



FOR INFORMATION

PUBLIC

OPEN SESSION

TO: Campus Affairs Committee

SPONSOR: Professor Cheryl Regehr, Vice-President and Provost
CONTACT INFO: 416-978-2122, provost@utoronto.ca

PRESENTERS: Professor Cheryl Regehr, Vice-President and Provost; Mr. Trevor
CONTACT INFO: Rodgers, Senior Manager, Planning & Budget, Prof. Amy Mullin,
Vice-Principal Academic & Dean and Mr. Paul Donoghue, CAO.

DATE: September 4, 2015 for September 14, 2015

AGENDA ITEM: 3i

ITEM IDENTIFICATION:

Current Year Campus and Institutional Budget

JURISDICTIONAL INFORMATION:

Section 5.7 of Campus Affairs Committees' Terms of Reference provides that the "annual budget is considered by the Committee for recommendation to the [UTM] Council for inclusion in the University's annual operating budget." Appendix A of the Terms notes that this responsibility is executed as part of the campus' budget planning process.

GOVERNANCE PATH:

1. UTM Campus Affairs Committee [For information] (September 14, 2015)
2. UTM Campus Council [For information] (October 7, 2015)

PREVIOUS ACTION TAKEN:

At meetings on September 15, 2014 and October 8, 2014, the Campus Affairs Committee and the Campus Council respectively received for information a presentation on the Current Year Campus and Institutional Operating Budget.

HIGHLIGHTS:

The attached presentation is 'step one in the process for consideration of budget matters by UTM governance, which comprises four components:

- (1) an integrated budget presentation to the CCs and CACs,
- (2) an overview of the proposed campus operating budgets (themes and priorities),
- (3) the Provost's budget review meetings, and,

(4) governance consideration of the University's operating budget.

The attached presentation provides the context for the 2015-16 Budget, including structure and process, enrolment, UofT Revenue, expense and university fund, Student financial support. This "step one" discussion at the CAC will support UTM's annual budget preparations and the integration of campus budget plans into the University's budget.

FINANCIAL IMPLICATIONS:

n/a

RECOMMENDATION:

For information.

DOCUMENTATION PROVIDED:

Presentation: Current Year Campus and Institutional Budget



University of Toronto and UTM 2015-16 Campus and Institutional Operating Budget

September 14, 2015 Campus Affairs Committee

Overview

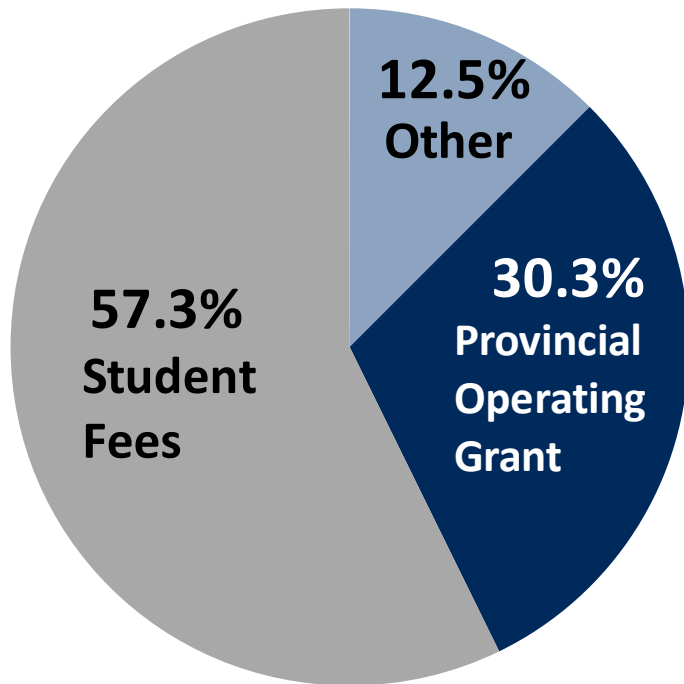
- Budget context 2015
- Budget structure and process
- Enrolment
- UofT Revenue, expense and university fund
- Student financial support
- UofT Overview Summary
- 2015-16 UTM budget

