FOR APPROVAL **PUBLIC** **OPEN SESSION**

TO:	Planning and Budget Committee
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DATE:	February 11, 2016 for March 2, 2016
AGENDA ITEM:	2

ITEM IDENTIFICATION:

Budget Report 2016-17 and Long Range Budget Guidelines 2016-17 to 2020-21.

JURISDICTIONAL INFORMATION:

Excerpt from the Terms of Reference for the Planning and Budget Committee:

4.3.2. The annual budget is considered by the Committee for recommendation to the Academic Board. [Once the budget is recommended by the Academic Board, the concurrence of the Business Board is sought in regard to fiscal soundness before it is forwarded to the Governing Council.]

GOVERNANCE PATH:

1. Business Board [for concurrence with the recommendation of the Academic Board] (February 29, 2016)
2. **Planning and Budget Committee [for recommendation] (March 2, 2016)**
3. Business Board [for recommendation] (February 29, 2016)
4. Academic Board [for recommendation] (March 17, 2016)
5. Executive Committee [for endorsement and forwarding] (March 29, 2016)
6. Governing Council [for approval] (April 7, 2016)

PREVIOUS ACTION TAKEN:

The Budget Report 2015-16 and Long Range Budget Guidelines 2015-16 to 2019-20 were approved by the Governing Council at its April 1, 2015 meeting.

HIGHLIGHTS:

This report contains the proposed Long Range Budget Guidelines for the five-year budget cycle 2016-17 to 2020-21, including the detailed annual budget for fiscal year 2016-17. The proposed budget is balanced at the institutional level in each year of the planning period however a few academic divisions are projecting deficits over the short term; in these cases divisions will draw down on reserves while they move toward a sustainable and balanced budget. Projections for the outer years provide the framework in which the University's budget will be prepared for fiscal years 2018 to 2021 as anticipated at the time of preparation of this report and will be updated as appropriate each year to reflect changes in the economic conditions and the most recent information regarding the University's revenues and expenses. The budget framework reflects and guides the academic and financial priorities over the next five years.

The upcoming year is pivotal as it is the final year of both the provincial tuition fee framework and the allocation of funded graduate spaces. Moreover, the Ministry of Training, Colleges and Universities (MTCU) released the final "funding-formula review" consultation report in November 2015 entitled "*Focus on Outcomes, Centre on Students: Perspectives on Evolving Ontario's University Funding Model.*" The University of Toronto will continue to advocate for recognition of our global research profile in the new funding formula, as well as for distribution of additional graduate spaces, and for flexibility in setting tuition rates.

The Long Range Budget Guidelines are shaped by the Strategic Mandate Agreement (SMA) with the Province. The SMA aligns with Ontario's postsecondary differentiation policy framework. Our SMA's central premise is based on provincial recognition of the University of Toronto as a "globally recognized, comprehensive, and research-intensive institution with a distinct leadership role in Ontario's postsecondary education system. The University of Toronto's broad range of program offerings and research activity has a major economic and social impact, locally and globally."

This budget represents the culmination of many months of planning and the decisions of many academic and administrative units. The budget-setting process at the University of Toronto is very much a bottom-up process, whereby Deans and their teams in academic divisions and departments look at their own revenue and expense budgets and make decisions locally. Decisions are rolled up for review and approval, informed by relevant economic factors, risk assessments, collective agreements, provincial and University policies and then approved by administration and governance.

Operating revenues are derived primarily from provincial operating grants and tuition fees. They also include investment income, endowment income, Canada Research Chairs, funding for the indirect costs of research, revenue from activities such as continuing education, sale of services and cost recovery and administrative ancillary fees. The University projects growth in total revenue of $158 million in 2016-17 (7.3% over 2015-16) and $648 million over the planning period.

With the requirement to fund the pension solvency deficit, the declining proportion of revenue from government funding, restriction under the provincial tuition framework, and ongoing economic instability, we must remain restrained in our allocation of resources, while ensuring we maintain standards of excellence in teaching, research and the student experience. Expenditure allocations are proposed within these competing constraints and priorities. Decisions on the allocation of resources across the institution take into consideration a balance between the rates of expenditure increase in the administrative divisions vs. the academic divisions. Commensurate with revenue increases total expenditures are projected to increase by 7.3% from $2.2 billion in 2015-16 to $ 2.3 billion in 2016-17.

This is a realistic budget which builds on ambitious strategic planning across all divisions.

FINANCIAL IMPLICATIONS:

The Long Range Budget Guidelines plan for a balanced budget in each of the five years. The University continues to demonstrate an outstanding ability to cope with financial challenges by developing strategic and creative multi-year budget plans, which maintain and enhance academic priorities while minimizing the impact of the economic volatility on the student experience and on the research strength of the University. Leaders of academic and shared-service portfolios have risen to the challenge, seeking efficiencies and collaborations wherever possible. Despite the volatility in the economy, enrolment remains very strong and the University continues on its upward trajectory of attracting excellent domestic and international students.

RECOMMENDATION:

Be It Recommended to the Academic Board:

THAT the *Budget Report 2016-17 be approved*, and
THAT the *Long Range Budget Guidelines 2016-17 to 2020-21* be approved in principle.

DOCUMENTATION PROVIDED:

Budget Report 2016-17 and Long Range Budget Guidelines 2016-17 to 2020-21 (February 11, 2016)

University of Toronto

Long Range Budget Guidelines 2016-17 to 2020-21

Budget Report 2016-17

February 11, 2016

Prepared by the University of Toronto Planning and Budget Office

Budget Highlights

This report contains the proposed Long Range Budget Guidelines for the five-year budget cycle 2016-17 to 2020-21, including the detailed annual budget for fiscal year 2016-17. The proposed budget is balanced at the institutional level in each year of the planning period however a few academic divisions are projecting deficits over the short term; in these cases divisions will draw down on reserves while they move toward a sustainable and balanced budget. Projections for the outer years provide the framework in which the University's budget will be prepared for fiscal years 2018 to 2021 as anticipated at the time of preparation of this report and will be updated as appropriate each year to reflect changes in the economic conditions and the most recent information regarding the University's revenues and expenses. The budget framework reflects and guides the academic and financial priorities over the next five years.

It is important to note that the operating budget is prepared on a cash basis, in contrast to the accrual basis of the audited financial statements. Also, the operating budget is only one, albeit the largest (~75% of total revenues), of the four funds included in the financial statements; the three others are the restricted fund, the capital fund and the ancillary operations fund.

The upcoming year is pivotal as it is the final year of both the provincial tuition fee framework and the allocation of funded graduate spaces. Moreover, the Ministry of Training, Colleges and Universities (MTCU) released the final "funding-formula review" consultation report in November 2015 entitled "*Focus on Outcomes, Centre on Students: Perspectives on Evolving Ontario's University Funding Model."* The University of Toronto will continue to advocate for recognition of our global research profile in the new funding formula, as well as for distribution of additional graduate spaces, and for flexibility in setting tuition rates.

The Long Range Budget Guidelines are shaped by the Strategic Mandate Agreement (SMA) with the Province. The SMA aligns with Ontario's postsecondary differentiation policy framework. Our SMA's central premise is based on provincial recognition of the University of Toronto as a "globally recognized, comprehensive, and research-intensive institution with a distinct leadership role in Ontario's postsecondary education system. The University of Toronto's broad range of program offerings and research activity has a major economic and social impact, locally and globally."[1]

The plans are informed by the goals set out in *Towards 2030:*

1. Enhancing our standing as a leader in research-intensive undergraduate education
2. Enhancing our standing as a leader in graduate education
3. Enhancing our standing as a globally ranked research powerhouse

And finally, plans are informed by the *President's Three Priorities*:

[1] Strategic Mandate Agreement (2014-17) between the Ministry of Training, Colleges and universities and The University of Toronto

1. Leveraging our urban location more fully, for the mutual benefit of the university and the city
2. Strengthening and deepening key international partnerships
3. Re-imagining and re-inventing undergraduate education

Enrolment, the primary driver of operating revenues, remains robust and the University continues to attract excellent domestic and international students; 2015-16 saw growth in undergraduate, master's and doctoral enrolments. Undergraduate entering averages continue to increase across all three campuses and the outlook for the next few years remains healthy, despite Ontario demographics to the contrary.

The $2 billion Boundless Campaign was launched in November 2011 and has achieved notable results with a record-breaking year of raising $248 million in 2014-15. As of December 31, 2015 $1.89 billion has been raised against a target of $2 billion. Divisional campaigns, with support from the Division of University of Advancement, have raised these funds to support academic programs and research, the student experience, infrastructure and faculty support.

Despite the context of global economic uncertainty resulting from plummeting oil prices, the declining Canadian dollar, low interest rates and provincial financial pressures, the University projects growth in total revenue of $158 million in 2016-17 (7.3% over 2015-16) and the projected increase in total revenue over the planning period is $648 million. Projected growth in revenue stems primarily from planned increases in both domestic and international enrolments, carefully planned across our three campuses and many faculties, and moderate increases in tuition fees.

As the University continues to bring in new graduate students on all three campuses and undergraduate students at the Scarborough and Mississauga campuses, the increased revenue comes with increased expenses. Academic expenditure plans include additional tenure and teaching stream faculty in many divisions, enhancement of student services with a particular focus on mental health services, support services for entrepreneurship activities, curriculum redesign including integrating new learning technologies, and operating budget contributions toward capital projects. Allocations to shared-services are restrained, yet recognize the importance of continued investment, and in some cases enhancement, in vital services. Shared-service priorities over the next few years include expansion of the wireless network, ongoing improvements to the student information system, funding to sustain the services and collections of our world-class library system, with additional funding allocated to compensate for the low Canadian dollar, funding to begin a multi-year project to upgrade classrooms on the St. George campus and funding to support the $2 billion Boundless fundraising campaign with a view to maintaining momentum for the longer term. Compensation increases are planned within the provincial restraint context. Overall expenditure plans reflect that the University has been granted Stage 2 pension solvency relief; the effective date of the next required actuarial valuation to be filed with the regulators is July 1, 2017. Pension special payments will increase to $122 million per year by 2020-21. This is a realistic budget which builds on ambitious strategic planning across all divisions.

Structure of the Long Range Budget Guidelines Report

The Long Range Budget Guidelines, including the 2016-17 budget, are presented in the budget schedules in Appendix A. The projections are presented in five schedules.

- **Schedule 1** provides a high-level summary of projected revenue and expense;
- **Schedule 2** provides further detail on Provincial Operating Grants and Student Fees;
- **Schedule 3** provides further detail on university-wide expenses and campus costs. University-wide expenses are grouped by the 12 cost bins defined in the budget model, which are the basis for cost attribution to divisions. It also provides further detail on Student Aid Expenditures;
- **Schedule 4** contains a detailed summary of revenue attributions and deductions by division for 2016-17;
- **Schedule 5** provides multi-year projections by division for the five-year budget cycle.

Fiscal Context

The Economic Climate

The 2016 year has started off with a great deal of volatility. Canadian GDP stalled in the fourth quarter of 2015, oil prices are plunging, interest rates are at record lows, the Canadian US dollar exchange rate hovers at 70 cents, Alberta is facing enormous employment losses and Apple predicts its first sales drop since 2003 as growth in China slows.[2] On January 20, 2016 the Bank of Canada released its updated economic growth forecast as part of its quarterly monetary policy report, maintaining a cautiously positive outlook and holding the overnight rate at 0.5%. The continuing depreciation of the Canadian dollar has positive and negative impacts for the University, with a Canadian education becoming more financially attractive for international students but creating challenges when hiring in the international academic arena and for purchasing many goods and services in US dollars, in particular library resources. These uncertainties contribute to the restrained planning contained in this report.

Enrolment and Provincial Operating Grant

The University's Strategic Mandate Agreement with MTCU guides our relationship with the Province. The agreement includes an allocation of graduate expansion spaces for one more year to 2016-17. There are 2,000 spaces remaining to be allocated across the system in the following two years. Our enrolment plans are set within the context of the University's long term planning framework, *Towards 2030*, and our Strategic Mandate Agreement. The University has aspirations to expand graduate enrolment by about 850 master's spaces and about 400 doctoral spaces (provincially funded) over the next five years. These plans moderately exceed an estimate of our share of the remaining 2,000

[2] Globe and Mail January 27, 2016

spaces and plans will be recalibrated each year based on actual results and new information from the Ministry.

The MTCU funding-formula review is designed to support the provincial differentiation framework announced in 2013, with a goal to shift the focus away from enrolment growth. The current funding model includes several key components: the basic operating grant + enrolment based funding (91%), special purpose grants which support specific policy objectives (3%), the general quality grant (3%), provincial research overhead funds (2%) and performance funding which is based on key performance indicators (1%). The recent report released by MTCU does not yet give any specific indication of how the funding formula might change however MTCU has noted that there will be no additional funding provided as a result of funding formula changes, nor will any university allocation be reduced. As a result, we anticipate gradual changes at the margins to operating grant funding.

