

**FOR INFORMATION**

**PUBLIC**

**OPEN SESSION**

**TO:** UTSC Campus Council

**SPONSOR:** Professor Scott Mabury, Vice-President, University Operations  
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**PRESENTERS:** Professor Scott Mabury, Vice-President, University Operations  
**CONTACT INFO:** Ms Sally Garner , Executive Director, Planning & Budget  
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**DATE:** Wednesday, October 14, 2015

**AGENDA ITEM:** 4

**ITEM IDENTIFICATION:** Current-year Campus and Institutional Operating Budgets

**JURISDICTIONAL INFORMATION:**

Under section 5.7 of the Terms of Reference for the University of Toronto Scarborough Campus Affairs Committee “the annual budget is considered by the Committee for recommendation to the UTSC 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.

Under section 5.2 of the Terms of Reference for the University of Toronto Scarborough Campus Council, matters requiring Governing Council approval include Budget (as part of the University’s annual operating budget).

**GOVERNANCE PATH:**

1. UTSC Campus Affairs Committee [For Information] (September 16, 2015)
2. **UTSC Campus Council [For Information] (October 14, 2015)**

**PREVIOUS ACTION TAKEN:**

At its meeting on September 16, 2015 the UTSC Campus Affairs Committee (CAC) received, for information, a presentation on the current-year campus and institutional operating budgets.

**HIGHLIGHTS:**

The presentation made to the UTSC Campus Affairs Committee on September 16<sup>th</sup> , and to the UTSC Campus Council (CC) on October 14<sup>th</sup> is step one in the process for consideration of budget matters by UTSC governance, which comprises four components:

- (1) an integrated budget presentation to the Campus Councils and Campus Affairs Committees,
- (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 presentations provide 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 CC will support UTSC's annual budget preparations and the integration of campus budget plans into the University's budget.

**FINANCIAL IMPLICATIONS:**

There are no net financial implications to the campus' operating budget.

**RECOMMENDATION:**

For Information.

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**DOCUMENTATION PROVIDED:**

A presentation will be made at the meeting, and posted under the resource section of the **Diligent Boards governance portal after the meeting.**



# **University of Toronto and UTSC 2015-16 Campus and Institutional Operating Budget**

**October 14, 2015 Campus Council**

# Overview

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

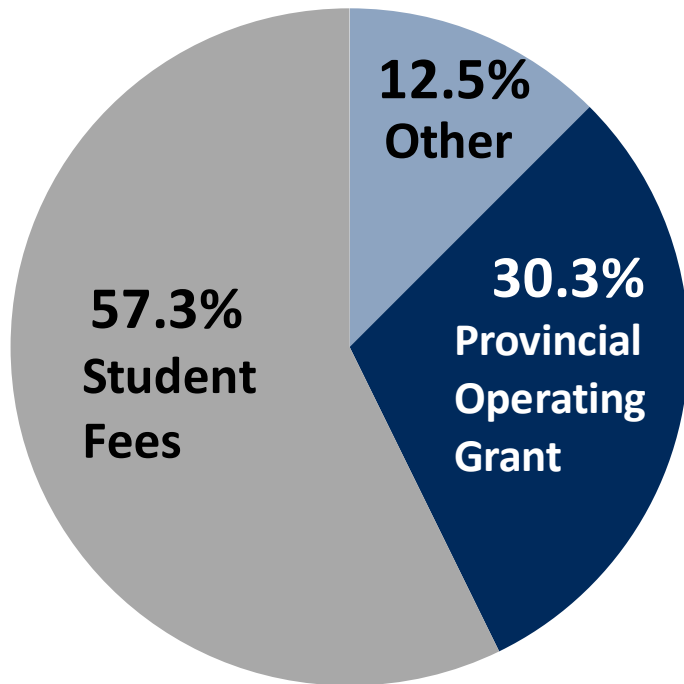
# The Budget: strategic context



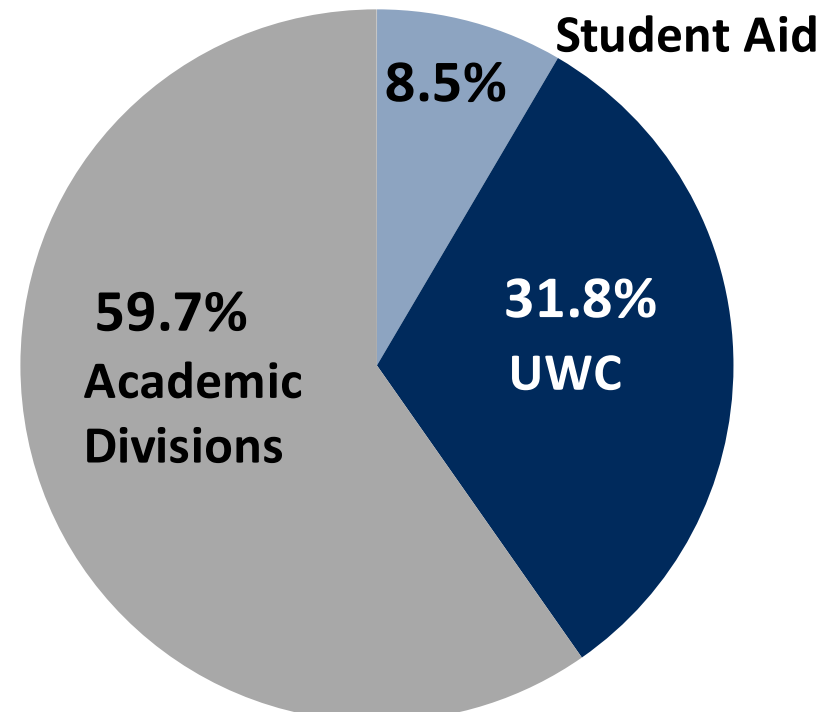
# 2015-16: a balanced budget at institutional level \$2.16B

