

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

**TO:** University Affairs Board

**SPONSOR:** Sandy Welsh, Vice-Provost, Students

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**PRESENTER:** See Sponsor.

**CONTACT INFO:**

**DATE:** March 3, 2016 for March 15, 2016

**AGENDA ITEM:** 5 (d)

**ITEM IDENTIFICATION:**

Operating Plans: Student Services, St. George Campus Hart House

**JURISDICTIONAL INFORMATION:**

The Terms of Reference of the University Affairs Board provide that the Board is responsible for policy concerning student services and for overseeing their operations. Changes to the level of service offered, fees charged for the services and categories of users require the Board's approval. Section 5.1.3 of the Terms of Reference provides that the annual approval of the Hart House operating plan is the responsibility of the University Affairs Board. The Board receives annually from its assessors reports on matters within its areas of responsibility, including statements of current issues, opportunities and problems, along with recommendations for changes in policies, plans or priorities that would address such issues.

Pursuant to the terms of the *Memorandum of Agreement between The University of Toronto, The Students' Administrative Council, The Graduate Students' Union and The Association of Part-time Undergraduate Students for a Long-Term Protocol on the Increase or Introduction of Compulsory Non-tuition Related Fees* (the "Protocol"), approved by Governing Council on October 24, 1996, the Council on Student Services (or the relevant body within a division of the University) reviews in detail the annual operating plans, including budgets and proposed compulsory non-academic incidental fees, and offers its advice to University Affairs Board on these plans.

**GOVERNANCE PATH:**

1. University Affairs Board [For Approval] (March 15, 2016)
2. Governing Council [For Information] (April 7, 2016)

**PREVIOUS ACTION TAKEN:**

The Operating Plans for Hart House for the current fiscal year were approved by the University Affairs Board on March 17, 2015.

**HIGHLIGHTS:**

The 2016-17 Operating Plans for Hart House have been approved by the Hart House Board of Stewards and the Service Ancillaries Review Group (SARG).

The current fees for Hart House are as follows:

St. George Campus: \$ 82.64 per session (\$16.54 for part-time students)

UTM and UTSC: \$2.54 per session (\$0.51 for part-time students)

See separate memorandum concerning consideration of the proposed plans by the Council on Student Services (COSS).

The proposed fee increases are within the limits provided by the Protocol for consideration by the Board.

The experience of this past year and plans for the coming year are summarized in the attached material from John Monahan, Warden, Hart House.

**FINANCIAL AND/OR PLANNING IMPLICATIONS:**

The degree to which Hart House anticipates achieving the objectives of the long-range budget guidelines is summarized in the 2016-17 operating plans for service ancillaries.

**RECOMMENDATION:**

It is recommended that the University Affairs Board approve:

THAT the 2016-17 operating plans and budget for Hart House, as presented in the documentation from John Monahan, Warden, be approved; and

THAT the sessional fee for a full-time student on the St. George campus be increased to \$84.27 (\$16.87 for a part-time student), which represents a year over year increase of \$1.63 (\$0.33 for a part time student) or 1.97% (resulting from the elimination of a 2013-14 three-year temporary increase, a permanent increase of 2% and a temporary increase of 6.26%); and

THAT the sessional fee for a full-time student at UTM or UTSC be increased to \$2.59 (\$0.52 for a part-time student), which represents a year over year increase of \$0.05 (\$0.01 for a part time student) or 1.97 % (resulting from the elimination of a 2013-14 three-year temporary increase, a permanent increase of 2% and a temporary increase of 6.26%).

**DOCUMENTATION PROVIDED:**

Hart House Budget and Overview

# HART HOUSE: 2016/2017 OPERATING BUDGET



JANUARY 25<sup>TH</sup>, 2016

**HartHouse**



# 2016/17 Final Operating Budget

Hart House is proposing a balanced budget for the 2016/17 year.

## **Budget status update:**

- ✓ Budget unanimously approved by the Finance Committee and recommended to the Board of Stewards: January 19, 2016
- ✓ Budget unanimously approved by the Board of Stewards: January 21, 2016

