

UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL
REPORT NUMBER 58 OF
THE PLANNING AND BUDGET COMMITTEE

February 1, 2000

To the Academic Board,
University of Toronto.

Your Committee reports that it met on Tuesday, February 1, at 4:30 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Professor David Mock (In the Chair)
Professor Ronald Venter (Vice-Chair)
Professor Adel S. Sedra,
 Vice-President and Provost
Professor Derek McCammond,
 Vice-Provost, Planning and Budget
Professor Carl Amrhein
Dr. John Challis
Professor Ruth Gallop
Professor Avrum Gotlieb
Mr. Arvin Hariri
Professor Susan Horton
Professor Bruce Kidd
Professor Michael Marrus
Mr. Elan Ohayon
Ms Jacqueline Orange
Professor Paul Perron
Ms Wendy Talfourd-Jones

Mr. Vilko Zbogar

Non-Voting Assessors:

Professor Heather Munroe-Blum,
 Vice-President, Research and
 International Relations

Secretariat:

Mr. Neil Dobbs
Ms Susan Girard

Regrets:

Mr. Brian Burchell
Professor Raymond Cummins
Professor Michael Finlayson
Ms Nancy Reid
Professor Fred Wilson
Ms Judith Wilson

In Attendance:

Ms Sheila Brown, Controller and Director of Financial Services
Mr. Louis R. Charpentier, Secretary of the Governing Council
Dr. Beata FitzPatrick, Assistant Provost
Ms Manon LePaven, President, Association of Part-time Undergraduate Students
Ms Mary McGee, Director, Enrolment Planning and Statistics
Mr. Paul Tsang, President, Graduate Students' Union

THE MEETING WAS HELD IN OPEN SESSION. ITEMS 4, 5 AND 6 CONTAIN RECOMMENDATIONS FOR APPROVAL.

1. Information Session: Resource Allocation, Planning and the Budget Approval Process

Professor Sedra reviewed the process of long-range academic and related budget planning. The University was operating on the basis of a long-range budget plan covering the period 1998 - 2004. That plan contained budget projections that were updated annually. The long-range plan was based on a number of assumptions about future developments. Those assumptions included such factors as inflation, yield on investments, enrolment, government funding, and salary adjustments in later years. Those assumptions were very important, providing the basis for the plan. They were thoroughly considered by the Planning and Budget Committee and updated annually on the basis of actual experience and the changed outlook for the future. The University's effort to update its budget plan was at the present time severely impeded by the complete absence of information from the Government of Ontario concerning operating grants. The funding announcement was usually made late in November or early in December. The delay in the announcement was particularly problematical at this time, given the University's need to know about funding for enrolment growth. The administration was continuing to await an announcement. In the absence of that announcement, it would be necessary at some point to proceed with the budget exercise, revisiting and updating the outcome if the funding assumption proved to be substantially off the mark.

Professor Sedra reported that the current financial forecast indicated that the operating fund would end the year with an almost \$6-million deficit on the year's operations. In a budget of over \$600-million, a deficit of under 1% was not an insurmountable problem. The cumulative deficit of almost \$10-million would remain within the Governing Council policy limit of 1.5% of operating income at the end of the planning period. Nonetheless, it would limit the University's flexibility to incur any further deficit in the budget for 2000-01. The most significant aspect of the deficit was that about one half of the amount was attributable to higher-than-projected recurring, base-budget costs for salary and benefits. A further amount of over \$1-million was the result of the reduction in the value of the Canadian dollar relative to the U.S. dollar, which reduction had caused an increase in the cost of library acquisitions. The Canadian dollar had recovered some of its value recently; therefore this additional cost might or might not recur.

Beyond the updating of the assumptions and the budget model, Professor Sedra did not anticipate any major changes from the Long-Range Guidelines for Planning and Budgeting. The one factor that might create need for major changes would be a Government of Ontario funding announcement that contained a significantly different level of operating grants from that contained in the University's budget model.

Work was proceeding on academic and related budget planning. Professor Sedra anticipated that he would bring synopses of the divisional budget plans to the Committee in May, somewhat later than anticipated. While the plans themselves were not presented to the Committee for approval, they did form the basis of recommendations for allocations from the Academic Priorities Fund and other special funds, which allocations would require the endorsement of the Committee and the approval of the Academic Board and Governing Council.

Professor Sedra summarized the special funds from which he would recommend allocations. Each of them had terms of reference, copies of which were contained in members' reference binders.