The provincial grant has, in the past, represented the largest portion of the University's revenue. Per-student funding in Ontario trails behind all other provinces and this shortfall is damaging to some of Canada's finest universities. The drop in the provincial grant has dramatically altered the size and composition of the University of Toronto operating budget. This trend continues in 2016-17 with government grants expected to represent only 28% of total operating revenue, declining to 24% by 2020-21. To put this in perspective, in 2000-01 the comparable proportion was 50%.

An MTCU policy change in 2015-16 acknowledged the importance of attracting and funding international doctoral students. Under the new policy, MTCU will provide operating grant funding for 38 doctoral students at the University of Toronto. While this number is small relative to our doctoral student population (6282), it signals a noteworthy change in provincial policy.

With respect to undergraduate students, the University has been able to attract very high quality students. Entering averages continue to rise each year and are carefully monitored as an indicator of the academic quality of our students. Despite a system-wide 0.1% reduction of Ontario high school applicants for Fall 2016, the University of Toronto's first-choice Ontario high school applications have increased by 1.2%. Total University of Toronto Ontario high school applications (all choices) were up 2.1% relative to a provincial increase of 1.5%. In the non-Ontario high school category (students from other provinces and international students) of undergraduate students, early statistics indicate about an 11% increase in applications to UofT over last year, relative to a 3.2% increase across the Ontario system.

Our plans call for most of the undergraduate growth to be on the Mississauga and Scarborough campuses, as specified in the University's *Towards 2030* plan. This growth will be accompanied by considerable capital investment and faculty hiring on both campuses. Undergraduate enrolment in the Faculty of Arts and Science exceeded target by approximately 1,000 full-time students in Fall 2015; as this unanticipated variance flows through over the next four years, total undergraduate enrolment will remain higher than previous plans, returning thereafter to original plans. Summaries of enrolment plans are contained in Tables 1, 2 and 3.

Table 1: Enrolment FTE results 2015-16 and projections to 2020-21

	2015-16A	2016-17P	2017-18P	2018-19P	2019-20P	2020-21P
UG Domestic	49,082	49,107	49,438	49,701	49,647	49,672
UG International	11,820	12,306	12,915	13,137	13,104	13,130
Grad Domestic	13,480	14,096	14,587	14,913	15,079	15,215
Grad International	2,747	2,829	2,915	2,988	3,066	3,125
Total FTE	77,129	78,338	79,855	80,739	80,896	81,142

Table 2: Undergraduate FTE by campus

	2015-16A	2016-17P	2017-18P	2018-19P	2019-20P	2020-21P
UTM	11,405	11,904	12,306	12,628	12,763	12,791
UTSC	10,486	10,841	11,195	11,452	11,637	11,686
St. George	39,011	38,668	38,852	38,758	38,351	38,325
Total FTE	60,902	61,413	62,353	62,838	62,751	62,802

Table 3: Graduate FTE by degree type

	2015-16A	2016-17P	2017-18P	2018-19P	2019-20P	2020-21P
Profess. Masters	7,167	7,747	8,107	8,317	8,438	8,516
Doc. Str. Masters	2,778	2,878	3,003	3,051	3,060	3,062
PhD	6,282	6,300	6,392	6,533	6,647	6,762
Total FTE	16,227	16,925	17,502	17,901	18,145	18,340

Note: The enrolment tables include TST conjoint enrolment and exclude TST non-conjoint enrolment.

Tuition and Student Assistance

A full discussion of tuition fees is contained in the annual *Tuition Fee Report* which accompanies this report when presented to the Business Board of Governing Council. Key highlights are noted below.

Tuition fees at the University of Toronto are determined in accordance with the University's Tuition Fee Policy, the Statement of Commitment Regarding International Students and the Provincial Government's Tuition Framework which runs for a four-year period to 2016-17. **The long range projections assume the Tuition Framework will remain unchanged over the course of the planning period.** Under the Framework, domestic tuition fees are regulated and increases are allowed, subject to accessibility guarantees. The Tuition Framework has altered the way in which universities are permitted to charge students under the Program Fee methodology; as a result the Faculty of Arts and Science began phasing in changes to their program fee structure in 2015-16, with final changes in 2016-17, resulting in an annual loss of tuition revenue of about $9 million once fully phased in.

The tuition framework is accompanied by a Student Access Guarantee (SAG.) The SAG requires universities to provide sufficient financial aid to every direct-entry undergraduate OSAP-eligible student to cover expenses directly related to his or her program, including books, tuition and mandatory fees, which are not fully met by OSAP.

The University of Toronto is independently committed to student aid and is guided by the 1998 Governing Council policy on accessibility, which predates the government's framework, and will continue to drive our funding for needs-based student aid. The policy contains the following Statement of Principle:

"No student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means."

At the University of Toronto approximately 53% of full time domestic undergraduate students and 23% of full time domestic graduate students receive support from the provincial needs-based assistance program (OSAP). Within that population many students also receive funding from the University's needs-based aid program (UTAPS). In addition, many undergraduate students benefit from the provincial Ontario Tuition Grant program which provides $915 per term for up to two terms in 2015-16. When taking all of these grant and bursary programs (not loans) into consideration, the portion of total tuition paid by OSAP-eligible students, on average in 2014-15 was 51% of the posted rate. There was a 4.2% increase of students with OSAP debt graduating from direct-entry programs since 2010-11; however, the average OSAP debt of these students decreased over the same period by 7%. The combination of these University and provincial student financial aid programs enhances access to the University's excellent education opportunities for a wide array of students.

Federal Funding

Funding from the federal government is provided to universities primarily to support research and is not generally part of the University's operating budget. However, it interacts with the University's operating budget in three important areas: Canada Research Chairs, the institutional cost of research, and graduate student support.

In the 2014 federal budget, the government positioned postsecondary research within their Science, Technology and Innovation strategy. The federal budget announced the creation of the Canada First Research Excellence Fund (CFREF), a $1.5 billion fund over ten years. The objective of the fund is to "help Canada's postsecondary institutions excel globally in research areas that create long-term economic advantages for Canada." In July 2015 the University of Toronto was awarded the largest research grant in our history under the CFREF program. The $114 million grant will be spread over seven years, whereby the University and its partners, which include the Hospital for Sick Children, the University Health Network, and Mount Sinai Hospital to deliver a new program, called Medicine by Design. The initiative and the new funding build on years of support for U of T's regenerative medicine researchers from federal granting councils, the Canada Foundation for Innovation and support from the Canada Research Chairs and Canada Excellence Research Chairs programs. The University is currently preparing a proposal for the second round of CFREF funding.

The Canada Research Chairs program introduced in 2000-01 provides salary and research support for outstanding university researchers on a competitive basis. Research chairs are awarded to each university based on its share of research funding by the federal granting councils. The University experienced a decline in the number of CRC chairs several years ago but the trend is reversing as we increase our share in tri-council funding competitions. Since the CRC program was introduced, inflation has reduced the effective value of Chair funding by over 25%. An appropriate adjustment to government funding is long overdue.

As a long-standing subject of government advocacy, universities have been requesting that the federal government recognize the full cost of research in its research funding policy, with a 40% rate as a minimum target for the indirect costs. The government began to provide institutional costs of research funding in 2003-04 through what is now called the Research Support Fund (RSF), with an effective rate for the University of Toronto now at 17.7%. This is currently contributing just over $20 million to the University's operating budget, and continues to be considerably short of the actual institutional cost of research, estimated at over 50% at the University of Toronto. A doubling of the federal RSF rate would bring us to $40 million, putting us somewhat closer to our AAU competitors and would have a significant impact on allowing the research intensive divisions to close the gap on their structural deficits. Without a change in the funding formula, each additional dollar of research funding places a higher burden on the University's operating funds. The CFREF research grant includes funding for institutional cost of research.

The federal government supports graduate students by providing fellowships on a competitive basis. Although these funds do not flow through the University's budget, they provide indirect budget relief to the academic divisions by freeing up funds that would otherwise have to be used for graduate student support. The support for graduate students has not kept pace with the rapid growth in graduate enrolment.

Compensation

The Province continues to expect broader public sector employers to exercise compensation restraint, both in collective bargaining, and in setting compensation for individuals who do not bargain collectively. In July 2012 the Finance Minister issued a letter setting out the Government's expectations for renewal collective bargaining, indicating that renewal agreements should be for a term of at least two years, with no net increase in compensation (broadly defined). The letter is still in effect. The general thrust of the Government's policy in this area has been to emphasize that institutions need to operate within their budgets in an era of ongoing compensation restraint.

The University has completed negotiations with the majority of its unions, as well as the Faculty Association. Agreements are in place through 2016-17 for the major bargaining groups: USW (administrative staff), UTFA (faculty), CUPE Unit 1 (teaching assistants) and CUPE Unit 3 (sessional instructors). Further details are included in the *Overview of Key Planning Assumptions* section of this report.

Pension

Like almost every other Canadian and US public sector institution that sponsors a defined benefit pension plan, the University is facing both a going concern and a solvency pension deficit. Both the overall economic and financial climate and the regulatory landscape continue to be very uncertain with respect to pensions. Interest rates continue to be at historic lows, affecting investment returns and risk taking, and making it much more difficult to achieve investment returns. The University has been accepted to Stage 2 of the Ontario Government's temporary solvency relief program and net solvency deficit payments are scheduled to begin July 1, 2018. Expense projections include annual pension special payments of $122 million by the end of the planning period. Further details are included in the *Overview of Key Planning Assumptions* section of this report.

Other Future Liabilities

The University has many future liabilities, not currently funded directly through the operating budget.

Deferred maintenance across the three campuses is estimated at $518 million. Both St. George campus and UTSC saw a slight increase in their respective total liability compared to last year while UTM saw a decrease of $7 million. As with previous reports, the vast majority of deficiencies are still focused at St. George with $450 million (87%) of the total liability. The operating budget sets aside approximately $16 million annually (growing to about $18 million in two years) for deferred maintenance at St. George. Separate funds are set aside at UTM and UTSC. Additional funds are available to address deferred maintenance through the provincial Facilities Renewal Program (FRP) program. In 2014 the Province announced its intention to phase in increases to the FRP program beginning in 2015-16. Funding for the university sector is projected to increase from $17 million in 2014-15 to $67 million in 2019-20. The portion allocated to the University of Toronto is projected to increase from $3 million in 2014-15 to $12 million in 2019-20. The balance of funding provided by the operating budget vs. the province will be reviewed annually to ensure optimal use of resources.

The ancillary operations' cumulative deficit has been declining over the last several years and is projected to be $41 million at April 30, 2016, a reduction of 64% of the $115 million deficit in 2011. The capital fund cumulative deficit is projected to be $42 million at April 30, 2016. These deficits are primarily due to the internal financing of capital projects, which has the impact of increasing both the University's overall deficit and the investment in capital assets.

The Budget Process

The Planning Process

This budget represents the culmination of many months of planning and the decisions of many academic and administrative units. The budget-setting process at the University of Toronto is very much a bottom-up process, whereby Deans and their teams in academic divisions and departments look at their own revenue and expense budgets and make decisions locally. Decisions are rolled up for review and approval, informed by relevant economic factors, risk assessments, collective agreements, provincial and University policies and then approved by administration and governance.

An essential and major part of the annual budget process is the formal process for budgetary reviews for both academic and shared-service divisions. Two review processes are conducted annually, one for shared-services and the associated university-wide costs, and the other for the academic divisions.

Each shared-service division prepares multi-year budget plans for its units. These plans are reviewed by the President, who takes advice from the Divisional Advisory Committee, which includes the Principals at UTM and UTSC, and representative deans of faculties. The purpose of the review is two-fold. First, the review ensures that any proposed changes in services are aligned with the needs and priorities of the academic enterprise. Second, the review establishes spending priorities, considers the alignment of services between those provided centrally and those provided in the divisions, and ensures that all possible cost reductions have been examined.

The annual academic budget reviews (ABRs) take place throughout the autumn term. Each division submits a multi-year budget plan to the Provost based on its academic plans. Revenue projections are based on enrolment plans, new program offerings, advancement outcomes, etc. Expense projections take into account cost increases, changes in faculty and staff complement, student financial support, etc. These plans are discussed in individual review meetings with a Provostial committee that includes the Provost, the Vice Provost Academic Programs, the Vice President University Operations and senior staff in Planning and Budget. The reviews inform approvals of enrolment targets, academic appointments, allocations from the University Fund, approval of campaign priorities, and approval of capital plans.

The review process, whether for academic or administrative divisions, amounts to a high level of engagement by deans and members of the senior administration in the budget process. As a result, budgetary allocations are informed not only by the overall budget situation of the University but also by the circumstances of individual divisions and by their academic values and priorities. Cost containment measures, which are often necessary because of the constraints on revenue, are applied by each academic division based on its own circumstances.