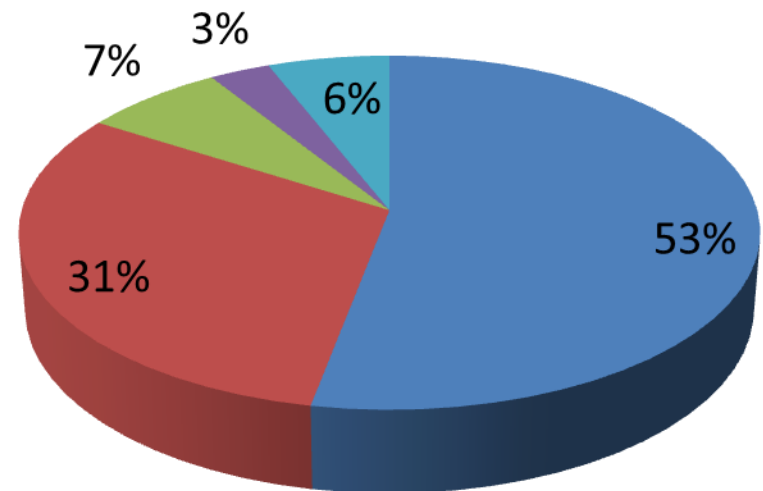
## **Approval required from the following bodies:**

- COSS
- SARG
- UAB

# 2016/17 Operating Revenue

Operating Revenue is \$17.4 million:

- Student fees - 53%
- Revenue; food, space rental, theatre, & a/v rentals - 31%
- Faculty, staff and alumni memberships - 7%
- Registered classes and Locker & Towels Service - 3%
- Other (Clubs, Service Charge, Donations) - 6%



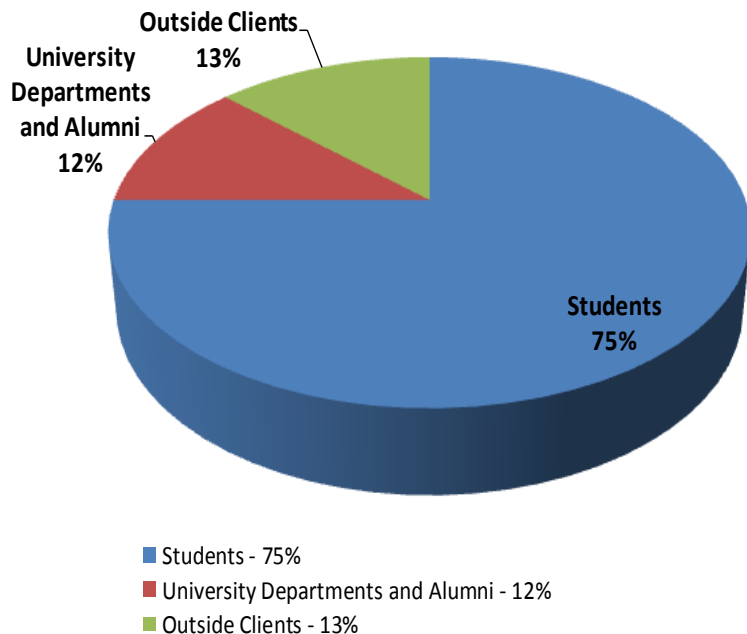
# 2016/17 Proposed Increase

Proposed increase to student fees: 1.97%

Campus	Student Fees 2015-2016	% Net Change	\$ Net Change	Student Fees 2016-2017
<b>St. George</b> (full-time)	\$ 82.64	1.97%*	\$ 1.63	\$ 84.27
<b>St. George</b> (part-time)	\$ 16.54	1.97%*	\$ 0.33	\$ 16.87
<b>UTSC &amp; UTM</b> (full-time)	\$ 2.54	1.97%*	\$ 0.05	\$ 2.59
<b>UTSC &amp; UTM</b> (part-time)	\$ 0.51	1.97%*	\$ 0.01	\$ 0.52

