with the two larger ones at the University of Toronto at Mississauga and the University of Toronto at Scarborough campuses. The UTM project focused on the development of the Student Learning Centre with an information commons, "smart" study carrels, expanded student work space, library storage, etc, and also renovated and expanded classrooms and faculty offices. The UTSC project proposed new classrooms, faculty offices and student study space. There was no firm date for decisions by the Government but indications were that there may be a fast turn-around this time.

Budget Update: The administration was currently preparing the Budget for 2003-04 assuming that the University would be successful in the SuperBuild competition and that enrolment would increase as reflected in the Enrolment Target Agreement described in item 4 of today's agenda. Professor McCammond hoped to bring the COPC list and the updated Budget Guidelines and Assumptions to the Committee on March 18, with the full Budget Report scheduled to come to the March 26 meeting. Indications were that it would be a difficult year because of continuing reductions in investment income and no signal of any inflationary increases in Government operating grant funding.

Academic Planning: The green papers on academic planning were available on the Provost's website and had also been printed in the January 13 issues of *The Bulletin*. Seven of the twelve planned town hall meetings had now been held. Fifty to one hundred participants representing a cross-section of the community had attended each meeting and feedback was wide-ranging and valuable. In addition, a number of faculties and departments had indicated that they would be making written submissions.

Application Data for September 2003: The Ontario Universities Application Centre (OUAC) had released the first set of application data on direct applicants from Ontario high schools. The data compared January 15, 2003 with February 4, 2002 and showed slightly higher than projected numbers. Applicants had gone up by 47% and applications had increased by 84%, the latter reflecting the number of applicants indicating greater than three choices. U. of T.'s first-choice applications increased by 36% while increases for other Ontario institutions ranged from 22% to 128%. The data forwarded to the U. of T., stripped of multiple applications to a single campus, showed an increase in first-choice of 30% with UTSC up by 62%, UTM by 35%, St. George Arts and Science by 22%, Music by 48%, Physical Education and Health by 34% and Engineering up by 21%. Professor McCammond cautioned that though these data were very preliminary they indicated a healthy applicant pool. The data were encouraging particularly at UTSC where the intake target for September was about 500 students more than 2002.

Professor McCammond recalled that the University was now entering Phase 2 of enrolment expansion and that increased enrolment was conditional on success in this round of SuperBuild funding. Responding to a question, Professor McCammond and Professor Venter confirmed that projects in the SuperBuild submission were reflected in the A-1 and A-2 sections of the Capital Plan Update provided in item 7 and that the

3. Senior Assessor's Report (cont'd)

University had met its obligation to provide matching funds of 30% by having already committed 35% of the cost in the each of these projects.

A member asked for clarification about what form budget cuts were expected to take in 2003-04. Professor McCammond indicated that there was no further information beyond what the Provost had reported at the last meeting. The administration was currently planning for reductions to base budgets, though one-time-only cuts might apply, for example, to areas in which the challenge was specifically due to investment income shortfalls.

4. Enrolment Expansion: Update

Professor McCammond referred to the report on enrolment expansion distributed with his memorandum of January 9, 2003 (attached hereto as Appendix "A"), noting that the update focused on changes from the April 2002 report. Concerns that Government projections would not accurately reflect the magnitude of the problem had been well-founded. Facing a strong pool of applicants for 2002-03, the University had agreed to further increases of 750 in the first-entry intake in July and a further 92 in September, across three campuses and dependent on appropriate capital funding from the Ministry.

In August, the Ministry had asked Ontario universities to sign an Enrolment Target Agreement (ETA) addressing increased numbers of first-entry students. The Ministry would fund actual total enrolments up to that outlined in the ETA with penalties for institutions that did not meet intake targets.

There was no expectation of full average funding for enrolment increases in graduate programs at Ontario universities, the sum of which greatly exceeded the Government's projection of need. Discussions were ongoing with the Ministry to increase graduate funding to better accommodate flow-through of first-entry enrolment increases, to provide the enhanced pool of teaching assistants required and to meet the demand for doctoral graduates to replace retiring faculty. In anticipation of success in the discussions, the University included an additional 500 doctoral students in the total graduate enrolment in its ETA.

Details of the enrolment expansion by division were outlined in the report attached to Professor McCammond's memorandum. The ETA was also attached. Professor McCammond briefly highlighted changes in the divisional plans for enrolment expansion and responded to questions. A member noted what appeared to be a discrepancy on Figure 1, Total St. George (4,804). Professor McCammond undertook to check the data for that cell and report back to the Committee. (*Subsequently, Professor McCammond submitted a revised Figure 1. "Arts and Science Phase 2" had been included in the updated table without a correction in the summation formula so that Arts and Science numbers had been counted twice. The number should have read "2,780".*)

A member asked about the dramatic drop in projected enrolment on St. George campus (Phase 1) from a high of 2,648 in 2004-05 to a steady state of 1,080. Professor McCammond replied that St. George campus was required to absorb the

4. Enrolment Expansion: Update (cont'd)

initial surge in enrolment until UTSC and UTM were able to handle what was planned as their intake.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the enrolment expansion described in Figure 1 of the report *Update on Enrolment Expansion, December 2002* (attached hereto as Appendix “A”) be approved in principle.

5. Enrolment Growth Fund: Allocations for 2002-03

Professor McCammond said that allocations from the Enrolment Growth Fund flowed on the basis of approved and achieved enrolment expansion. There were three components that determined a divisional allocation: base increases related to tuition fee revenue as a result of increase in domestic enrolment up to the ETA; one-time-only allocations related to tuition fee revenue for increases in excess of the ETA; and one-time-only allocations related to tuition revenue from international student enrolment increases above the 2000-01 level. These were explained in detail in his memorandum of December 15, 2002 (attached hereto as Appendix “B”), as were the reasons for allocations to the Library, Student Information Systems and Facilities and Services.