The review process also promotes a better alignment of the University-wide services with the needs of the academic divisions. The involvement of members of the senior administration leads to a deeper understanding of the nature of the University's expenses, how services can be best delivered, and where and how savings may be realized.

The University's Budget Model

The University adopted the University of Toronto Budget Model in 2007-08. The fundamental guiding principle underlying the budget model is *"The budget allocation process is a primary tool for the implementation of the university's academic plans and academic priorities."* The model has three basic objectives:

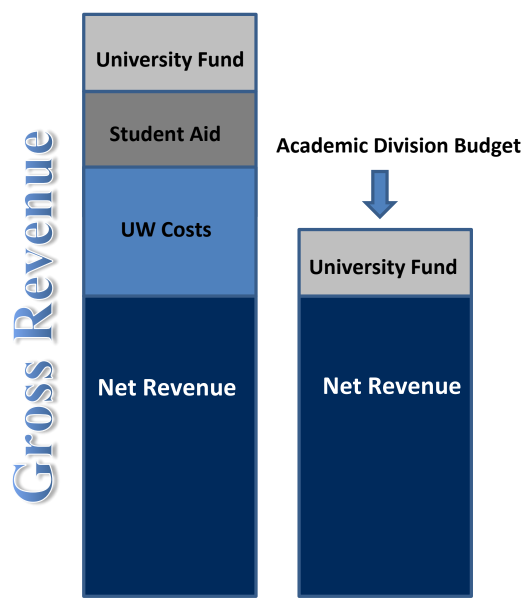
- to provide a high degree of transparency, enabling all levels of university administration and governance to have a clear understanding of university revenues and expenses,
- to introduce broadly-based incentives to strengthen the financial health of the university by increasing revenues and reducing expenses, and
- to encourage a higher level of engagement of all senior levels of administration in budget planning for academic divisions and in recommending priorities and budgetary allocations for shared infrastructure.

A review of the budget model was conducted in 2010-11 and the results of the review indicate that the budget model is meeting these objectives and serving the University well. In fact it has enabled the University to manage its resources with greater resilience and creativity through the recent challenging fiscal circumstances. Information on the budget model and the review report can be found on the University's Planning and Budget website.

The model introduced a simple methodology for attributing revenues and the costs of shared infrastructure to all divisions. A major portion of the expense budget allocated to an academic division is its *Net Revenue,* which is equal to its share of the University's gross revenue less its share of expenses, including its contribution to student aid and to a university-wide fund called the University Fund. A division's net revenue reflects its programs, student enrolments, advancement activities, research, etc. Divisions benefit as these activities bring more revenue and when, in cooperation with central service units, they are able to make more efficient use of the shared resources.

The remainder of a division's budget is an allocation from the University Fund. This is an entirely non-formulaic allocation, intended to provide funding in accordance with the University's academic values and priorities. It ensures that the total budget of a division is determined by the University's own priorities rather than by those of an external entities. It also enables the University to recognize differences in the cost of delivery of various programs. Figure 1 provides a visual presentation of how academic budgets are derived

Figure 1: University of Toronto Budget Model



The process of attributing revenues and costs to divisions has been designed to minimize administrative overhead. For example, no transaction accounting is used to attribute the cost of a particular service. Instead, revenues and costs are attributed using readily available and verifiable parameters that provide a reasonable basis for the distribution of revenue or a suitable measure of the extent to which a division has access to a particular resource or service. These measures are referred to as revenue drivers and cost drivers, respectively. They include such parameters as number of students, number of faculty, usable space area occupied, etc.

The budget planning cycle is based on a five-year rolling window. Budget assumptions used in the Long Range Budget Guidelines are updated each year, and new assumptions are prepared for one additional year. Revised revenue and expense projections are then prepared for the new cycle based on these assumptions.

Surplus/Deficit Management

Governing Council guidelines for deficit control were revised in 2008 as a result of the change from a fixed to a rolling-window planning cycle. According to these guidelines, the University should strive to plan a balanced budget in every year of the cycle. In addition, any outstanding accumulated deficit from previous years should be reduced to zero by the end of the five-year planning period. An in-year deficit may be allowed in some years to facilitate planning, recognizing that fluctuations often occur in enrolments, government grants, investment income, etc. The deficit or surplus in the University's integrated budget is a result of the aggregated plans of individual divisions. A planned deficit may also be necessary in exceptional circumstances. Planned budgetary deficits should also be repaid over five years.

Overview of Key Planning Assumptions

Revenue Projections

Operating revenues are derived primarily from provincial operating grants and tuition fees. They also include investment income, endowment income, Canada Research Chairs, funding for the indirect costs of research, revenue from activities such as continuing education, sale of services and cost recovery and administrative ancillary fees. The University projects growth in total revenue of $158 million in 2016-17 (7.3% over 2015-16) and $648 million over the planning period.

Operating Grants

Details of operating grants are included in Appendix A, Schedule 2. A slight increase of $7 million (1.1%) is projected in the operating grant for 2016-17 and an increase of $25 million (~4%) is projected over the next five years. The increase is entirely the result of more students; there is no increase to per student funding. The increase at St. George is short-term as the Faculty of Arts and Science flows through the additional 1,000 full-time students enrolled above target in 2015.

The budget assumes the following for provincial grants:

- No changes have been projected related to the provincial funding formula review;
- The budget projections are based on the most recent divisional enrolment plans and the information available about government funding;
- The budget projections do not include funding for capital expansion;
- The provincial government operating grants will not include an inflationary increase;
- Undiscounted funding will be received for all undergraduate students as per divisional enrolment plans and funding for graduate expansion up to the estimated University of Toronto final Strategic Mandate Agreement allocation from the provincial graduate envelope; some graduate divisional plans exceed this and tuition revenue only is assumed in those cases.

Tuition Fees

A breakdown of tuition fees vs. ancillary, continuing and executive education fees is included in Appendix A, Schedule 2. Tuition fees for domestic students are set within the provincial Tuition Framework which is ending in 2016-17; **the projections assume there will be no change in Tuition Framework beyond its final 2016-17 year**. Preliminary analysis indicates that a 1% decrease in the overall tuition cap, from 3% to 2%, would decrease revenue by about $27 million per year and $67 million cumulatively by the end of the planning period. The University will be engaged in advocacy over the coming year to ensure we maintain tuition flexibility.

Tuition fees for international students are set at a level that takes into consideration the full cost of providing a program and with reference to fees at peer Canadian and US universities. With the decline in the Canadian dollar, tuition fees are favorable to students from key international markets such as China, Pakistan, South Korea, Hong Kong and the United States. Tuition fee increases, measured at the gross level, are estimated to be just shy of 3% on average for domestic students. The average tuition increase for international students is 5.9% in 2016-17 and varies slightly each year thereafter depending on divisional plans. When student financial aid is taken into account, the average increase for domestic students is about 2%. Details on proposed tuition fee increases program by program are found in the *Tuition Fee Report*, which comes to Governing Council for approval along with this report.

In 2013 the Ministry issued its Revisions to Tuition Fee Framework Guidelines which included changes in the way in which universities are permitted to charge program fees. Program fees refer to a tuition fee structure in which all students in the same program are charged the same tuition fee for course loads at or above a certain threshold of the normal course load. A normal course load is defined as that which would be required for a student to earn a given credential in a prescribed amount of time (e.g., five courses per academic term to complete an honours bachelor's degree in four years). The University of Toronto threshold for program fees in the Faculty of Arts and Science had been 60%. The Tuition Guidelines permit a minimum course load threshold of 80% of normal course load for students charged on a program fee basis. The Guidelines allow for the change to be phased in over three years, with no mandatory change in 2014-15, moving to a 70% threshold in 2015-16 and an 80% threshold in 2016-17. In 2015-16 the Faculty of Arts and Science began to phase in the new program fee thresholds for domestic and international students in non-cohort based programs, moving to a 70% threshold. The threshold will move to 80% in 2016-17. The impact of this change is estimated to reduce tuition revenue by $9 million annually for the Faculty of Arts and Science once fully implemented. It is anticipated that the new program fee guidelines related to other programs will not have material budgetary implications for other divisions.

It is important to note that tuition revenue increases are a result of both increased tuition fees <u>and</u> higher enrolments. Under the Tuition Framework, tuition fees for entering and continuing students in Arts and Science and selected other undergraduate programs may increase by a maximum of 3%.

Tuition fees for entering and continuing students in graduate and high-cost professional programs may be increased by a maximum of 5%. Overall, the average increase in tuition for all students in any institution may not exceed 3%. The projected average for gross tuition fee increases at the University of Toronto in 2016-17 is 2.91%. In order to fit within the overall 3% cap, the University is not able to maximize fee increases in all programs due to the mix of our graduate and professional programs. To provide a bit of tuition room for professional programs to increase tuition by 5%, tuition fees for doctoral stream students will decrease by $30 in 2016-17. A reduction in tuition fees for doctoral stream students often has a net zero budgetary impact for divisions because in many cases tuition fees are funded as part of a students' graduate funding package.

The concept of "net tuition" is an important one. Net tuition is defined as the tuition paid by a student after deducting non-repayable bursaries provided by the provincial government and the University. It does not take into account student loans. Universities and the provincial government provide significant amounts of student financial support to reduce the stated cost of tuition and to ensure that academically qualified students have the resources they need to attend university.

This year the University of Toronto has updated the study of the impact of student financial support on the tuition rates actually paid by our students. The result of the analysis yields important insights into the true cost of accessing higher education at the University of Toronto. Some of the key findings for 2014-15 include:

- About 53% of UofT full-time domestic undergraduate students received support through OSAP;
- About 43% of the OSAP-eligible students noted above also received additional support from the University of Toronto;
- When OSAP, University bursaries and the Ontario Tuition Grant are taken into consideration, net tuition for the OSAP-eligible undergraduate population of students is 51%; when the net tuition study was completed for 2012-13, the net tuition rate was 48%. The increase in average net tuition from 48% to 51% is attributable to the decline in relative provincial and federal government support. The University has improved its contribution towards net tuition, with increases to our need-based financial aid programs such as UTAPS. Advocacy efforts will continue with the Province to seek contributions to provincial student aid that keep pace with tuition.
- Net tuition for the OSAP-eligible undergraduate population of students in direct-entry programs is 45%;

Ancillary Fees

Ancillary fee revenue includes fees charged to students as permitted by MTCU Guidelines. These include fees in the following categories: student services, health services, athletics, Hart House, constituent college fees, student society fees, cost recovery fees, and administrative user fees and fines. Increases in compulsory ancillary fees are regulated by MTCU through their Guidelines and in accordance with the Memorandum of Agreement between the University and student governments (1996).

Tuition Fees for Continuing and Executive Education Programs

Most divisions offer continuing and/or executive education programs. Fees in these types of programs are not regulated by MTCU. Examples include: language, creative writing, and professional development programs in the School of Continuing Studies, and executive education programs in many professional faculties.

Endowment Income

The University of Toronto has many generous friends and benefactors, who have contributed a total endowment in excess of $2.1 billion (fair value at April 30, 2015.) Endowment income is highly targeted. The endowment income included in the operating budget is directed to student aid and to the support of endowed chairs and represents a modest but important part of the University's total operating revenue, 2.5% in 2016-17. It is important to note that endowment revenue for research and academic program support is not reflected in the operating budget. The Long Range Budget Guidelines build in a conservative assumption of growth in endowments; this will be adjusted each year as gifts are received.

By policy, pay-outs on the University's endowed funds range from 3% to 5% of the market value of the relevant assets, with a target around 4%. The endowment payout strategy is to increase the payout per unit annually with inflation. The payout rate per unit will be determined and announced in March 2016 and the actual distribution will occur just prior to year end at April 30, 2016, following the normal process. For 2016 the preliminary plans indicate the payout rate will remain unchanged from last year's rate of $7.71 per unit. At April 2015, the cumulative preservation of capital was $130.6 million above the desired inflation protection. By December 2015, the actual investment return rate was 0.7%. By April 2016, holding the payout rate flat, the cumulative preservation of capital is expected to be $26.4 million above the desired inflation protection. For this budget, we propose to keep the payout rate at $7.71 for the entire period of the long-range budget for planning purpose as a precautionary measure. In 2016-17 the payout rate projects $41 million for student aid and $17 million for chairs.

Investment Income

Investment income projections have been substantially decreased relative to last year's budget due to low interest rates. The University receives interest on short- and medium-term investments of the Expendable Funds Investment Pool (EFIP.) The investments are primarily managed by the University of Toronto Asset Management Corporation (UTAM). Investment income makes up a small but important portion of total operating revenue (under 2%) and fluctuates with market conditions.

For the 2015-16 fiscal year investment income is forecast to come in at $29 million, $8 million below the budget of $37 million, a 21% negative variance. This downward progression continues into the 2016-17 projection ($30 million) growing to $60 million by the end of the planning period. The projection is based on assumptions of cash balances, revenue and expenditure rates, divisional reserve balances, transfer of operating funds to capital funds, cash donations, research revenue forecasts, and investment return rates. The UTAM return rate assumption over the next 5 years is assumed to rise from 1.01% in 2016-17 to 2.75% by 2020-21.