\* Any difference due to rounding to the nearest percent

# 2016/17 Operating Expenses & Commitments - \$17.4M



## Priority is Students

### •Co-curricular programming and activities:

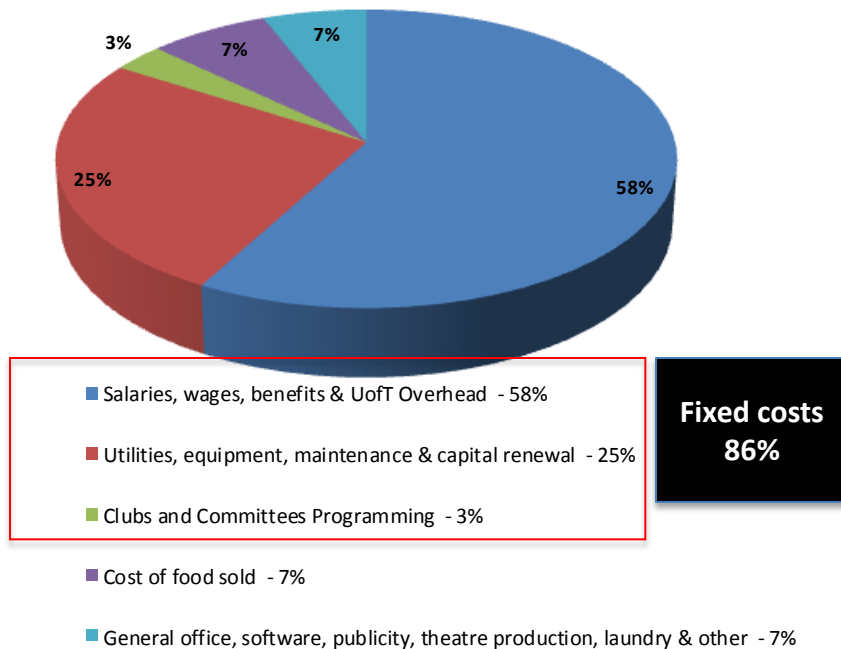
- Leadership training and experiential learning
- Support for 28 Clubs , Committees, and their activities
- Staff led events, lectures, workshops and conferences
- Staff led outreach activities for all three campuses
- Creative classes (e.g. Film, Theatre Photography)
- Drop-in and Registered Classes
- Theatre and Justina M. Barnicke student led events and activities

### •Access to:

- Free space for events/meetings
- Free audio visual equipment and technical support
- Fully equipped library
- Common spaces
- Event planning services
- Subsidized food for events / meetings
- Daily food service (Sammy's)
- Hart House Farm



# 2016/17 Breakdown of Expenses



- Salary, wage and benefit rates (negotiated by UofT central through collective bargaining)
- UofT Overhead
- Utilities
- Clubs and Committees
- Building maintenance
- Necessary Facility improvements
  - Pool Skylight
  - Elevator Refurbish
  - North Lane Accessibility
  - Wayfinding
  - IT Wiring Phase 2
  - Great Hall Tables and Chairs

# Student Statistics



**48,382**

people viewed the Hart House permanent collection tour “A Story of Canadian Art”

**1,000**

students engaged with Hart House Theatre

**1.8M**

in wages and benefits for student staff

**275,756**

student visits to the Fitness Centre

**5,000**

classes offered annually

**2,663**

student bookings at Hart House

**100**

activities eligible for CCR

**14,587**

pageviews of student guest blogs and profiles

**2<sup>nd</sup>**

most likely place for graduate and doctoral students to find community (after their home units)

**107+**

university and community partners

**1,500**

students in clubs and committees

**24,000**

approximate number of students who see Hart House as important or essential to their U of T experience

## 2016/17 ANNUAL OPERATING PLAN

### ASSUMPTIONS

	<b>2016/17 BUDGET</b>
General Inflation forecast	2.00%
Enrollment increase forecast	2.63%
Student fee rate forecast	1.97%
Investment yield forecast	1.60%
Joint Membership fees rate forecast	2.00%
General increase in salaries, wages and benefits (% of prior year - cost of living and step increase)	4.00%

## 2016/17 ANNUAL OPERATING PLAN

### Revenue

	2015-16 Budget	2016-17 Budget
Student fees	9,240,300	9,458,800
Membership fees	1,259,900	1,151,300
Food revenue	3,435,500	3,443,000
General revenue	2,608,200	2,346,600
Investment income	162,700	124,200
Clubs & Committees' programming	125,000	125,000
Donations, grants & amortization	223,800	269,700
Gratuities/Service Charge	441,300	491,000
	<b>17,496,700</b>	<b>17,409,600</b>

	2015-16 Budget	2016-17 Budget
<b>Expenses</b>		
Salaries, wages & benefits	9,511,400	9,951,200
General office	558,400	476,600
Cost of Food	1,190,000	1,161,700
Depreciation, loss/gain on disposal	659,100	632,100
Clubs & Committees' programming	468,100	468,100
Maintenance & insurance	982,300	936,200
Utilities	1,114,200	1,054,100
Sundry expense	232,100	132,300
Publicity, photography, printing, prizes	171,400	148,500
Theatre production costs	57,000	60,100
Uniforms & linen laundry	221,000	207,500
Software & data processing	183,900	193,500
Equipment, supplies, equip repair & rentals	639,300	561,900
UofT overhead	201,800	200,100
	<b>16,190,000</b>	<b>16,183,900</b>
Operating result before Commitments & Transfers	<b>1,306,700</b>	<b>1,225,700</b>
<b>Commitments &amp; Transfers</b>		
Net Spending on Capital Assets	1,206,000	1,786,200
Add to (spend from) Operating Reserve	102,400	(8,700)
Add to (spend from) Maintenance Reserve	(1,700)	(551,800)
	<b>1,306,700</b>	<b>1,225,700</b>
<b>Excess of Revenue over Expense and Commitments</b>	<b>\$ -</b>	<b>\$ -</b>

