

**FOR INFORMATION**

**PUBLIC**

**OPEN SESSION**

**TO:** UTSC Campus Affairs Committee

**SPONSOR:** Professor Scott Mabury, Vice-President, University Operations  
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**PRESENTERS:** Professor Scott Mabury, Vice-President, University Operations  
**CONTACT INFO:** Mr. Jeff Lennon, Director, Academic Planning & Analysis  
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**DATE:** Monday, October 30, 2017

**AGENDA ITEM:** 2

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

**JURISDICTIONAL INFORMATION:**

Section 5.7 of Campus Affairs Committees' Terms of Reference provides that the "*annual budget is considered by the Committee for recommendation to the Council for inclusion in the University's annual operating budget.*" Appendix A of the Terms notes that this responsibility is executed as part of the campus' budget planning process.

**GOVERNANCE PATH:**

1. **UTSC Campus Affairs Committee [For Information] (October 30, 2017)**
2. UTSC Campus Council [For Information] (November 22, 2017)

**PREVIOUS ACTION TAKEN:**

At its meetings on September 20, 2016 and October 5, 2016, the UTSC Campus Affairs Committee (CAC) and the UTSC Campus Council (CC) both received, for information, a presentation on the current-year campus and institutional operating budgets.

**HIGHLIGHTS:**

The presentations that will be made to the UTSC Campus Affairs Committee on October 30<sup>th</sup>, and the UTSC Campus Council on November 22<sup>nd</sup> represent step one in the process for consideration of budget matters by local governance bodies, which includes four steps:

**(1) an integrated budget presentation to the Campus Affairs Committees and Campus Councils;**

(2) an overview of the proposed campus operating budgets (themes and priorities);

(3) the Provost's budget review meetings; and

(4) governance consideration of the University's operating budget.

The presentation provides the context for how the University's budget is developed including: structure and process, enrolment, UofT Revenue, expense and university fund, and student financial support.

The "step one" discussion at the CAC will support UTSC's annual budget preparations and the integration of campus budget plans into the University's budget.

**FINANCIAL IMPLICATIONS:**

N/A

**RECOMMENDATION:**

Presented for Information.

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**DOCUMENTATION PROVIDED:**

PowerPoint Presentation.