The Budget: strategic context

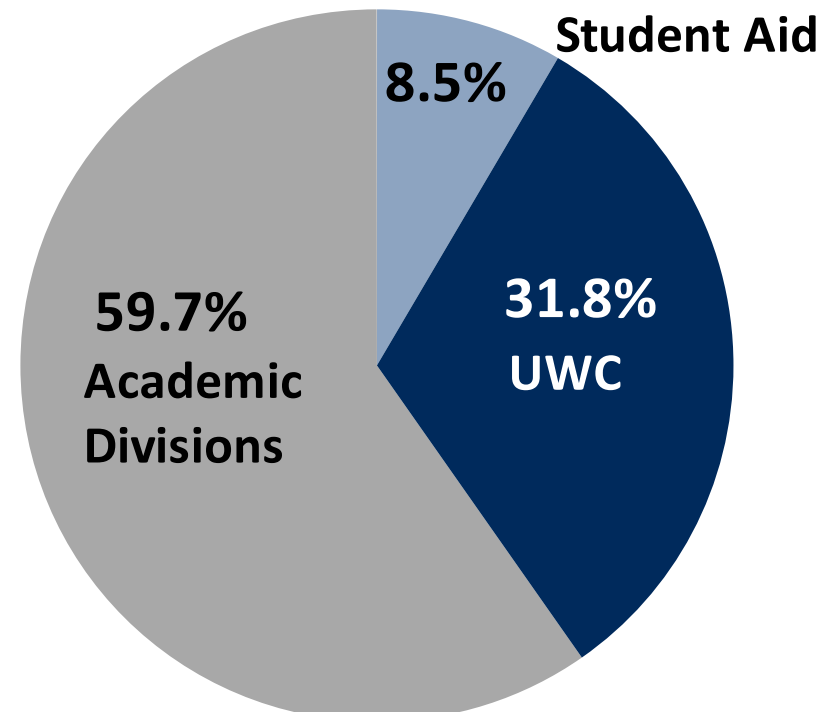


2015-16: a balanced budget at institutional level \$2.16B

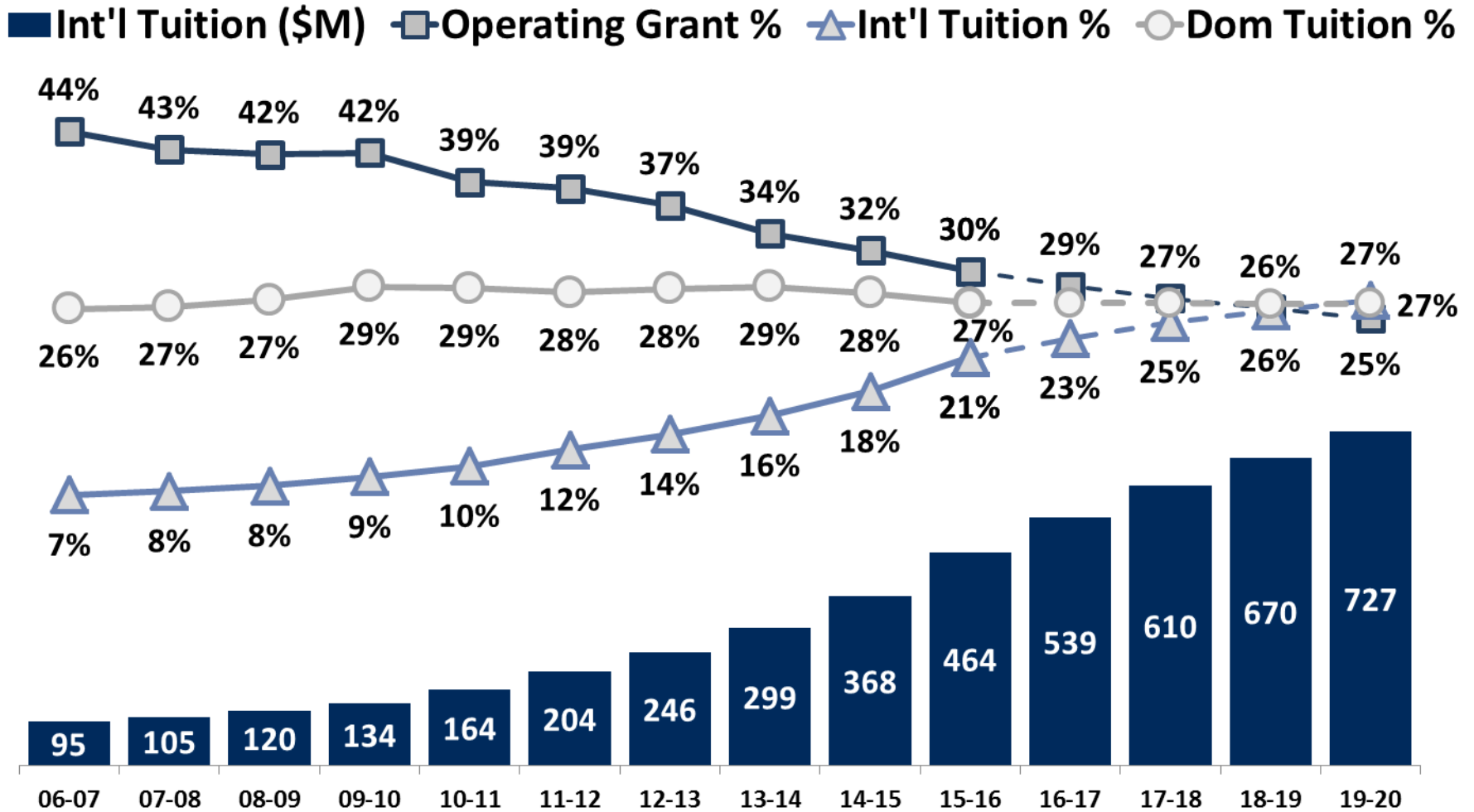
Operating Revenue



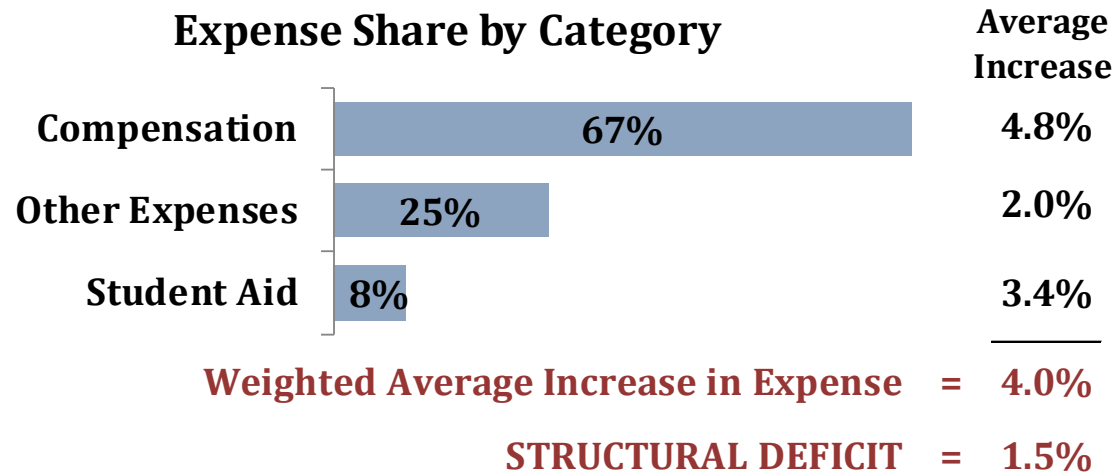
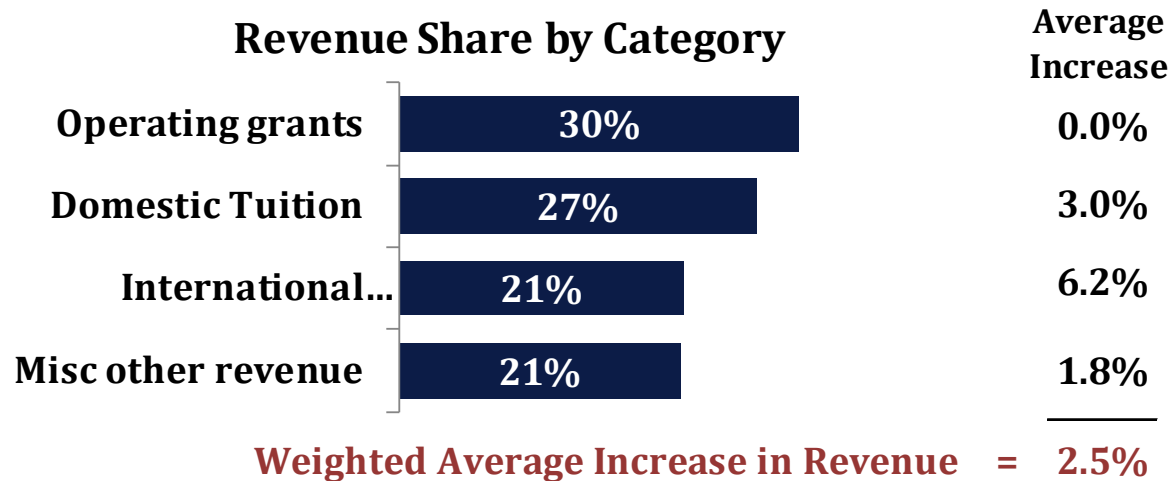
Operating Expense



International tuition as % of revenue



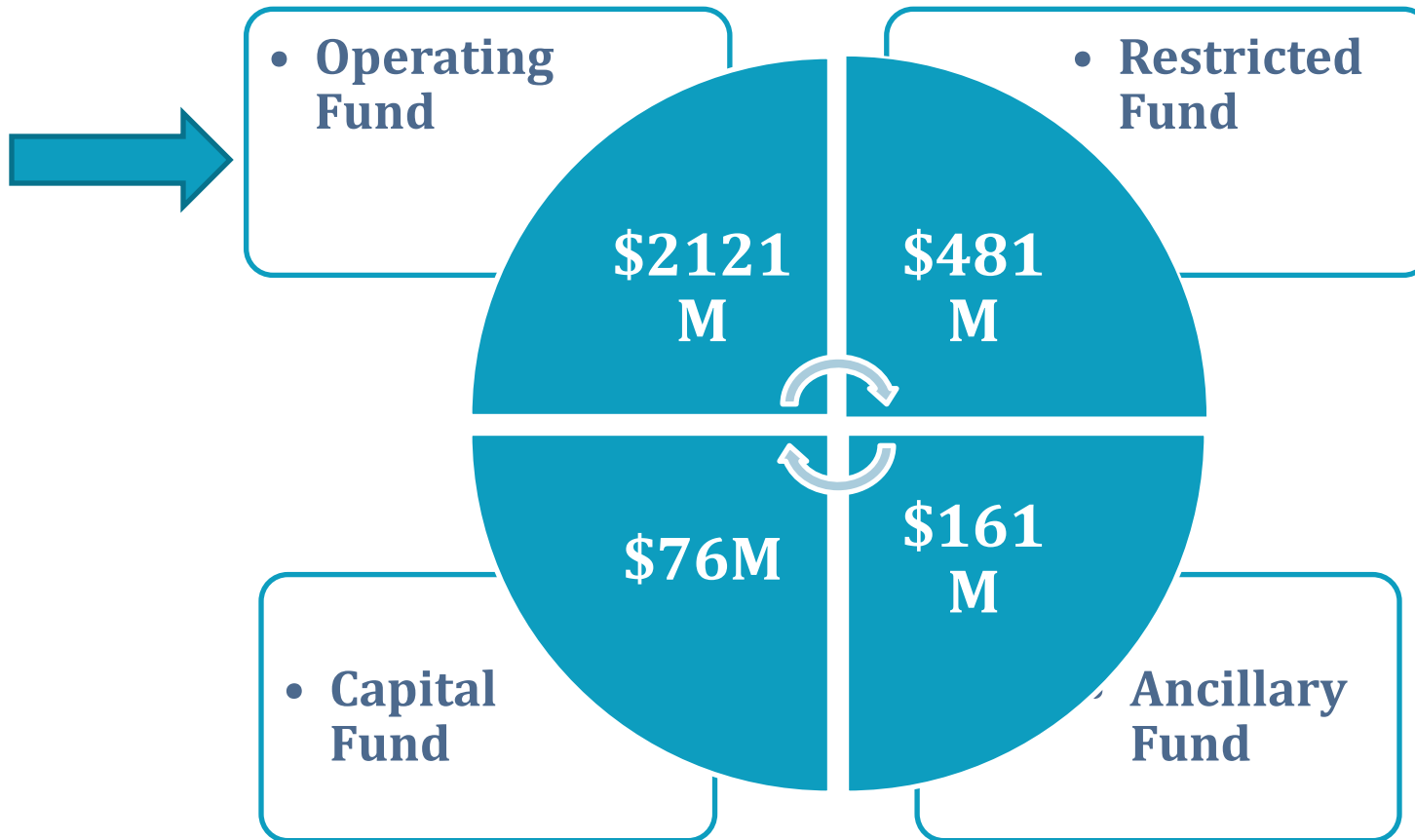
Structural budget challenge: scenario if we were to freeze all growth in students, faculty and staff