## 2016/17 ANNUAL OPERATING PLAN

Schedule 2

	<b>2015-16 BUDGET</b>	<b>2016-17 BUDGET</b>
<b>Investment in Capital Assets</b>		
Increase/(decrease) in commitment	1,206,000	1,786,200
Balance, beginning of year	3,941,500	4,187,300
Balance, end of year	\$ 5,147,500	5,973,500
<b>Operating Fund (10% budgeted revenue)</b>		
Increase (decrease) in commitment	102,500	(8,700)
Balance, beginning of year	1,647,200	1,749,700
Balance, end of year	\$ 1,749,700	1,741,000
<b>Deferred &amp; Major Maintenance</b>		
Increase (decrease) in commitment	(1,700)	(551,800)
Balance, beginning of year	5,444,900	7,371,400
Balance, end of year	\$ 5,443,200	6,819,600
<b>Other Reserves (ie. Program, Art, 100th Anniversary)</b>		
Increase (decrease) in commitment	-	-
Balance, beginning of year	846,900	822,900
Balance, end of year	\$ 846,900	822,900
<b>TOTAL INTERNALLY RESTRICTED NET ASSETS</b>	<b>13,187,300</b>	<b>15,357,000</b>
<b>UNRESTRICTED NET ASSETS</b>		
Increase (decrease) in commitment		
Balance, beginning of year	694,600	351,500
Balance, end of year	\$ 694,600	351,500
<b>ENDOWMENTS and RESTRICTED FUNDS</b>		
Increase (decrease) in commitment	70,100	67,000
Balance, beginning of year	2,785,200	3,236,300
Balance, end of year	\$ 2,855,300	3,303,300
<b>TOTAL NET ASSETS</b>	<b>\$ 16,737,200</b>	<b>19,011,800</b>



# In Development for 2016/2017

- 5-year strategic plan
- 100-year anniversary
- Accessibility review
- Fundraising campaign
- Infrastructure renewal

## 2016/17 ANNUAL OPERATING PLAN

### Fee Index Calculations

#### CPI Formula

\$	82.64	2015-16 Fee	
-\$	4.80	Less removal of 3 year term fee increase from 2013/14	
\$	77.84	Adjusted Fee Base	
	2.00%	CPI rate	
\$	1.56	<b>CPI based increase for FT St. George Students</b>	

#### UTI Formula

2015-16 budgeted salary base - Appointed Staff	(A)	4,871,416	
Average increase for 2016-17 @ 4 %		194,857	
Benefit Cost @ 24.75%		1,253,902	
Indexed salary - base appointed staff			6,320,175
2015-16 budgeted wages - Casual Staff	(B)	1,659,356	
Average increase for 2016-17 @ 2.75%		45,632	
Benefit Cost @ 10%		170,499	
			1,875,487
Indexed salary base - Staff not including Hospitality			8,195,662

Add: Estimated severance costs if applicable

**Total indexed salary and benefits expenditure base for 2015/16** **8,195,662**

Subtract the amount of net revenue from other sources of revenue:  
2015-16 budget previous year (i.e. non-student fee revenue)

Total revenue	(C)	14,695,652	
Less student fees	(D)	(9,240,300)	
Less student fees - clubs and committees	(E)		(5,455,352)

Add the non-salary expenditure base (2015-16 budget)

Total budgeted expenses	(F)	14,695,652	
Less budgeted salaries, wages and benefits	(G)	(7,900,352)	6,795,300

Less UTM/UTSC fees (2015-16 enrol @ 2015-16 rates) 148,072

Total St George student fee budget for 2015-16 UTI rate 9,683,682

Weighted, projected St. George enrollment for 2016-17 (Term FTEs) 110,659

**UTI Based term fee for St. George Students (budget/enrollment)** \$ 87.51

Less adjusted fee base - 2015/16 \$ 77.84

UTI \$ 9.67

Base - 2015/16	\$	82.64
Less:removal of 3 year term fee increase from 2013/14	-\$	4.80
Plus:CPI based increase for FT St. George Students	\$	1.56
Plus:UTI (3 year temp)	\$	9.67
2016/17 Fee	\$	89.07

Increase 7.78%

**Requested Increase** 1.97% \*

\* Hart House worked very aggressively on the revenue portion of its budget with a goal of keeping the student fee increase to below CPI and the rate of inflation. In order to meet its bottom line, Hart House is requesting a Student Fee Increase of 1.97% which is significantly lower than the percentage increase the House is entitled to under the Fee Index Calculation.