1. Information Session: Resource Allocation, Planning and the Budget Approval Process (Cont'd)

- **Academic Priorities Fund (A.P.F.)** This fund, established from the proceeds of a levy of 1.5% per year on the base budget of every division, provided the only means for budget reallocations. Professor Sedra recalled that the principle of a levy for the A.P.F. had been established in the previous budget cycle, and its size for the current cycle had been considered by the Committee in 1998. In previous years, the need to make budget reductions pursuant to this levy had been accompanied by the added need to make larger, selective budget reductions. The outcome had been an Academic Priorities Fund amounting to \$21.5-million of base-budget funding for four years.

In addition, a portion of the proceeds of tuition fee increases had been designated for quality-enhancement funding, allocated through the A.P.F. The process of allocating quality-enhancement funding had been largely completed, apart from two divisions. In the Rotman School of Management, Professor Sedra was awaiting a proposal for a quality-enhancement allocation arising from the increase in tuition fees for the M.B.A. program. To date, just one-time-only allocations had been approved. Allocations for the Faculty of Applied Science and Engineering had also been delayed owing to the postponement of the tuition increase to 1998-99. Some allocations had been made to the Faculty, and a recommendation had been submitted for the remainder. Professor Sedra would bring forward a recommendation to the Committee in the near future.

In addition to base-budget support, the Academic Priorities Fund provided one-time-only allocations. The source of funds for those allocations was monies already allocated for base-budget support but not used for a period of time. For example, there was a time lag between an allocation that would provide funding for a new academic appointment and the arrival of the new appointee. The resulting savings funded one-time-only allocations, which were normally for a single fiscal year or two. There was no longer a separate fund within the Academic Priorities Fund for those one-time-only allocations. Rather, there was a single fund with opportunities for one-time-only allocations arising from the carryforward of unspent monies.

- **Academic Transitional Fund (A.T.F.)** Approximately \$6-million of one-time-only allocations could be made from this fund. It was intended to assist academic divisions to make their budget reductions and also to increase their revenues, for example by engaging development officers to further fundraising efforts.
- **University Infrastructure Investment Fund (U.I.I.F.)** The U.I.I.F. had made a very large impact over the past several years. The fund, amounting to just under \$40-million, was the source of allocations for capital projects. Monies for the fund and its allocations had been included in the annual budget. With experience, it seemed somewhat artificial to restrict allocations from the U.I.I.F. to an annual basis in the Budget Report. Therefore, the administration would recommend allocations from time to time as appropriate. The U.I.I.F. had been particularly useful as a source of matching funds to secure grants from the Canada Foundation for Innovation (C.F.I.) and the Ontario Research and Development Challenge Fund (O.R.C.D.F.)
- **Enrolment Growth Fund.** Target enrolments were determined in discussions between the Provost's Office and each division. The Enrolment Growth Fund was intended to assist divisions when it was agreed that the division would increase its target enrolment.

1. Information Session: Resource Allocation, Planning and the Budget Approval Process (Cont'd)

Professor McCammond outlined the process for review and approval of the annual Budget Report. As Professor Sedra had noted, the first step was the review of the assumptions contained in the long-range budget plan. The Committee had one year ago considered, and recommended for approval, revisions to the Long-Range Guidelines for Planning and Budgeting. Updates to the budget assumptions were considered annually. The assumptions fell into several categories.

- **Economic assumptions.** The economic assumptions included the rate of inflation, yield on investments and compensation costs where no agreement was in place. For 2000-01, firm agreements were in place for most faculty and staff.
- **Revenue assumptions.** The starting place for revenue assumptions was enrolment, and the enrolment assumption was based on the agreements with the divisions on enrolment targets. The revenue projection then took into account any special Government programs such as the Access to Opportunities Program (ATOP) to encourage enrolment increases in Computer Science, Computer Engineering and other high-demand areas of Engineering, and the program to encourage enrolment increases in Bachelor of Education programs. Assumptions might then have to be made about the level of Government operating grants (when they had not already been announced) and tuition fees (when they had not been already been established). Assumptions about various other sources of revenue were also required.
- **Expenditure assumptions.** Those assumptions included expenditures on student aid, salary and benefits costs, and the special funds described by Professor Sedra including the Academic Priorities Fund, the Academic Transitional Fund and the University Infrastructure Investment Fund. In addition, estimates were made of the Contractual-Obligation and Policy-Commitment (C.O.P.C.) expenditures. They were expenditures that the University had to incur for things like utility services, rents, and legislated costs. They also included internally legislated costs, such as the cost of the protected library acquisitions budget.