Budget Structure & Process



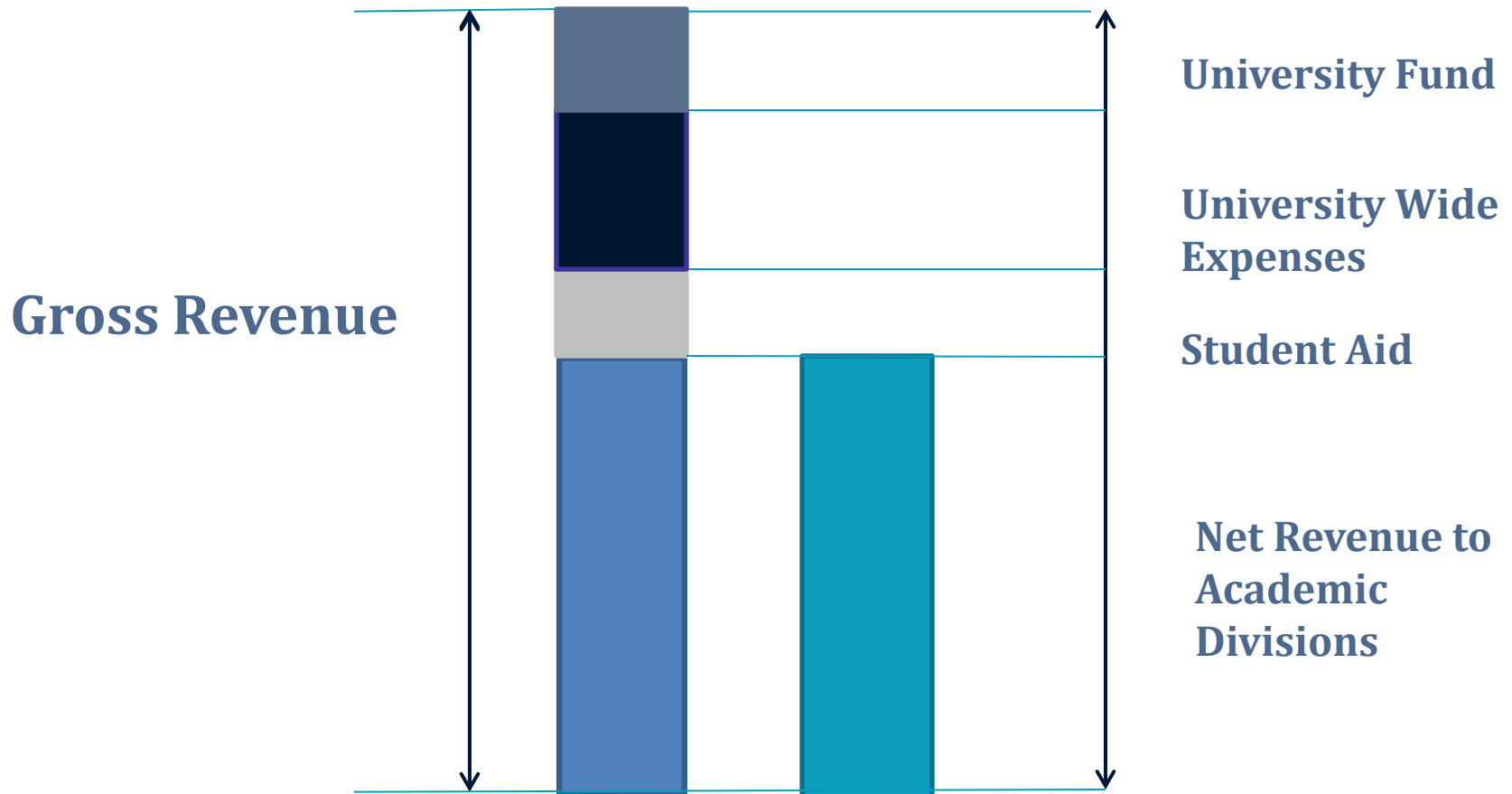
The 4 Funds (2014-15 revenue in \$M)



Budget Model Principles

- **Minimize** administrative costs of the model
- Support **local innovation**
- Faculties should **strive** to generate revenues to cover their costs and share of central costs
- Support and encourage **inter-divisional** activity
- Support **institutional priorities**

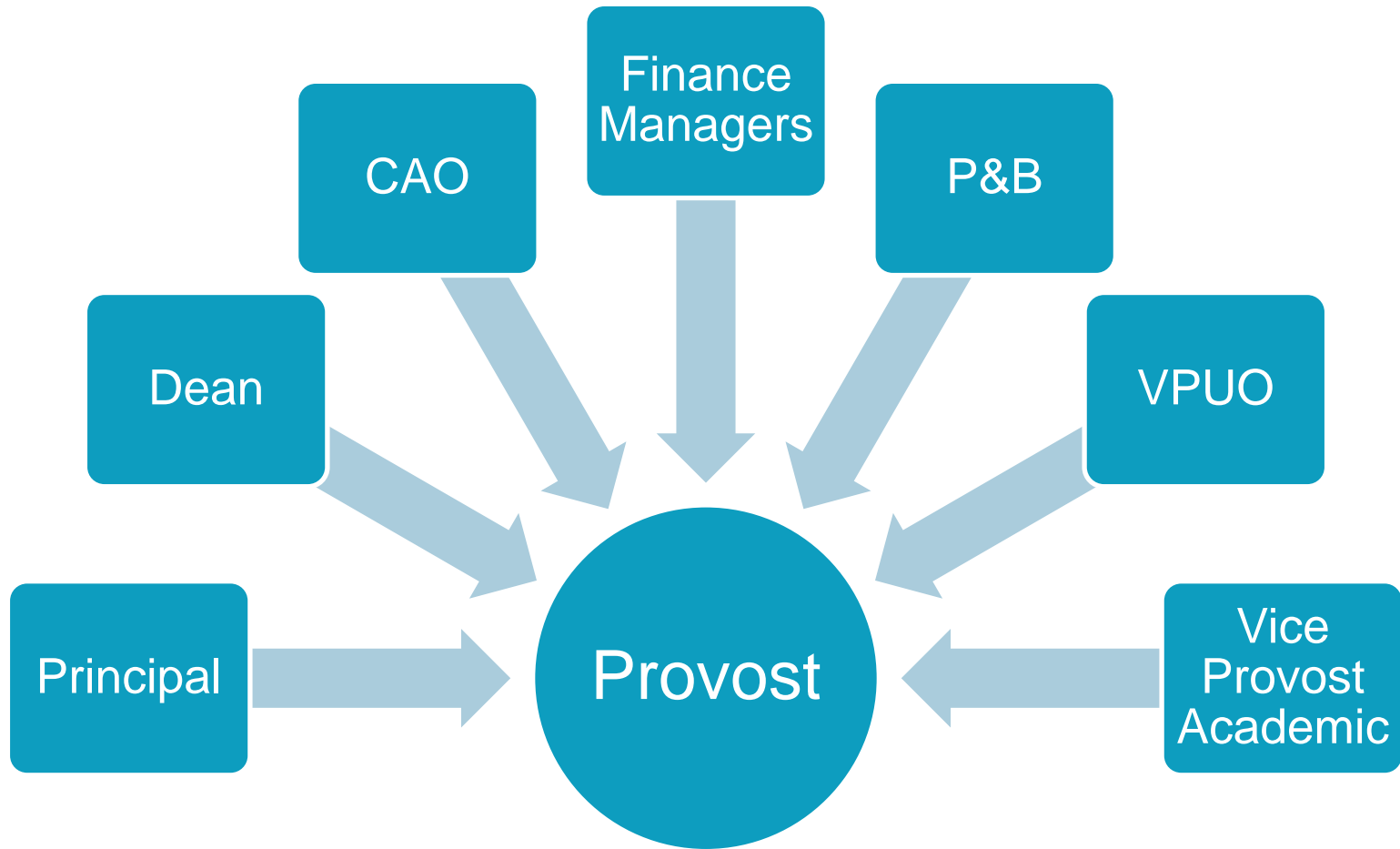
Net revenue to academic divisions



University Fund

- Created by a 10% deduction from gross revenues, excluding segregated funds
- Intended to strengthen quality and provide stability, consistent with academic priorities
- Allocations based on academic plans and institutional priorities; not tied to revenues and costs

Academic budget review



Annual Budget Development

Academic budget reviews with Deans

- Discuss academic goals and priorities
- Inform long-range revenue and cost projections
- Inform allocations from the University Fund

Shared services budget reviews with VPs

- President and Deans' Advisory Committee
- Informs service levels and cost containment

