



FOR INFORMATION

PUBLIC

OPEN SESSION

TO: Campus Affairs Committee

SPONSOR: Professor Cheryl Regehr, Vice-President and Provost

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PRESENTERS: Professor Scott Maybury, Vice-President University Operations and

CONTACT INFO: Mr. Jeff Lennon, Director, Academic Planning and Analysis

DATE: October 24, 2017 for October 31, 2017

AGENDA ITEM: 3

ITEM IDENTIFICATION:

Current Year Campus and Institutional Budget

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 [UTM] 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. UTM Campus Affairs Committee [For information] (October 31, 2017)
2. UTM Campus Council [For information] (November 21, 2017)

PREVIOUS ACTION TAKEN:

At meetings on September 15, 2016 and October 6, 2016, the Campus Affairs Committee and the Campus Council respectively received for information a presentation on the Current Year Campus and Institutional Operating Budget.

HIGHLIGHTS:

The attached presentation is 'step one in the process for consideration of budget matters by UTM governance, which comprises four components:

- (1) an integrated budget presentation to the CCs and CACs,
- (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.

Current Year Campus and Institutional Budget

The attached presentation provides the context for the 2017-18 Budget, including structure and process, enrolment, UofT Revenue, expense and university fund, Student financial support. This “step one” discussion at the CAC will support UTM’s annual budget preparations and the integration of campus budget plans into the University’s budget.

FINANCIAL IMPLICATIONS:

n/a

RECOMMENDATION:

For information.

DOCUMENTATION PROVIDED:



UNIVERSITY OF
TORONTO

Budget 2017

University of Toronto Mississauga
Campus Affairs Committee

March 20, 2017





Agenda

1) Context

4) Funding Sources

2) Students & Teaching

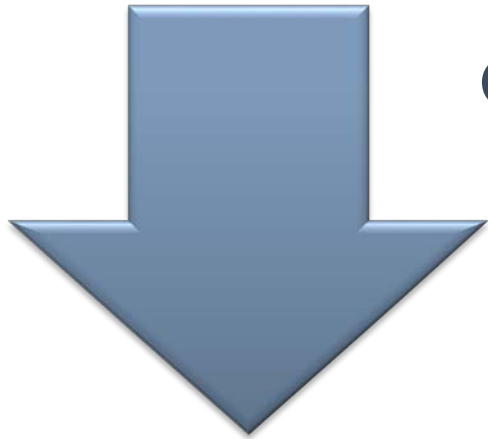
5) Student Aid

3) Faculty, Staff, UWC

6) UF

7) Opportunities & Risks

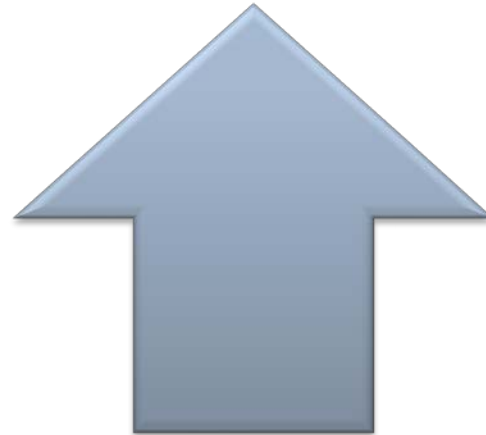
The budget is primarily a bottom-up process