Professor McCammond continued that all of the projected revenues and expenditures were then inserted into the budget model. The outcome was most often a gap between expenditures and revenues that had to be closed by budget reductions. Governing Council policy required that the cumulative budget at the end of any planning period could be no more than 1.5% of operating revenue. It was permitted to exceed that limit in the intermediate years of the budget plan, so long as the plan projected a means to reduce the deficit to the permissible level at the end of the planning period. In previous years, it had been necessary to make substantial budget reductions, which had been largely the outcome of Government operating funding reductions. According to the current model, only small reductions would be required: the 1.5% annual levy to provide for the Academic Priorities Fund and modest one-time-only reductions to control the cumulative deficit. Professor McCammond anticipated bringing budget material to the Committee in March and April, with the Budget Report going forward to the Academic Board and the Governing Council for approval.

Questions and discussion focused on the following topics.

(a) Proceeds of the employer pension contribution holiday. In response to members' questions, Professors Sedra and McCammond said that the actuaries made an annual determination of the amount required for the University's pension obligations. In the case of the registered pension plans (the main University plan and the plan established

1. Information Session: Resource Allocation, Planning and the Budget Approval Process (Cont'd)

by the Ontario Institute for Studies in Education), the funds were in a substantial surplus position, and contributions were not required. The University had, however, also established a Supplementary Retirement Arrangement (S.R.A.) in 1997. While it was not permissible to establish a separate trust fund like the pension funds for an S.R.A., the University had decided to set aside money in its own accounts to match its S.R.A. obligation. The accrued liability under the S.R.A. was over \$102-million and the University had, to the end of the 1998-99 fiscal year, set aside only \$57.5-million. Moreover, the accrued liability was expected to grow substantially. Therefore, much of the pension contribution budget would be required over the next five years to enable the University to match its accrued liability for the S.R.A. However, the Governing Council had, on the recommendation of the Planning and Budget Committee and the Academic Board, approved the use of \$18-million of contribution savings for matching funds to attract grants from the Canada Foundation for Innovation and the Ontario Research and Development Challenge Fund. In addition, a portion of the pension contribution savings was available for such one-time only purposes as capital projects, allocated through the University Infrastructure Investment Fund.

(b) Enrolment expansion and faculty expansion. A member asked whether there was need to take steps to increase the faculty complement in advance of the anticipated enrolment increase. If there was need to do so, should the University consider incurring a deficit for this purpose, accepting a provision in its financial statements? Professor McCammond replied that the University had not to date done so. It was basing its complement and budget planning on the assumption of a steady state in enrolment. Faculty would be added only when it was made clear that the Government would fund additional enrolment. There was need for caution. The Government often favoured funding on a slip-year basis, providing grants on the basis of the previous year's enrolment. While that arrangement was quite acceptable with enrolment in a steady state, it was not acceptable at a time of growth. In the case of the Access to Opportunities Program, where the University had agreed to expand its enrolment in Computer Science, Computer Engineering, etc., the problem had been less funding the cost of the increased faculty complement and more actually recruiting first-class faculty in those high-demand areas.

(c) Academic Priorities Fund. A member reported that the Faculty of Medicine would like to opt out of the process of the 1.5% budget levy and reallocation through the Academic Priorities Fund. The Government of Canada's Twenty-First Century Chairs Program would serve the need for expansion in new areas. In the departments of the Faculty of Medicine, over 90% of the budget was devoted to salaries. There was simply no room for even the 1.5% reduction in the basic science departments. In the clinical departments, there was no budgetary flexibility. The reductions were causing the clinical departments to lose any negotiating position with the hospitals. All of the departments were in need of such fundamental things as supplies; they could not afford to give up base funding in order to compete for allocations for appointments in new areas.

Professor Sedra replied that the situation was no worse in the Faculty of Medicine than in other divisions such as the Faculty of Arts and Science. Divisions usually achieved their reductions by giving up appointments when members of the faculty retired. If there were insufficient retirements in a given year, the divisions could seek assistance from the Academic Transitional Fund. It was important that action be taken on a Faculty-wide basis. While it might not be possible for a department to manage a 1.5% annual reduction on its own, in a large division such as the Faculty of Medicine with a \$56-million base budget, achievement of the 1.5% levy would be quite possible. The Dean would take all retirements across the Faculty and determine whether it was essential to replace the retiree

1. Information Session: Resource Allocation, Planning and the Budget Approval Process (Cont'd)

or instead to devote the salary to redirection. Professor Sedra understood well the problems faced by the Faculty and its wish to be left to proceed without the reduction and reallocation. It was, however, essential to move the University forward. It would be inappropriate to maintain the same configuration of faculty over, say, twenty years. The Academic Priorities Fund was a way of effecting change, and change was achieved through a highly consultative process.