# Budget 2017

University of Toronto Scarborough  
Campus Affairs Committee

October 30, 2017



## Agenda

1) Context

4) Funding Sources

2) Students & Teaching

5) Student Aid

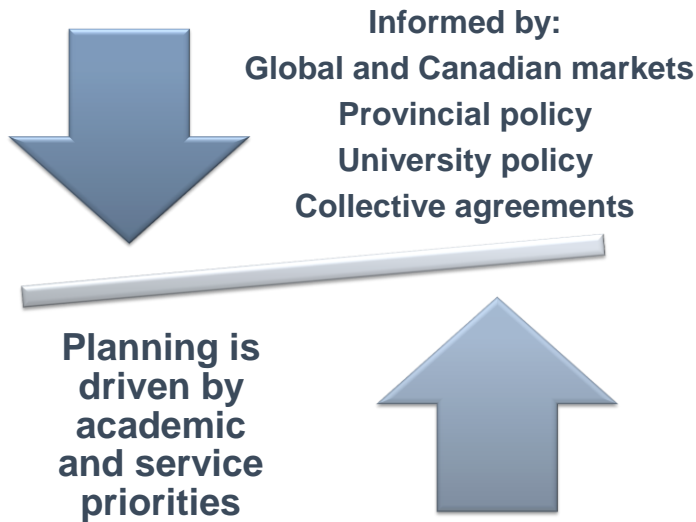
3) Faculty, Staff, UWC

6) UF

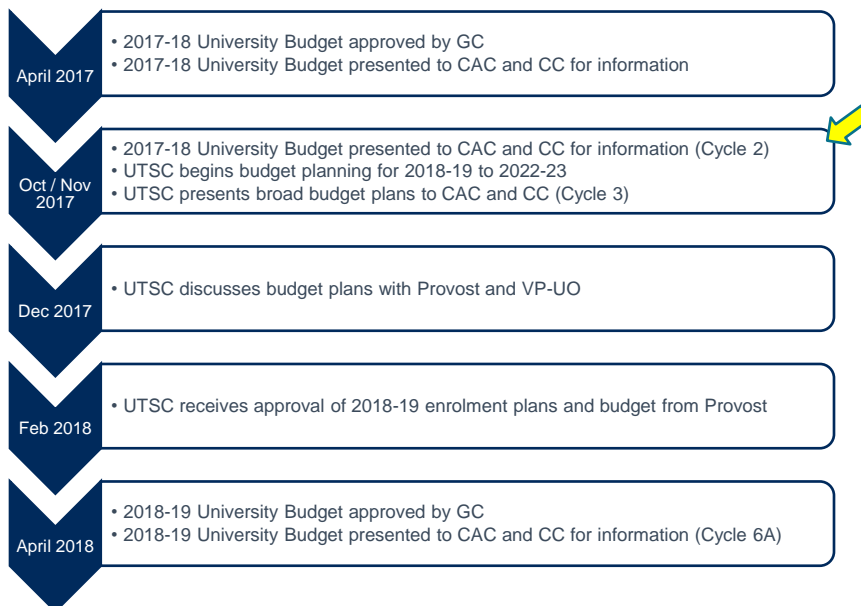
7) Opportunities & Risks



The budget is primarily a bottom-up process



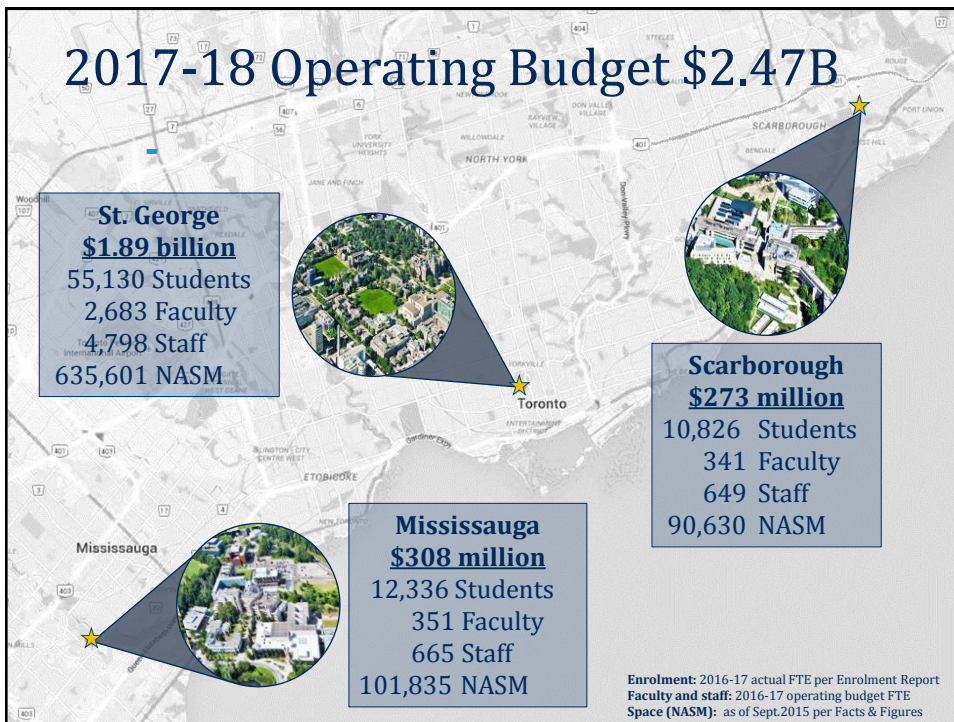
## Budget Timeline



# Strategic Mandate Agreements

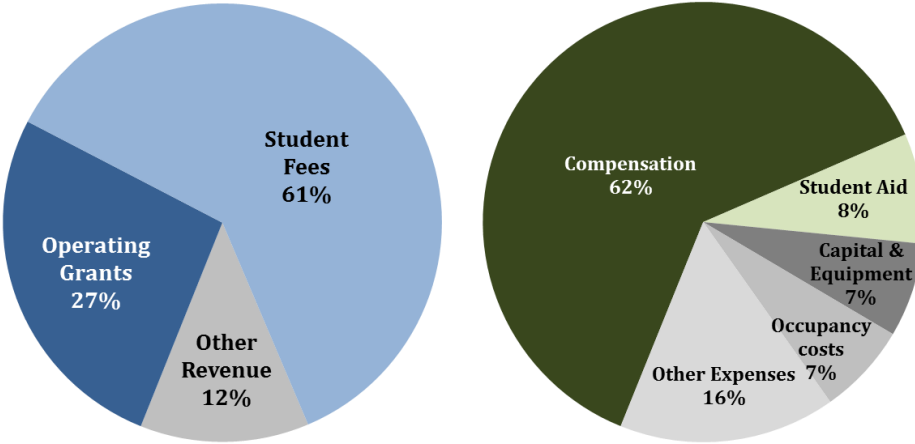
- Basis for Ontario's differentiation policy

2014	2017	2020	2023
<b>SMA1 (14-17)</b> <ul style="list-style-type: none"> <li>• UofT's distinct role in Ontario</li> <li>• Graduate spaces</li> <li>• Conversion of teacher ed.</li> </ul>	<b>SMA2 (17-20)</b> <ul style="list-style-type: none"> <li>• Negotiations spring 2017</li> <li>• Funding formula redesign</li> <li>• Revenue neutral</li> </ul>	<b>SMA3 (20-23)</b> <ul style="list-style-type: none"> <li>• Operationalize differentiation metrics</li> </ul>	





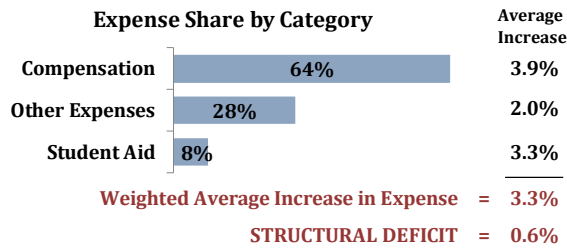
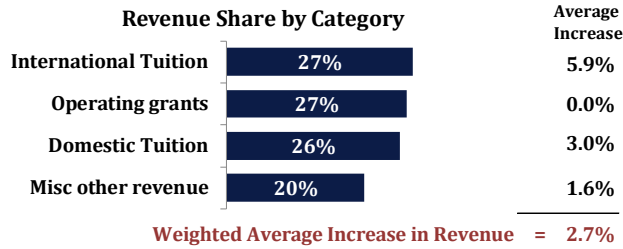
## Balanced Budget for 2017-18 - \$2.47 billion



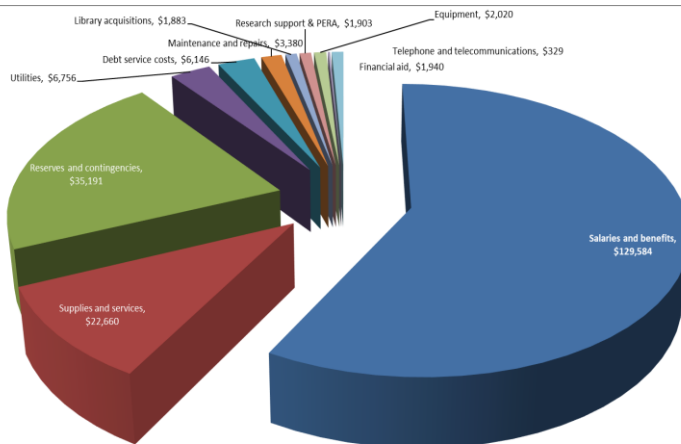
## UofT and UTSC 2017-18 Budgets (\$m)

	UofT	UTSC
Revenue	2,472.6	287.7
Shared services + pension deficit	671.4	35.4
Campus costs	90.7	45.9
Student aid	200.0	13.7
University fund contribution	-	18.1
Academic division(s)	1,510.5	174.7