Sales, Services and Sundry Income

This income source of $116 million in 2016-17 includes application fee revenue, service charges on unpaid fees, real estate rental income, licensing revenue from commercialization, and revenue collected directly by divisions for general sales and services.

Canada Research Chairs

The federal allocation of CRC chairs is based on a rolling average of proportional shares of federal tri-council funding. Several years ago the University began to experience a reduction in our allocation of CRC Chairs, bringing the number as low as 232. Recently, commensurate with increased federal tri-council funding received by the University, the number of CRC chairs has increased to 247 and is projected to increase to 255 by the end of the planning period; projections include a 5% vacancy rate and "flex" moves, in which two Tier II chairs can be combined to form one Tier I chair or vice versa at the discretion of the University.

Institutional Costs of Research on Grants and Contracts

This category of revenue includes funding from the federal Research Support Fund (previously named the Indirect Costs Program) which applies to certain NSERC, SSHRC, CIHR and Networks of Centres of Excellence funding programs, indirect costs recovered through certain provincial funding programs, indirect costs related to the federal CFREF program, as well as indirect costs associated with various private sector-sponsored and other research funding agreements. The University of Toronto's rate of federal indirect costs recovery has generally been declining over the last many years, from 20.1% in 2008-09 now sitting at 17.7%. Budget projections assume the value, at $20.6 million for campus-based research, will remain constant over the planning period. Funding for the CFREF is projected to attract $2.2 million of indirect costs revenue (UofT portion) annually once fully ramped up. Funding from the provincial Research Overheads Infrastructure Envelope (ROIE) is projected to remain constant at $11 million over the planning period. Revenue from indirect costs on private sector-sponsored and other research funding agreements, and funds awarded through the Ontario Ministry of Research and Innovation (MRI) is projected to decrease from $14 million in 2015-16, to $11.6 million next year and declining to $10.8 in the final year of the planning period. The majority of the MRI funds are from the Ontario Research Fund Research Excellence (ORF-RE). Projections for the ORF-

RE include existing funding and have not assumed future competitions, given some degree of uncertainty about provincial capacity to continue the program.

Expenditure Projections

Aggregated expenditure projections are included in Appendix A, Schedule 1. More detailed views are included in Appendix A, Schedule 3 outlining projections for each university-wide “cost bin” and UTM and UTSC campus costs, and Appendix A, Schedules 4 and 5 outlining expense budgets for each academic division.

With the requirement to fund the pension solvency deficit, the declining proportion of revenue from government funding, restriction under the provincial tuition framework, and ongoing economic instability, we must remain restrained in our allocation of resources, while ensuring we maintain standards of excellence in teaching, research and the student experience. Expenditure allocations are proposed within these competing constraints and priorities. Decisions on the allocation of resources across the institution take into consideration a balance between the rates of expenditure increase in the administrative divisions vs. the academic divisions.

Commensurate with revenue increases, total expenditures are projected to increase by 7.3% from $2.2 billion in 2015-16 to $2.3 billion in 2016-17. Investments in important strategic initiatives will continue to be funded across academic and service divisions. A cost containment of $2 million (1%) will be applied to the shared service divisions in 2016-17. Academic divisions are responsible for their own increases in expenses, including the cost of compensation increases, and they will implement internal cost containment measures according to their individual circumstances.

Compensation Assumptions

Approximately 60%[3] of operating budget expenditures fund salaries, benefits and another 4% funds pension special payments and related costs.

Compensation expense increases are due both to negotiated increases for employees, to the hiring of additional faculty and staff needed to support the growth in students and research activity, and to increases in the cost of some benefits.

In July 2012 the Finance Minister issued a letter setting out the Government’s expectations for renewal collective bargaining, indicating that every effort should be made to achieve renewal agreements that are for a minimum of two years, with no net increase in compensation (broadly defined). The letter is still in effect. In addition, the Broader Public Sector Accountability Act contains provisions, enacted as part of the June 2012 Budget, for compensation restraint with respect to “designated executives” at listed broader public sector institutions, including the University. These

[3] Note that this percentage is calculated on the cash basis (which is the basis upon which the operating budget is prepared); the financial statements are prepared on the accrual basis and in that case compensation makes up about 63% of operating expenditures when employee future benefits are excluded and 73% when employee future benefits are included.

restraints apply to the President, Vice-Presidents, Vice-Provosts, Principals, Deans, Assistant Vice-Presidents and a number of senior Professional Staff. New legislation, Bill 8, has been passed, which is expected to impact only the most senior executives. The University's budget assumes that increases negotiated within the framework of restraint described above will be implemented.

One of the Government's priorities, shared by the University, has been to ensure the long term sustainability of pension plans. The University has been successful in requiring employee groups assume increased employee contributions to their pensions, meeting the Government's requirements for granting solvency relief. However, low interest rates are resulting in a continued and growing deficit and the Government has encouraged Universities to consider adopting joint risk sharing through jointly sponsored pension plans (JSPP's). The University is actively participating in ongoing discussions led by the Council of Ontario Universities (COU) and by the Ontario Confederation of University Faculty Associations with respect to a provincial JSPP for the University sector plan and, at the same time, is continuing discussions with UTFA, USW, CUPE, and other employee groups with respect to the long term sustainability of the University's plan.

Academic divisional budgets must cover the full cost of compensation increases. Shared-infrastructure divisions receive central funding to cover compensation increases.

Budgets for all divisions have been constructed based on the following assumptions:

- The standard benefit rate (SBR) will remain at 24.75% for appointed staff and 10% for non-appointed staff in 2016-17. The SBR covers legislated and negotiated benefits;
- Compensation increases for all university employees are assumed to be as per negotiated agreements or, in the case of ongoing negotiations, as per the University's offer.
- The Provincial Government Bill 16, the Public Sector Compensation Restraint Act, came to an end in March 2012.
- The Provincial Government *Broader Public Sector Accountability Act, 2010 (BPSAA)* is still in effect.
- Further compensation restraint legislation, Bill 8 Broader Public Sector Executive Compensation Act, 2014 has been passed, however will not be in effect until new compensation frameworks are established. The Vice-President HR & Equity chairs the COU committee tasked with consulting with the Government on the development of a sector framework. Work is proceeding and it is hoped a new framework will be in place by late spring 2016. In the meantime the status quo on restraint applies.

Pension special payments and pension-related costs

Original pension contribution strategy

It was reported in the Budget Report for 2012-13 that the University faced a $1 billion pension solvency deficit at July 1, 2011. The planned strategy[4] for dealing with this deficit, which recognized our recent acceptance to Stage 1 and assumed acceptance to Stage 2[5] of the Ontario Government's temporary solvency funding relief program, was as follows:

- $300 million in lump sum payments of which the first $150 million was made prior to June 30, 2011. The second $150 million payment was made by June 30, 2014, a significant portion of which was funded from a transfer of assets from the SRA fund.
- Required special payments into the pension plans were expected to be $66.6 million for each of 2012-13, 2013-14 and 2014-15 as per the actuarial valuation results at July 1, 2011 and taking into account the one year-deferral permitted under regulation.
- Based on the earlier projections done, assuming acceptance to Stage 2, the special payments would increase to $110 million per annum thereafter ($104 million adjusted by interest to reflect a one-year deferral) until July 1, 2024. Of that $110 million projected special payment, $76 million would be planned to be cash payments and $34 million, representing the net solvency deficit payments, would be planned to be addressed through utilization of non-cash letters of credit. At July 1, 2024, the annual special payment was projected to drop to $76 million per annum until July 1, 2029.

The impact of this strategy on the operating fund was an increase of $70 million per annum to the pension annual special payments budget[6], increasing it from $27.2 million per annum in 2010-11 to $97.2 million by 2015-16, via a series of base budget increases ($30 million in 2011-12, which was approved as part of the Budget Report for 2011-12, $20 million in 2012-13, $10 million in 2013-14, $5 million in 2014-15 and $5 million in 2015-16.) This annual special payments budget was expected to remain in place at this level until at least 2029.

[4] The pension contribution strategy anticipated in the 2012-13 Budget Report was approved by the Business Board in May 2012, based on pension results to July 1, 2011. It replaced the earlier document, entitled "Ensuring a Sustainable Pension Plan for the University of Toronto" that had been provided for information. The strategy elements were unchanged and the numbers were virtually the same.

[5] The University has been accepted to Stage 2.

[6] This operating fund pension special payments budget is being used to fund special payments into the registered pension plans, and for other related costs, including Pension Benefits Guarantee Fund payments, the cost of issuing letters of credit, and the costs related to the lump sum payments (principal and interest payments on up to $150 million of borrowing and SRA payments to pensioners which must be funded from the operating fund now that the SRA assets have been utilized towards the second $150 million lump sum payment.)

Update to July 1, 2015[7] pension results

Both the overall economic and financial climate and the regulatory landscape continue to be very uncertain with respect to pensions. Interest rates continue to be at historic lows, affecting investment returns and risk taking, and making it much more difficult to achieve our target investment return in the long-term. Key elements of actual experience as compared to key assumptions that underpin the current pension contribution strategy have been as follows:

The actual annual investment return over the four-year period from July 1, 2011 to June 30, 2015 was 10.42% compared to a target nominal return of 5.47% over this same period. This actual result is reflected in the going concern deficit, which, together with all other actual experience over the four-year period, and together with changes to certain actuarial assumptions, resulted in a reduction of the going concern deficit from about $1 billion at July 1, 2011 to about $446 million for the RPP and RPP (OISE) at July 1, 2015. The SRA obligation as at July 1, 2015 is about $136 million, which is being funded annually as SRA payments to beneficiaries come due, as part of this pension special payments budget.

Long-term bond rates have fallen since 2011. These rates are required to be utilized for the regulatory calculation of a solvency deficiency. The impact of lower interest rates, together with all other actual experience over the four-year period, and together with changes to certain actuarial assumptions, has resulted in a solvency deficiency that is materially unchanged from July 1, 2011 at just about $1.1 billion at July 1, 2015.

The University pension plans have been accepted to Stage 2 of the Ontario Government's temporary solvency funding relief program.

The Ontario Government has further refined its temporary solvency funding relief program. Originally, the U of T plans would have been required to commence full solvency deficiency payments at July 1, 2015 and to make those payments over a 10–year period. A further three-year deferral – in our case to July 1, 2018 – is now permitted; however, the solvency deficiency would then have to be funded over the subsequent seven years, increasing the annual payments because of the shorter period. The additional relief is predicated on allowing more time for interest rates to increase which would reduce solvency liabilities. The University has opted to take this option, with the result that net solvency deficit payments are scheduled to begin July 1, 2018. The missing piece to address the potential issue as of July 1, 2018 is the ability for the University to use a non-cash letter of credit for the net solvency deficiency payments; while that ability has now been extended to broader public sector pension plans, it would require Ministerial approval. Discussions continue between the Government and universities, and it is not yet known what additional measures, if any, will be introduced to deal with continuing net solvency funding issues.

[7] July 1, 2015 is not a filing year for pension results. The actuarial valuation was most recently filed with the Financial Services Commission of Ontario (FSCO) at July 1, 2014, and the current service payments and special service payments identified in that 2014 report continue to be required until the next required filing date as of July 1, 2017.

There is work underway to investigate a university-sector-wide jointly-sponsored pension plan and to investigate a University of Toronto jointly-sponsored pension plan. Both of these initiatives are forward-looking and would not address the going concern or solvency deficits, which reflect past experience. Additionally, the Ontario government has made it clear through its legislation that permanent solvency exemptions will be considered for multi-employer jointly-sponsored pension plans only (not for single employer ones) and will not be automatically granted even in the multi-employer case.

More work is needed in these areas, the results of which will underpin a revision of the pension contribution strategy, which will be submitted to the Business Board for approval once the work has been completed.

In the meantime, last year, as a placeholder until the actual required additional funding is determined, the operating budget added a $5 million per year increase to the pension special payments budget for each of 2016-17, 2017-18 and 2018-19, increasing this budget line from $97.2 million per year to $112.2 million per year by the end of the planning period. This was an increase of $15 million over the three-year period beyond what was included in the previous year's long-range budget. Based on the going concern and solvency actuarial results to July 1, 2014 and with a start date for net solvency payments of July 1, 2018, this budget of $112.2 million is considered to be adequate for the next three years. However, work continues on the issue of net solvency deficiency payments. Possible solutions to this issue include non-cash letters of credit, participation in a multi-employer pension plan that would be approved for a permanent exemption, and/or an increase in interest rates. In the absence of a solution, and assuming everything else remains the same, including investment returns at target, and unchanged interest rates, at July 1, 2018, the special payments budget would have to increase by a further $54.6 million per year for a seven-year period from 2018-19 through 2024-25 inclusive. While continuing low long-term interest rates at July 1, 2017 and lower-than-target investment returns by July 1, 2017 would significantly increase the solvency special payments required beginning July 1, 2018, everything else remaining the same, letters of credit may be available to mitigate any required payments. However, the use of letters of credit would need to meet certain regulatory criteria and would require Ministerial approval.