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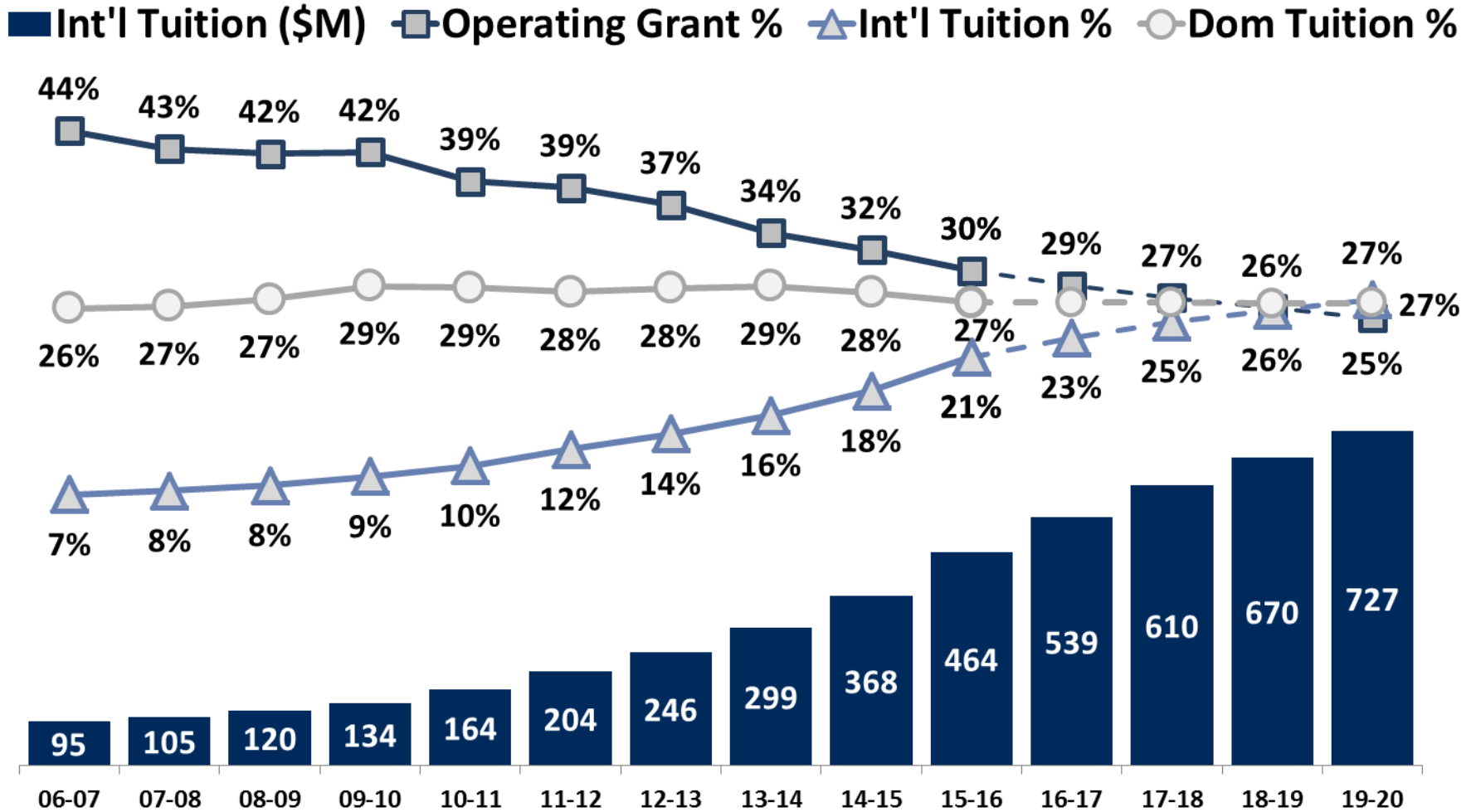
## Operating Revenue



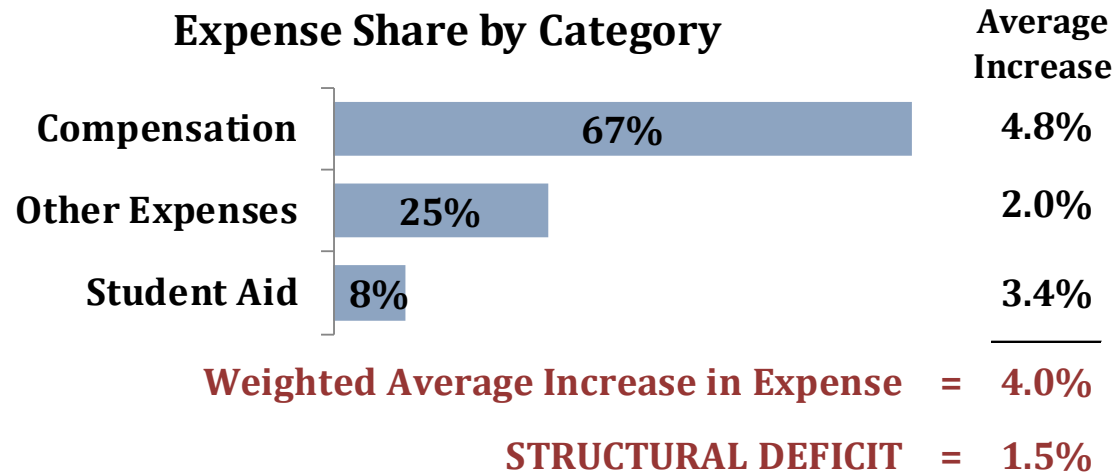
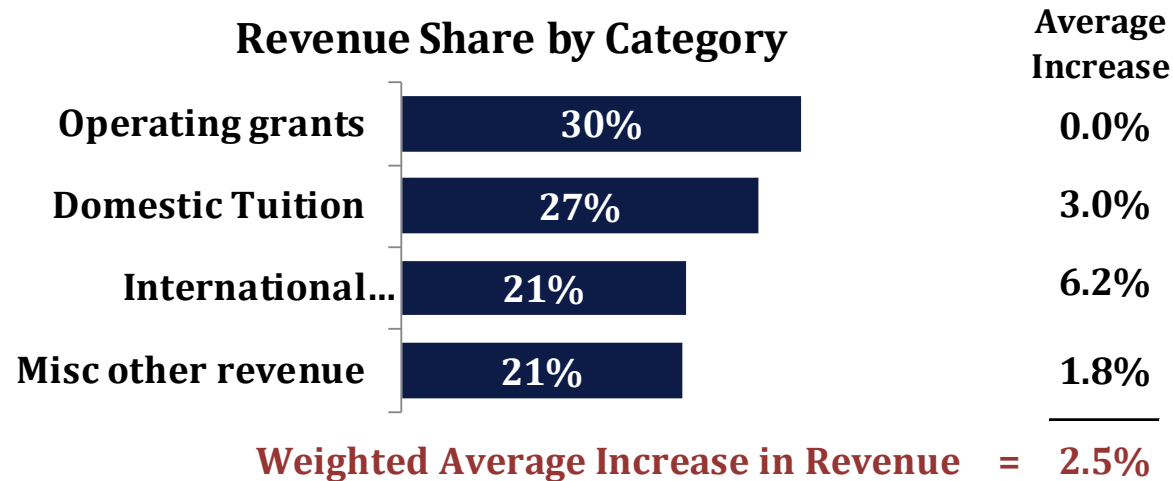
## Operating Expense