## Costs Rise Faster than Steady State Revenues (Rates of increase based on 5-year historical average)



## UTSC 2017-18 Budget by Expenditure Type (in millions)



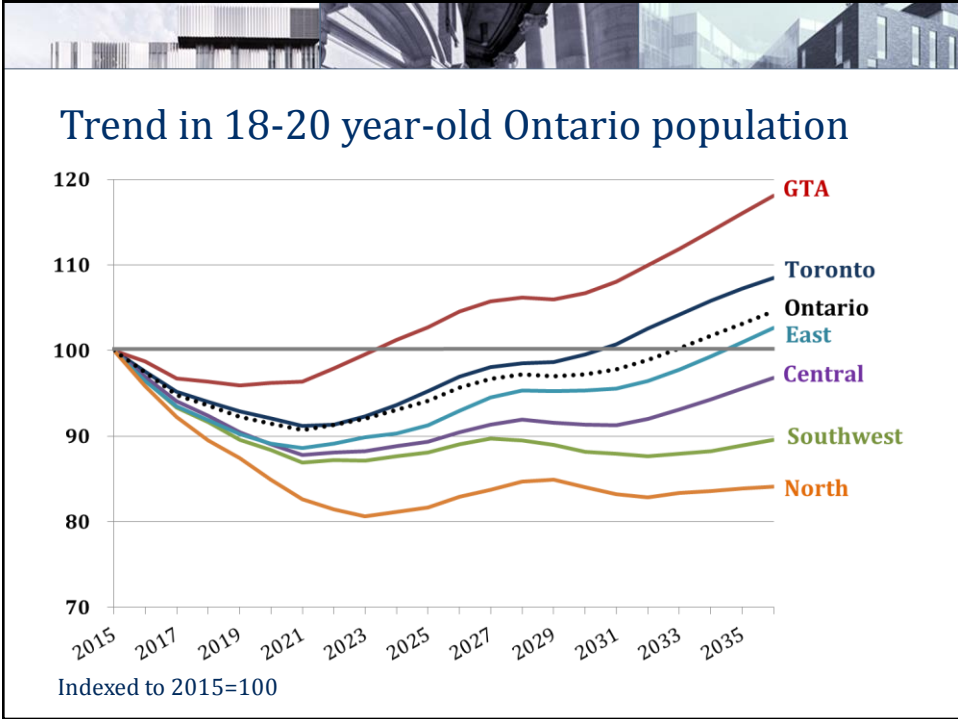
## Capital Projects at UTSC

- Environmental Science and Chemistry Bldg.-  
Completed
- Highland Hall – Under Construction
- *Future aspirations:*
  - Student Life Centre/Residences – Partnership Plan*
  - Parking Structure – Partnership Plan*
  - Co-Gen – Partnership Plan*
  - Andrews Revitalization – LIFT - SIF*
  - Bridge over Ellesmere*
  - Instructional Centre 2 – Strike PPR*

## Students and Teaching

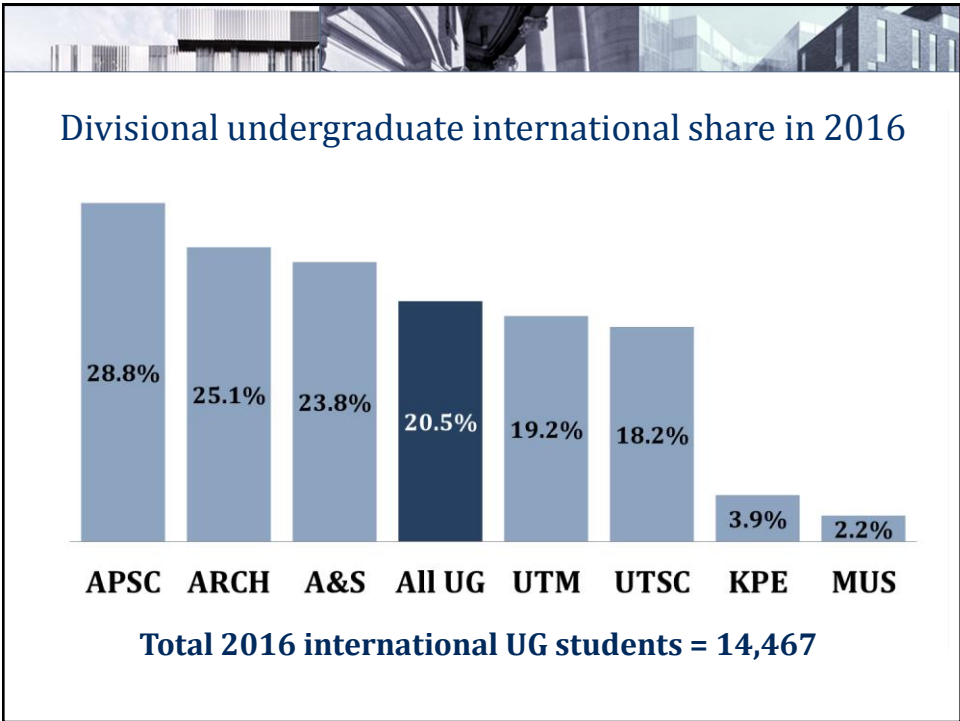
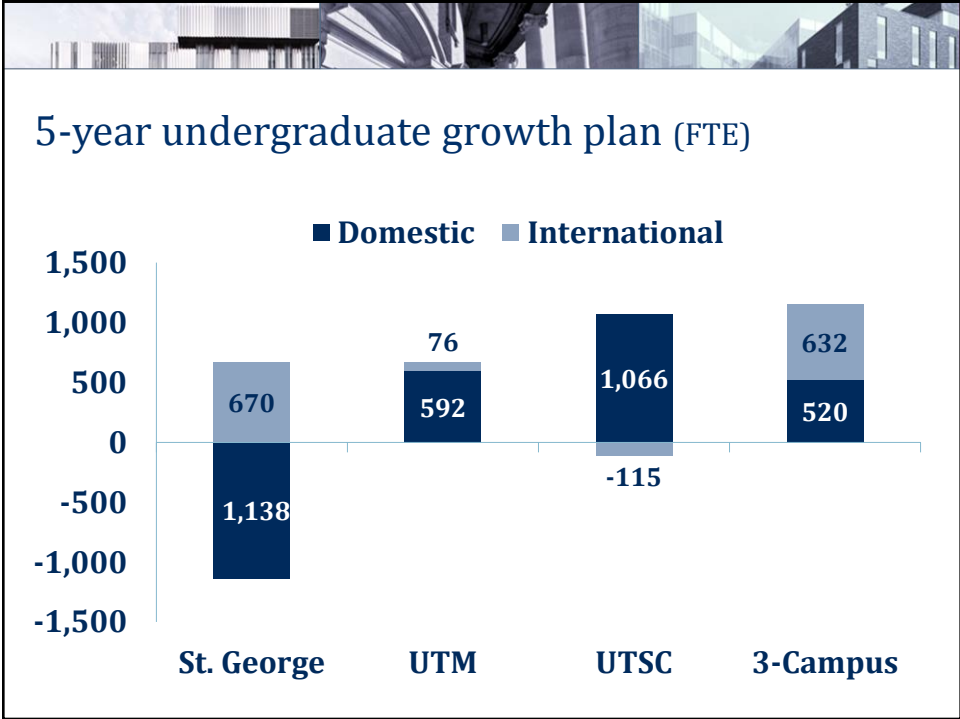