As a result of all of these uncertainties, and pending a formal revision to the pension contribution strategy, as an additional placeholder until the actual required funding is determined, the operating budget will add a $5 million per year increase to the pension special payments budget for each of 2019-20 and 2020-21, increasing this budget line from $112 million per year to $122 million per year by the end of the planning period. Together with the placeholders identified for the previous years, this results in an increase of $25 million per year over what was included in the original pension contribution strategy.

Academic Expense Budgets

This budget line includes the majority of the funds that are managed by the academic divisions. Future unspecified allocations to academic divisions from the University Fund are included on the University Fund budget line. Under our budget model each division receives an expense budget equal to net revenue plus an allocation from the University Fund, as described earlier. Academic divisional plans include hiring of tenure and teaching stream faculty across many divisions, funding of all compensation increases, allocations for renovations and upgrades of laboratory and office space, principle and interest payments for divisions holding mortgages, and increased funding for research stream graduate students, as required to support the planned growth in graduate student numbers. Some examples of current academic initiatives and priorities include:

- Recent and planned enrolment growth requires many academic divisions to increase faculty complement, in order to maintain and enhance the quality of the student experience. New academic hiring is planned across many divisions. Divisional plans include adding 74 additional faculty in 2016-17. An additional 15 new positions will be created to support undergraduate student academic progress across most undergraduate divisions.
- Divisions are developing new programs, many at the Professional Masters level. Divisions are also actively engaged in interdivisional teaching activities, interdisciplinary teaching and research, and creating new combined and double degree opportunities.
- Divisions are developing new course delivery methods, including fully online courses, hybrid and inverted courses;
- International enrolment is projected to remain strong across arts and science programs at all three campuses, in the Faculty of Engineering, the Daniels Faculty of Architecture and Landscape Design and many professional master's programs. These divisions and programs will invest in additional academic programming, co-curricular programming, and counselling and support services to ensure the success of our international students;
- Academic plans call for increased experiential learning opportunities for students, not just in the traditional professional programs but across a wide array of science, humanities and social science programs;
- Several divisions will be increasing funds available for new faculty start-up funding;
- New space at 1 Spadina, MaRs and the Centre for Engineering Innovation and Entrepreneurship will require additional spending on occupancy costs;
- Graduate programs continue towards their enrolment expansion targets. The past year has seen a recalibration of plans for doctoral enrolment growth, with a reduction in targets in Engineering and Arts and Science. There has also been renewed focus on clear communication with students regarding time-to-completion statistics and student funding packages. Many graduate units have a goal to raise more endowments to support graduate students, using matching funding provided by the Provost's Office. Divisions will nonetheless have to set aside

operating funds to support growth in graduate student numbers. The Provost has extended Doctoral Expansion Incentive Fund to further support divisions;

- Many capital projects are planned over the next five years include North2 and Davis2 at UTM, Instructional Centre, Student Life Centre/Residence and Highland Hall at UTSC, renovations in several Arts & Science buildings at the St. George campus, the Site 12 academic tower, renovations at University College and renovations for the Faculty of Medicine. Divisions will provide a portion of the funds for these buildings from their operating reserves. In all cases deans continue to strive for increased support from donors toward these important projects.

Interdivisional Teaching

A new interdivisional teaching (IDT) agreement was signed in 2015 between the faculties of Arts and Science and Applied Science and Engineering. The agreement is based upon a set of principles that align with the academic priorities of each division and builds on the principles of the University of Toronto budget model and the 2008 Task Force Report on Interdivisional Teaching.

The Faculty of Arts and Science and the Faculty of Applied Science and Engineering have a longstanding teaching relationship wherein the Faculty of Arts and Science provides teaching to students in the Faculty of Applied Science and Engineering; Arts and Science teaches approximately 16% of the undergraduate curriculum for Engineering students. The new agreement includes an academic framework whereby the two divisions commit to work together to achieve the educational mission to the benefit of students, faculty and administrators across the two divisions. The agreement establishes academic oversight committees that provide a forum for meaningful discussion of enrolment, instructor and curriculum planning.

The agreement is a revenue sharing agreement that includes an incentive structure that is positive and appropriate for both divisions and focuses on strengthening the IDT relationship to the benefit of both divisions. The 2014-15 University Fund allocation of $2 million provided by the Provost enabled the two divisions to use the funds to put in place an agreement projected to reach a total value of $6 million by 2019-20.

The framework is broadly applicable to most other interdivisional teaching activities at the University however is adaptable to suit the particular circumstances of each divisional negotiation. Upcoming negotiations include discussions between Arts and Science and Medicine, Architecture, Management, UTSC and UTM. University Fund allocations of $2 million in each of 2015-16 and 2016-17 will provide financial support from the Provost to transition to the new agreements.

University Fund

As noted above, the University Fund (UF) is the non-formulaic portion of an academic division's budget, intended to provide funding in accordance with the University's academic values and priorities. Each year the Provost has 10% of incremental (unrestricted) operating revenue available for distribution to academic divisions. The distribution is made after all annual budget reviews have taken place, and takes into consideration divisional and University-wide academic priorities. The total incremental amount available in 2016-17 is projected to be $14 million. There is also $5 million funding available as previous one-time-only funds allocated in prior year become available for new allocations. Over the 5-year planning period the Provost is projected to have about $59 million available for allocation to academic divisions through the University Fund. In 2016-17 the theme of the University Fund is *Investing in Excellence* and allocations will be made in across four priority categories:

1. **Excellence in Education: reimagining undergraduate education ($5.35 million)**
    - An allocation of $1.2 million for a new program innovation fund to support the development of undergraduate double degree programs. The fund will be available a one-time-only basis for three years to assist with development and start-up costs;
    - Allocations of $1.0 million (base) each to UTM and UTSC toward Dean's Funds to enhance academic initiatives identified by the Deans at the Academic Budget Review meetings;
    - An allocation of $150,000 (base) for a faculty position in the Faculty of Kinesiology and Physical Education to improve the student faculty ratio;
    - An allocation of $2.0 million (base) for the next tranche of support for interdivisional teaching for negotiations between Arts and Science with Rotman, UTM and UTSC.

2. **Excellence through Access and Diversity; leveraging our location and reflecting our city ($3.3 million)**
    - An allocation of $300,000 for two faculty positions to be shared between the Transitional Year Programme and Arts and Science;
    - Consistent with the University's Statement on Equity, Diversity and Excellence, we are committed to proactively seeking to increase diversity in our community. In advancement of that commitment, an allocation of $1.5 million (one-time-only for 3 years) is being made to support 50% of salary and benefit costs for 20 faculty hires made on the basis of excellence, that also increase the diversity of divisional faculty complement across the three campuses. Hires will be part of divisional approved complement plans. Consideration of whether a hire increases the diversity of the division and is therefore eligible for this support may vary according to each division's existing complement;
    - An allocation of $1.5 million (base) for 15 staff positions to support student academic progress. Although the University currently provides high-quality support for undergraduate students, the need for services continues to grow in the areas of mental health, accessibility and learning strategist services. These positions will be locally embedded with 10% of their time accountable to a larger team effort that liaises through the local campus system to the Vice-Provost Students and Vice-Provost Innovations in Undergraduate Education. As part of

the crisis and academic response team, these local coordinators will assist in case triage and ongoing local need while linking with tri-campus coordinators for overall case management. Supports for student academic progress may be defined by each division to meet their most pressing needs. Development of the new positions will occur in consultation with the Vice Provost Students. The University Fund allocation builds on the work already being done jointly by divisions and central student services. The allocation includes positions for:

- Faculty of Arts & Science – 4 FTE
- UTM - 3 FTE
- UTSC - 3 FTE
- Transitional Year Programme and Woodsworth College – 1 shared FTE
- Faculty of Applied Science and Engineering – 1 FTE
- Daniels Faculty of Architecture and Landscape Design – 1 FTE
- Faculty of Music – 1 FTE
- Faculty of Kinesiology and Physical Education – 1 FTE

3. Research Excellence; enhancing the University's global reputation and profile ($4.8 million)

- An allocation of $1.5 million (one-time-only for 3 years) for a Graduate Program Innovation Fund. This fund will support proposals for initiatives to enhance and improve the quality, diversity, time to completion and completion rates of students in graduate programs. Initiatives could include curriculum redesign efforts, addressing supervision challenges, recruitment initiatives beyond the GTA, graduate professional development initiatives, targeted student funding, and others. The fund will be managed by the Dean of the School of Graduate Studies;
- An allocation of $750,000 (one-time-only for 3 years) to support interdisciplinary initiatives in the area of computational data science;
- An allocation of $500,000 (base) to the Faculty of Applied Science and Engineering in support of their graduate intensification initiatives;
- An allocation of $2.0 million (one-time only for 1 year) for faculty start-up packages.

4. Sustaining Excellence with Structural Budget Support ($5.7 million)

Financial support (base funding) will be provided for academic divisions facing intractable budget challenges:

- Faculty of Medicine: $ 1.0 million for the basic science departments;
- Faculty of Arts & Science: $185,000 related to an historical commitment;
- Dalla Lana School of Public Health: $350,000 related to an historical commitment;
- Daniels Faculty of Architecture and Landscape Design: $1.0 million to assist with new space costs related to the move to 1 Spadina;

- Bloomberg Faculty of Nursing: $ 250,000 to assist with increasing clinical teaching costs;
- Provostial Reserve for structural budget support $1.0 million: to be held aside by the Provost and allocated to academic divisions upon completion of budget review and analysis in select divisions;
- $1.9 million realignment of library budgets: support will be provided to enable the libraries in Law, Music, Rotman and Architecture to realign their budgets with the University's central library system budget, thus establishing more equity in the way divisional libraries are funded across the University. Other divisional library budgets will be reviewed over the coming year.

Student Aid Expenditures

The University of Toronto maintains a deep commitment to financial support for its students. As articulated in the Governing Council Policy on Student Financial Support (approved by Governing Council in April 1998): "No student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means." The University of Toronto's Policy on Student Financial Support sets out the principle that students should have access to the resources that will enable them to meet their financial needs, as determined through the same methodology used by the Ontario Student Assistance Program (OSAP). In practice, this means that the University provides institutional student aid to qualified students whose financial need is greater than what OSAP provides. This aid is provided as non-repayable grants. This commitment goes beyond the requirements of the province of Ontario's Student Access Guarantee, which defines institutional requirements for meeting a student's financial needs. SAG requires institutions to provide non-repayable aid to assist students with expenses related to tuition, books and supplies not covered by OSAP; the University of Toronto also provides aid for living expenses. In 2014-15 the University provided $38 million in non-repayable aid to undergraduate students over and above our $20 million SAG requirement.

In 2014-15 the University provided a total of $181 million in student assistance. Some of this student aid is administered directly by academic divisions and some centrally. A breakdown of student assistance is displayed in Appendix A, Schedule 3. An important financial aid program is the University of Toronto Advance Planning for Students (known as UTAPS), the University's major program for meeting financial need not addressed by OSAP, other government programs, or First Nations band funding. The UTAPS budget will increase by $4 million to $49 million in 2016-17 and to $56 million by the fifth year. The overall planned increase in UTAPS takes into consideration growth in the number of domestic undergraduate students and increased tuition fees. Plans also include an increase to funding for the work study program which has proven to be very successful for departments and students.

The Ontario Tuition Grant (OTG) was introduced by the province of Ontario in January 2012 to help offset the tuition paid by Ontario postsecondary students. Most Ontario students entering undergraduate university programs directly from high school are eligible for the grant. In 2015- 2016 the grant is available at the rate of $915 per term, up to two terms per year (maximum of $1,930.) In 2014-15 University of Toronto students received $30 million in grants through this program.

A significant portion of student aid is derived from endowments ($42 million projected for 2016-17). The remainder of the student aid budget is derived from government scholarship grants; doctoral completion awards and grants, merit awards, and programs funded by the provincial government. The budget projections take into account the potential for continued pressure for needs-based student aid as the economic climate remains uncertain and is likely to continue to impact many students and their families.

The University is in the early planning stages of a new international undergraduate scholarship program which is scheduled to launch in 2017-18. The program is available to students in direct-entry programs (A&S, UTM, UTSC, Music, Kinesiology, Engineering and Architecture and is aligned with the President's priority to strengthen international partnerships. Each scholarship will cover tuition, books and living costs for four years. Funds will be provided from a combination of international tuition revenue and fundraising.

Our graduate students receive support from several sources. Some of this is reported as part of student aid in the operating budget and some comes from other sources, such as research stipends, external awards and employment income from positions as teaching assistants. In total our graduate students received support of $268 million in 2014-15, an increase of 6.3% over the prior year.