Invited to comment, Dean Amrhein said that the question was a major one. Reallocation established a requirement for each discipline to justify its needs and to demonstrate its success in attracting students and placing them upon graduation. It established a healthy competition among departments. All budget units had to participate or all would want to opt out. If all opted out, there would be no change achieved in the University. In the Faculty of Arts and Science, the 1.5% levy was fully paid for by savings arising from retirements. The Faculty did not necessarily replace retirements with other appointments in the same department. It was essential to take into account student demand. It was also necessary to provide for other needs such as information technology. The Faculty had adopted an explicit policy of reallocation rather than one of automatic replacement of retirements. While this unquestionably created some tension and required difficult decisions, it was necessary for a Dean to accept that situation in order to make progress.

Professor Sedra agreed with the member that the real hope for the future was the Twenty-First Century Chairs program.

2. Reports of the Previous Meetings

(a) Report Number 56 - December 14th, 1999

The Chair said that, while the Committee had previously approved Report #56 (December 14th, 1999), an error had come to light that should be corrected. That error was contained in item 4, "Capital Project: Gerstein Science Information Centre - Phase 2," on page 5. In the second full paragraph, the final sentence ended with the words, "it was hoped that construction would begin at the end of the summer of 2001 with an anticipated one-year construction period." That was revised to read, "it was hoped that construction would begin at the end of the summer of 2000"

(b) Report Number 57 - January 12th, 2000

Report Number 57 (January 12th, 2000) was approved.

3. Senior Assessor's Report

(a) Enrolment Growth

Professor Sedra reported that the President, Professor Tuohy and he had prepared a draft document entitled *A Framework for Expansion*, which followed consideration in the fall of the earlier *Discussion Paper on Enrolment Expansion at the University of Toronto*. A number of responses to the *Discussion Paper* had been received from all three campuses, and conversations had taken place with the deans of the divisions that would be most affected. Based on those conversations, the *Framework* document would be revised and then brought to the Committee. Professor Sedra stressed that the new document would not constitute an enrolment plan but rather a framework for planning.

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

(b) Task Force on Graduate Student Financial Support

The Task Force on Graduate Student Financial Support, chaired by Vice-Provost Ian Orchard, was continuing its work. It had held one meeting and would meet again on February 3rd, 2000. Professor Sedra urged members with views on the matter of graduate student financial support either to prepare a written submission for the Task Force or alternatively to speak informally with Professor Orchard or any Task Force member.

(c) Teaching Assistants' Strike

Professor Sedra was pleased to report that the University and the Canadian Union of Public Employees, local 3902, had, on Sunday January 30th, reached agreement on a new contract, subject to ratification by the union. Professor Sedra thought the agreement to be a fair one, and he hoped that it would be ratified. The details of the agreement had to remain confidential until ratification. Assuming ratification, he would be pleased to report at the next meeting on the ramifications of the agreement to the operating budget.

4. Capital Plan: Update 1997-2002: Update

Professor McCammond said that the purpose of the proposal was to bring the Capital Plan up to date. The original plan, approved in the spring of 1997, had been established at a time when there had been no new government funding for capital projects for some years and little expectation of renewed funding for the foreseeable future. In the past several months, however, that situation had changed for the better. First, the Government of Canada had established the Canada Foundation for Innovation (C.F.I.) to provide funding for university research infrastructure. That announcement had been followed in short order by the Government of Ontario's announcement of the Ontario Research and Development Challenge Fund, which provided matching funds for research initiatives in cooperation with the private sector. That was followed by the Access to Opportunities Program (ATOP), which would provide operating funds for the expansion of enrolment in Computer Science, Computer Engineering and other related areas of Engineering. ATOP would also provide one-time-only funding, which could be used for capital purposes. The Ontario Innovation Trust (O.I.T.) program would provide the necessary provincial funding to match grants from the Canada Foundation for Innovation. The outcome was an opportunity for new capital projects. A significant number of University of Toronto proposals had been approved by the Canada Foundation for Innovation and the Ontario Research and Development Challenge Fund, and the University had also received one-time-only funding under the Access to Opportunities Program, subject to the University's obtaining matching private funding, which had been secured.