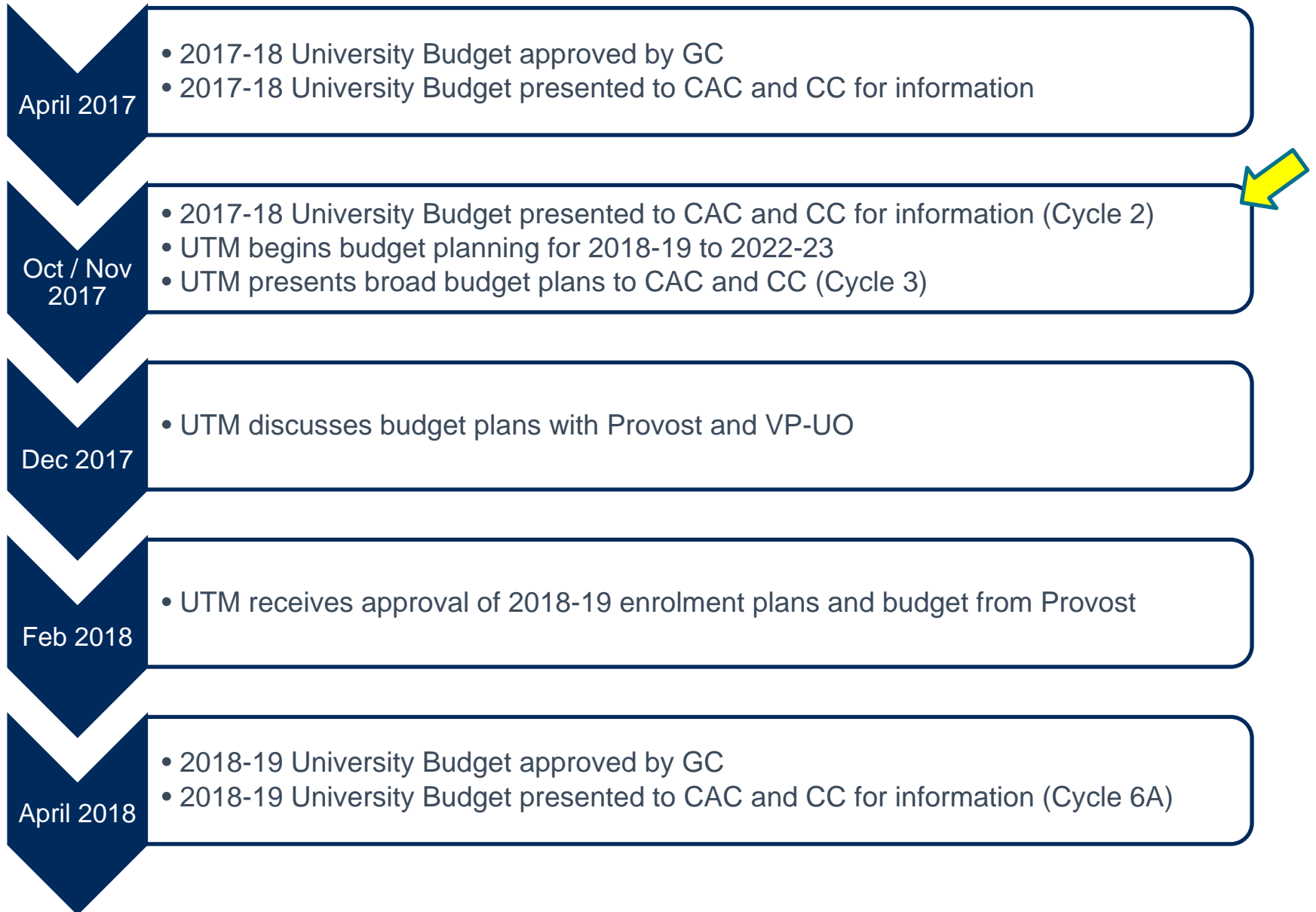
Informed by:
Global and Canadian markets
Provincial policy
University policy
Collective agreements



**Planning is
driven by
academic
and service
priorities**



Budget Timeline





Strategic Mandate Agreements

- Basis for Ontario's differentiation policy

2014

2017

2020

2023

SMA1 (14-17)

- UofT's distinct role in Ontario
- Graduate spaces
- Conversion of teacher ed.


SMA2 (17-20)

- Negotiations spring 2017
- Funding formula redesign
- Revenue neutral


SMA3 (20-23)