# International tuition as % of revenue



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



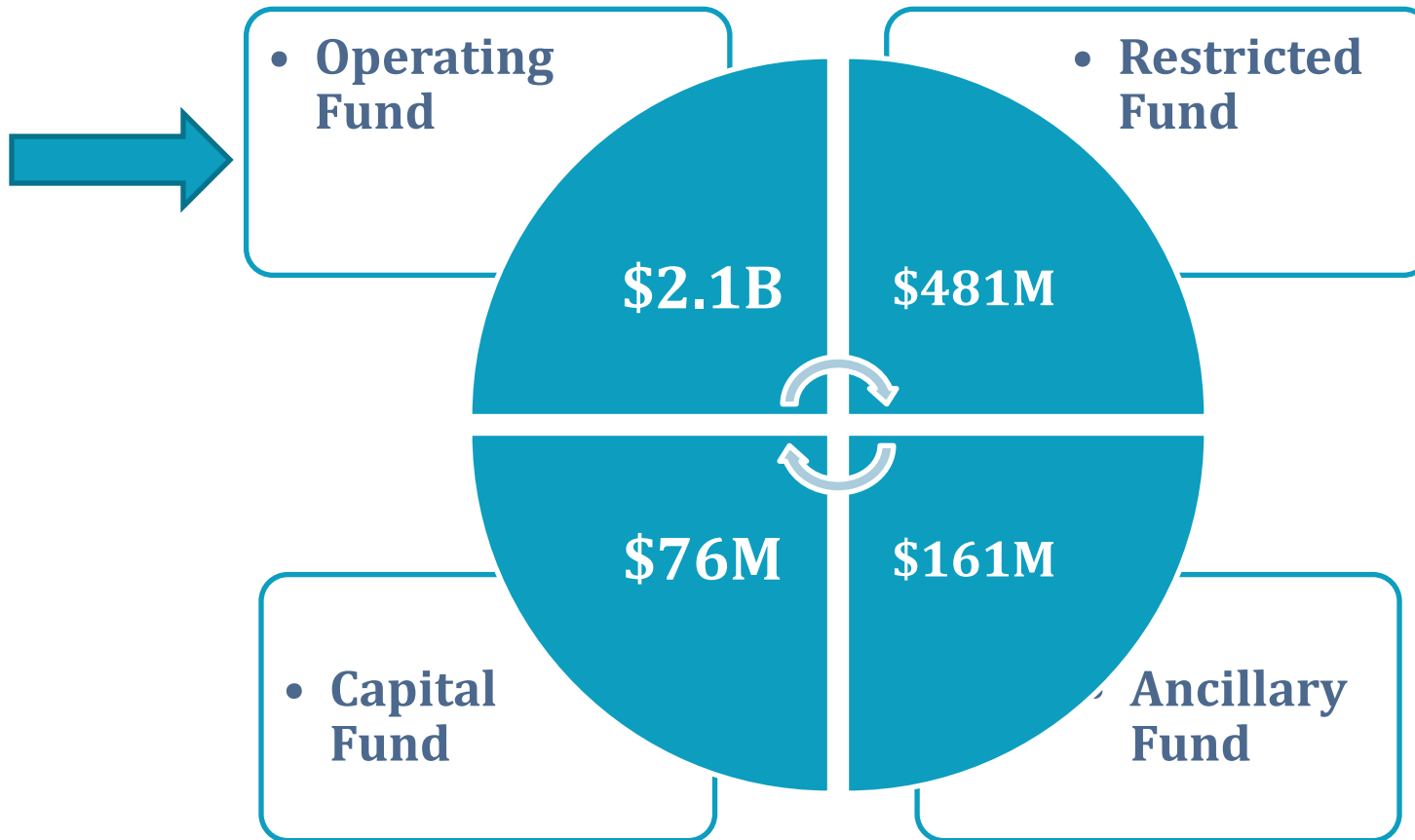


# Budget Structure & Process



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

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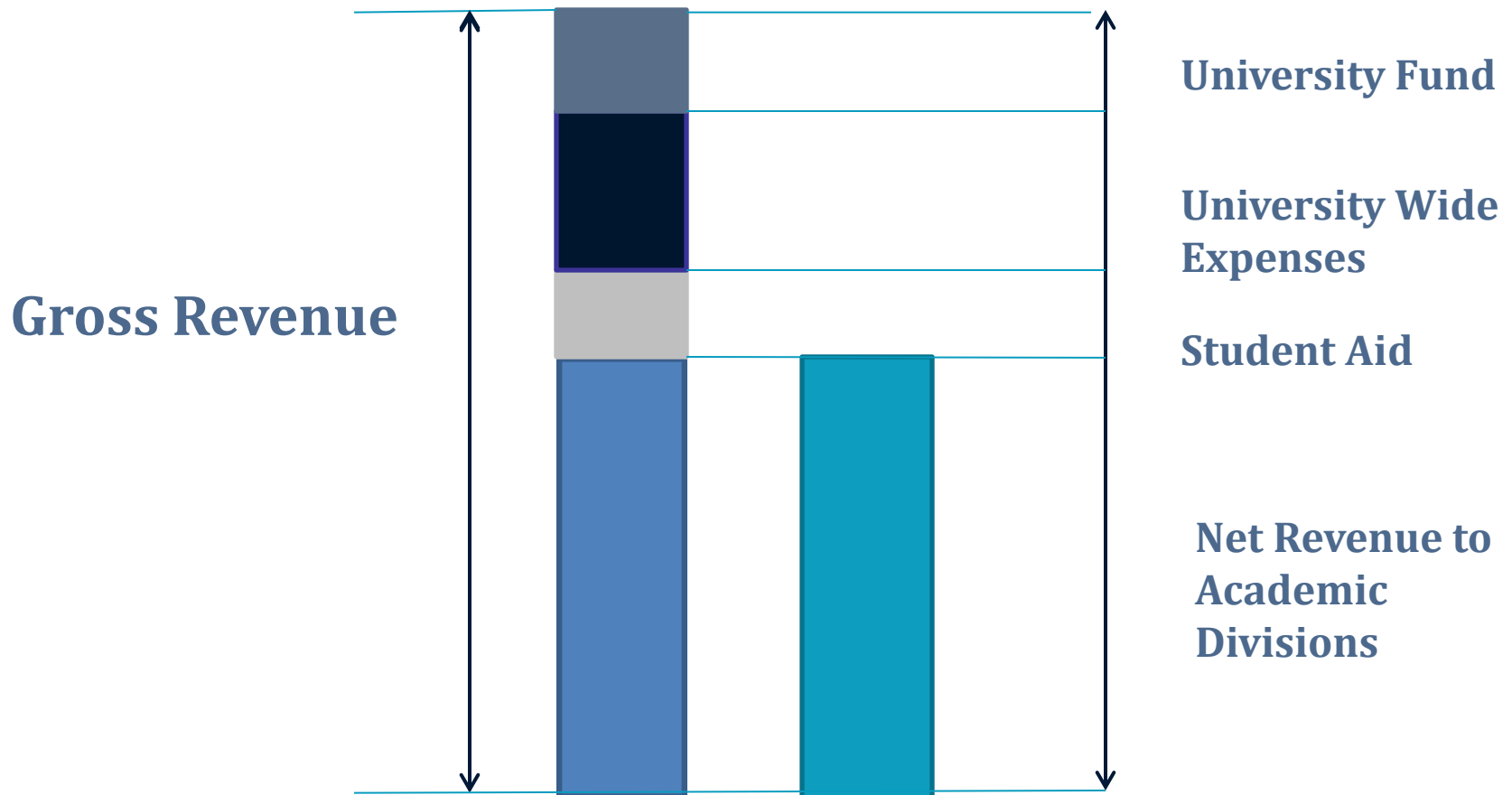
# Budget Model Principles

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- Provide **incentives**
- Faculties should **strive** to generate revenues to cover their costs and share of central costs
- Revenue and expense cannot and **should not** be balanced at faculty or program level
- Support and encourage **inter-divisional** activity
- **Minimize** administrative costs of the model

