

EXCERPT FROM REPORT NUMBER 70 OF THE PLANNING & BUDGET COMMITTEE - March 20, 2001

4.1 School of Graduate Studies: Institute for the History and Philosophy of Science and Technology - Disestablishment
Faculty of Arts and Science: Institute for the History and Philosophy of Science and Technology - Re-establishment

Professor McCammond introduced proposals (attached as Appendix "A") (a) to disestablish the Institute for the History and Philosophy of Science and Technology (IHPST) within the School of Graduate Studies and to re-establish it within the Faculty of Arts and Science; and (b) to disestablish the Institute of Medical Science (IMS) within the School of Graduate Studies and to re-establish it within the Faculty of Medicine. In effect, this was a move of two mature institutes into a Faculty with which each was strongly associated. Because their budgets would move as well, there would be no budget implications.

A member asked what impact, if any, these moves would have on the Institutes. Professor Sedra said that, while the School of Graduate Studies had played an important role in the formative stages of the Institutes, they had now become mature units that envisioned the potential of better synergies in their new locations.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT the Institute for the History and Philosophy of Science and Technology be disestablished as an academic unit in the School of Graduate Studies and re-established as the Institute for the History and Philosophy of Science and Technology in the Faculty of Arts and Science, effective May 1, 2001.

The Chair reported that the motion had been carried unanimously.

4.2 School of Graduate Studies: Institute of Medical Science - Disestablishment
Faculty of Medicine: Institute of Medical Science - Re-establishment
Academic Priorities Fund and Enrolment Growth Fund Allocations

In addition to the relocation, Professor McCammond proposed an allocation to the Faculty of Medicine for the Institute of Medical Science. He explained that the School of Graduate Studies, under its "Raising our Sights" Plan had requested funding for the Institute of Medical Science. The decision on the School's request had been deferred until IMS had been finally located. The Committee was asked to recommend to the Academic Board approval of an allocation of \$120,000 in base-budget funding from the Academic Priorities Fund and of \$25,000 in base from the Enrolment Growth Fund to the Faculty of Medicine for the Institute of Medical Science. The latter amount recognized the significant increase in graduate enrolment that had taken place within the Institute.

A member agreed that the IMS needed the additional funds, some of which was due to their significant growth. She questioned how graduate enrolment was controlled so that escalating costs in one unit would not reduce allocations to others. Professor Sedra said this requested allocation was minimal. He noted that graduate enrolment at the University of Toronto had not traditionally been well planned but that limits were imposed by the availability of

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**4.2 School of Graduate Studies: Institute of Medical Science - Disestablishment
Faculty of Medicine: Institute of Medical Science - Re-establishment
Academic Priorities Fund and Enrolment Growth Fund Allocations (cont'd)**

professors for graduate supervision and graduate student funding.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT the Institute of Medical Science be disestablished as an academic unit in the School of Graduate Studies and re-established as the Institute of Medical Science in the Faculty of Medicine, effective May 1, 2001; and

THAT an allocation of \$120,000 in base from the Academic Priorities Fund and of \$25,000 in base from the Enrolment Growth Fund to the Faculty of Medicine for the Institute of Medical Science be approved.

The Chair reported that the motions had been carried unanimously.

5. Academic Transitional Fund: Allocation - Faculty of Law

Professor McCammond recalled that the Committee had recommended for approval last year a Users' Committee Report for a major renovation to the Flavelle House attic at a cost of \$2.14 million. Sources of funding had been identified as the Ontario Research and Development Challenge Fund (ORDCF) (\$600,000), the University Infrastructure Investment Fund (UIIF) (\$600,000) and private donors (\$940,000, to be raised by the Faculty of Law). Private funding to date was \$617,000 short of what was needed. In addition, the Accommodation and Facilities Directorate had previously approved a separate project to renovate the ground floor of Flavelle House in order to create a central and common space (the Rowell Room and Foyer) for faculty and students at an estimated cost of \$242,000. The combined tender for the two projects had come in at \$233,000 greater than originally estimated. The allocation recommended in Professor Sedra's report of March 14, 2001 (attached as Appendix "B") was for a loan, to be repaid over the next three years, which would allow the projects to proceed. It was hoped that the Faculty's fund-raising for this project would be completed in three years. If not, repayment of the loan would be secured as a charge against the Faculty's budget, if necessary.

A member's concern that this cost was much more than had been anticipated was addressed by Professor McCammond. He said alternatives to proceeding with the approved plan were limited. New space near the Faculty of Law was not available and the proposed renovation converted an attic into useful space. The Committee had agreed when the project first had been presented that the attic conversion was the best approach; what was reflected in this proposal was an increase in the cost of construction between then and now.

A member urged stricter guidelines and supervision for contractors working on historic buildings to avoid the loss of elements of historical value or interest. Professor Sedra

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5. Academic Transitional Fund: Allocation - Faculty of Law (cont'd)

said he would take this under advisement. Another member requested that proposals should be explicit relative to the opportunity cost, e.g. in this case the foregone interest on the loan.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$850,000 be approved from the Academic Transitional Fund to the Faculty of Law as a loan to be repaid by the Faculty over the next three years.