As a result of this new funding, the University had the opportunity and need to update its capital plan. The first update had been approved in January 1999, and the proposal now before the Committee represented a further update. It reflected the opportunities presented by a new factor, the Province of Ontario's SuperBuild Growth Fund. In the summer of 1999, the Government had invited submissions for support from this new fund. In December, 1999 the Committee had considered the University's submission.

Professor McCammond listed the priority capital projects contained in the new plan for which the University had requested support from the Ontario SuperBuild Growth Fund.

4. Capital Plan: Update 1997-2002: Update (Cont'd)

- **Centre for Information Technology.** This project would house the enrolment expansion in computer science, computer engineering and other high-demand areas of engineering to be funded by the Access to Opportunities Program. It would also house a number of research centres projected to be funded by the Canada Foundation for Innovation, the Ontario Innovation Trust, and the Ontario Research and Development Challenge Fund, along with private-sector partners.
- **Health Sciences Complex, Phase 1.** This project, to be constructed at Taddle Creek Road, would accommodate two centres. The Centre for Cellular and Molecular Research would be a multi-faculty research centre funded by the Canada Foundation for Innovation and the Ontario Innovation Trust. The Centre for Health Sciences would be a teaching and research facility, accommodating the Faculty of Pharmacy, with its planned enrolment increase.
- **Health Sciences Complex, Phase 2.** This project would have three parts. The Banting and Best Institutes, on College Street east of University Avenue, would be renovated to accommodate the Departments of Occupational Therapy and Physical Therapy, both of which were planning to increase their enrolments. The Faculty of Nursing's current building would be renovated for that Faculty. Finally, the Gerstein Science Information Centre would be renovated.
- **Munk Centre for International Studies.** The project was now nearing completion. Funding had been requested from the SuperBuild Growth Fund to match the private donations that had enabled the University to proceed with the building.
- **University of Toronto at Scarborough Academic Resource Centre.** The project would include a major new "smart" classroom, provide the Scarborough hub for the University-wide Information Commons, and enable the Campus's ATOP expansion of enrolment in Computer Science.
- **University of Toronto at Mississauga School of Communication, Culture and Information Technology.** This proposed new School would accommodate: (a) the University's component of a 1,200-student joint program with Sheridan College of Applied Arts and Technology, and (b) the Mississauga component of the ATOP enrolment increase.
- **St. George Campus Classroom Complex.** This facility would provide, among other things, a much-needed 1,500 seat classroom to accommodate large lecture sections, replacing the use of Convocation Hall and the OISE/UT Auditorium, neither of which were designed for classroom use.
- **Psychology Teaching and Research Centre.** This was the top priority project for the Faculty of Arts and Science. In addition to requesting funding for research facilities from the Canada Foundation for Innovation and the Ontario Research and Development Challenge Fund, the University was exploring the possibility of acquiring the Addiction Research Foundation Building at Russell Street and Spadina Avenue. That might be possible if the Centre for Addiction and Mental Health were to proceed to consolidate its operations elsewhere. The University had requested, as an alternative to support from the SuperBuild Growth

4. Capital Plan: Update 1997-2002: Update (Cont'd)

Fund, that the Province support the transfer of the Addiction Research Foundation building to the University if it were to become redundant to the needs of the Centre for Addiction and Mental Health.

Professor McCammond listed three priority projects that were not eligible for support from the SuperBuild Growth Fund.

- **Varsity Stadium and Arena.** A Users' Committee, to plan the replacement of the stadium and the renovation of the arena, was at the final stages of its work. The site would include significant space for new student residences.
- **Student residence projects.** Housing projects were being planned at New College, University College and Woodsworth College on the St. George Campus, at the University of Toronto at Mississauga, and at the University of Toronto at Scarborough. Consultants had been retained to advise on residence development at the Varsity Stadium, Devonshire Place and St. George Graduate Student Residence sites.
- **Open Space Plan.** The Governing Council had endorsed the development of an open space plan, and implementation of the first demonstration project - the King's College Road / Convocation Hall Plaza / King's College Circle site - was in the revised capital plan.

Professor McCammond noted that the revised capital plan as such had no financial implications. The costs and sources of funding of each project would be considered by the Committee when the project was brought forward for approval.