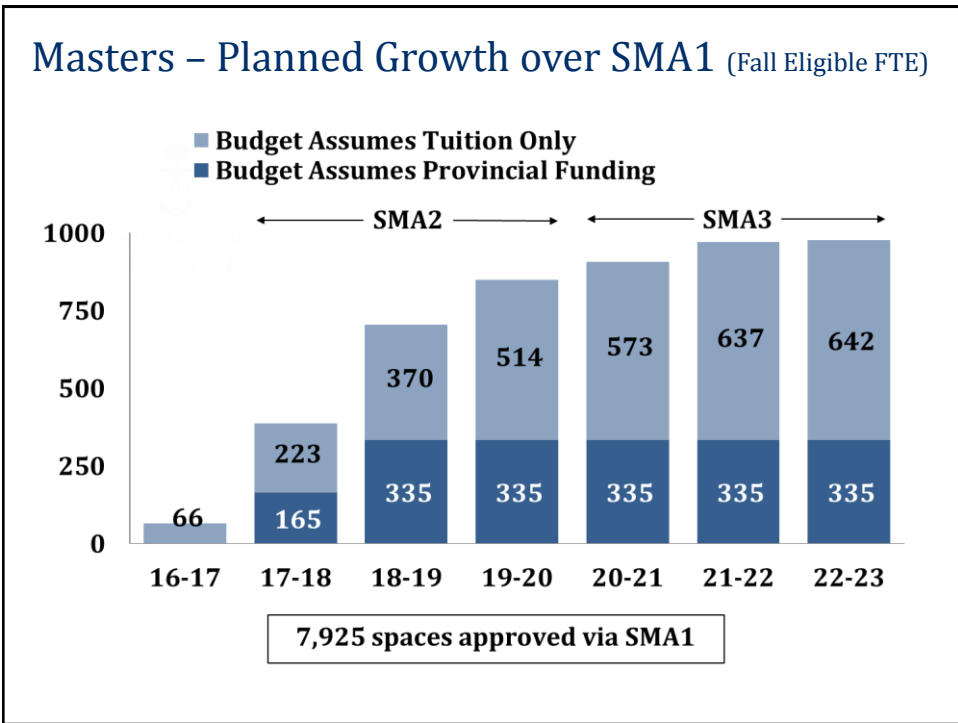
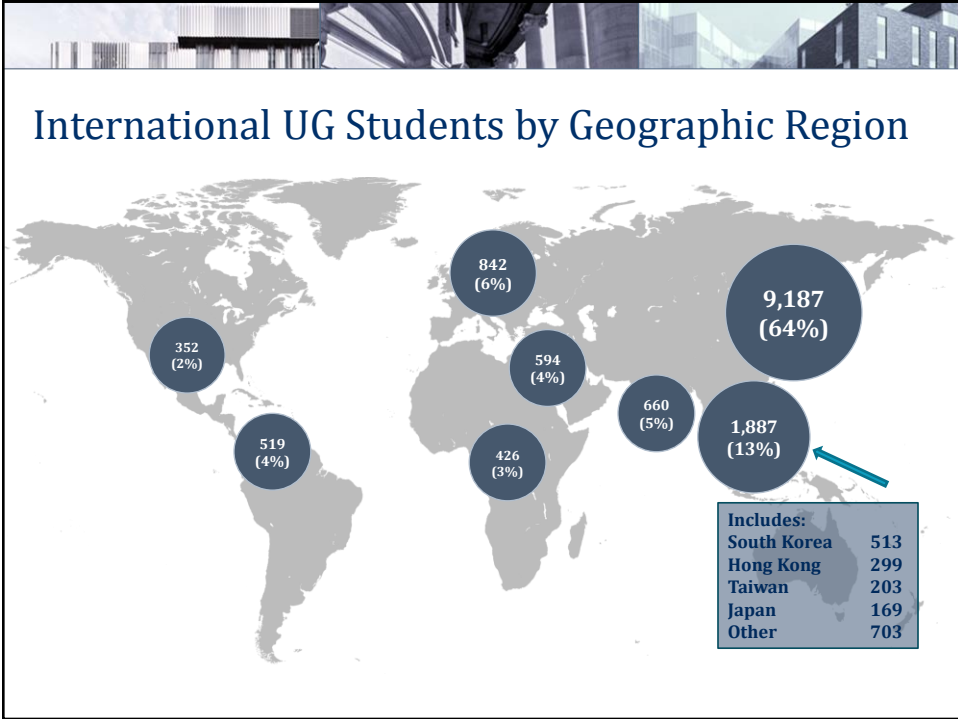




### 2016-17 UTSC Undergraduate Enrolment

Area of Study	2016-17 FTE	% Int'l
Arts & Humanities	1,746	18%
Social Sciences	3,331	14%
Management	1,392	34%
Life Sciences	1,314	5%
Other Sciences	2,965	22%
<b>TOTAL</b>	<b>10,747</b>	<b>19%</b>