- Operationalize differentiation metrics

2017-18 Operating Budget \$2.47B



St. George
\$1.89 billion
55,130 Students
2,683 Faculty
4,798 Staff
635,601 NASM



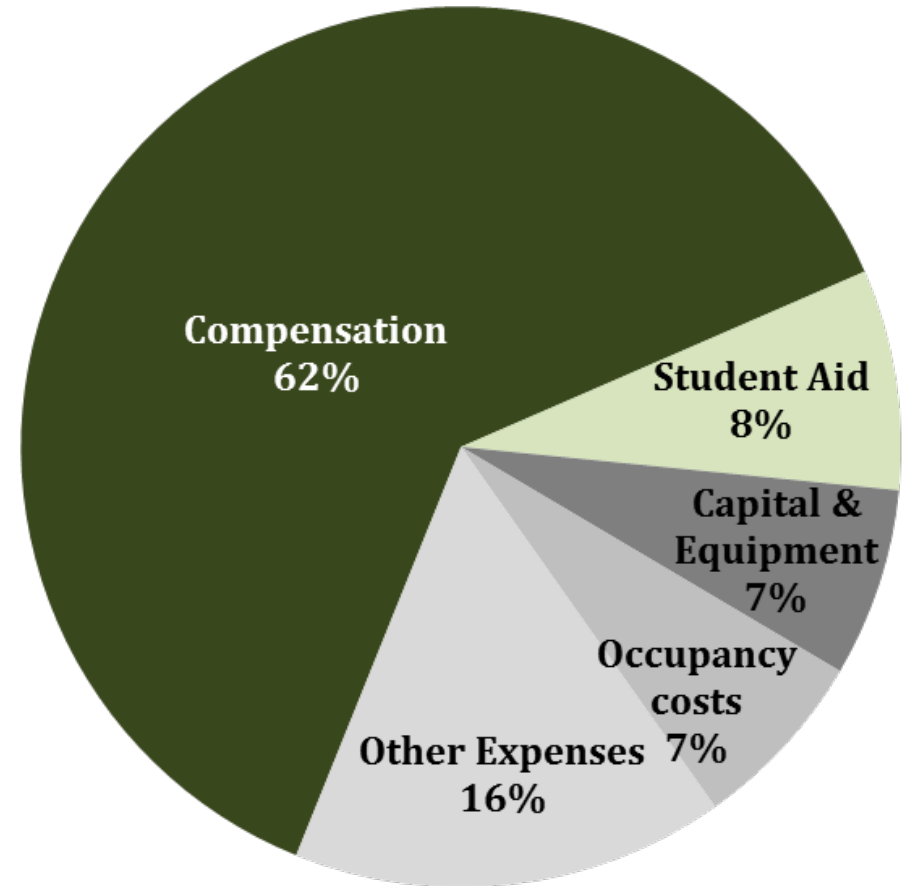
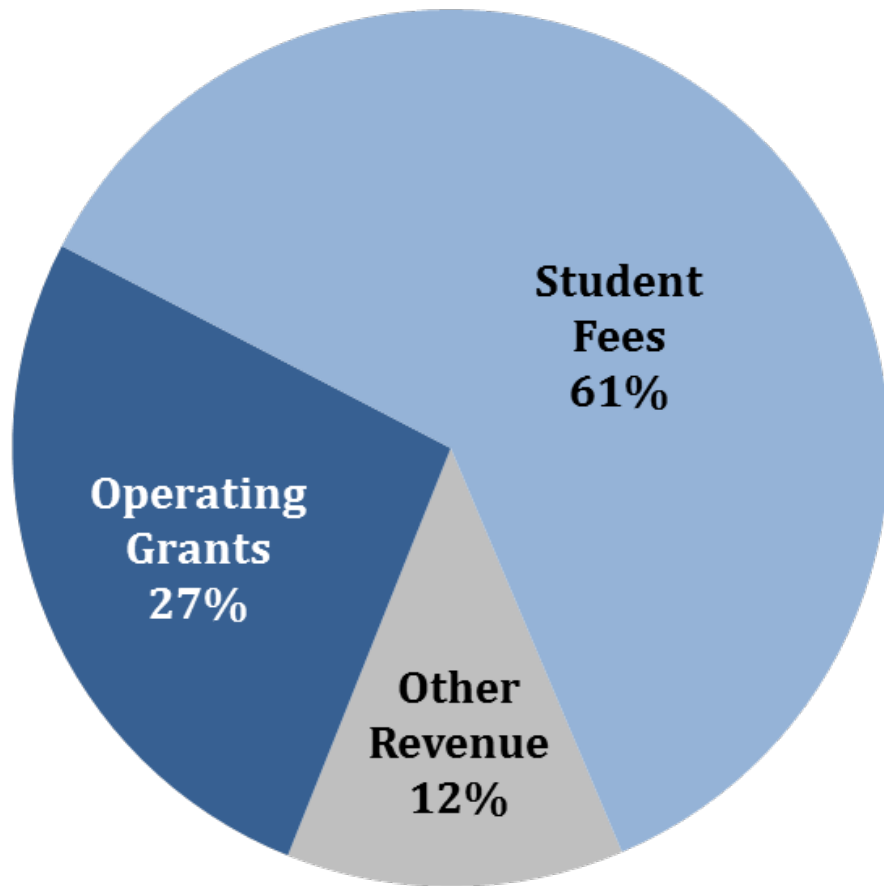
Scarborough
\$273 million
10,826 Students
341 Faculty
649 Staff
90,630 NASM



Mississauga
\$308 million
12,336 Students
351 Faculty
665 Staff
101,835 NASM

Enrolment: 2016-17 actual FTE per Enrolment Report
Faculty and staff: 2016-17 operating budget FTE
Space (NASM): as of Sept.2015 per Facts & Figures