The Chair reported that the motion had been carried unanimously.

6. Capital Project: Botany Greenhouse Relocation - Users' Committee Report

Professor Venter introduced the Report of the Users' Committee for the Botany Greenhouse Relocation (attached as Appendix "C"). He said the Greenhouse had been erected in 1932 and that it was outdated in terms of supporting the leading role of the Botany Department in national and international research. The Users' Committee Report proposed relocated and expanded facilities on the roof of the Earth Sciences Centre; the creation of basement growth facilities in the renovated space in the Earth Sciences Building for the installation of new environmental growth chambers; a small soil facility at the southwest corner of the Earth Sciences building; and, a partial re-glazing and maintenance to the frame and vent mechanisms of the greenhouses on the Ramsay Wright Building.

Professor Venter said approval in principle of the Users' Committee Report was sought, noting that the project would be funded by the Canada Foundation for Innovation (CFI) and the Ontario Innovation Trust (OIT) for approximately 80% of its cost.

A member asked if other Departments in the Earth Sciences Building were consulted. Invited to respond, Professor Coleman indicated that there had been some consultation. There would be no impact on either the Faculty of Forestry or the Department of Geology, though there would be a sharing of the latter's loading dock for the soils facility.

Professor Coleman anticipated that the new facility would be used by the University of Toronto at Mississauga and the University of Toronto at Scarborough on an ad hoc basis. In response to a question, Professor Venter noted that the old greenhouse might be moved to the Scarborough campus where it would primarily serve a decorative purpose.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT the Users' Committee Report for the Relocation of the Botany Greenhouse be approved in principle; and,

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6. Capital Project: Botany Greenhouse Relocation - Users' Committee Report
(cont'd)

THAT the project scope as identified in the Users' Committee Report be approved at a cost of \$6,065,810 with funding of \$2,760,800 from each of the Canada Foundation for Innovation (CFI) and the Ontario Innovation Trust (OIT), and the remainder of \$544,210 to be funded as a secondary effect from the Pharmacy Building Project.

The Chair reported that the motion had been carried unanimously.

7. Capital Project: Woodworth College Residence - Change of Scope
University Infrastructure Investment Fund: Allocation

Professor Venter reviewed the March 14, 2001 proposal (attached as Appendix "D") for a change of scope of the Woodsworth College Residence project and a UIIF allocation to cover the cost. He said that initial plans for this 361-bed residence building, to be constructed at the corner of St. George and Bloor Streets, had not included a basement. The proposal was to add 1,315 net assignable square metres (nasm) below grade, some of which would be to accommodate video and film storage for the University of Toronto Library. Mechanical services would be re-located from the first floor into the below-grade space. Space from this and other redistribution of activities would be under Provostial jurisdiction until assigned.

A member asked if Library expansion could be handled within the new building. Professor Sedra replied that there were no current plans to assign to the Library any further space. More and more, libraries' reliance on electronic media should limit their need for space. If that were not the case, the University would look to rental of space at remote locations for materials that could be stored off-site.

A member saw this as an example of the multi-faceted, good planning at the University. It was important to have the film archive available to users on campus, nearby the Robarts Library and the Innis College Cinema Studies Program, and he saw tremendous academic benefit to the proposal.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT the change of scope in the Woodsworth College Residence of 1,315 nasm be approved;

THAT an allocation of \$1,360,000 from the UIIF be approved.

The Chair reported that the motion had been carried unanimously.

8. University Infrastructure Investment Fund: Allocation – Faculty of Nursing

Professor Venter reported that a project currently underway for the renovation of Cody Hall addressed the Faculty of Nursing's need for small lecture rooms. This proposal

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8. University Infrastructure Investment Fund: Allocation – Faculty of Nursing
(cont'd)

(attached as Appendix “E”) proposed further renovation of the Faculty of Nursing to allow for better utilization of the administrative offices, creating a better environment and making available more space for reception, alumni and development services and improving space for student services. In response to a question, Professor Sedra confirmed that this request had evolved out of the planning process, as did other capital requests.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$354,000 from the UIIF for renovation to the Faculty of Nursing Building be approved.

The Chair reported that the motion had been carried unanimously.

9. Budget Report 2001-02

The Chair reminded members that during the past two meetings they had discussed at length the long-range guidelines, assumptions, projections and strategies on which the 2001-02 budget was constructed. They had also reviewed the Contractual Obligations and Policy Commitments list. Today, they were presented with the Operating Budget for 2001-02, which they were asked to recommend to the Academic Board for approval. He referred to the Budget Report (attached as Appendix “F”) and drew attention to revised pages 14 and 15 that had been placed on the table. He said that Mr. Jorge Sousa had been granted permission to address this item and would be recognized after the motion was placed on the table. He invited Professor Sedra to present the budget and introduce staff who would be assisting in responding to questions.