## 2016-17 UTSC Graduate Enrolment

<b>Program Type</b>	<b>2016-17 FTE</b>	<b>Projected 2021-22</b>
Prof Masters (Env Sci; Acct & Fin)	79	195
DS Masters UTSC (Psych & Behavioural Sci)	10	30
DS Masters tri-campus *	36	n/a
PhD UTSC (Psych & Env Sci)	64	69
PhD tri-campus *	98	n/a
<b>TOTAL</b>	<b>287</b>	

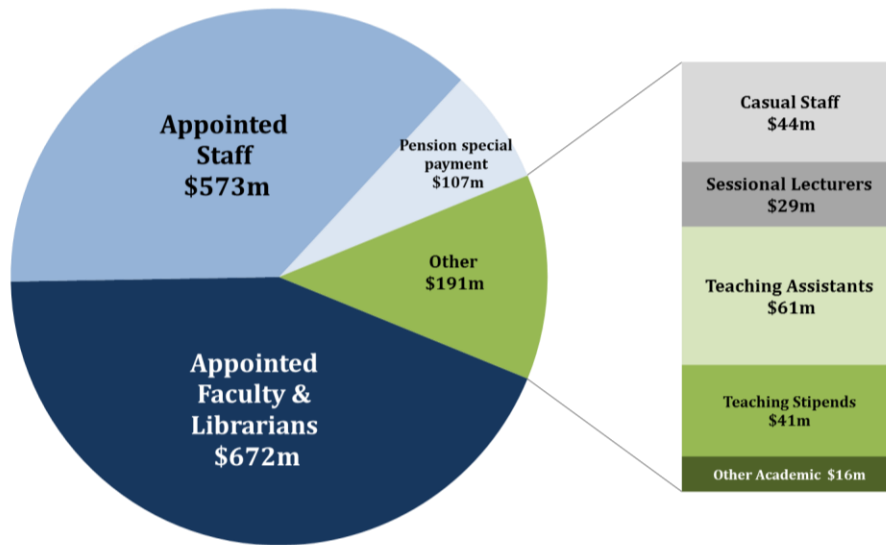
\* As per self-declared code in student system

19

## Faculty, Staff and University-wide Costs



## 2017-18 Compensation Budget \$1.54B (Est.)



**2016-17 Budget \$1.48B + Budget Increase \$62M**

## Preliminary Faculty and Staff Hiring Plans at UTSC

	Faculty & Librarians	Staff
2016-17	365	523
2017-18	+11	+11
2018-19	+13	+10
2019-20	+11	+10
2020-21	+10	+10
2021-22	+8	+10

## Pension special payments and other related costs

	Incremental Annual \$m	Total Annual \$m
2016-17	5	102
2017-18	5	107
2018-19	5	112
2019-20	5	117
2020-21	5	122
2021-22	5	127

Placeholder

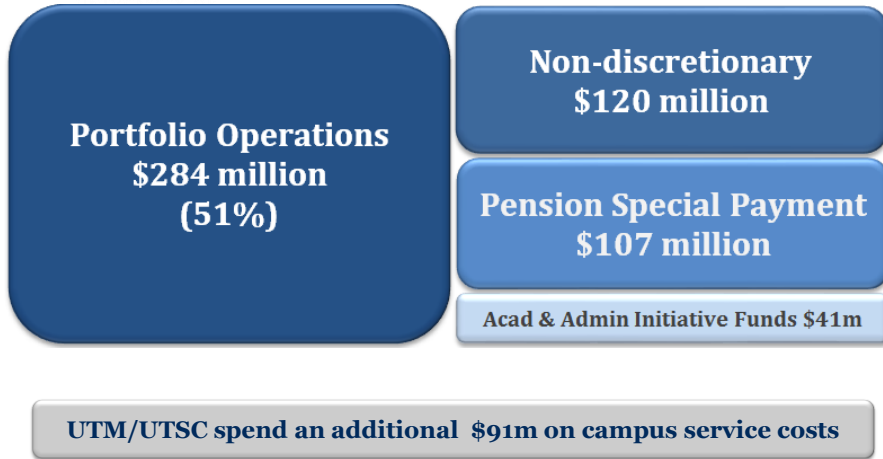
## Operating budget support of capital projects (\$m)

	14-15	15-16	16-17 est.	17-18 est.
Payments on loans & mortgages	\$32	\$33	\$35	\$37
Transfer from operating to capital	\$128	\$24	\$67	\$101
<b>Total</b>	<b>\$160</b>	<b>\$57</b>	<b>\$102</b>	<b>\$138</b>

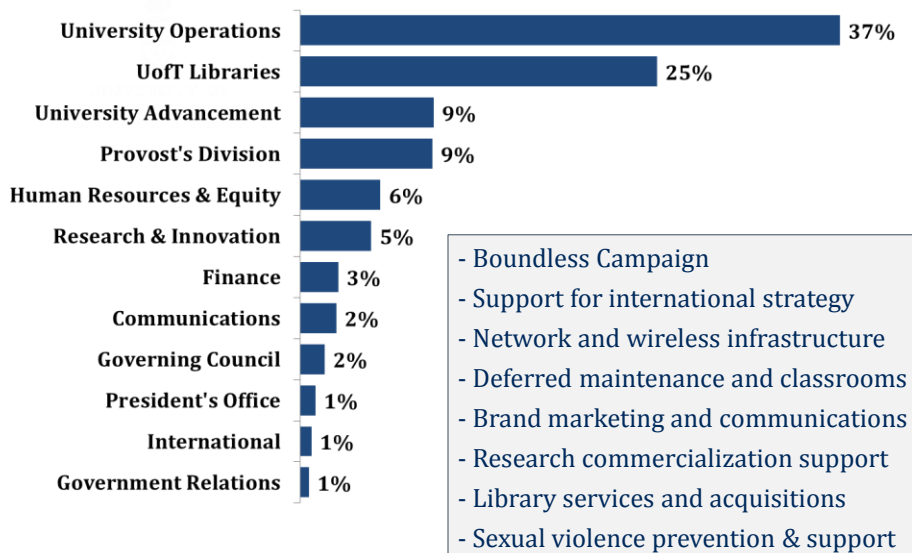
**A guiding principle is that capital projects in academic divisions should include funding from long term debt of no more than 20%.**