University-wide Costs

University-wide Costs charged to academic divisions in 2016-17 are projected to total **$527 million**, comprised of:

1) **$276m in portfolio operating budgets** for compensation and other expenses incurred in the provision of shared services;
2) **$124m in non-discretionary expense budgets** for targeted, required institution-wide costs such as utilities, banking, audit, insurance and legal fees, payments under agreements with the federated colleges, municipal taxes, collective bargaining commitments, and licensing fees for existing institutional IT systems;
3) **$102m in pension special payments,** as described in the pension section of this report; and
4) **$25m in academic initiative funds** administered by multiple shared service units held as specific initiative funds for distribution to academic divisions throughout the year. This includes funds such as the International Fund, Major Research Project Management Fund, the Doctoral Expansion Incentive Fund, the Provost's Matching Fund and the Instructional Technology Fund.

For budget allocation purposes, the above costs (known in aggregate as university-wide costs) are grouped into twelve costs bins.

Shared service divisions play a vital role in providing faculty, students, and academic administrators with physical, technological, and human resources in support of teaching and research. For budget accountability purposes, the shared services are organized into 10 portfolios:

- University Advancement
- Int'l, Gov't & Institutional Relations
- Communications
- UT Libraries
- Chief Financial Officer
- University Operations
- Governing Council
- Provostial Services
- Human Resources
- Research and Innovation

Occupancy costs, including utilities, maintenance and caretaking, and deferred maintenance make up the single largest university-wide cost category. A few key features of these cost projections include:

- Utility costs are projected to increase significantly in 2016-17: gas (30%), water (9%) and hydro (10%). All three campuses continue to invest in energy reduction programs thereby somewhat mitigating the impact of rising costs;
- The University of Toronto has established a tri-campus Utility Reduction Revolving Fund (URRF) to encourage and foster energy cost reduction strategies and initiatives. The URRF arises from a successful history of energy reduction projects at UofT. The URRF provides seed money to directly fund sustainable energy and water innovation projects that will significantly reduce our environmental footprint and save operating costs. To date we have achieved audited savings of $2.2 million across several projects at the Medical Sciences Building, OISE, Robarts Library, Rotman garage and the north-west chiller plant. Projects are planned for lighting retrofits at Fisher Library and Rotman North, and BAS occupancy/lighting controls at the Bahen, Bissell and Earth Sciences buildings;
- As new space comes on line in outer years, utility and caretaking costs are projected to increase. Under the University's budget model, academic divisions are responsible for covering the operating costs of their space.

- The St. George deferred maintenance budget will increase by $1 million in 2016-17 and another 41 million is expected to be added the following year, bringing the total fund to $18 million. These funds are used to manage the deferred maintenance liability, estimated at $435 million for the St. George campus. UTM and UTSC each budget for their own deferred maintenance requirements, estimated at $65 million across both campuses. MTCU has recently announced an increase to the Facilities Renewal Program (FRP), scheduled to increase from $26 million in 2014-15 to $100 million in 2019-20. It is projected that the University of Toronto share will increase from the current annual FRP allocation of $3.1 million to $12 million once the program is fully in place. We will assess the distribution of operating funds vs. FRP funds as the FRP program ramps up.
- The Academic and Campus Events (ACE) office manages 300 classrooms; while some classrooms have been rejuvenated and transformed, over 200 instructional spaces remain in relatively poor condition and do not reflect the diversity of learner needs. Investments are planned over the five-year planning cycle to upgrade and revitalize the classrooms. The cost is estimated at $12 million. Funds will be provided from a combination of rental income and $1 million per year from the operating budget; feedback from users and academic division stakeholders will continually inform the plan as it rolls out.

The central library cost bin is the second largest university-wide cost, including budgets for many centrally funded libraries. The budget includes the cost of collections, space and administrative and librarian services associated with the central library system. Additional funding is proposed for 2016-17 aligned with the library's strategic plan. Proposals for funding include:

- An increase of 5.3% on the cost of electronic acquisitions plus 2% to offset the weakening Canadian dollar ($1.5 million); the budget allocation will be monitored to assess impact of purchasing in US dollars;
- Expansion of librarian capacity in areas such as acquisitions, archives, research outreach;
- Continued support in the Scholarly Communications and Copyright Office (year three of the funding plan based on the University's decision to begin operating outside an Access Copyright license)
- Improved weekend caretaking at Robarts Library
- Transfer of savings from the Downsview offsite storage project to the Fisher Rare Books Library fabric repair project.

Following are a few of the key priorities for other shared services for which new funding is proposed in 2016-17:

a) Additional funds are proposed in the Research and Innovation portfolio to provide staff in support of the Major Research Project Management Fund, which has been a highly successful fund to date in support of large multi-institutional research grant proposals, as well as positions in the area of audit and quality assurance. Funds will also continue for membership in Mars Innovation;

b) Additional funds are proposed for the Provost's portfolio for international student recruitment and for review and enhancement of the academic toolbox which will enable the University to remain at the forefront of educational technology;

c) The portfolio of the Chief Financial Officer includes the Procurement office which has been developing and implementing a new procurement platform, called uSource, over the past few years. uSource is now available to the University community and includes access to more than double the number of suppliers available under the old system. Staff support for transition, training and procurement advice had been provide on a one-time-only basis until now; funds are now proposed to add appointed staff in the Procurement office as well as support in Information Technology Services. The uSource business case projects savings $2 million distributed across the institution, calculated at savings of $100 per purchase order; the University processes almost 20,000 purchase orders per year.

d) Additional funds are proposed to strengthen staffing in the Human Resources portfolio in order to complete and maintain the USW job evaluation project and for the newly restructured integrated HR office. Funds are also proposed for staff to support immigration services due to significant policy changes from Citizenship and Immigration Canada regarding engaging foreign national workers;

e) In the area of IT services continued investments are planned for the next instalment on the multi-year new student system (NGSIS), network infrastructure upgrades, project RAISE development support, expansion of the wireless network (fifth of six planned upgrades), and time-capture software that will allow self-reporting of timesheet information by casual employees; elimination of manual timesheet processing could save the University over $1 million annually in staff time;

f) Funding will be provided over the next several years to support the next phase of the Boundless fundraising campaign and transition to a new steady state of increased annual fundraising. Funds will also be provided to support annual giving programs, alumni programming and donor stewardship.

g) In 2015-16 the University created a new Communications portfolio. The first year of the new portfolio was funded on a one-time-only basis through existing resources from University Relations, Research and Innovation, and Advancement. In 2016-17 new resources will be allocated to enhance the capacity of the new portfolio and to fund the marketing plan.

The Federated Block Grant reimburses the Federated Universities for the provision of registrarial and library services, and the cost of space. These payments are calculated based on a methodology outlined in the Memorandum of Agreement, which includes a year-end adjustment for the actual cost of utilities. The Memorandum has expired and a new agreement is under discussion; the budget assumes the terms of the old Memorandum will continue.

UTM and UTSC Campus Costs

The University of Toronto Mississauga and University of Toronto Scarborough function both as campuses and as academic divisions. These costs include expenses for the offices of the Principals, occupancy costs (utilities, caretaking, grounds, etc.) and Student Life services on campus, defined in a manner parallel to the costs required to administer St. George at the campus level.

Flow-through revenue to other institutions

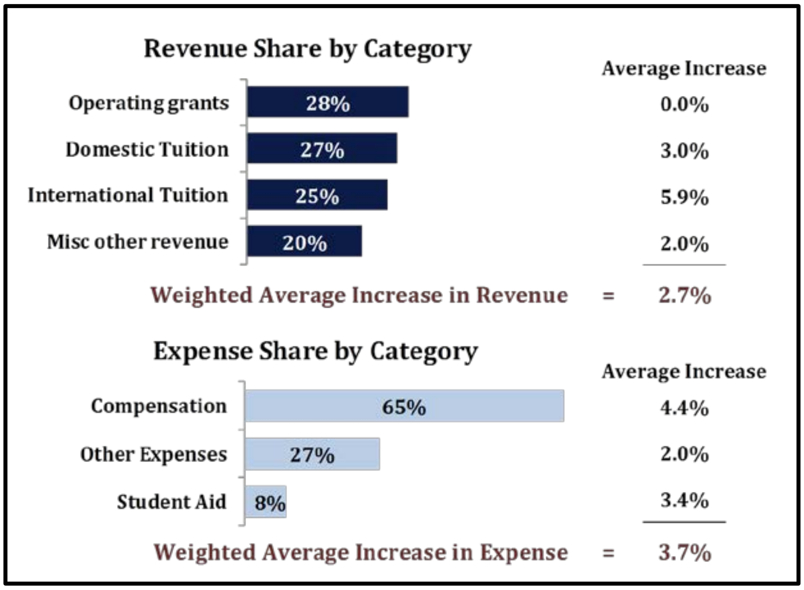
Several university programs include joint activities with other institutions, which aligns with our SMA objective of improving collaboration, pathways and student mobility. This expense category captures those portions of university revenue that flow to collaborating institutions. It includes:

- Canada Research Chair revenue flowing to hospitals;
- Provincial grant revenue flowing to the Toronto School of Theology; and
- Grant and tuition revenue flowing to the Michener Institute and Sheridan and Centennial Colleges with which the University offers joint programs.

The Structural Budget Challenge

Like many publicly funded research intensive universities, the University of Toronto is facing a potential structural budget challenge. The weighted average rate of revenue growth is projected to be 2.7% when enrolment levels and mix reach the long term goals, often referred to as "steady state". In other words, when the University reaches its domestic and international, graduate and undergraduate enrolment targets, and is no longer relying on growth in student numbers, it is expected that revenues will increase at about 2.7% per year. Contrasted against this, is the anticipated "steady state" weighted average rate of growth on the expense side of the budget is approximately 3.7%. This leaves a notional structural budget annual gap of 1% at steady state. Figure 2 displays the structural budget challenge.

Figure 2: Structural Budget Challenge at the University of Toronto



The University is actively pursuing strategies that align with our academic mission and allow us to close this gap. On the revenue side we are exploring opportunities to diversify revenue sources through innovative new initiatives, building the endowment and increasing expendable gifts through the Boundless campaign and beyond, advocacy with the federal government to increase the indirect costs of research rate to at least 40%, and advocacy with the provincial government for at least maintaining the current tuition fee framework. On the expense side the single largest cost is compensation for faculty and staff. Containing annual increases of salaries and benefits to no more than the rate of revenue growth would be one of the most powerful strategies we could pursue. And finally, we are continually implementing prudent financial controls and seeking operational efficiencies through programs such as the Utilities Reduction Revolving Fund for energy efficiencies, expansion of the library storage facility at Downsview, expansion and upgrade of the e-procurement platform, library integration, classroom usage optimization and many other initiatives.

Inter-fund Transfers

Within the approved budget process, the Provost has discretion to make allocations from operating funds in support of academic initiatives. In the last few years, and more recently with the launch of the Boundless Campaign, the University has sought external donations to enhance academic initiatives by establishing matching programs to create endowments and other trust funds. To meet these commitments some divisions have earmarked operating funds within their budgeting process. Others have sought to use operating funds to established or augment endowments as the most effective way to implement an initiative. An example of this includes the College ONE program in which $500k was allocated to each of the associated colleges in support of programs for first year students in residence. Many colleges chose to endow this funding and/or use it as matching leverage for donations to their ONE program, to ensure the financial sustainability of the program. In keeping with the Policy on Inter-fund Transfers, decisions for the commitment of operating funds for restricted fund purposes do not need further approval when they are approved within the budget process. To balance the integrity of operating funds with divisional plans, the Provost is authorized to transfer operating funds to restricted and other funds up to $2 million per instance, based on requests from the budget authority for those sources.