# Net revenue to academic divisions

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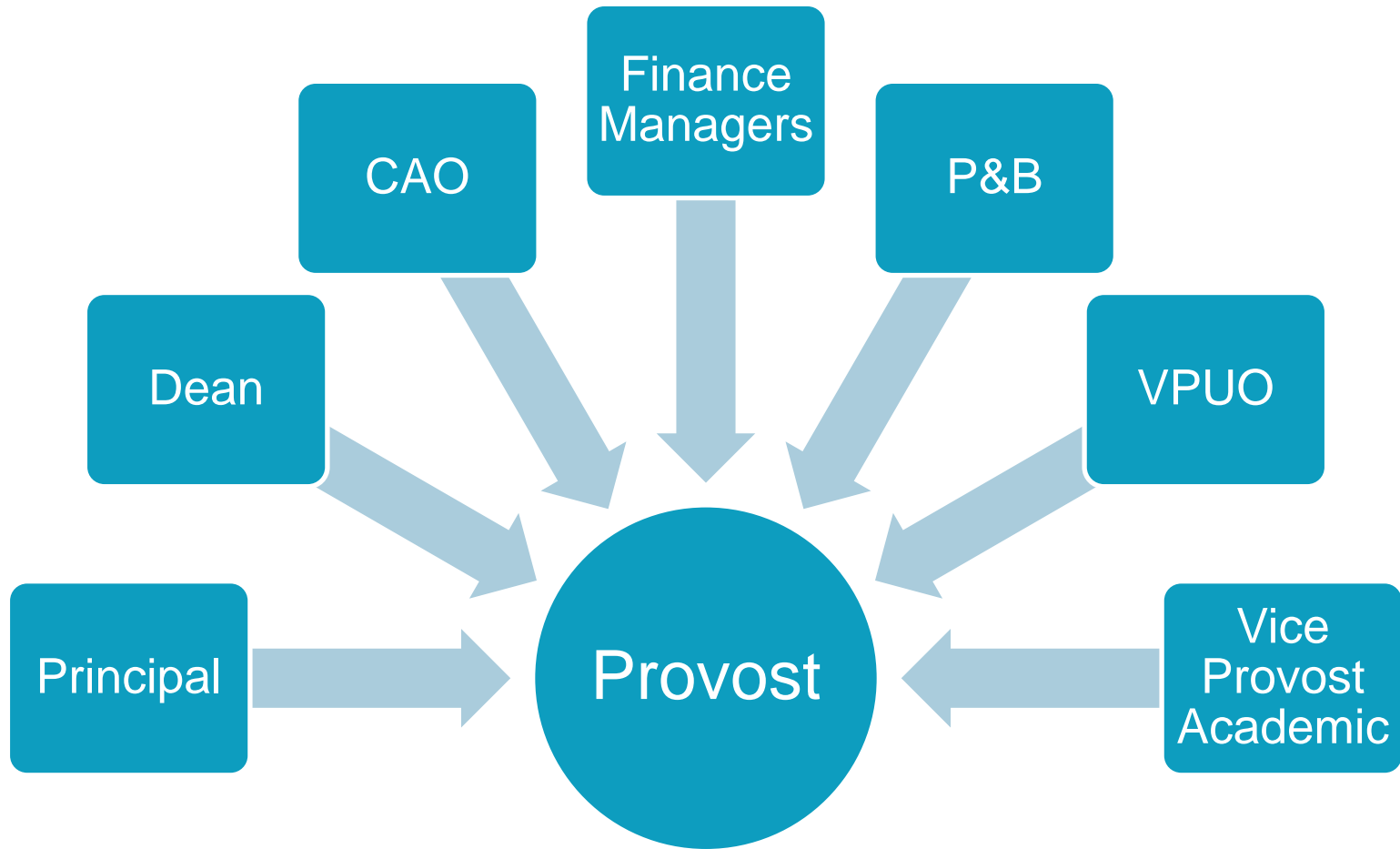
# University Fund

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- 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

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# Annual Budget Development

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## **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