Professor Sedra introduced Mr. Marty England, who, along with Professor McCammond, was a leading architect of the budget. He said that this Budget Report was a compilation of what had been presented at the last two meetings and an application of the assumptions and guidelines discussed therein. Since there was little new material, he thought there was no need for a lengthy presentation, allowing more time for questions. He noted that some text had been updated but none that had an effect on the financial position of the University. Details of the various funds and the divisional budgets were new. He pointed out one change in the last line of Revenue: Divisional Income, but noted that this reflected revenue collected by the division, which was completely offset by expenses, and it had no effect on the University's overall position. Finally, he noted that the new pages 14 and 15 placed on the table reflected an update to the report on the University Infrastructure Investment Fund, to include the allocations to the Sidney Smith infill project.

Mr. Sousa spoke to support the transfer of funds to graduate student aid and to the endowment for graduate student aid. He thought the \$6.2 million projected for the endowment was a tremendous commitment toward graduate student support. He recalled

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9. Budget Report 2001-02 (cont'd)

previous student leaders' criticism of the University's lack of action in this area and said this budget was a strong positive step toward enhancing competitive incentives for recruitment and retention of students. Reviewing his own experience as a graduate student, he noted that students were incurring tremendous debt loads in order to complete their degrees or were withdrawing before completion. He agreed with speakers at previous meetings who had indicated that the proposed budget reductions, if needed, would not affect the quality of academic programs, and he urged the Committee to endorse this budget and, in particular, the proposed graduate student endowment.

A member asked for clarification of the proposed base reductions in the future. Professor McCammond stated that the 1.5% reductions in 2002-03 and 2003-04, if needed, would be further base-budget reductions on top of the reallocation levy.

There was a question about a base budget cut of \$1.5 million to the Facilities and Services Department's budget at a time when the University was expanding. Mr. England explained that \$1.1 million of the reduction was from the discontinuation of the lease payment on OISE/UT property. The actual reduction was \$0.4 million.

A member asked that the record note the \$6.2 million allocated to the endowment for graduate student aid was not guaranteed. This was dependent on income earned from investments and was subject to upward or downward fluctuation. Professor Sedra concurred, but added that \$9.4 million was guaranteed. The anticipated \$6.2 million addition to the endowment would generate investment income that supported the \$9.4 million expenditure over the four-year period.

The member recalled that Professor Sedra had indicated last week the one-time-only 2.5% deficit control reduction would be applied, if needed, in the fourth quarter of 2001-02. Page 6 of the Budget Report had been silent on the timing of the reduction. He requested that this language be clarified, and Professor Sedra agreed to do this. Professor Sedra also agreed to reword "partial offset" in the same paragraph so as to clarify his intent that any net positive variances that arose in the financial forecasts for the operating budget would be used to lessen the deficit control reduction.

The member indicated that he could not in conscience support the budget, citing increased tuition fees concurrent to what he perceived as declining service to students. Another member disagreed, noting that the absolute budget for students was increasing and that he could see no responsible choice but to proceed with the budget as presented. A member noted that similar hard choices had been necessary at other universities and that the payback to students was probably greater at the University of Toronto than elsewhere because of the first-class faculty and top graduate students that were successfully recruited here. Another member added that while tuition fees had gone up, scholarships has risen significantly so that the per capita cost to students here likely was less than at other institutions.

A member referred to the assumptions and asked for clarification of the compensation increases to senior administration and to unionized employees. Professor McCammond explained that the 2% across-the-board increase assumed for staff did not include merit or

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9. Budget Report 2001-02 (cont'd)

scale increases. The cost for salary increases including the merit or scale increases would be approximately 4%. No across-the-board increase was assumed for members of the senior management group. The 4% increase for that group was awarded solely on the basis of merit. Professor Sedra added that these were assumptions only and did not translate into negotiating positions.

A member indicated concurrence with the proposed budget, but some unease about how divisions would deal with the reductions if needed. The member was particularly concerned about the proposed additional 1.5% reductions in 2002-03 and 2003-04 in light of the many uncertainties. He expressed the hope that a good discussion could be entertained at the Committee early in the next budget cycle, to work with the administration in setting new guidelines. The Chair noted that this opportunity would present itself when new Long-Range Budget Guidelines, 2002-08 came forward for discussion this fall.

A member returned to the concern about what he perceived to be declining service to students, citing larger tutorials and higher faculty/student ratios in his Faculty. Responding on behalf of that Faculty, a member disagreed that there had been a deterioration of service to students that was related to budget. He said that faculty renewal was underway, that people were excited about the positive environment in the Faculty, that infrastructure support had risen in the last few years, and that overall students should be receiving a high quality education. He acknowledged that there was a problem recruiting qualified faculty but that this was related to scarcity of faculty rather than the budget.

Another member confessed serious concerns with the potential for a one-time-only reduction. He believed this presented real difficulty for some divisions and could mean tough times for the University. For that reason, he found it problematic to vote for this budget.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT the proposed Budget Report for 2001-02 be approved.

The Chair reported that the motion had carried with two opposed and two abstentions.