Long Range Budget Guidelines **Appendix A**

Projection of Operating Revenue and Expenses ($ millions) **Schedule 1**

2016-17 to 2020-21

Projection of Operating Revenues	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Student Fees	$ 1,223.8	$ 1,368.1	$ 1,483.4	$ 1,588.6	$ 1,684.1	$ 1,788.7
Prov. Gov't Grants for General Operations	653.5	660.4	668.2	675.8	677.9	678.5
Subtotal - Grants and Student Fees	**1,877.3**	**2,028.4**	**2,151.5**	**2,264.4**	**2,362.0**	**2,467.2**
Investment Income - Endowments	55.8	59.0	60.1	61.0	61.7	62.7
Investment Income - Other	36.9	30.4	35.6	44.8	53.8	60.0
Sales, Services & Sundry Income	107.2	116.4	121.0	125.7	130.6	135.7
Subtotal - Operating Revenue	**2,077.2**	**2,234.2**	**2,368.1**	**2,495.9**	**2,608.2**	**2,725.7**
Recovery from Canada Research Chair Grants	37.1	37.5	36.3	36.3	36.3	36.3
Recovery of Institutional Costs of Research	45.7	46.1	45.9	45.9	46.0	46.0
Total - Operating Revenue & Recoveries	**$ 2,160.0**	**$ 2,317.8**	**$ 2,450.3**	**$ 2,578.1**	**$ 2,690.5**	**$ 2,808.0**

Projection of Operating Expenses	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Shared Services Costs	404.0	424.7	447.0	468.3	484.5	503.0
Pension Deficit Funding	97.3	102.3	107.3	112.3	117.3	122.3
Sub-total, Net Expenses in Cost Bins	**501.3**	**527.0**	**554.3**	**580.6**	**601.8**	**625.3**
U-W costs offset by shared services income	109.1	114.3	118.9	123.6	128.6	133.7
UTM and UTSC Campus Costs	76.6	80.8	84.8	89.1	93.5	98.2
Sub-total, University-Wide Costs	**687.0**	**722.1**	**758.0**	**793.3**	**823.9**	**857.2**
Academic Expense Budgets (Excl St. Aid)	1,257.7	1,366.5	1,464.1	1,552.9	1,627.0	1,700.2
Student Aid Expenditures	182.8	190.7	192.8	196.9	206.0	216.4
University Fund (unallocated portion)	10.2	14.2	12.2	11.6	10.0	10.5
Flow-through to Other Institutions	22.4	24.3	23.2	23.4	23.5	23.8
Total - Operating Expenses	**$ 2,160.0**	**$ 2,317.8**	**$ 2,450.3**	**$ 2,578.1**	**$ 2,690.5**	**$ 2,808.0**

Long Range Budget Guidelines

Appendix A

Details of Operating Grants and Student Fees ($ millions)

Schedule 2

2016-17 to 2020-21

Prov. Gov't. Grants for General Operations	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Base Operating Grants	514.1	514.1	514.1	514.1	514.1	514.1
Undergraduate Enrolment Growth	20.6	28.0	31.9	35.4	35.6	36.2
Graduate Enrolment Growth	27.3	29.9	34.0	38.3	40.0	40.2
Medical Expansion (MD and Residents)	32.4	32.3	32.5	32.5	32.4	32.2
Undergraduate Nursing	3.6	3.6	3.5	3.5	3.5	3.5
Access to Higher Quality Education Fund	24.2	24.2	24.2	24.2	24.2	24.2
Key Performance Indicators	3.5	3.8	3.8	3.8	3.8	3.8
Clinical Education	4.0	4.0	4.0	4.0	4.0	4.0
Aiming for the Top Scholarships	0.1	-	-	-	-	-
Ontario Graduate Scholarships	9.6	9.8	9.8	9.8	9.8	9.8
Ontario Trillium Scholarships	1.6	1.6	1.6	1.6	1.6	1.6
Municipal Tax Grant	5.0	4.9	5.0	5.1	5.1	5.1
Teacher Education Envelope	11.7	11.7	11.7	11.7	11.7	11.7
International Student Recovery	(7.2)	(10.5)	(11.0)	(11.3)	(11.3)	(11.4)
Accessibility for Students with Disabilities	3.2	3.1	3.2	3.3	3.5	3.6
Total, Gov't Grants for General Operations	**653.5**	**660.4**	**668.2**	**675.8**	**677.9**	**678.5**

Student Fees	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
For-Credit Tuition Fees	1,047.7	1,187.0	1,295.1	1,392.8	1,480.5	1,576.9
Continuing / Exec.Ed Tuition & Ancillary Fees	176.1	181.0	188.3	195.8	203.6	211.8
Total, Student Fees	**1,223.8**	**1,368.1**	**1,483.4**	**1,588.6**	**1,684.1**	**1,788.7**

Long Range Budget Guidelines **Appendix A**

Details of Univ-Wide Costs and Student Aid Expense ($ millions) **Schedule 3**

2016-17 to 2020-21

University-Wide Costs	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
1. Occupancy	109.9	116.8	121.3	127.7	131.2	135.8
2. Information Technology	30.9	33.9	35.3	36.5	37.7	39.5
3. University Management	19.1	22.7	26.0	27.4	29.0	30.6
4. Financial Management	9.0	9.1	9.9	10.4	10.9	11.5
5. Human Resources	19.1	21.4	21.3	22.4	23.3	24.2
6. Pension Deficit Funding (Academic)	76.6	80.5	84.5	88.4	92.4	96.3
7. University Advancement	24.7	26.4	27.5	28.7	30.0	31.3
8. Central Library	82.6	84.5	89.7	94.7	99.6	104.9
9. Research Administration	16.7	18.9	20.3	21.5	22.7	24.0
10. Registrarial & Student Services	31.3	30.5	32.3	33.8	35.2	36.8
11. University-wide Academic	34.1	33.9	37.1	39.1	39.1	39.1
12. University-wide General	32.5	33.2	33.5	33.9	34.3	34.6
Federated Block Grant	14.8	15.2	15.6	16.0	16.4	16.8
Sub-total	**501.3**	**527.0**	**554.3**	**580.6**	**601.8**	**625.3**
U-W costs offset by shared services income	109.1	114.3	118.9	123.6	128.6	133.7
UTM and UTSC Campus Costs	76.6	80.8	84.8	89.1	93.5	98.2
Total University Wide Expense	**$ 687.0**	**$ 722.1**	**$ 758.0**	**$ 793.3**	**$ 823.9**	**$ 857.2**

Student Aid Expenditures	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
UofT Adv. Planning for Students (UTAPS)	45.0	49.4	47.7	47.3	51.3	56.0
Other Need-based Aid (incl Work Study)	4.8	5.6	5.9	6.3	6.6	6.9
Scholarships	6.4	6.7	8.7	11.0	13.7	16.8
Aiming for the Top Scholarships	0.1	-	-	-	-	-
Student Aid from Endowments	21.7	22.8	23.4	23.9	24.3	24.7
Subtotal, Undergraduate	**77.9**	**84.5**	**85.8**	**88.5**	**95.9**	**104.5**
Provincial Scholarship Grants	11.4	11.5	11.5	11.5	11.5	11.5
Student Aid from Endowments	18.1	19.0	19.5	20.0	20.3	20.6
Student Aid Matching Funds	1.1	1.3	1.3	1.3	1.3	1.3
SGS Graduate Fellowships	1.0	1.0	1.0	1.0	1.0	1.0
Doctoral Completion Awards	3.5	3.5	3.5	3.5	3.5	3.5
Subtotal, Graduate	**35.1**	**36.4**	**36.9**	**37.3**	**37.6**	**37.9**
Subtotal, Central Student Aid	**113.0**	**120.9**	**122.7**	**125.8**	**133.6**	**142.4**
Student Aid in Acad Divisions	69.8	69.8	70.2	71.1	72.5	73.9
Total, Student Aid Expense	**182.8**	**190.7**	**192.8**	**196.9**	**206.0**	**216.4**

Long Range Budget Guidelines
Revenue and Expense Allocations by Division for 2016-17

Appendix A
Schedule 4

	Attributed Operating Revenue	10% Contr. to Univ Fund	Share of University Wide Expense	Student Aid Set-Aside	Net Revenue	University Fund Allocation	Academic Expense Budget
	(A)	(B)	(C)	(D)	(E=A-B-C-D)	(F)	(G = E+F)
Arts & Science	635,413,608	60,618,960	187,765,781	34,005,726	353,023,140	42,280,717	395,303,857
UofT Scarborough	237,011,466	23,446,630	34,800,720	10,290,637	168,473,478	7,605,912	176,079,390
UofT Mississauga	272,252,494	26,963,020	38,217,865	11,539,084	195,532,524	8,629,997	204,162,521
Dentistry	36,126,580	3,441,397	12,579,535	2,747,679	17,357,970	11,862,517	29,220,487
Medicine	189,697,800	16,136,743	78,861,762	15,199,949	79,499,345	18,326,251	97,825,596
Public Health	23,681,588	2,178,038	9,359,032	1,490,572	10,653,946	7,742,439	18,396,384
Nursing	21,167,621	1,981,906	5,589,973	1,717,480	11,878,262	2,329,084	14,207,347
Pharmacy	34,542,672	3,203,766	9,146,500	3,450,282	18,742,124	348,213	19,090,338
Kinesiology and Physical Education	16,848,507	1,626,033	5,099,123	1,174,445	8,948,907	1,710,251	10,659,157
Applied Science & Engineering	210,902,050	19,787,234	65,553,462	13,793,571	111,767,783	15,658,966	127,426,749
Architecture, Landscape & Design	25,585,313	2,500,955	6,546,980	1,771,736	14,765,641	5,651,383	20,417,024
OISE	68,567,416	6,611,395	22,179,223	5,097,745	34,679,053	14,848,207	49,527,260
Forestry	3,622,451	266,971	2,079,910	601,430	674,139	2,532,508	3,206,647
Law	31,509,183	2,995,777	8,399,649	1,390,168	18,723,590	7,389,089	26,112,680
Information	13,519,449	1,297,934	4,302,615	1,453,994	6,464,906	2,740,291	9,205,196
Music	20,128,657	1,860,767	7,040,362	2,338,587	8,888,942	6,565,392	15,454,334
Social Work	13,285,279	1,186,816	4,088,278	1,816,102	6,194,082	1,635,659	7,829,741
Management	103,542,140	10,181,808	22,384,020	3,139,115	67,837,198	8,000,414	75,837,612
Transitional Year Programme	772,116	42,006	463,688	397,517	(131,095)	1,501,303	1,370,208
School of Continuing Studies	396,619	2,924,056	2,551,706	6,695	(5,085,838)	1,698,509	(3,387,329)
Subtotal	1,958,573,012	189,252,213	527,010,185	113,422,516	1,128,888,098	169,057,100	1,297,945,198
Divisional Income	*303,304,525*	-	*114,320,704*	-	*188,983,820*	-	*188,983,820*
Campus Costs and Divisional Aid	-	-	*80,778,261*	*69,826,783*	*(150,605,044)*	-	*(150,605,044)*
Recovery from Restricted Funds	*31,625,369*	-	-	*7,488,605*	*24,136,764*	-	*24,136,764*
University Fund OTO [1]	-	-	-	-	-	*20,195,113*	*20,195,113*
Subtotal (excl flow-through)	2,293,502,906	189,252,213	722,109,150	190,737,904	1,191,403,639	189,252,213	1,380,655,852
Flow-through to Other Institutions	*24,314,264*	-	-	-	*24,314,264*	-	*24,314,264*
Total	2,317,817,169	189,252,213	722,109,150	190,737,904	1,215,717,902	189,252,213	1,404,970,116

Long Range Budget Guidelines
Projected Divisional Net Revenue Allocations
2016-17 to 2020-21

Appendix A
Schedule 5

Arts & Science	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	577,708,868	635,413,608	673,904,675	711,468,894	739,676,815	774,105,867
University Fund Contribution	(55,444,131)	(60,618,960)	(64,427,421)	(68,149,603)	(70,936,518)	(74,333,358)
University-Wide Costs	(178,424,735)	(187,765,781)	(196,121,299)	(204,727,467)	(211,773,343)	(219,154,779)
Student Aid Expense	(31,328,829)	(34,005,726)	(35,195,314)	(36,815,481)	(39,245,273)	(42,158,883)
University Fund Allocation[2]	41,340,299	42,280,717	42,280,717	42,280,717	42,280,717	42,280,717
Net Expense Budget	353,851,471	395,303,857	420,441,359	444,057,059	460,002,399	480,739,564

UTSC	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	221,482,107	237,011,466	256,429,718	275,188,772	292,279,778	307,780,256
University Fund Contribution	(21,912,373)	(23,446,630)	(25,384,471)	(27,256,775)	(28,963,085)	(30,510,754)
University-Wide Costs	(32,188,304)	(34,800,720)	(37,209,840)	(39,296,209)	(41,127,088)	(43,084,765)
Student Aid Expense	(9,301,675)	(10,290,637)	(11,607,809)	(13,102,418)	(14,708,600)	(16,302,514)
University Fund Allocation[2]	6,182,372	7,605,912	7,605,912	7,605,912	7,605,912	7,605,912
Net Expense Budget	164,262,127	176,079,390	189,833,509	203,139,281	215,086,917	225,488,135

UTM	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	246,850,341	272,252,494	296,653,700	319,998,960	341,261,231	360,026,274
University Fund Contribution	(24,426,110)	(26,963,020)	(29,399,113)	(31,730,116)	(33,853,340)	(35,728,296)
University-Wide Costs	(34,773,059)	(38,217,865)	(41,016,341)	(43,427,215)	(45,555,790)	(47,720,260)
Student Aid Expense	(10,647,780)	(11,539,084)	(12,285,178)	(13,738,188)	(15,421,895)	(17,123,783)
University Fund Allocation[2]	7,233,151	8,629,997	8,629,997	8,629,997	8,629,997	8,629,997
Net Expense Budget	184,236,544	204,162,521	222,583,065	239,733,437	255,060,202	268,083,932