Among the matters that arose in questions and discussion were the following.

(a) Student residences. In response to a member's questions, Professor McCammond said that the University's plan for expanding residence capacity contained objectives for the total number of new beds for first-entry and graduate / second-entry students and the total number of units for families. The number of places in each project had not yet been established. The University would seek to have the projects completed as soon as possible. There was already need for a large number of additional places to meet the University's guarantee to provide a residence place for each first-year student who wished one. The calculation of the total number of new places, as shown in the paper "Expanding Residence Capacity at the University of Toronto," had taken into account the enrolment increases arising from the Access to Opportunities Program and the expansion of the Bachelor of Education program. It had not taken into account the effect of the double cohort of students that would seek to enter the University as the result of the elimination of the fifth year of secondary-school study.

The member referred to concerns, expressed in the Physical Planning and Design Advisory Committee, about having sufficient space for all of the new residence places required to meet the University's needs. She asked whether the Users' Committees planning the various residence projects would provide for sufficiently dense development to enable the University to build the required number of additional beds on the St. George Campus. If an insufficient number of beds were provided on a particular site, it would be difficult to achieve the overall total required. Professor McCammond replied that it was the University's policy to use each site to its maximum. The University was looking at several sites: the Varsity Stadium site, Devonshire Place, the current St. George Graduate Student Residence (at the corner of Bloor and St. George Streets), the area behind the Faculty

4. Capital Plan: Update 1997-2002: Update (Cont'd)

Club, a site wrapping around the current New College Residences, and the site behind the Robarts Library. In response to further questions, Professor McCammond said that the University's planning did not provide for a vacancy rate in the residences. Each site would be used to its maximum capacity, with decisions concerning the need for further residence spaces being made before using any additional site. Limits on the density of site use and on the height of buildings were specified for each site in the City of Toronto Master Plan.

(b) Faculty of Pharmacy Buildings: possible new uses. A member referred to the proposal to accommodate an expanded Faculty of Pharmacy in phase 1 of the new Health Sciences Complex. She enquired about alternative uses of the Faculty's current facilities. Professor McCammond replied that the use of the site would depend in part on the success of the University's effort to obtain the Addiction Research Foundation Building, if it ceased to be used by the Centre for Addiction and Mental Health. If that building came available, it would be an ideal site for the Psychology Teaching and Research Centre. If it did not, the Faculty of Pharmacy's current facilities would be one way of meeting the needs of the Department of Psychology.

(c) Implications of new communications technology. A member referred to the development of new electronic means of publication that might in the future be used to replace traditional lectures. While it was difficult to predict the direction of the change to be brought about by new developments in communications technology, that technology might well have a major effect on capital planning. Was any committee of the University examining this matter and advising on the implications for capital and other planning? Professors Sedra and McCammond replied that the Task Force on Academic Computing and the New Media was a body to which ideas could be directed. That Task Force was not, however, engaged in an on-going process of evaluating the effect of new electronic technology on teaching and capital requirements.

(d) Classroom Complex. In response to a member's question, Professor McCammond said that no site had yet been chosen for the new Classroom Complex. It was planned to include a number of lecture theatres, with one accommodating 1,500 students. Several potential sites were being considered, all of them underground. One option was underneath the back campus, to be built in conjunction with the proposed new University College residence. The member observed that the committee that had reviewed the Operations and Services Department on the St. George Campus had raised a number of concerns about classroom management. In particular, that committee had been concerned that no one office in the University took responsibility for classroom space. While the member was pleased that the administration planned to proceed with a new Classroom Complex, especially in the light of plans to increase enrolment, it would be particularly important to ensure an appropriate administrative structure for classroom management was put into place and that the Campus's classroom needs were carefully thought out well in advance of any additional enrolment. The Chair commended the member's suggestion, and he proposed that the planning take into account the challenges and opportunities arising from new communications technology.

On the recommendation of the Vice-President and Provost,

YOUR COMMITTEE RECOMMENDS

THAT the updated Capital Plan for 1997-2002, as described in Professor McCammond's schedule and memorandum, dated January 24, 2000, a copy of which is attached hereto as Appendix "A", be approved.