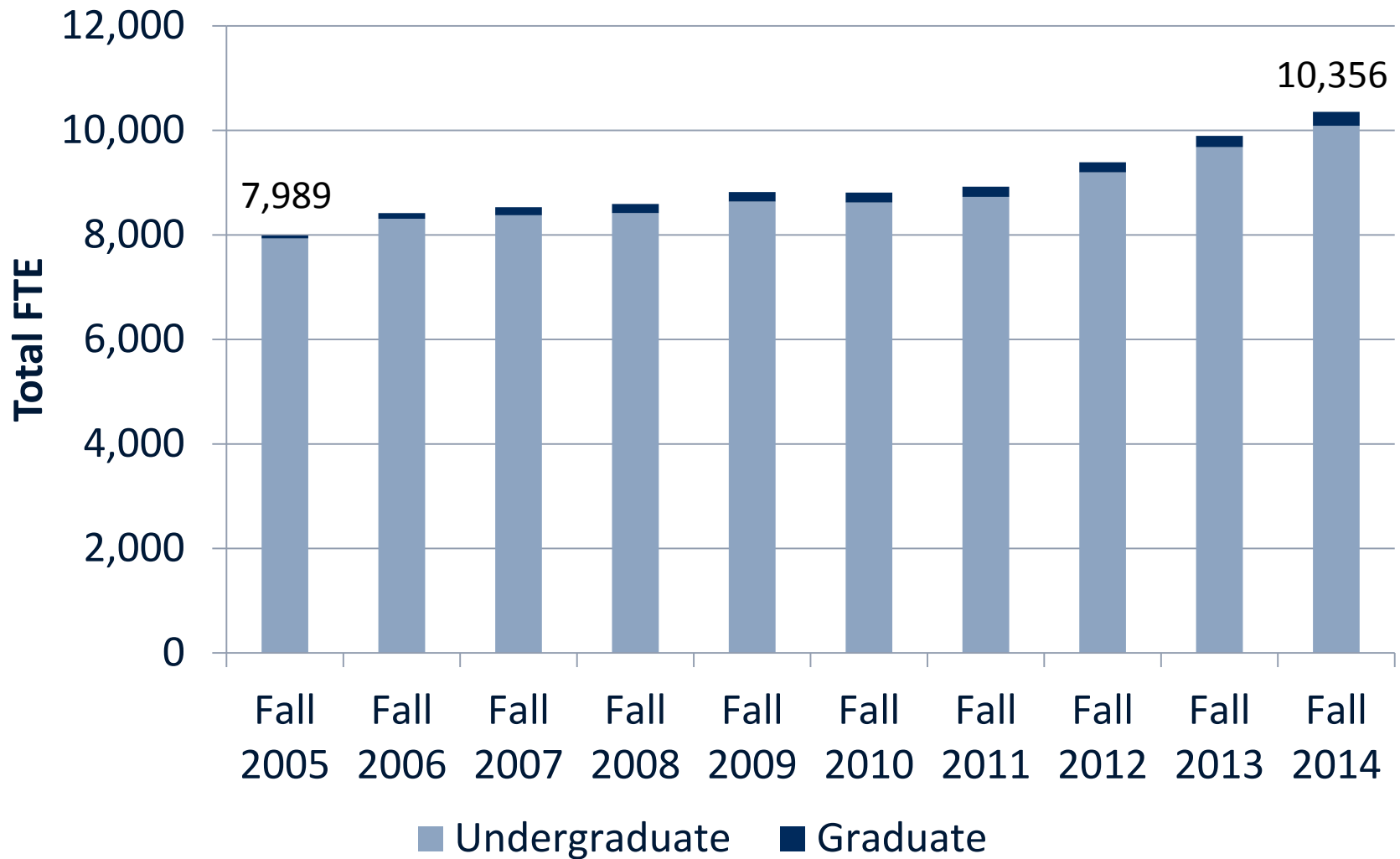


# Long term tri-campus undergraduate enrolment plans

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

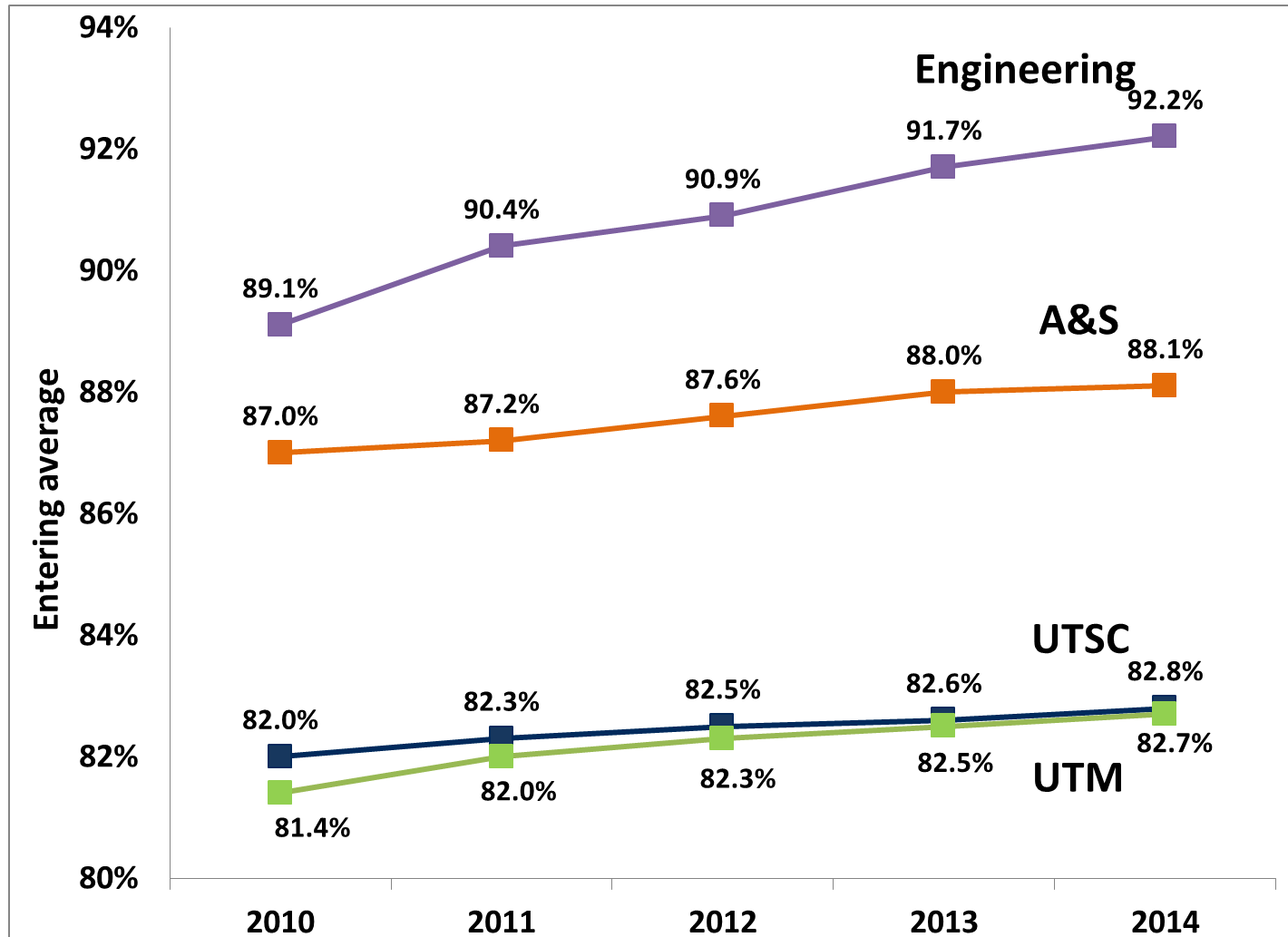
# UTSC enrolment growth



# 2014-15 UTSC Undergraduate Enrolment

<b>Area of Study</b>	<b>2014-15 FTE</b>	<b>% International</b>
<b>Arts &amp; Humanities</b>	<b>1,855</b>	<b>11%</b>
<b>Social Sciences</b>	<b>3,007</b>	<b>12%</b>
<b>Management</b>	<b>1,422</b>	<b>35%</b>
<b>Life Sciences</b>	<b>1,284</b>	<b>5%</b>
<b>Other Sciences</b>	<b>2,521</b>	<b>18%</b>