Balanced Budget for 2017-18 - \$2.47 billion

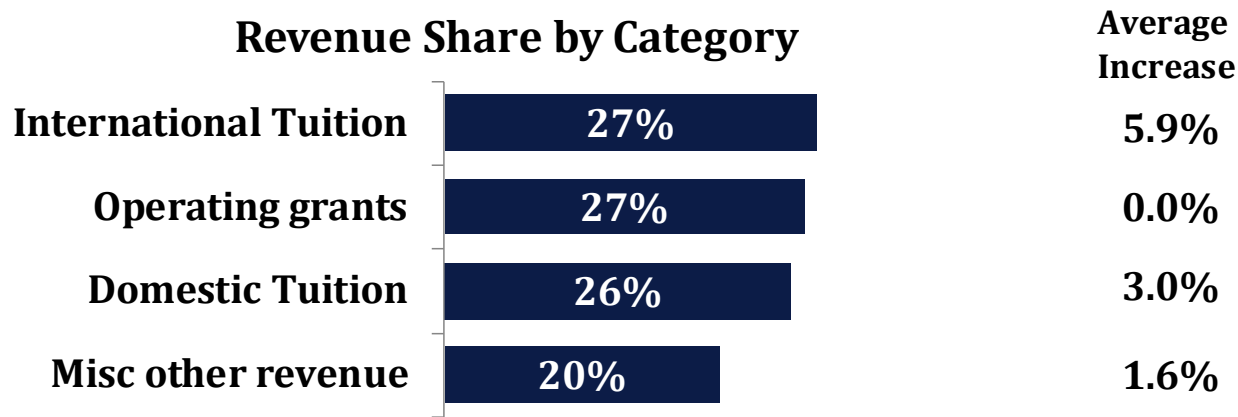


UofT and UTM 2017-18 Budgets (\$m)

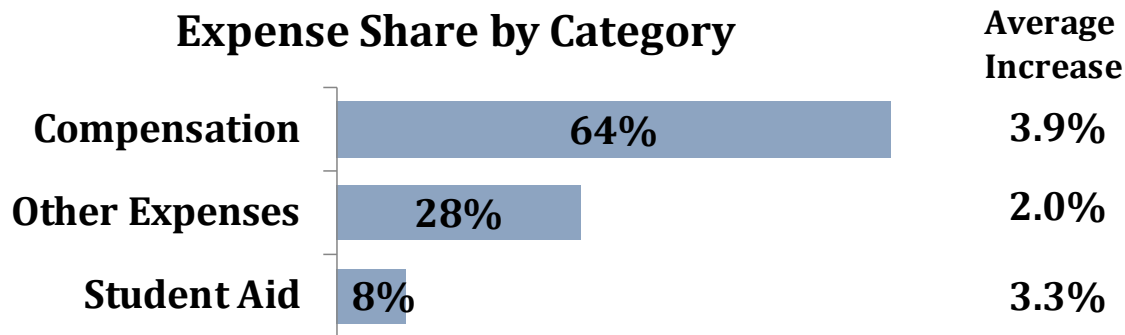
	UofT	UTM
Revenue	2,472.6	322.0
Shared services + pension deficit	671.4	38.7
Campus costs	90.7	49.9
Student aid	200.0	13.2
University fund contribution	-	20.7
Academic division(s)	1,510.5	197.6

Costs Rise Faster than Steady State Revenues

(Rates of increase based on 5-year historical average)