A member noted the differential allocations among the three campuses. UTSC and UTM received 90% of the tuition revenue related to their enrolment growth to meet costs for capital expansion. On the other hand, the Faculties of Arts and Science and Applied Sciences and Engineering received only 75% of tuition revenue and had assumed operating and mortgage costs for the Bahen Centre for Information Technology.

Professor McCammond explained that the higher percentages to UTSC and UTM were in recognition of their responsibility to fund the entire cost of capital construction on their campuses for enrolment expansion. The Bahen Centre had been funded from a variety of sources, including the Access to Opportunities Program and matching money from donors and the University Infrastructure Investment Fund. The faculties using that facility were responsible for only a portion of the capital and operating costs.

A member reiterated that the Bahen Centre was a response to the ATOP initiative and not related to double cohort demand. It was, therefore, in no way related to the determination of percentage allocations from the Enrolment Growth Fund. He also added that, by and large, the faculty users had been insulated from cost overruns in that project which could have resulted in higher charges against those users.

In conclusion, Professor McCammond recalled that approximately \$18.6 million of University funds had been part of funding for the Bahen Centre. On the other hand, it was understood that there would be no contribution toward the capital construction of the projects at UTM and UTSC but that the revenue from enrolment growth would flow to them in a way that recognized their disproportionate responsibility for those projects associated with enrolment expansion at those locations.

5. Enrolment Growth Fund: Allocations for 2002-03 (cont'd)

A member asked if revenue as a result of increased enrolment at the St. George campus could be redirected, given that no capital costs were associated with accepting the extra students at that campus. Professor McCammond said that, in fact, the increased revenue was barely sufficient to offset inflationary costs associated with academic programming for current students. Costs had increased by an average of 3% annually as a result of inflation while funding had not. With additional students, and the subsequent need for additional programming hours, costs for building services and maintenance had escalated to the degree that all divisions were hard-pressed to break-even.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

THAT the following allocations from the Enrolment Growth Fund to the divisions to accommodate the 2002-03 enrolment expansion be approved:

(a) OTO funding in 2002-03 of:

Library	\$499,855
Student Information Systems	\$400,000
Facilities and Services	\$504,496
Faculty of Arts and Science	\$6,180,540
University of Toronto at Mississauga	\$3,183,611
University of Toronto at Scarborough	\$3,675,455
Faculty of Pharmacy	\$704,806
Faculty of Applied Science and Engineering	\$1,059,724
Faculty of Physical Education and Health	\$12,864

(b) Base funding in 2003-04 of:

Library	\$499,855
Student Information Systems	\$400,000
Facilities and Services	\$504,496
Faculty of Arts and Science	\$4,846,015
University of Toronto at Mississauga	\$3,583,186
University of Toronto at Scarborough	\$4,471,810
Faculty of Pharmacy	\$1,057,209
Faculty of Applied Science and Engineering	\$289,537
Faculty of Physical Education and Health	\$0

6. University of Toronto at Scarborough: New Programs

Professor McCammond had reviewed the new programs proposed for the University of Toronto at Scarborough and determined that there were no financial implications to any of them. This report was for the information of the Committee.

A member asked about the motivation for collaboration with Centennial College. Professor McCammond replied that the cooperation had been initiated shortly after the first SuperBuild Program allocations. Centennial College had received an allocation and was looking for space to build. The University had agreed to lease property at UTSC to

6. University of Toronto at Scarborough: New Programs (cont'd)

the College under the terms of an agreement with the College that provided sufficient capital funding to allow the University to proceed with the construction of the Academic Resource Centre. During discussions about the land-lease, it had become clear to both parties that, because of the proximity of the campuses, there were abundant opportunities for synergies.

A member referred to what in his view were highly desirable outcomes to the cooperative ventures between UTSC and Centennial College. The first joint program had been in journalism, a discipline that had not been available at the University. Centennial's excellent program had been a good fit with UTSC for a joint program that was academically sound. He believed that all of the joint programs were academically strong and evidently were in demand.

7. Capital Plan: Updates

Professor Venter reviewed the report on the Capital Projects that had been distributed under cover of his memorandum of January 14.

A member asked for an update on the University College Residence. Professor Venter said that there was, as yet, no final design. Plans were still under discussion with the City of Toronto. Hopefully, a new design would be reviewed by the Design Review Committee on February 5. If there were significant changes in plans a recommendation thereon would be brought to the Planning and Budget Committee.

8. Design Review Committee – Annual Report 2002

Professor Venter spoke briefly to a PowerPoint presentation on the first Annual Report (July 1, 2001 to June 30, 2002) of the Design Review Committee, which had been circulated with the Agenda. This was an advisory committee to the President, chaired by Professor Venter and comprising 2 internal architects, 2 external architects, 3 representatives from governance and an administrative representative from each campus. The Committee met about once a month usually to review any two of the many on-going capital projects. The focus of the Committee was the exterior appearance relative to how a building would integrate into its surroundings on campus. The Committee met with the appointed architectural group twice – once to review the conceptual design and once to discuss the landscaping. In total during 2001-02 the Committee had met ten times to review nineteen projects. Professor Venter closed his presentation with a note of appreciation to the Committee, members of which had given tirelessly of their time and done an excellent job.

In closing, Professor Venter indicated that, by and large, projects were progressing according to schedule.

9. Other Business

There was no other business.

10. Date of the Next Meeting

The Chair reminded members that the next regular meeting was scheduled for Tuesday, March 18, 2003 at 5:00 p.m. in the Council Chamber.

The meeting adjourned at 6:35 p.m.

Secretary

Chair

March 4, 2003