<b>TOTAL</b>	<b>10,088</b>	<b>16%</b>

# Entering averages are increasing



# 2014-15 UTSC Graduate Enrolment

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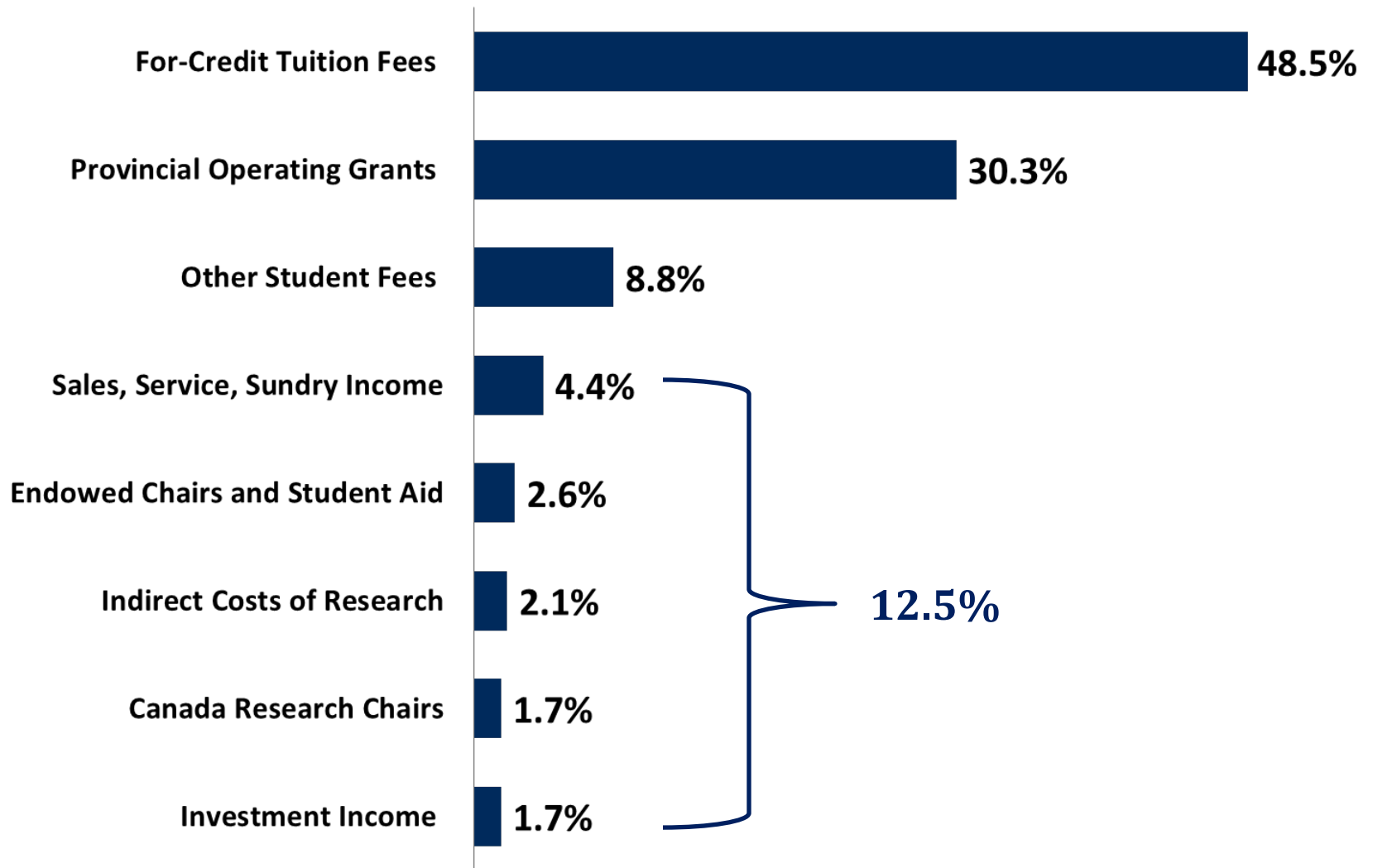
<b>Program Type</b>	<b>2014-15 FTE</b>	<b>Projected 2019-20</b>
<b>Prof Masters (Env. Sci)</b>	<b>87</b>	<b>110</b>
<b>DS Masters UTSC (Psych)</b>	<b>10</b>	<b>10</b>
<b>DS Masters tri-campus *</b>	<b>35</b>	<b>n/a</b>
<b>PhD UTSC (Psych and Env. Sci)</b>	<b>44</b>	<b>79</b>
<b>PhD tri-campus *</b>	<b>92</b>	<b>n/a</b>
<b>TOTAL</b>	<b>268</b>	