## What makes up university-wide costs?

### 2017-18 University Wide Costs: \$552 million

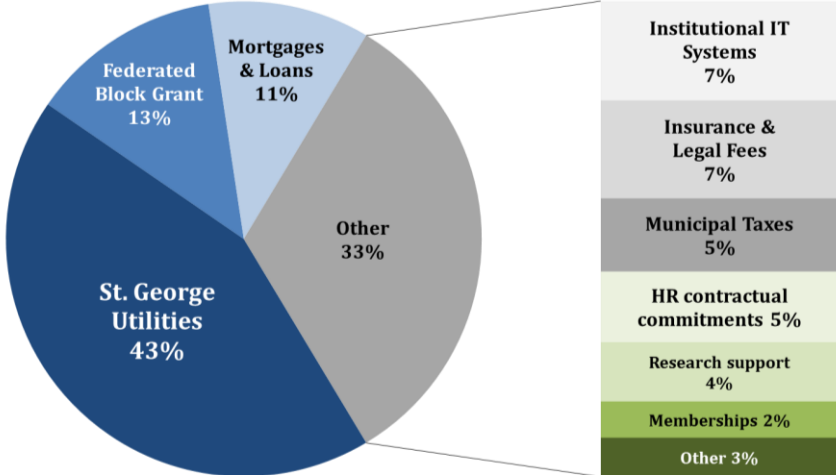


## Shared Service Portfolio Operations (\$284m)



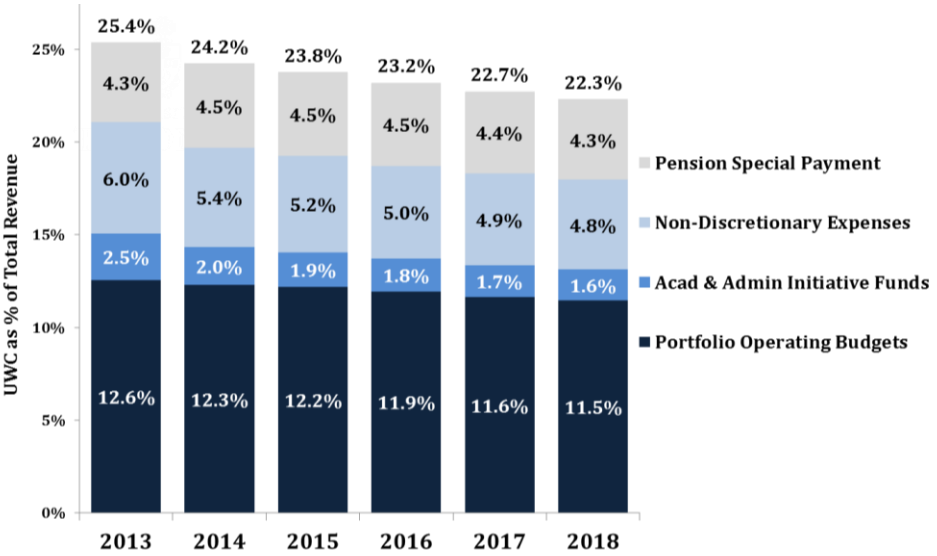


## Non-discretionary Expenses (\$120m)



\*Excludes UTM and UTSC utilities, which are reported separately as campus service costs.

## University-wide costs as % of Revenue



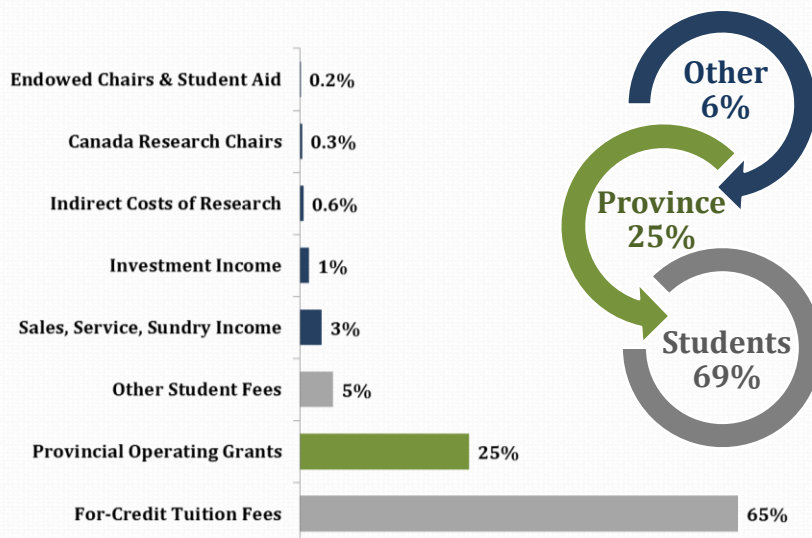
\*Restated to report academic and administrative initiative funds in a single category



## Funding Sources

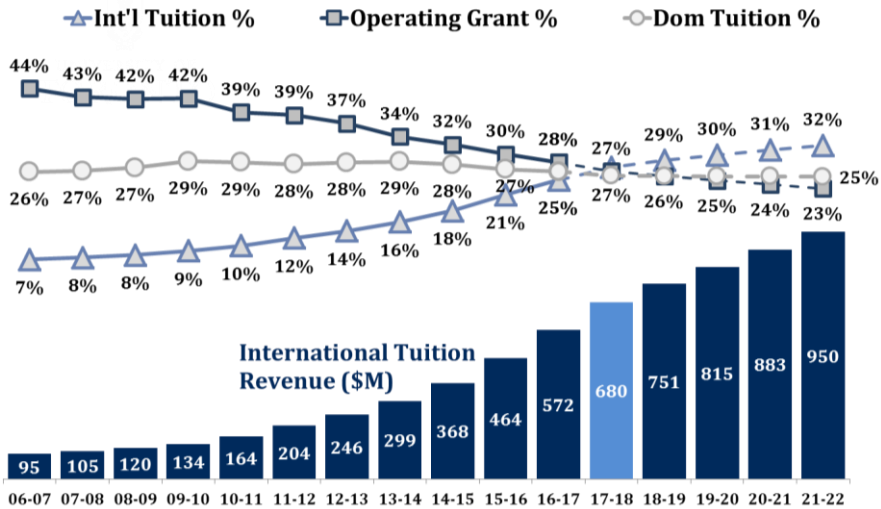


## UTSC 2017- 18 sources of revenue (\$288m)



## The changing revenue landscape

(excludes divisional income)