Weighted Average Increase in Revenue = 2.7%



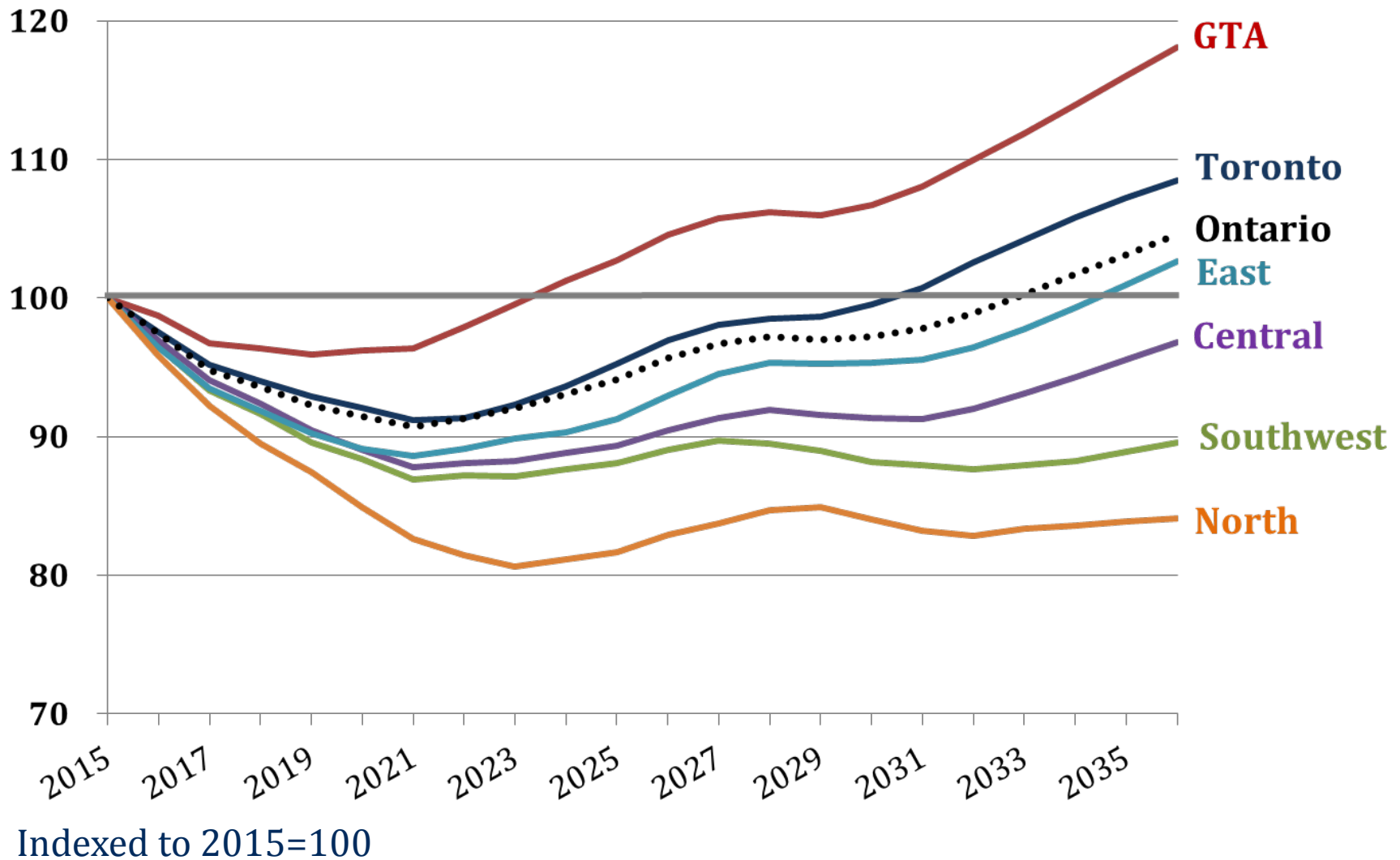
Weighted Average Increase in Expense = 3.3%