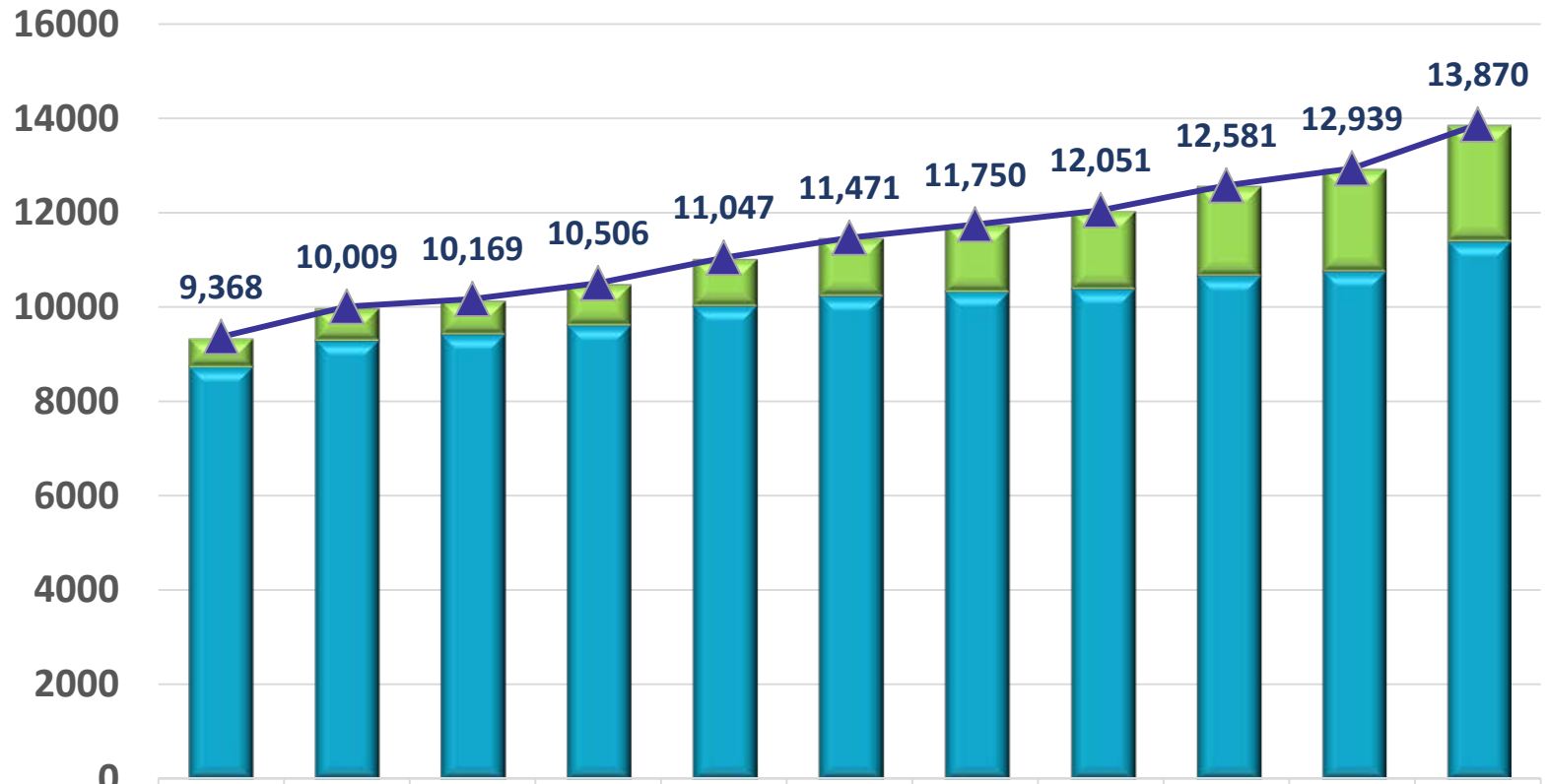
Enrolment



Long term tri-campus undergraduate enrolment plans

Total FTE	2014 Actual	2019 Plan	5 year Growth Plan	% Growth
UTM	10,942	13,044	2,102	20%
UTSC	10,088	11,511	1,423	14%
St George	37,836	37,928	92	0%
Total UG	58,866	62,483	3,617	6%

Total UTM UG Headcount (international and domestic) 2004-2014



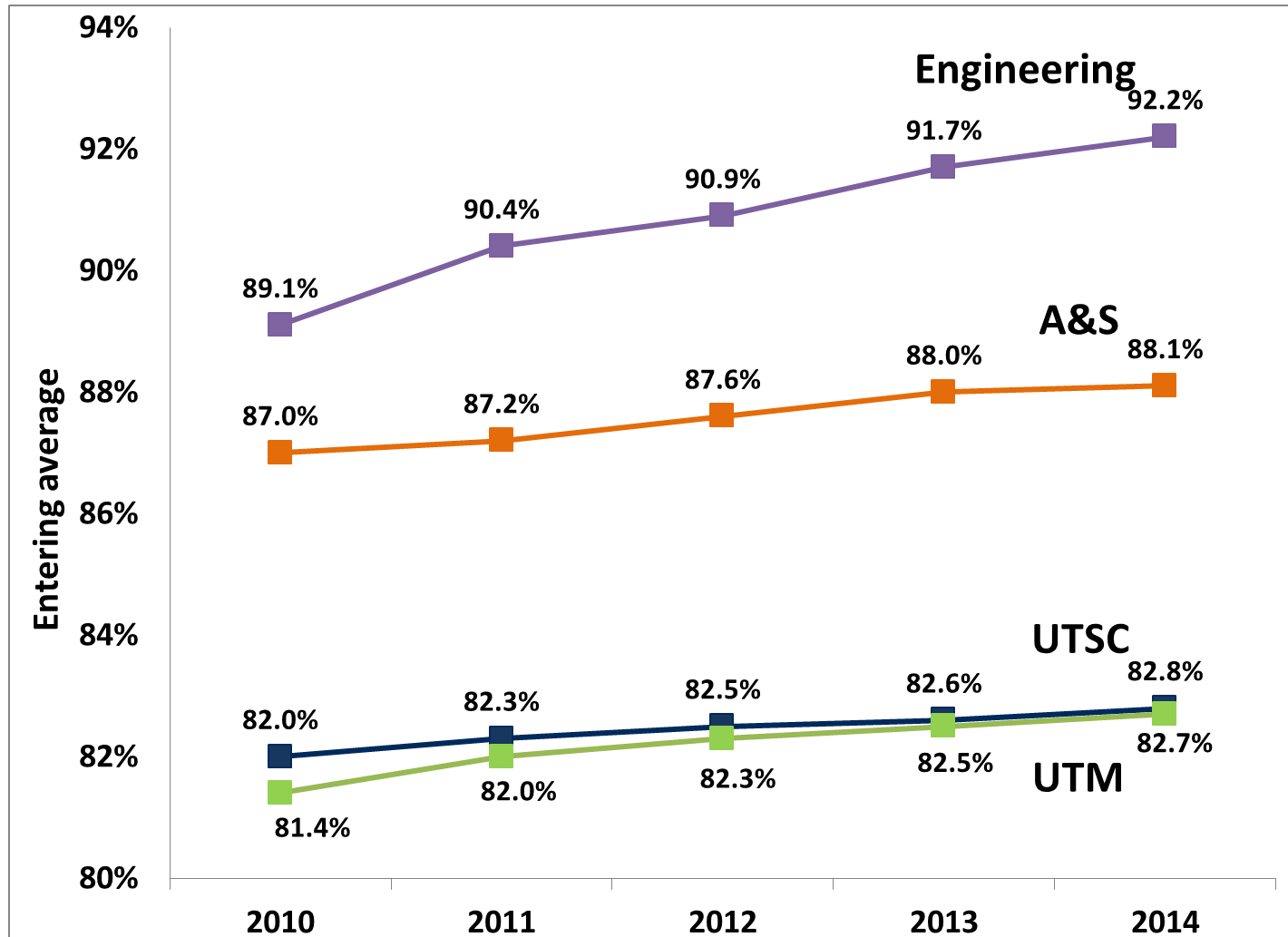
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
International	617	698	726	868	1001	1216	1404	1646	1901	2166	2467
Domestic	8751	9311	9443	9638	10046	10255	10346	10405	10680	10773	11403
Total	9368	10009	10169	10506	11047	11471	11750	12051	12581	12939	13870

***2015 DATA (REG+INVIT) AS OF SEPT 10, 2015**

2014-15 UTM Undergraduate Enrolment

Area of Study	2014-15 FTE	% International
Arts & Humanities	2,678	13%
Social Sciences	4,201	18%
Management	953	31%
Life Sciences	1,164	4%
Other Sciences	1,733	18%
MD	213	16%
TOTAL	10,942	16%