Dentistry	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	34,204,035	36,126,580	37,211,782	38,224,938	39,439,532	40,635,510
University Fund Contribution	(3,256,050)	(3,441,397)	(3,548,322)	(3,648,456)	(3,769,025)	(3,887,709)
University-Wide Costs	(12,051,007)	(12,579,535)	(13,237,637)	(13,783,230)	(14,192,433)	(14,711,946)
Student Aid Expense	(2,519,836)	(2,747,679)	(2,842,840)	(2,939,886)	(3,173,550)	(3,428,279)
University Fund Allocation[2]	11,854,904	11,862,517	11,862,517	11,862,517	11,862,517	11,862,517
Net Expense Budget	28,232,046	29,220,487	29,445,499	29,715,883	30,167,041	30,470,093

Medicine	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	189,436,350	189,697,800	194,286,246	198,490,737	202,502,523	205,298,181
University Fund Contribution	(15,947,190)	(16,136,743)	(16,571,319)	(16,970,480)	(17,355,422)	(17,618,932)
University-Wide Costs	(76,548,307)	(78,861,762)	(82,413,711)	(85,660,767)	(88,320,424)	(91,479,641)
Student Aid Expense	(14,587,916)	(15,199,949)	(14,964,427)	(14,576,764)	(14,748,297)	(14,928,635)
University Fund Allocation[2]	17,729,476	18,326,251	18,326,251	18,326,251	18,326,251	18,326,251
Net Expense Budget	100,082,412	97,825,596	98,663,040	99,608,977	100,404,630	99,597,224

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Projected Divisional Net Revenue Allocations **Schedule 5**

2016-17 to 2020-21

DLSPH	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
Attributed Revenue[1]	22,243,643	23,681,588	25,626,269	27,230,886	28,195,506	28,851,749
University Fund Contribution	(2,040,104)	(2,178,038)	(2,371,833)	(2,531,577)	(2,627,404)	(2,692,566)
University-Wide Costs	(8,338,464)	(9,359,032)	(9,859,161)	(10,436,300)	(10,951,629)	(11,460,230)
Student Aid Expense	(1,354,704)	(1,490,572)	(1,122,414)	(726,813)	(717,397)	(724,938)
University Fund Allocation[2]	7,366,266	7,742,439	7,742,439	7,742,439	7,742,439	7,742,439
Net Expense Budget	17,876,637	18,396,384	20,015,301	21,278,635	21,641,515	21,716,454

Nursing	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
Attributed Revenue[1]	20,621,615	21,167,621	22,483,933	23,027,322	23,564,752	24,053,606
University Fund Contribution	(1,936,499)	(1,981,906)	(2,111,046)	(2,163,339)	(2,215,623)	(2,263,094)
University-Wide Costs	(5,523,750)	(5,589,973)	(5,954,191)	(6,301,945)	(6,518,944)	(6,767,776)
Student Aid Expense	(2,031,922)	(1,717,480)	(1,444,146)	(1,468,179)	(1,507,741)	(1,552,547)
University Fund Allocation[2]	2,081,468	2,329,084	2,329,084	2,329,084	2,329,084	2,329,084
Net Expense Budget	13,210,911	14,207,347	15,303,634	15,422,943	15,651,529	15,799,274

Pharmacy	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
Attributed Revenue[1]	32,662,890	34,542,672	36,247,846	37,257,028	38,770,763	40,170,980
University Fund Contribution	(2,999,292)	(3,203,766)	(3,371,772)	(3,470,462)	(3,620,131)	(3,758,456)
University-Wide Costs	(8,911,423)	(9,146,500)	(9,598,241)	(10,054,237)	(10,367,345)	(10,779,239)
Student Aid Expense	(3,105,863)	(3,450,282)	(3,701,973)	(3,928,993)	(4,207,176)	(4,508,741)
University Fund Allocation[2]	349,936	348,213	348,213	348,213	348,213	348,213
Net Expense Budget	17,996,248	19,090,338	19,924,073	20,151,550	20,924,324	21,472,758

KPE	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
Attributed Revenue[1]	15,487,411	16,848,507	17,877,462	18,205,354	18,195,264	18,544,550
University Fund Contribution	(1,510,670)	(1,626,033)	(1,727,597)	(1,759,532)	(1,758,027)	(1,792,496)
University-Wide Costs	(4,849,424)	(5,099,123)	(5,417,087)	(5,733,660)	(5,912,309)	(6,101,725)
Student Aid Expense	(933,204)	(1,174,445)	(1,240,786)	(1,312,839)	(1,378,249)	(1,456,484)
University Fund Allocation[2]	1,459,004	1,710,251	1,710,251	1,710,251	1,710,251	1,710,251
Net Expense Budget	9,653,115	10,659,157	11,202,244	11,109,573	10,856,930	10,904,096

APSE	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
Attributed Revenue[1]	197,433,580	210,902,050	219,471,518	227,926,792	236,879,437	249,563,414
University Fund Contribution	(17,985,362)	(19,787,234)	(20,651,839)	(21,503,052)	(22,409,146)	(23,701,853)
University-Wide Costs	(62,461,112)	(65,553,462)	(68,158,266)	(71,075,030)	(73,279,599)	(76,027,160)
Student Aid Expense	(13,541,938)	(13,793,571)	(14,388,312)	(15,264,524)	(16,243,273)	(17,452,024)
University Fund Allocation[2]	14,722,662	15,658,966	15,658,966	15,658,966	15,658,966	15,658,966
Net Expense Budget	118,167,829	127,426,749	131,932,067	135,743,152	140,606,385	148,041,344

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Projected Divisional Net Revenue Allocations

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Schedule 5

Architecture, L & D	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	21,943,059	25,585,313	29,142,652	32,277,972	34,297,600	36,475,475
University Fund Contribution	(2,138,389)	(2,500,955)	(2,855,246)	(3,167,162)	(3,367,966)	(3,585,037)
University-Wide Costs	(5,976,529)	(6,546,980)	(7,033,313)	(7,620,700)	(8,107,423)	(8,496,162)
Student Aid Expense	(1,534,007)	(1,771,736)	(1,771,151)	(1,731,301)	(1,559,236)	(1,567,816)
University Fund Allocation[2]	4,564,418	5,651,383	5,651,383	5,651,383	5,651,383	5,651,383
Net Expense Budget	16,858,553	20,417,024	23,134,324	25,410,193	26,914,358	28,477,842

OISE	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	64,341,156	68,567,416	73,176,054	76,964,003	81,523,465	85,461,215
University Fund Contribution	(6,178,305)	(6,611,395)	(7,069,801)	(7,446,583)	(7,901,051)	(8,293,289)
University-Wide Costs	(22,945,196)	(22,179,223)	(23,719,400)	(25,130,719)	(26,065,374)	(27,379,120)
Student Aid Expense	(4,377,148)	(5,097,745)	(3,805,496)	(2,372,776)	(2,332,838)	(2,311,750)
University Fund Allocation[2]	14,869,858	14,848,207	14,848,207	14,848,207	14,848,207	14,848,207
Net Expense Budget	45,710,364	49,527,260	53,429,564	56,862,132	60,072,408	62,325,262

Forestry	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	3,289,604	3,622,451	3,794,156	4,111,721	4,480,581	4,780,560
University Fund Contribution	(241,195)	(266,971)	(283,013)	(313,800)	(349,929)	(379,207)
University-Wide Costs	(2,001,285)	(2,079,910)	(2,203,015)	(2,321,152)	(2,423,980)	(2,538,257)
Student Aid Expense	(582,073)	(601,430)	(591,332)	(601,533)	(610,974)	(620,704)
University Fund Allocation[2]	2,685,958	2,532,508	2,532,508	2,532,508	2,532,508	2,532,508
Net Expense Budget	3,151,009	3,206,647	3,249,304	3,407,743	3,628,205	3,774,899

Law	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	30,150,308	31,509,183	33,410,650	34,718,403	36,245,249	37,760,339
University Fund Contribution	(2,862,427)	(2,995,777)	(3,182,343)	(3,310,105)	(3,460,560)	(3,609,816)
University-Wide Costs	(7,079,643)	(8,399,649)	(8,852,964)	(9,282,485)	(9,591,923)	(9,973,952)
Student Aid Expense	(1,645,977)	(1,390,168)	(1,426,869)	(1,455,881)	(1,479,102)	(1,502,170)
University Fund Allocation[2]	7,328,488	7,389,089	7,389,089	7,389,089	7,389,089	7,389,089
Net Expense Budget	25,890,748	26,112,680	27,337,562	28,059,021	29,102,754	30,063,489

Information	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	12,444,977	13,519,449	14,684,064	15,151,580	15,607,283	16,012,473
University Fund Contribution	(1,192,191)	(1,297,934)	(1,413,477)	(1,459,441)	(1,504,602)	(1,544,734)
University-Wide Costs	(4,350,821)	(4,302,615)	(4,596,642)	(4,908,523)	(5,080,024)	(5,282,286)
Student Aid Expense	(1,241,706)	(1,453,994)	(1,062,623)	(539,546)	(485,865)	(478,814)
University Fund Allocation[2]	2,742,112	2,740,291	2,740,291	2,740,291	2,740,291	2,740,291
Net Expense Budget	8,402,371	9,205,196	10,351,612	10,984,360	11,277,083	11,446,930

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2016-17 to 2020-21

Music	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	19,048,908	20,128,657	20,973,517	21,622,061	22,485,162	23,169,838
University Fund Contribution	(1,757,090)	(1,860,767)	(1,941,653)	(2,003,699)	(2,088,029)	(2,154,337)
University-Wide Costs	(6,654,029)	(7,040,362)	(7,493,029)	(7,862,641)	(8,119,891)	(8,490,362)
Student Aid Expense	(2,195,814)	(2,338,587)	(2,268,888)	(2,159,674)	(2,224,837)	(2,280,017)
University Fund Allocation[2]	6,318,353	6,565,392	6,565,392	6,565,392	6,565,392	6,565,392
Net Expense Budget	14,760,327	15,454,334	15,835,338	16,161,438	16,617,796	16,810,513

Social Work	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	12,663,848	13,285,279	13,758,298	14,089,233	14,394,021	14,667,580
University Fund Contribution	(1,139,814)	(1,186,816)	(1,232,138)	(1,263,571)	(1,292,792)	(1,318,889)
University-Wide Costs	(3,934,448)	(4,088,278)	(4,244,585)	(4,451,868)	(4,591,876)	(4,757,735)
Student Aid Expense	(1,630,417)	(1,816,102)	(1,396,233)	(1,061,519)	(1,063,111)	(1,074,539)
University Fund Allocation[2]	1,426,056	1,635,659	1,635,659	1,635,659	1,635,659	1,635,659
Net Expense Budget	7,385,225	7,829,741	8,521,001	8,947,934	9,081,901	9,152,075

Management	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	93,242,302	103,542,140	110,311,848	118,855,831	124,543,665	130,833,032
University Fund Contribution	(9,161,133)	(10,181,808)	(10,855,313)	(11,707,079)	(12,273,520)	(12,900,520)
University-Wide Costs	(21,548,028)	(22,384,020)	(23,975,769)	(25,161,538)	(26,346,691)	(27,448,880)
Student Aid Expense	(2,676,673)	(3,139,115)	(3,440,370)	(3,739,212)	(4,025,294)	(4,386,315)
University Fund Allocation[2]	8,005,505	8,000,414	8,000,414	8,000,414	8,000,414	8,000,414
Net Expense Budget	67,861,974	75,837,612	80,040,810	86,248,416	89,898,575	94,097,732

Trans. Year. Prog.	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	795,596	772,116	789,704	809,114	826,201	841,942
University Fund Contribution	(45,170)	(42,006)	(42,839)	(44,017)	(45,131)	(46,112)
University-Wide Costs	(475,434)	(463,688)	(501,523)	(523,562)	(541,556)	(563,315)
Student Aid Expense	(384,223)	(397,517)	(409,286)	(419,607)	(428,624)	(437,786)
University Fund Allocation[2]	1,502,182	1,501,303	1,501,303	1,501,303	1,501,303	1,501,303
Net Expense Budget	1,392,951	1,370,208	1,337,360	1,323,231	1,312,193	1,296,033

School of Cont. Studies	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Attributed Revenue[1]	921,561	396,619	453,435	561,016	671,339	748,160
University Fund Contribution	(2,897,511)	(2,924,056)	(3,045,122)	(3,175,884)	(3,311,725)	(3,449,208)
University-Wide Costs	(2,306,455)	(2,551,706)	(2,675,536)	(2,812,769)	(2,935,747)	(3,077,082)
Student Aid Expense	(5,829)	(6,695)	(6,875)	(7,021)	(7,136)	(7,250)
University Fund Allocation[2]	1,684,353	1,698,509	1,698,509	1,698,509	1,698,509	1,698,509
Net Expense Budget	(2,603,882)	(3,387,329)	(3,575,589)	(3,736,150)	(3,884,759)	(4,086,870)