STRUCTURAL DEFICIT = 0.6%

Students and Teaching



Trend in 18-20 year-old Ontario population



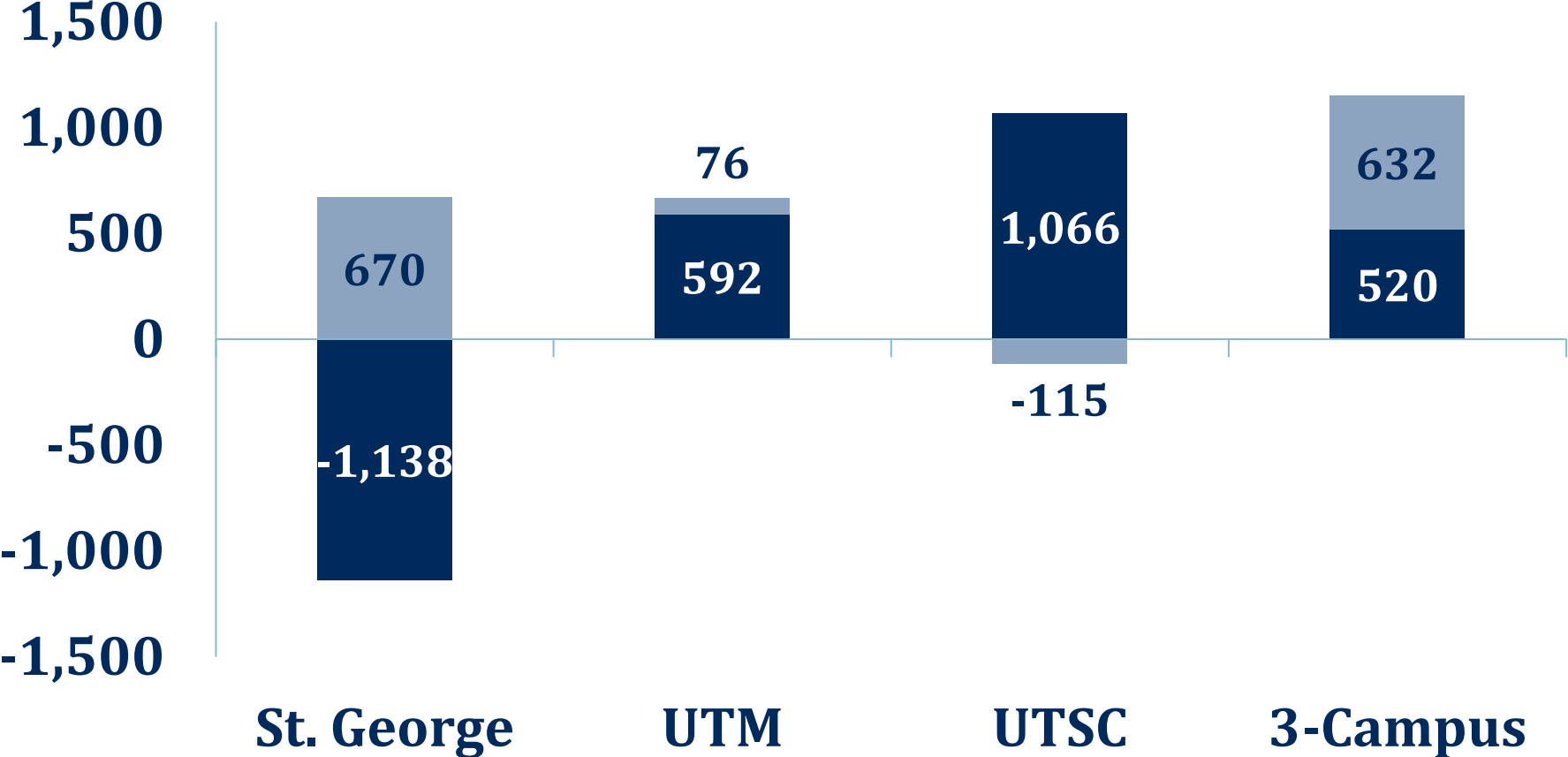
2016-17 UTM Undergraduate Enrolment

Area of Study	2016-17 FTE	% Int'l
Arts & Humanities	2,851	16%
Social Sciences	4,446	21%
Management	974	34%
Life Sciences	1,339	5%
Other Sciences	2,089	23%
MD	216	0.5%
TOTAL	11,915	20%