Entering averages are increasing



2014-15 UTM Graduate Enrolment

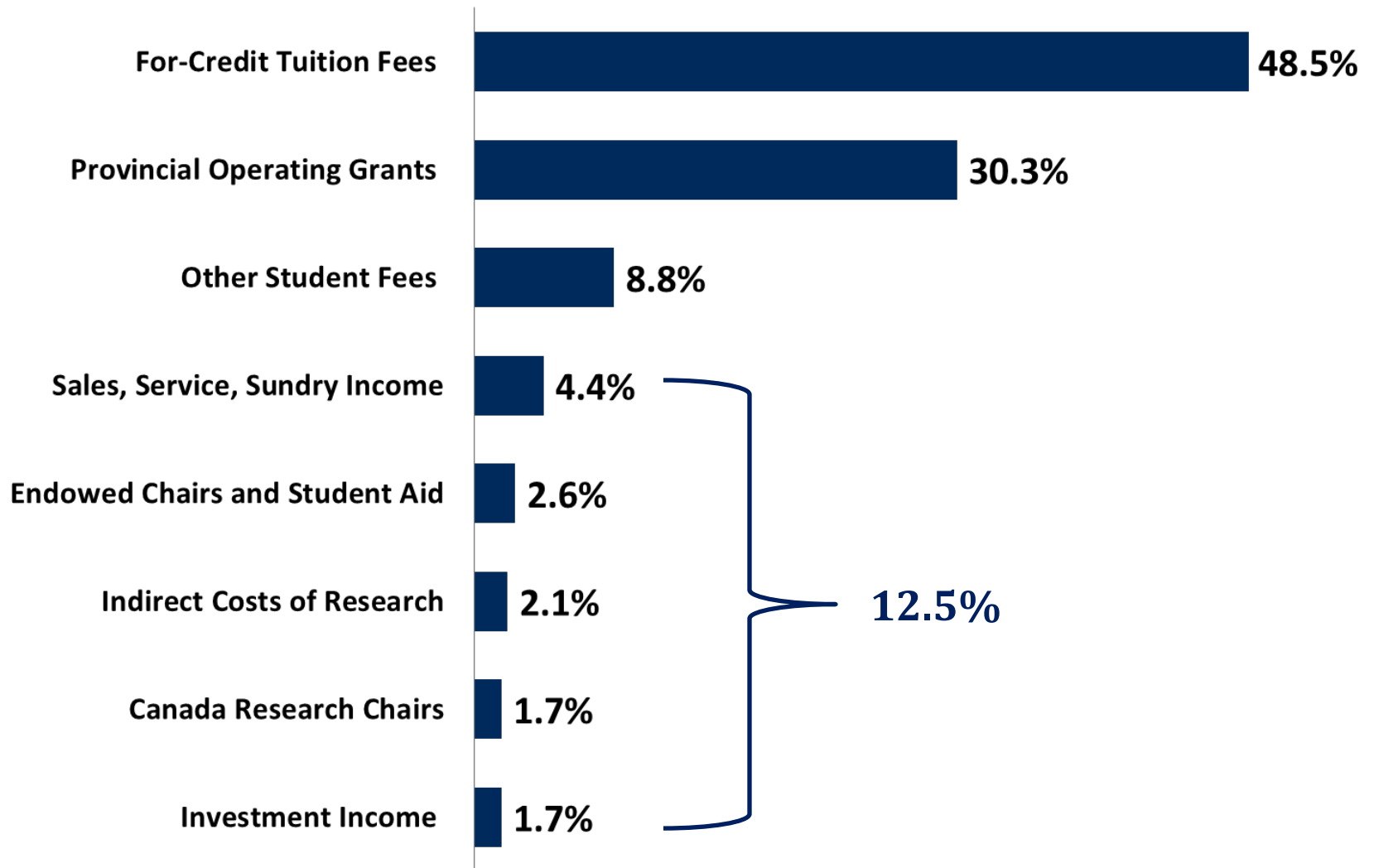
Program Type	2014-15 FTE	Projected 2019-20
Prof Masters	343	458
DS Masters UTM	0	0
DS Masters tri-campus *	62	n/a
PhD UTM	0	0
PhD tri-campus *	164	n/a
TOTAL	569	