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

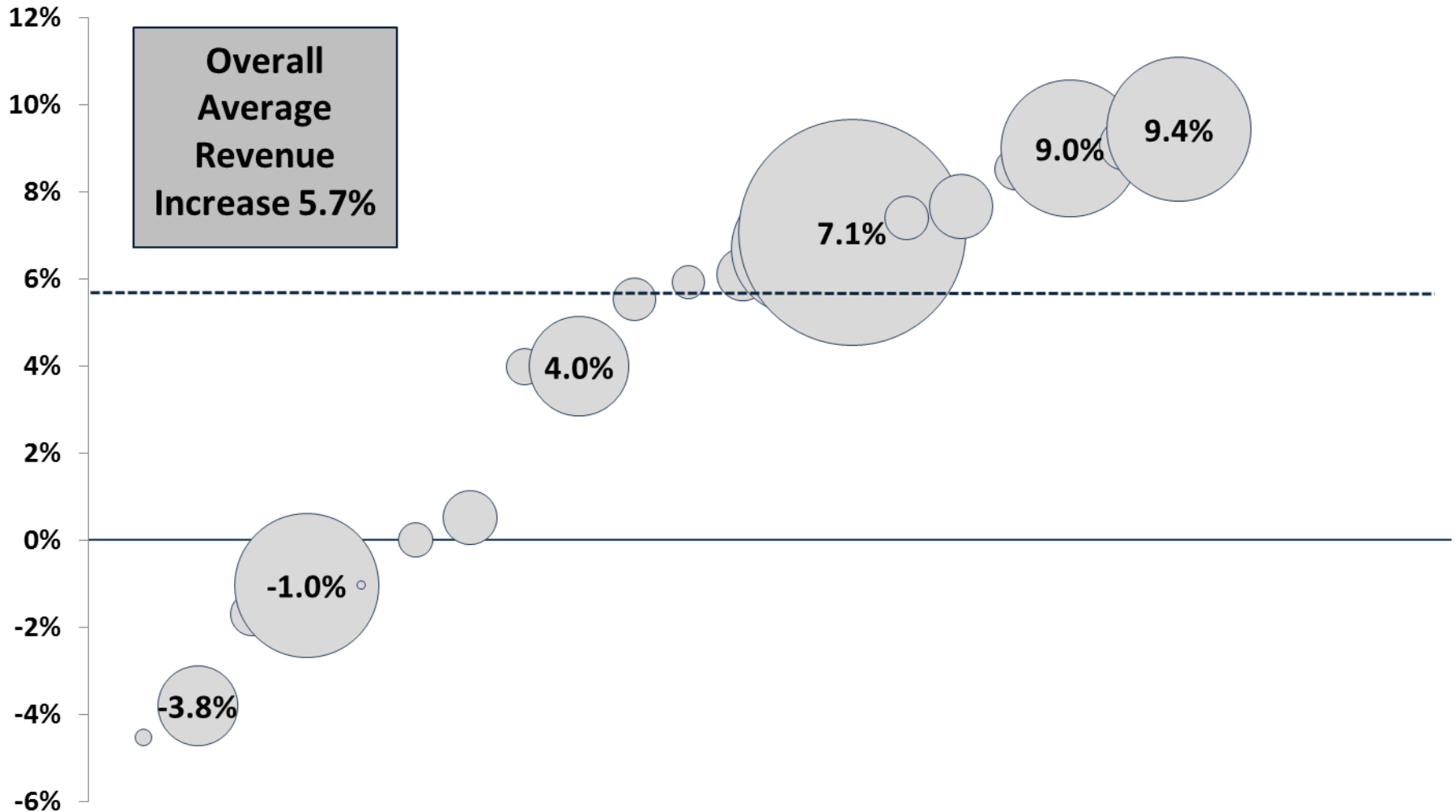
# UofT revenue and expense projections



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

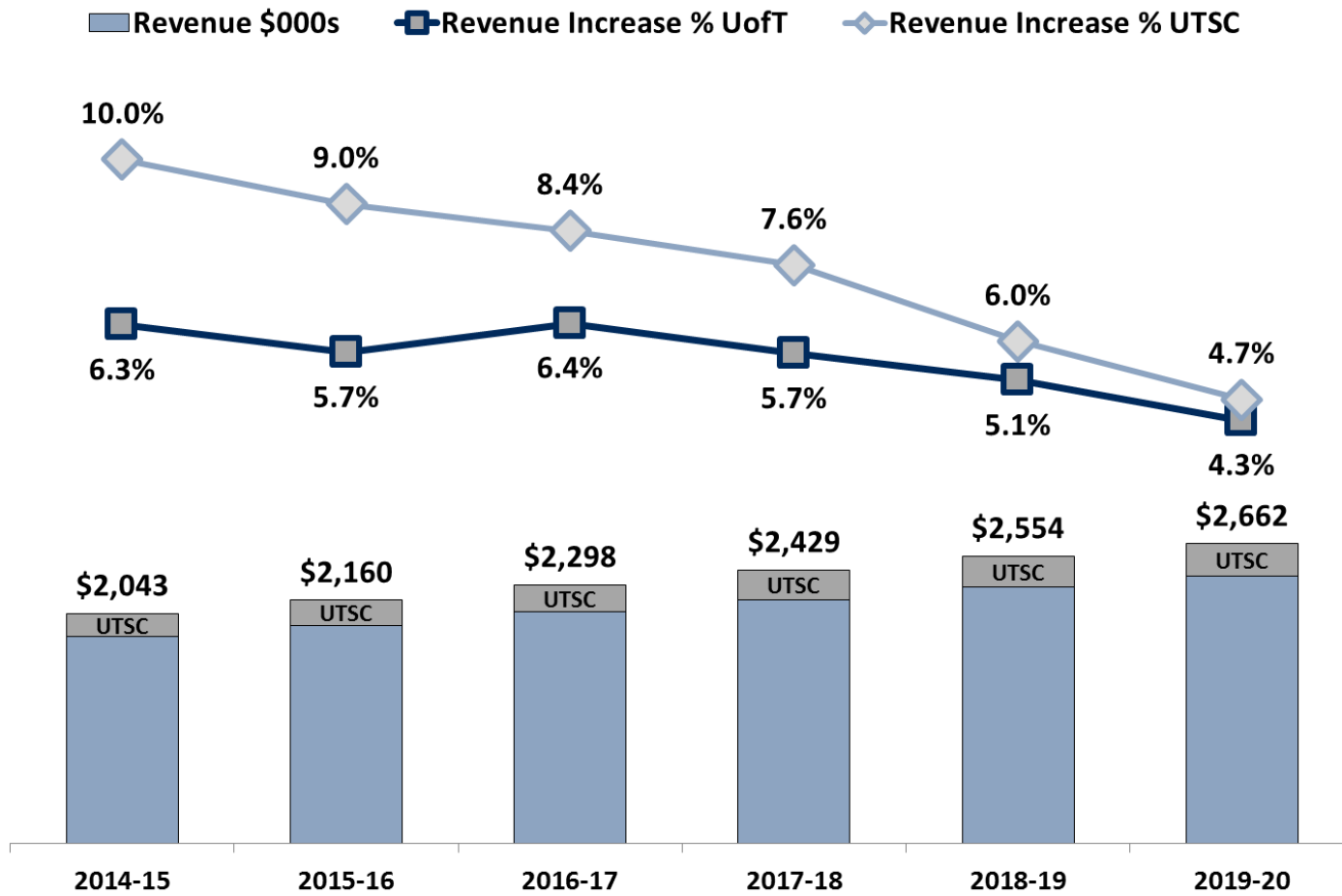


# 2015-16 projected revenue growth by division





# Projected institutional and UTSC revenue growth



# Compensation update

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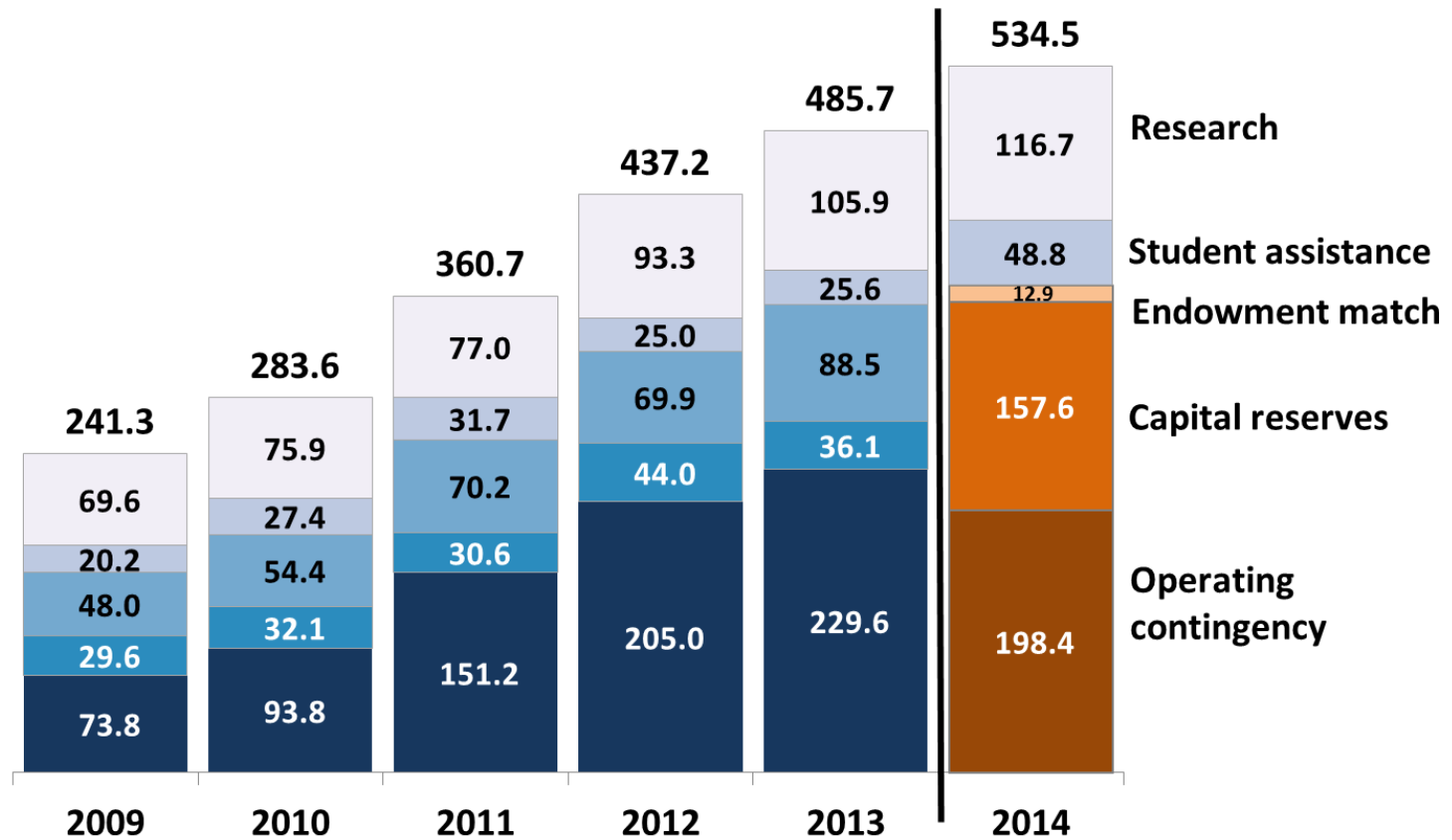
- Context of provincial wage restraint
- Negotiations ongoing with UTFA
- Agreement with CUPE 3902 Unit 3 (sessional instructors) agreement in place Sept 1, 2014 to Aug 31, 2017. ATB of approx. 1% to 1.25% per year, plus \$300 OTO payment per course.
- USW agreement in place July 1, 2014 - June 30, 2017: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

# Reserve balances

Note: change of reporting categories in 2014



# University Fund and student financial support



# The University Fund to 2015-16

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\$99.9M

- Reference Level UF
- 2006-07
- UTSC = (\$3.7M)

\$74.5M

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

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

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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