## Provincial Tuition fee framework extended 2017-18 and 2018-19

(Domestic overall cap = 3%)	Incoming Students	Continuing Students
Domestic General UG	3%	3%
Domestic Prof and Graduate *	5%	5%

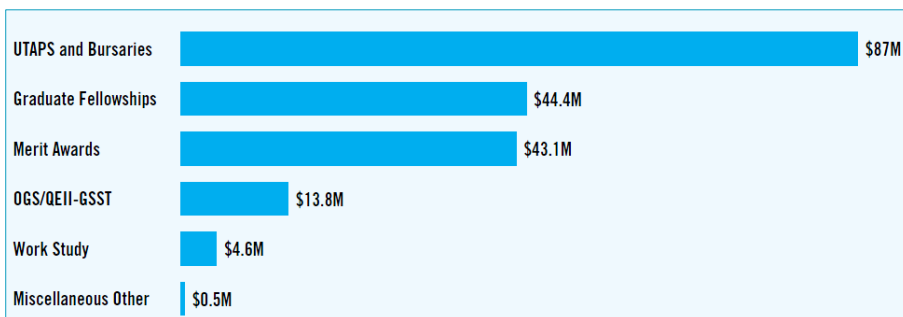
\* Domestic tuition fee for doctoral stream will **decrease** by \$70

## Student Aid



## STUDENT AID EXPENSES

\$193 million in 2015-16



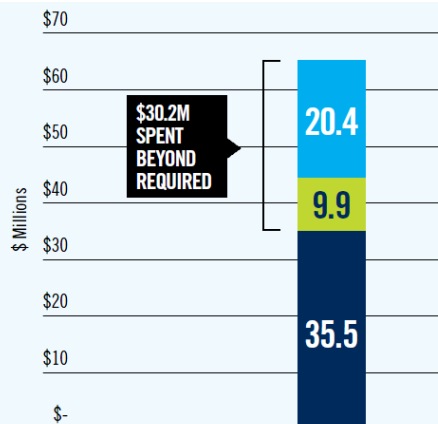
# STUDENT ACCESS GUARANTEE

\$65.8 million in 2015-16

The chart shows the University of Toronto's 2015-16 SAG expenditures. Expenditures totalled \$65.8M. Of that amount, \$35.5M was required to be paid as per SAG requirements. The remaining \$30.3M includes discretionary expenditures for students in second-entry programs and for the difference between actual living costs and living costs recognized in the OSAP need assessment for students in direct and second-entry programs.

Source: Ministry of Advanced Education and Training

- Second entry discretionary programs
- Direct discretionary programs
- Required (direct and second entry)



## Changes to Ontario Financial Aid

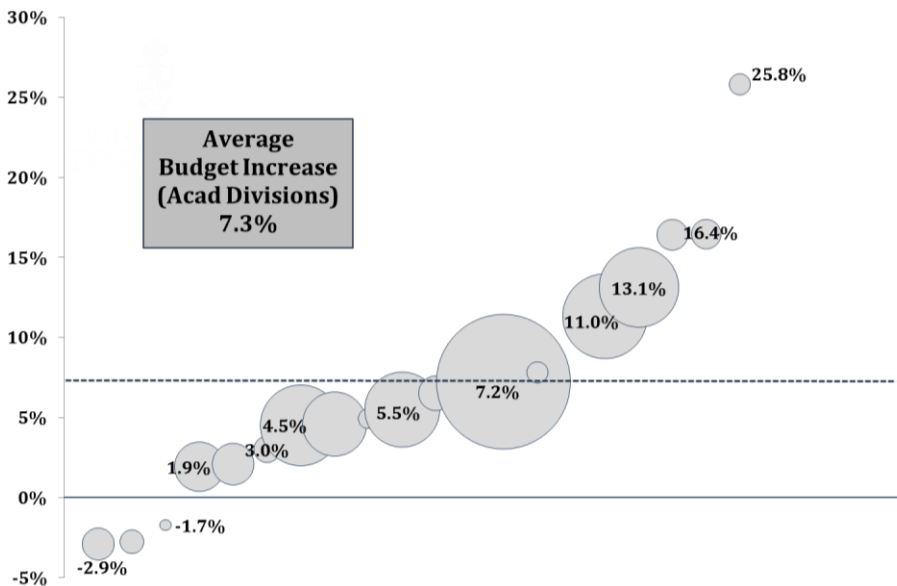
- Redesign of financial aid system (OSAP) will be good for students:
  - reduced complexity,
  - increased transparency
  - earlier decisions on available financial aid
- 2017-18 → consolidation of many provincial aid programs into one
- 2018-19 → introduction of net-tuition billing for students in “direct-entry” programs