5. Centre for Comparative Literature: Disestablishment in SGS and Reestablishment in the Faculty of Arts and Science

Professor Sedra said that at the University of Toronto interdisciplinary activities that included work at the graduate level traditionally, although not exclusively, were located in the School of Graduate Studies. The Dean of Graduate Studies was responsible not only for the broad range of graduate study but also for certain specific centres and institutes. In some cases, as Centres matured, they found it useful to find different homes. Both the Centre for Comparative Literature and the Centre for Medieval Studies were outstanding academic units with long histories. Most, but not all, members of those Centres were members of Departments in the Faculty of Arts and Science. Both Centres had concluded that they would be able to build on greater synergies by moving to report to the Dean of Arts and Science, and both had requested that they be moved organizationally into the Faculty of Arts and Science. Both Deans had agreed that the move would provide for better access to collaboration with other cognate departments. There would be no financial implications; both Centres would take their budgets with them into the Faculty of Arts and Science. Professor Sedra stressed that the School of Graduate Studies very much retained an interest in centres and institutes, but the School was more intensively involved in the centres and institutes in their formative stages. At some point, the School found it appropriate to divest itself of responsibility for mature units.

Professor Marrus endorsed Professor Sedra's comments. If the University were, in ten years' time, to be unchanged from today, the University's leaders would not have been doing their jobs. The School of Graduate Studies had undertaken some entrepreneurial and creative responsibility to nurture new centres and institutes. It had no wish to retain those centres and institutes that had become mature. The School of Graduate Studies had indeed struck a Task Force to consider the School's mandate with respect to centres and institutes. It was considering the currently ill-defined processes by which they were established and divested. Professor Marrus noted that the School of Graduate Studies would continue to be involved in the Comparative Literature and Medieval Studies programs at the graduate level, and he was confident that the two Centres would be in very good hands in the Faculty of Arts and Science.

Questions and discussion focused on the following topics.

(a) Implications with respect to Centres and Institutes in general. In response to a member's questions, Professor Marrus said that there was no definitive count of the number of centres and institutes in the University. They numbered at least 100 and existed in various divisions as well as the affiliated teaching hospitals. His own guess would be that about 300 centres and institutes existed. Of those, seventeen were located in the School of Graduate Studies. Clearly, not every interdisciplinary or interdivisional centre that was involved with graduate programs was located in the School of Graduate Studies. For example, the Centre for Biomaterials was located in the Faculties of Applied Science and Engineering, Dentistry and Medicine. The location of a particular centre had usually been the outcome of historical circumstances. Many centres and institutes were pleased with their organizational arrangements; others might at some time prefer to be located in another division. What was of utmost importance was that the location of a particular centre or institute not be frozen for administrative or organizational reasons in a manner that would not best serve the academic purposes of the unit.

Professor Amrhein said that there was currently only one centre or institute with its budget subsumed under that of the Faculty of Arts and Science: the Institute for Women's Studies. With the approval of the proposals now before the Committee, that number would grow to three. Many centres and institutes were located within departments. They represented loose collections of faculty members with shared interests who would have a

5. Centre for Comparative Literature: Disestablishment in SGS and Reestablishment in the Faculty of Arts and Science (Cont'd)

distinctive letterhead and perhaps a web-site. Dean Amrhein stressed that he did not assume responsibility for the additional centres frivolously. Already, fifty-eight officers reported directly to him; he would not lightly add to that number. In the cases of Comparative Literature and Medieval Studies, the change had been agreed following the specific request of the faculty members involved. He would not encourage further centres and institutes to relocate in the Faculty of Arts and Science; nor would he necessarily agree to further requests. In these cases, the change appeared to be appropriate and would be especially important for a number of small language departments.

Professor Munroe-Blum observed that many research collaborations had also become organized as centres. Indeed the Canada Foundation for Innovation and Ontario Research and Development Challenge Fund were acting as incubators for research centres, either within particular divisions, across divisions or in cooperation with hospitals or other universities.

(b) Implications with respect to graduate students. In response to questions, Professors Sedra, Amrhein and Marrus said that the proposal would have no negative implications for graduate students. Graduate students would remain students in the School of Graduate Studies and they would continue to register in the centres. There would be no change in the status of the students, who would continue to be identified with those internationally renowned centres. The only change would be in the location of the organizational and academic oversight provided. Professor Amrhein had been told that students had been consulted over the long period of discussion of the proposals, and they had supported the change. One substantive change arising from the organizational change would benefit graduate students. The students currently affiliated with the two centres had no automatic access to teaching-assistant positions; that would likely be remedied under the new arrangements.