*** As per self-declared code in student system**

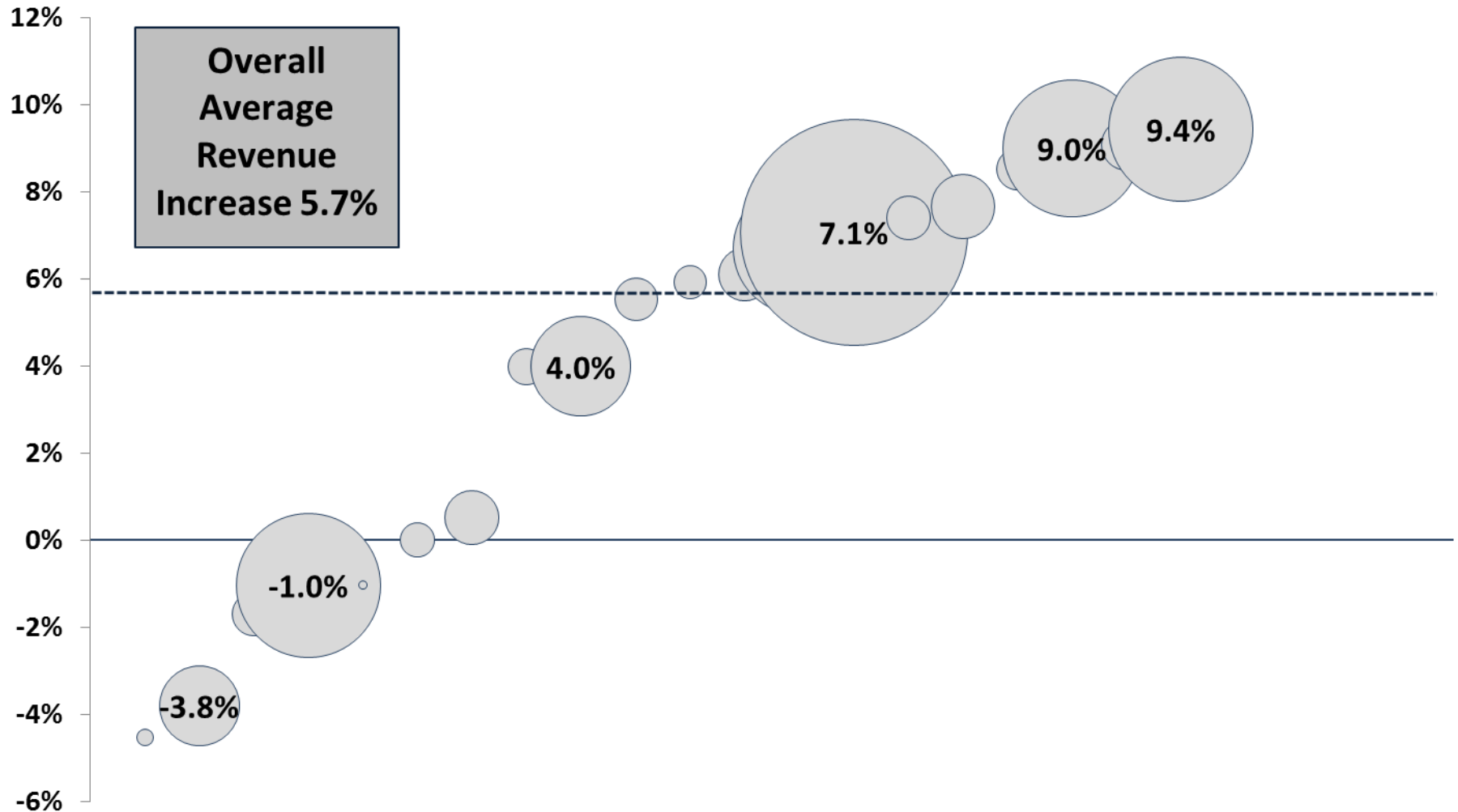
UofT revenue and expense projections



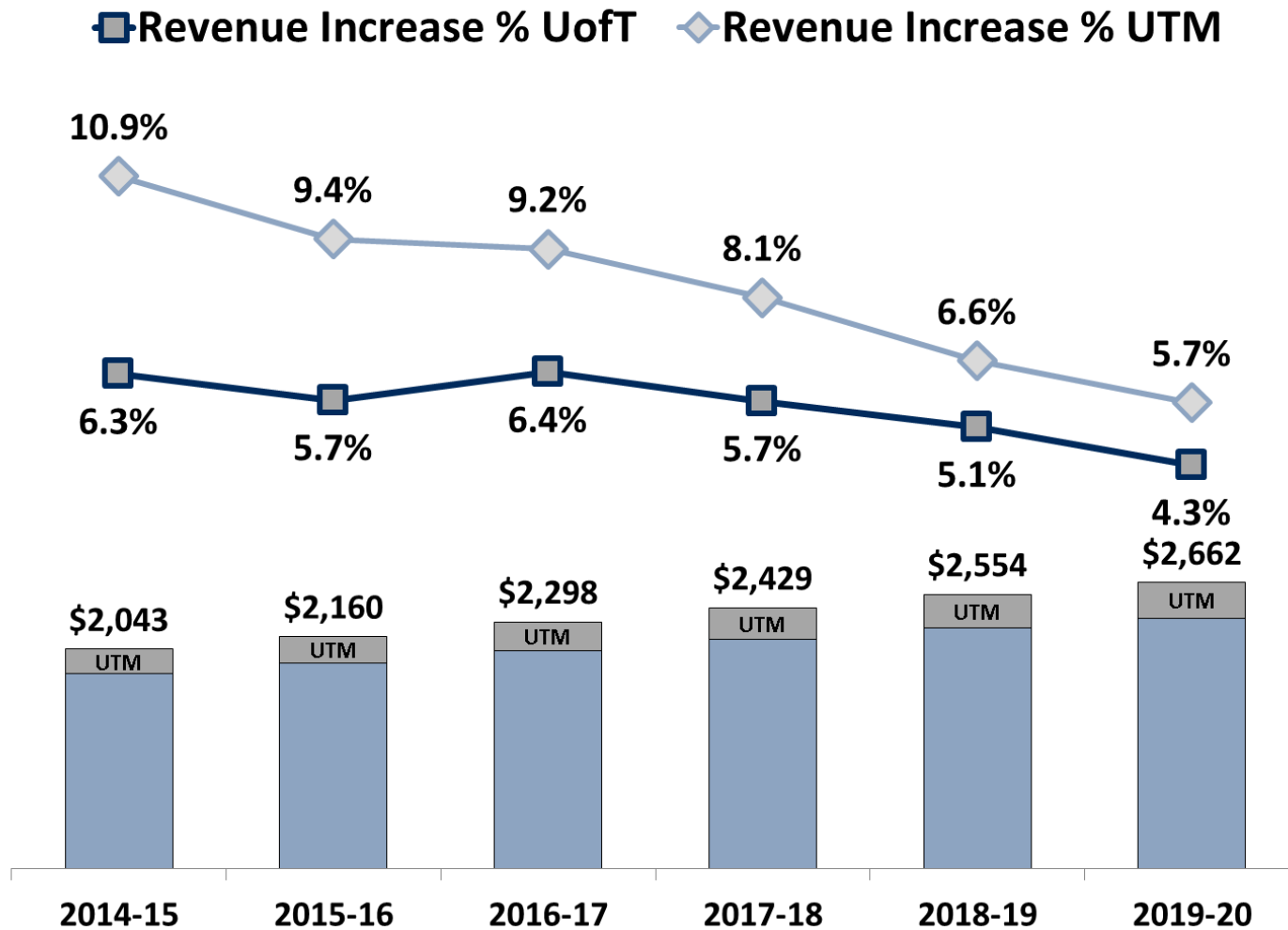
2015-16 sources of operating revenue (\$2.16 billion)



2015-16 projected revenue growth by division



Projected institutional and UTM revenue growth




Compensation update

- Context of provincial wage restraint
- Negotiations ongoing with UTFA
- Agreement with CUPE 3902 Unit 3 (sessional instructors) agreement in place Sept 1, 2014 to Aug 31, 2017. ATB of approx. 1% to 1.25% per year, plus \$300 OTO payment per course.
- USW agreement in place July 1, 2014 - June 30, 2017: 3-year average all-in cost of settlement = 3.45%
- CUPE 3902 Unit 1 (TAs): agreement in place May 1, 2014 to Dec 31, 2017. ATB of approx. 1% to 1.25% per year.

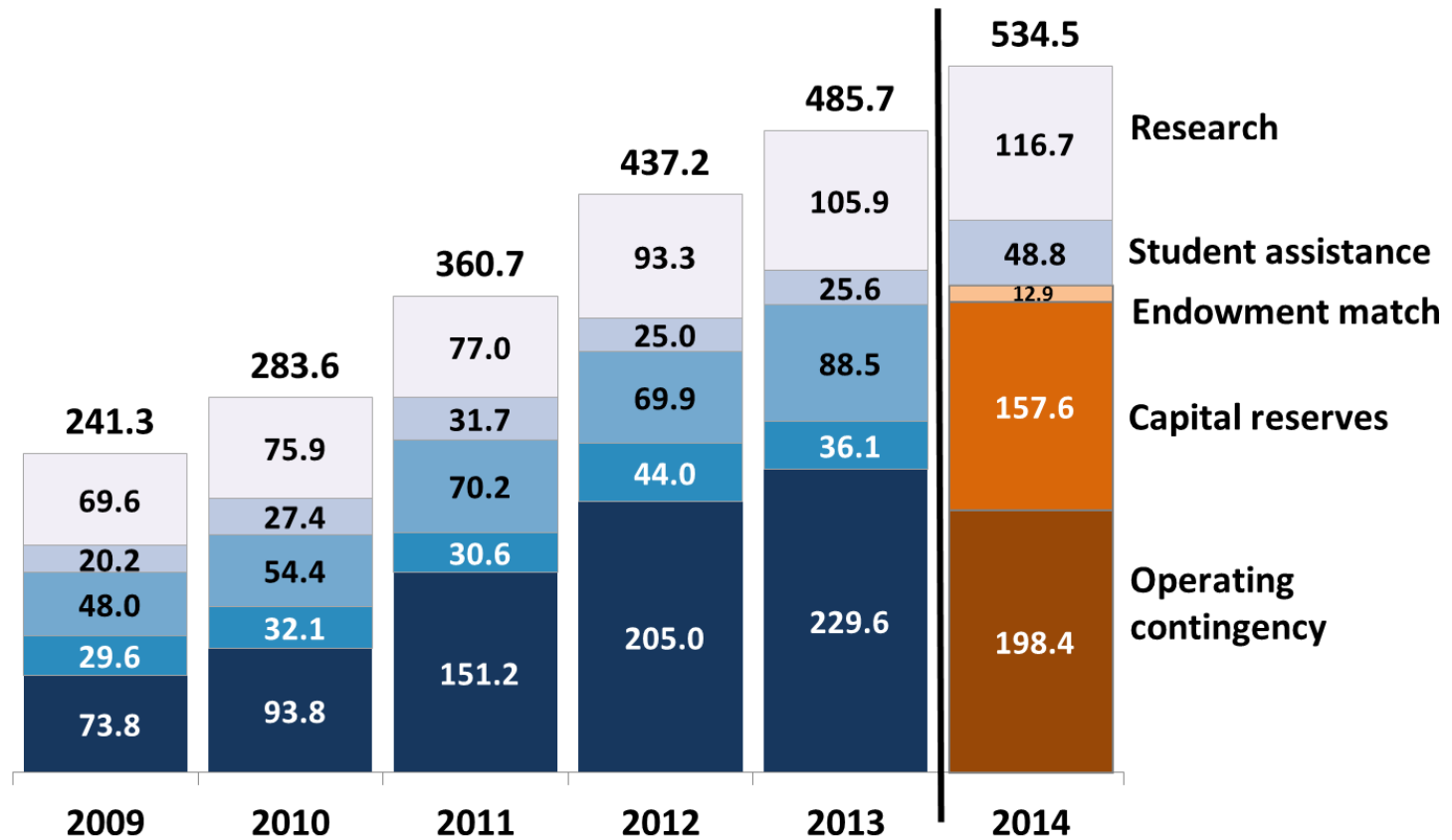
Pension special payments and other related costs

	Annual \$M	Cumulative \$M
Up to 2010-11	27	27
2011-12	30	57
2012-13	20	77
2013-14	10	87
2014-15	5	92
2015-16	5	97
2016-17	5	102
2017-18	5	107
2018-19	5	112
2019-20	0	112


Placeholders

Reserve balances

Note: change of reporting categories in 2014



University Fund and student financial support



The University Fund to 2015-16

\$99.9M

- Reference Level UF
- 2006-07
- UTM = (\$4.6M)