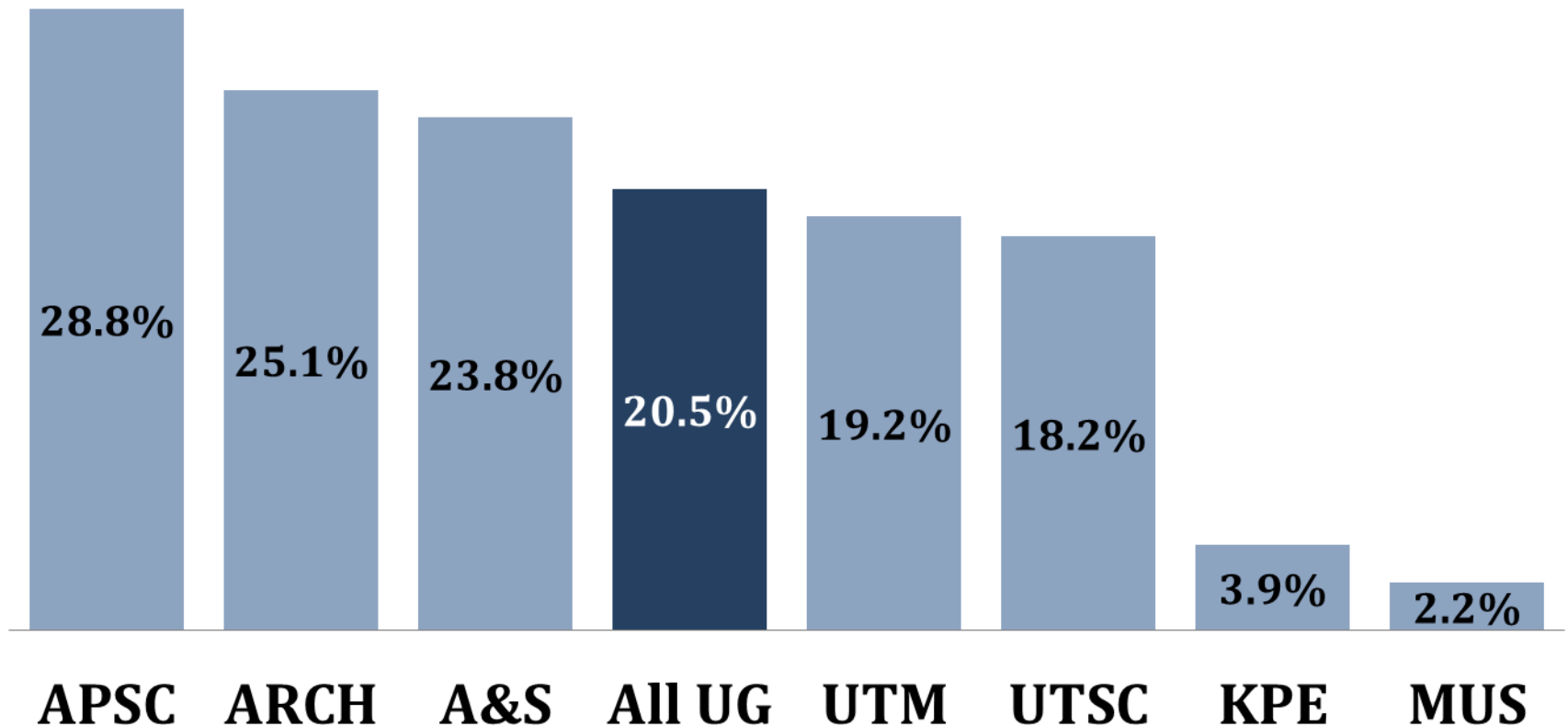


5-year undergraduate growth plan (FTE)