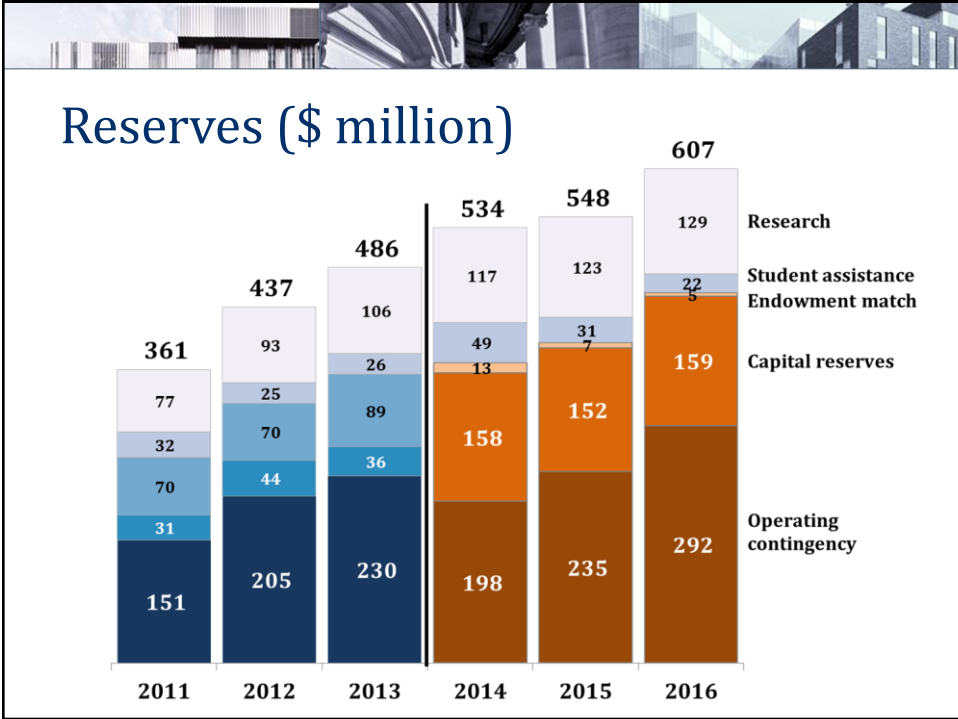


## Budget Summary - Opportunities and Risks








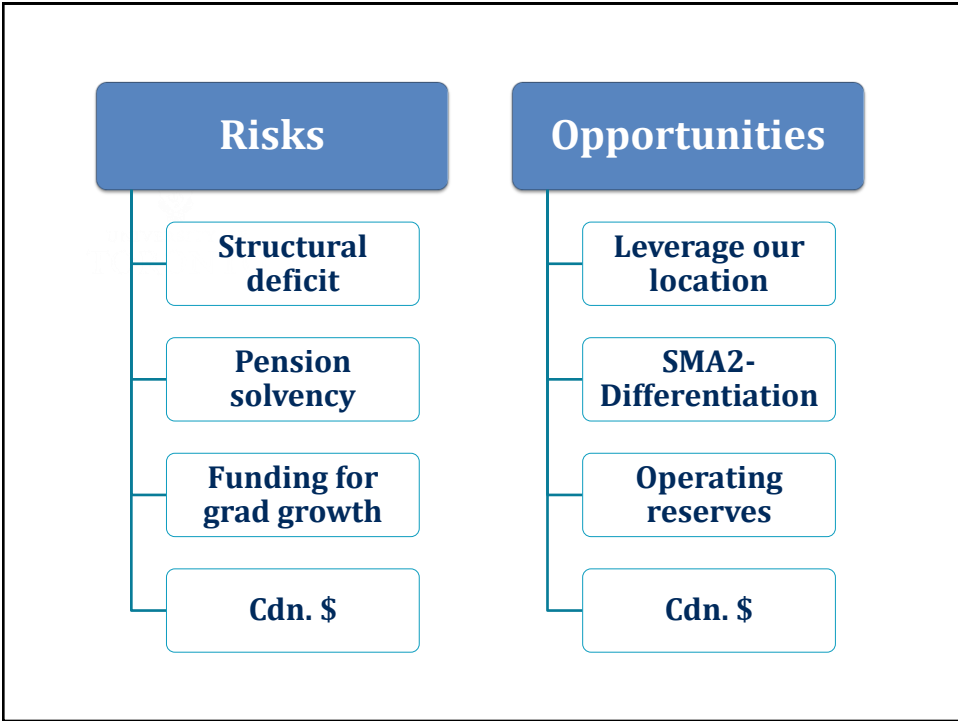
### Variation in Growth of Divisional Expense Budgets (i.e. Revenue less University-wide Costs and Student Aid)





## Key metrics are strong

-  **International rankings**
-  **Student employability**
-  **Entering averages**
-  **Credit ratings and debt ratio**
-  **Applications**



## UTSC PRIORITIES 2018 /2019 BUDGET

## Planning & Priorities Retreat (June 2017) Section 1: Priorities

1. Centres of Excellence
  - Science-Earth-Clean Tech Consortium
  - Social Sciences-Highland Hall-Suburbanization (Centre for Suburbanization, Migration and Globalization)
2. Revenue Based Budget Model
3. IC-2
4. Enrolment (Domestic and International) – Recruitment and Scholarships/Enrollment Corridors
5. Co-Op and Experiential Education/Entrepreneurship/A.I. (The Hub-hire)

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## ABR Priorities

- Addressing the Call to Action of the Truth and Reconciliation Commission of Canada (faculty hires)
- Startup packages: \$500,000 per year over two years. (Asking for \$1,000,000)
- Equity and Diversity –senior equity hires
- Strategic Enrolment Management (SEM) –Scholarships
- SMA2 (rural recruiter)

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## Capital Plan

July 2017 Capital Plan (in millions)						
Commitments	2017-18	2018-19	2019-20	2020-21	2021-22	5 Year Total
Highland Hall (includes funding shortfall)	\$ 23.43	\$ -	\$ -	\$ -	\$ -	\$ 23.43
Bridge	-	3.50	-	-	-	3.50
S-Wing Renovations	-	-	-	3.00	3.00	6.00
Vivarium Cage Washer Reno	3.19	-	-	-	-	3.19
Co-Gen	-	8.00	3.80	-	-	11.80
Military Trail	-	-	7.00	-	-	7.00
IC2	-	-	20.00	20.00	20.00	60.00
Parking Structure (net of \$6.5M Parking contribution)	-	-	13.50	-	-	13.50
Accessible Valley Trail	2.29	-	-	-	-	2.29
	\$ 28.91	\$ 11.50	\$ 44.30	\$ 23.00	\$ 23.00	\$ 130.71

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## Additional Capital Projects

<b>Additional Projects (funding to be identified):</b>	<b><u>Estimated Cost</u></b>	<b><u>Potential Matching Funds</u></b>
First Nations House	\$2.5M - \$4.0M	Provost
Harbut House	\$2.5M - \$4.0M	Student Lewy

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