\$61.5M

- UF Allocations
- 2007-08 to 2015-16
- UTM = \$11.9M

2015-16 University Fund: ~\$10M base + \$4M OTO

Theme 1: Teaching Excellence \$7.80M

- Faculty FTE, Interdivisional Teaching, teaching innovation

Theme 2: Research Excellence \$3.75M

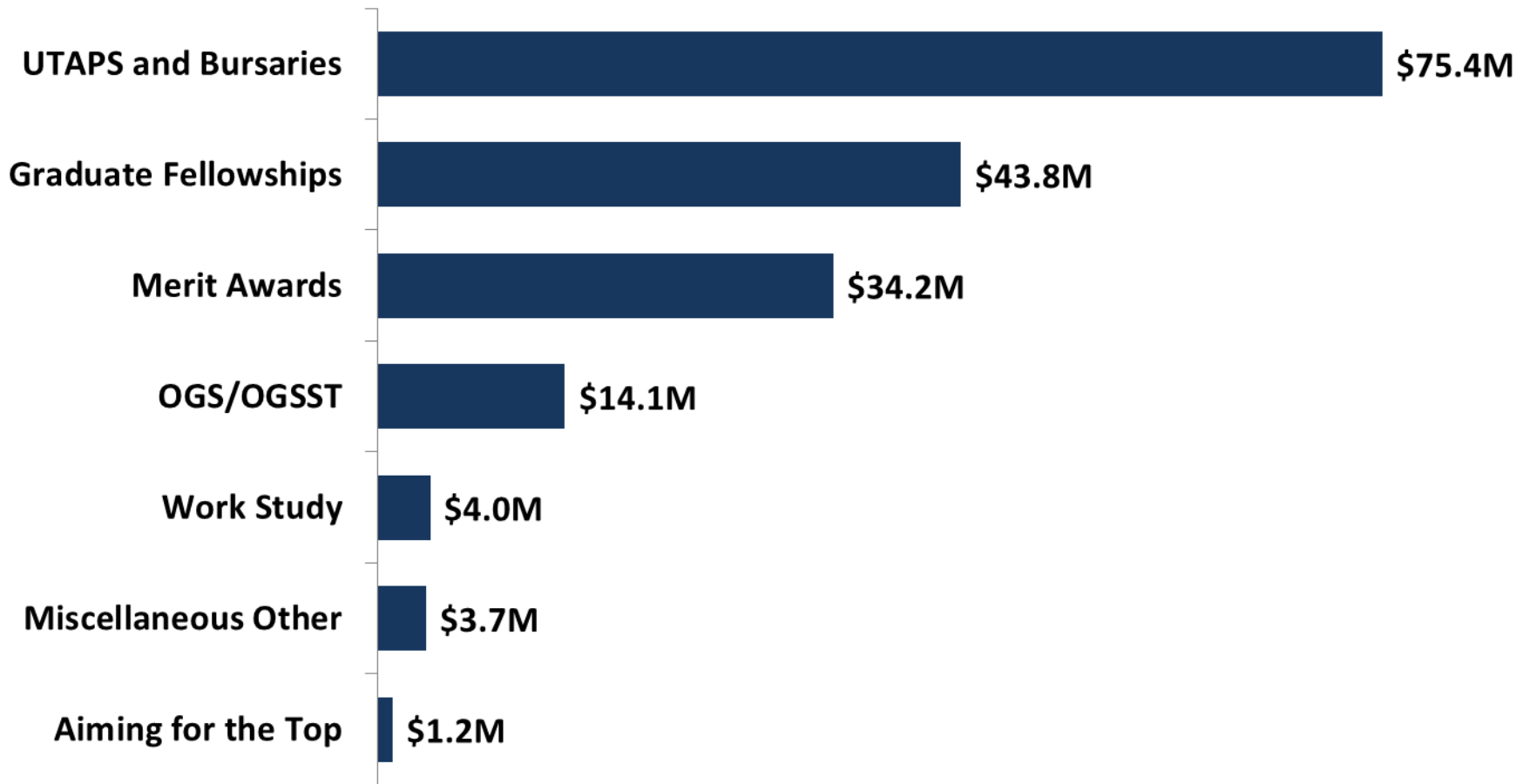
- PhDEIF, operating cost of research space, student entrepreneurship

Theme 3: Internationalization \$1.25M

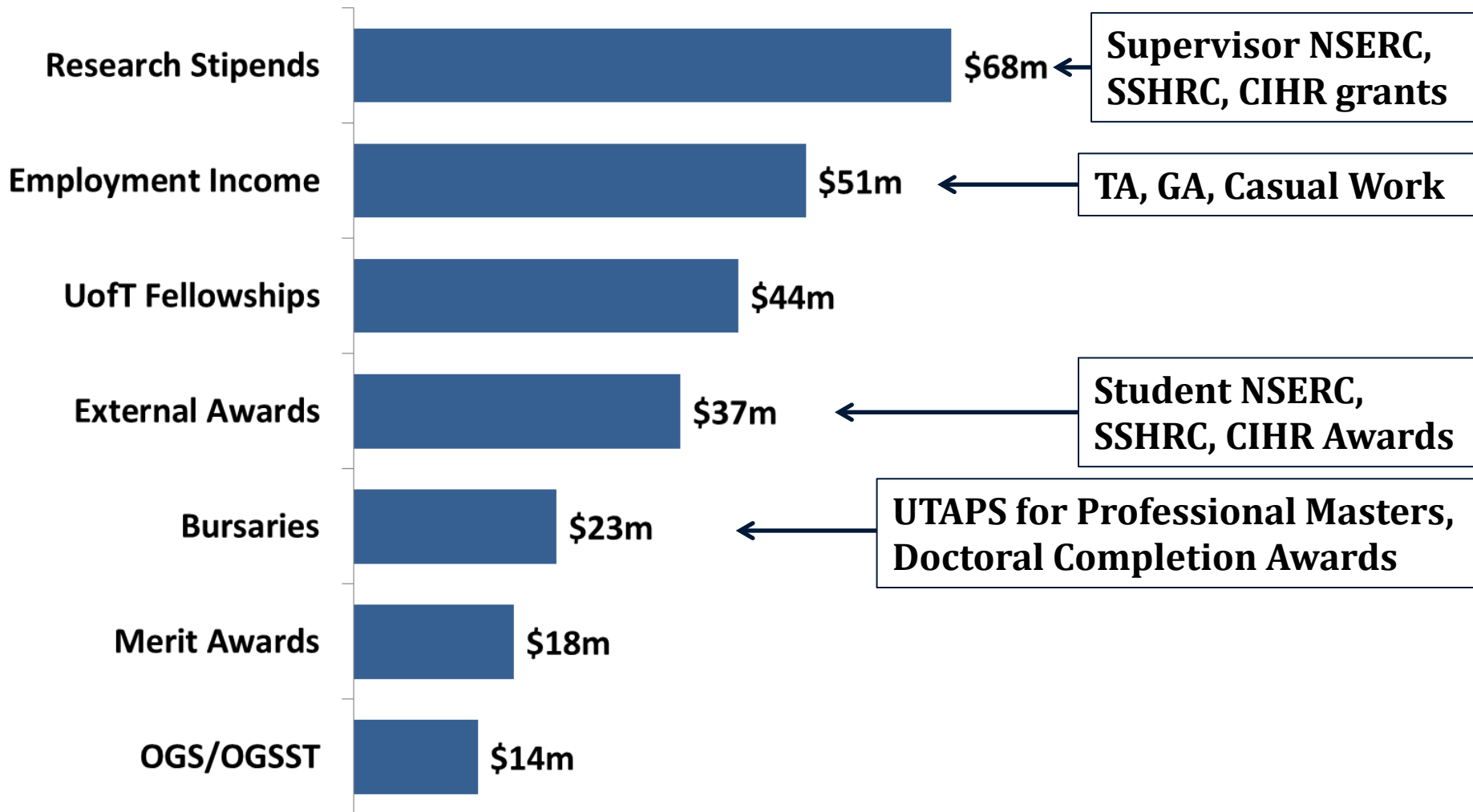
- International student services, international student experience