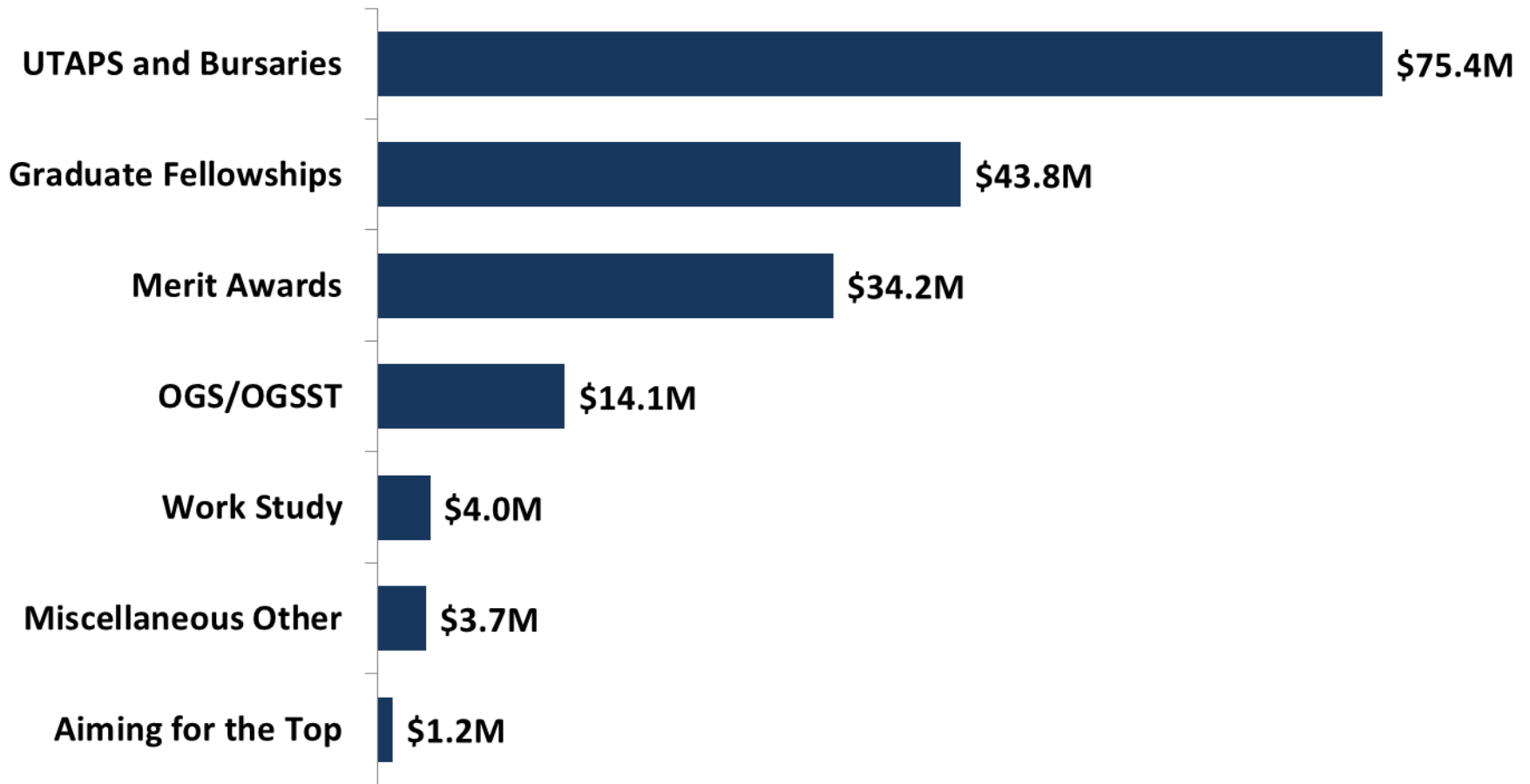
Theme 3: Internationalization \$1.25M

- International student services, international student experience

Theme 4: Structural Budget Support \$2.00M

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

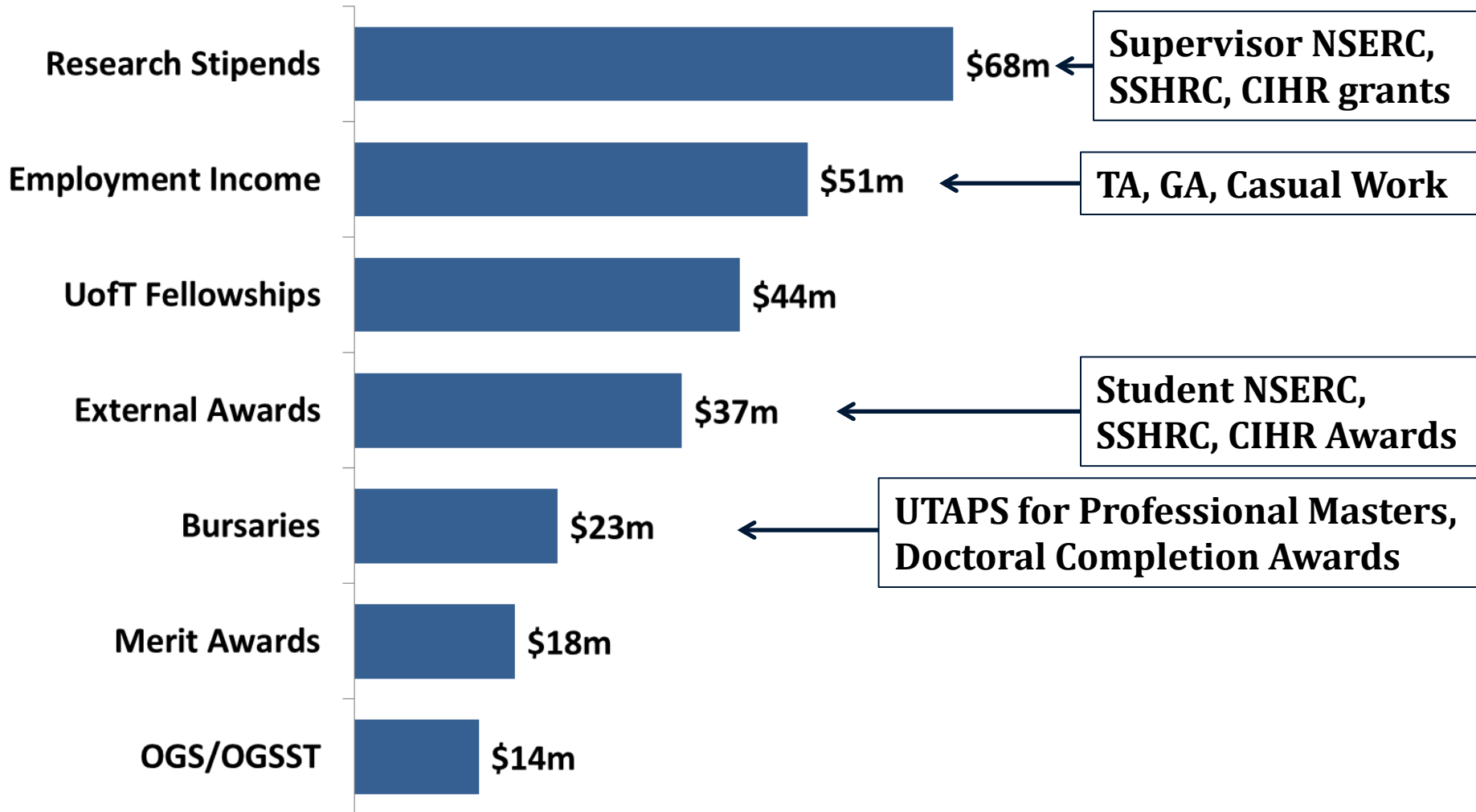
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# 2013-14 financial support for graduate students = \$256 million

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# UofT Overview - In Summary



# Summary

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- Provincial Grant continues to decline as overall source of revenue
- International enrolment growth is very strong
- Revenue growth rate slowing but UTSC 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