On the recommendation of the Vice-President and Provost,
and on resolution carried unanimously,

YOUR COMMITTEE RECOMMENDS

THAT the Centre for Comparative Literature be disestablished as an academic unit in the School of Graduate Studies and reestablished as the Centre for Comparative Literature in the Faculty of Arts and Science, effective May 1, 2000.

Documentation is attached hereto as Appendix "B".

6. Centre for Medieval Studies: Disestablishment in SGS and Reestablishment in the Faculty of Arts and Science

On the recommendation of the Vice-President and Provost,
and on resolution carried unanimously,

YOUR COMMITTEE RECOMMENDS

THAT the Centre for Medieval Studies be disestablished as an academic unit in the School of Graduate Studies and reestablished as the Centre for Medieval Studies in the Faculty of Arts and Science, effective May 1, 2000.

Documentation is attached hereto as Appendix "C".

7. Enrolment Report, 1999-2000

Professor McCammond introduced the Enrolment Report, 1999-2000. Highlights included the following:

- In summary, based on winter session BIU eligible programs, there was an increase in enrolment of 1,105 FTEs (full-time equivalents) over last year's actual enrolment (as of November 1st, 1998), but this was 41 FTEs short of the planned enrolment level for 1999-2000 (Table 1).
- Table 2 showed the breakdown in enrolment by division; generally the intake target in the first-entry programs had been met, but the flow-through enrolment was lower than projected.
- In the second-entry programs, targets were met; the BEd program met its increased enrolment target which had been set on the basis of a government initiative.
- In the graduate programs, the professional program enrolments were 18 FTEs below the planned level while doctoral stream enrolments were 191 FTEs below the planned level.
- International student enrolment increased 18 percent overall, and international enrolment as a percentage of total enrolment increased to 4.6 percent. This percentage had been steadily increasing since the University took advantage of deregulation to lower fees for international students.
- The 1996-97 removal of BIU eligibility for the Additional Qualification program for teachers had brought the University's annual BIU count close to the bottom of the enrolment corridor. This had been countered by the decision to increase enrolment to just above the corridor mid-point. Estimates of the 1999-2000 BIU count indicated that the annual count was now above the mid-point. The five-year moving average, which triggered the Government Operating Grant funding, was above the corridor mid-point but would fall in the next several years as the effect of the loss of the BIU eligibility for the AQ program worked through the funding algorithm.
- With respect to the quality of the larger enrolment, the percentage of high school students with averages of 80 percent or better had increased.

A member noted that his division had been discussing the meaning of some of the data, noting that the numbers might not mean what they seemed to mean. Increasing enrolment appeared to be good. However, a decrease in the graduate enrolment might be better if it meant that students were graduating sooner by reducing the time needed to complete their degrees. He noted that this University was proud of its increasing numbers of international students when other institutions might not be so committed to the education of international students. He suggested that there might be more international students than the University had counted because some of those students might well have obtained permanent resident status. Professor McCammond agreed that there were different interpretations of the numbers. The member continued that there was a close relationship between enrolment and funding. The enrolment file was complicated. Doctoral students earned BIU support for four years only; a doctoral student in the fifth year earned no BIU entitlement. He said that the time to degree was an important indicator. Studies by individual departments showed that the time to degree-completion was improving. In summary, the good news was that this University did very well considering the fact that it was underfunded.

7. Enrolment Report, 1999-2000 (Cont'd)

In response to a member's question, Professor McCammond indicated that international students generated no revenue from the government; the only revenue source for international students was their tuition fees. The member suggested that improved methods of communication with international students, using new technologies, would see the numbers increase in the future.

8. Items for Information

(a) Users' Committees – Membership and Terms of Reference

- **Sidney Smith Hall, Patio Enclosure**
- **Sidney Smith Hall, Third Floor, In-fill Project**

In response to a member's question, Professor McCammond indicated that the Faculty of Arts and Science had discussed the possibility of providing additional space for offices by building over the existing lobby.

(b) Program Proposals – Resource Implications

- **Executive Master of Business Administration Program – New Second Year Global Option**
- **Joint Master's Degree Program in Design and Manufacturing (MEng DM)**

Professor McCammond presented the resource implications of these new initiatives to the Committee for information. Both proposals were self-funded and, as such, would have no implications for the University's operating budget. The respective faculties would be responsible for any program budget deficits.

9. Date of Next Meeting

The Chair reminded members that the next regular meeting of the Committee was scheduled for Tuesday, March 7th, 2000.

The meeting adjourned at 6:30 p.m.

Secretary

Chair

March 2, 2000