Theme 4: Structural Budget Support \$2.00M

\$176M spent on student aid in 2013-14



2013-14 financial support for graduate students = \$256 million



UofT Overview - In Summary

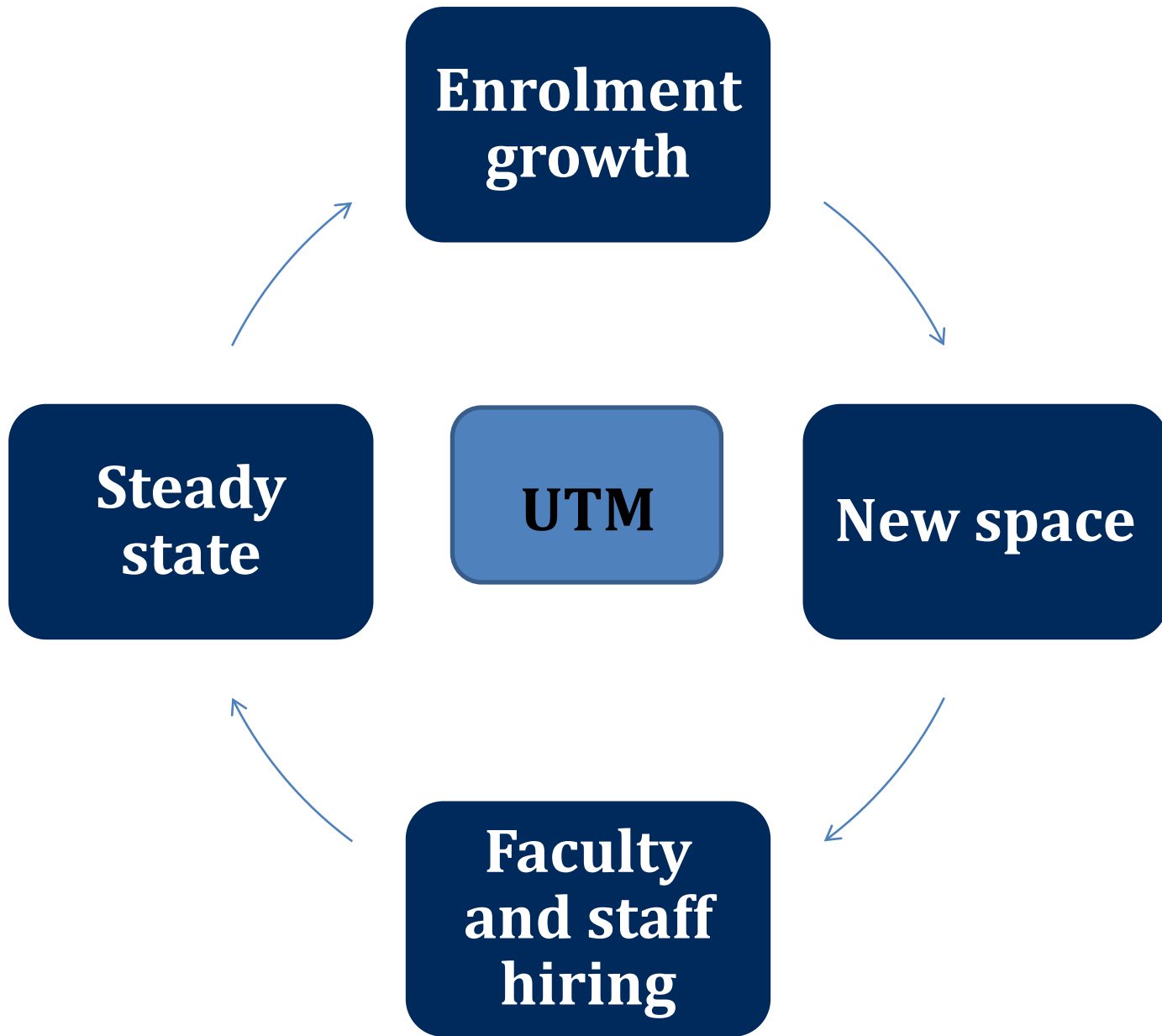


Summary

- Provincial Grant continues to decline as overall source of revenue
- International enrolment growth is very strong
- Revenue growth rate slowing but UTM still growing slightly faster rate than average
- Source of revenues generally more dynamic and risky – divisions prioritizing OTO investments
- Incoming undergraduate entering averages continue to rise
- Continue to face a structural budget challenge but some improvement on the expense side
- More attention to alternative revenues – growing the non-student portion of the pie
- As always...decisions matter

UTM Budget





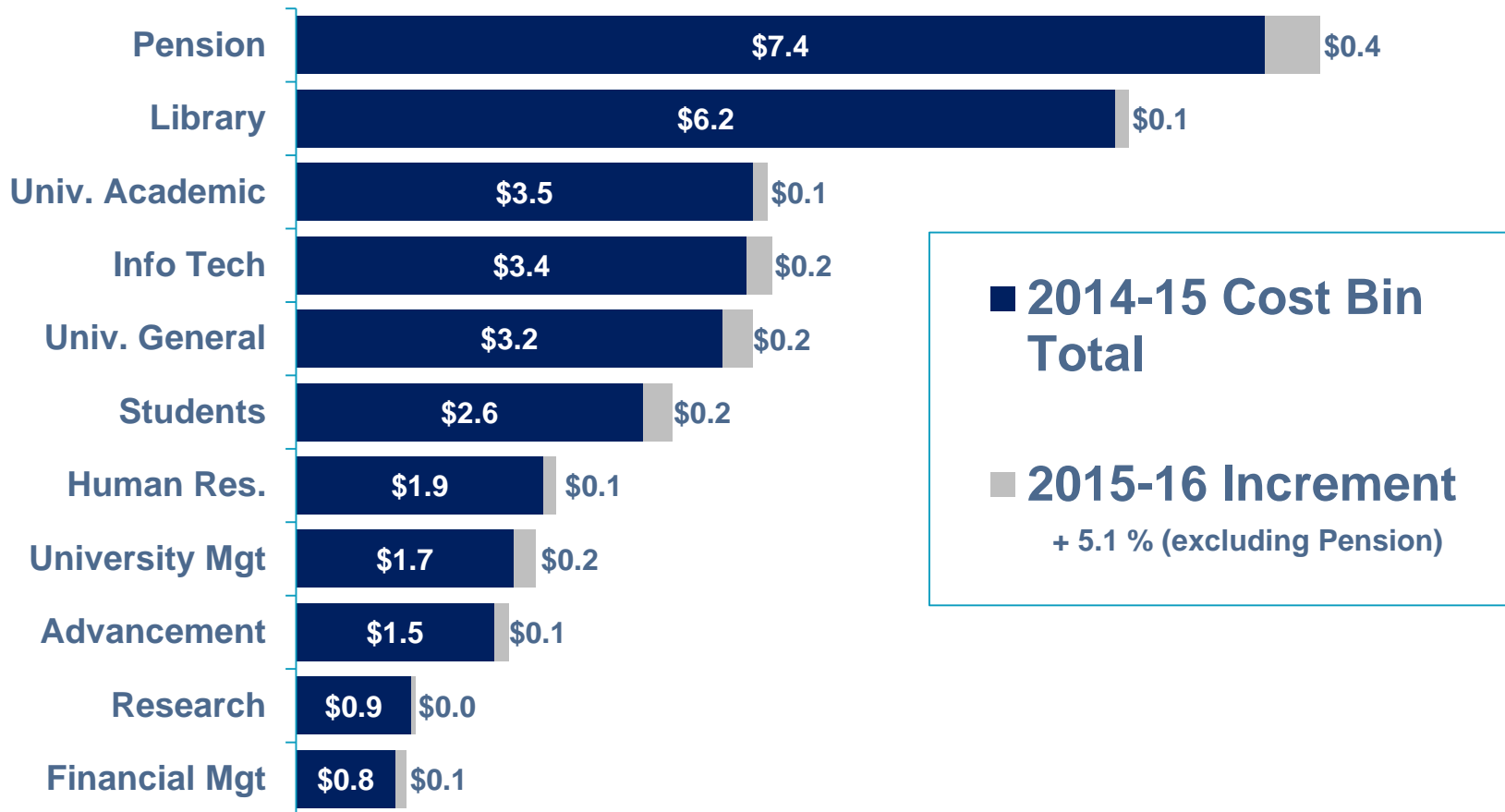
UTM 2015-16 budget (\$M)

(per slide #10)

Tuition and Grant revenue	\$238.9
Investment and other income	<u>6.1</u>
Subtotal	\$245.0
University Fund Contribution (10%)	(24.4)
Other attributed revenue (net)	1.8
University-wide costs	(34.8)
Student Aid	(10.6)
University Fund Allocation*	7.2
Other adjustments	<u>0.1</u>
“Net revenue” to UTM	\$184.3

* The current UF Allocation represents the cumulative total of \$6.6M as at the previous year, plus an incremental allocation of \$0.6M from the Provost in 2015-16.

University wide costs by **bin** for UTM (34.8\$M)



University wide costs by **activity** for UTM (34.8\$M)

2015-16 University-Wide Costs for UTM

Student-related UWC	\$21.3M
Faculty-related UWC (incl. Pension)	\$10.5M
Research-related UWC	\$1.5M
Other UWC	\$1.5M
Total University-Wide Costs	\$34.8M

2014-15 Actuals: UTM Campus Costs

Campus Cost *	2014-15
Occupancy	\$ 29.2M
Library	6.1M
Student Life	2.1M
Admin, Finance and HR*	2.0M
Information Technology*	0.4M
Total	\$ 39.8M

* Note: These costs reflect only the portion of the total expense budget that pertains to running a campus, they do not reflect the full cost of the operation.

UTM University Fund Contribution & Allocation (\$M)

	2014-2015 Balance	2015-2016 Increase	2015-16 Balance
UF Contribution (deduction)	\$ (22.4)	\$ (2.0)	\$ (24.4)
UF Allocation	<u>6.6</u>	<u>0.6</u>	<u>7.2</u>
Net UF Contribution	\$ (15.8)	\$ (1.4)	\$ (17.2)

2015-16 University Fund Allocation to UTM

Theme 1: Teaching Excellence

- 3.0 Faculty FTEs (to address student-faculty ratios and PhD enrolment growth) \$450K

Theme 3: Internationalization

- International student services in divisions \$150K

UTM 2015-16 budget

“Net revenue” to UTM	\$184.3
Divisional revenue & recoveries	31.2
Compensation (excluding self-funded student services)	(128.9)
Mortgages	(4.3)
UTM deficit repayment (last payment)	(2.0)
Utilities	(6.3)
Self-funded student services	(17.9)
Renovations, infrastructure and capital	(28.0)
Library acquisitions & automation	(1.9)
New faculty start-up funding	(3.0)
Deferred maintenance	(1.0)
Other supplies and services	(22.2)
Net result	-

Capital Debt Carried on Operating

<i>Existing Debt:</i>	<i>(original principal)</i>
Recreation, Athletics and Wellness Centre	\$16.0
Davis - Phase 1	5.8
Sidney Smith Patio	3.1
Alumni Gates	1.2
Chiller	1.4
Library - long term	1.1
Alumni House	1.0
Terrence Donnelly Health Science Complex	8.2
UTM CCIT Building	2.5
UTM Wellness Centre Match	7.0
Deerfield Hall	17.0
Total	\$64.3
(Balance at April 30, 2016 = \$48.7)	