■ Domestic ■ International

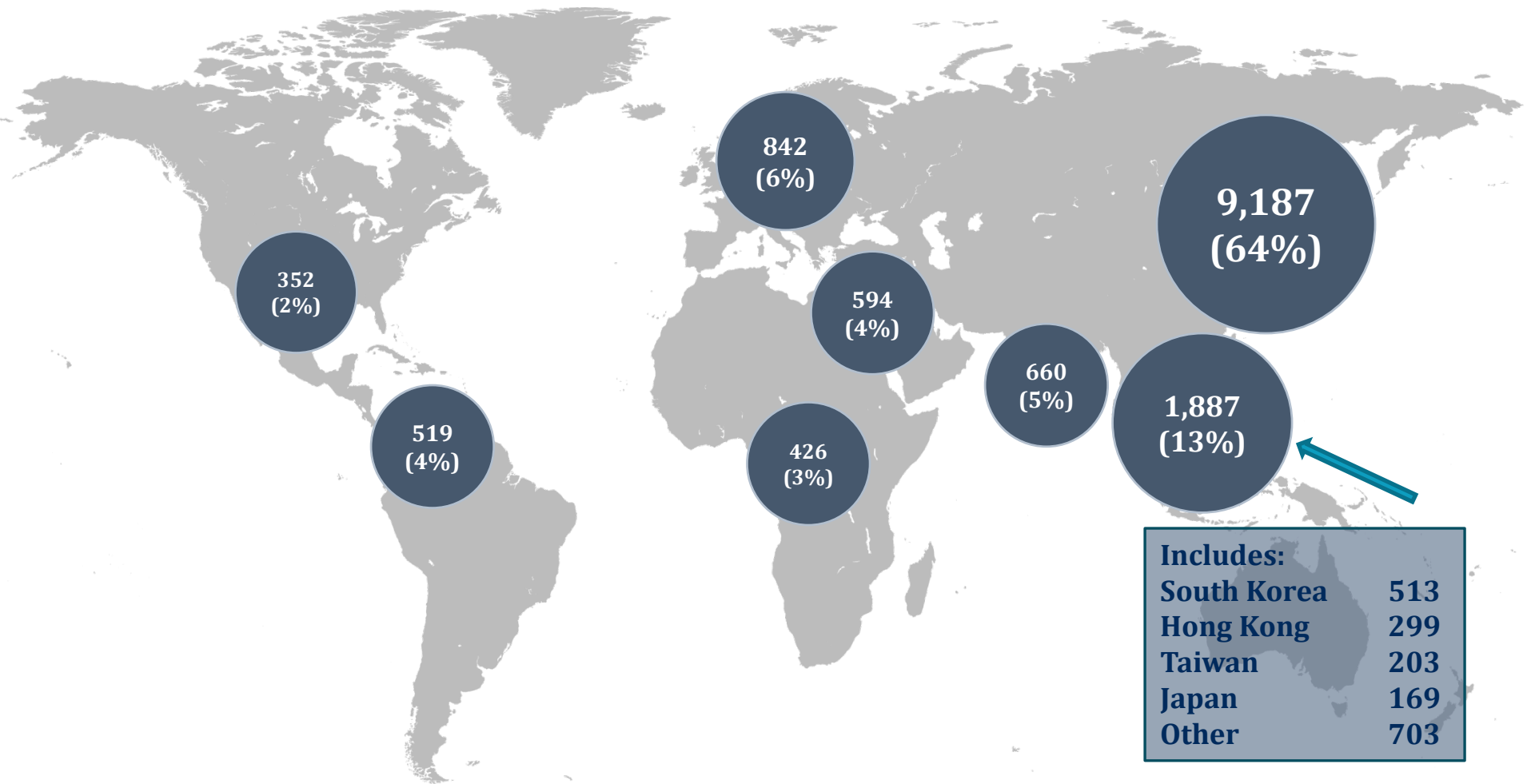


Divisional undergraduate international share in 2016

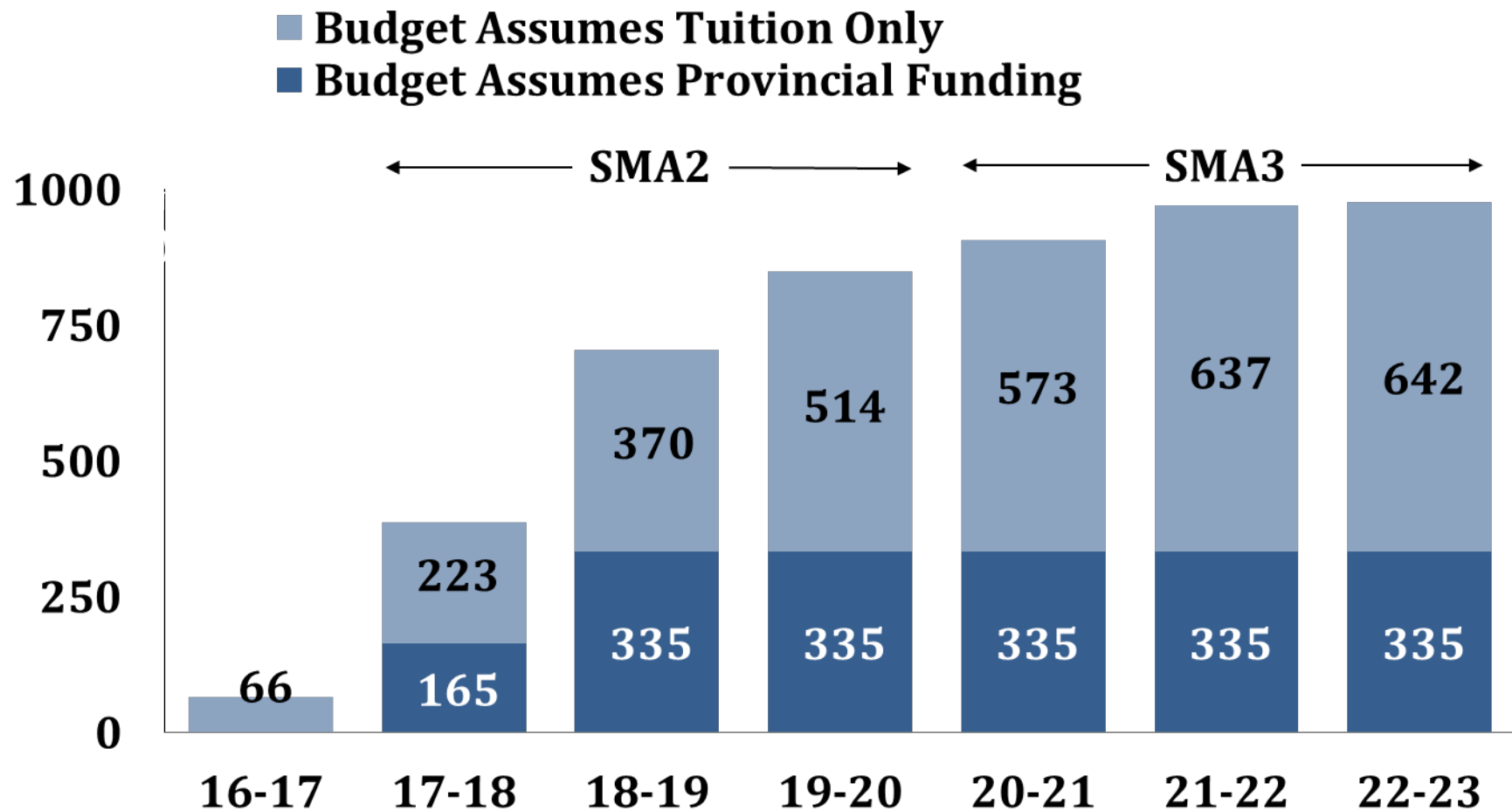


Total 2016 international UG students = 14,467

International UG Students by Geographic Region



Masters – Planned Growth over SMA1 (Fall Eligible FTE)



7,925 spaces approved via SMA1

2016-17 UTM Graduate Enrolment

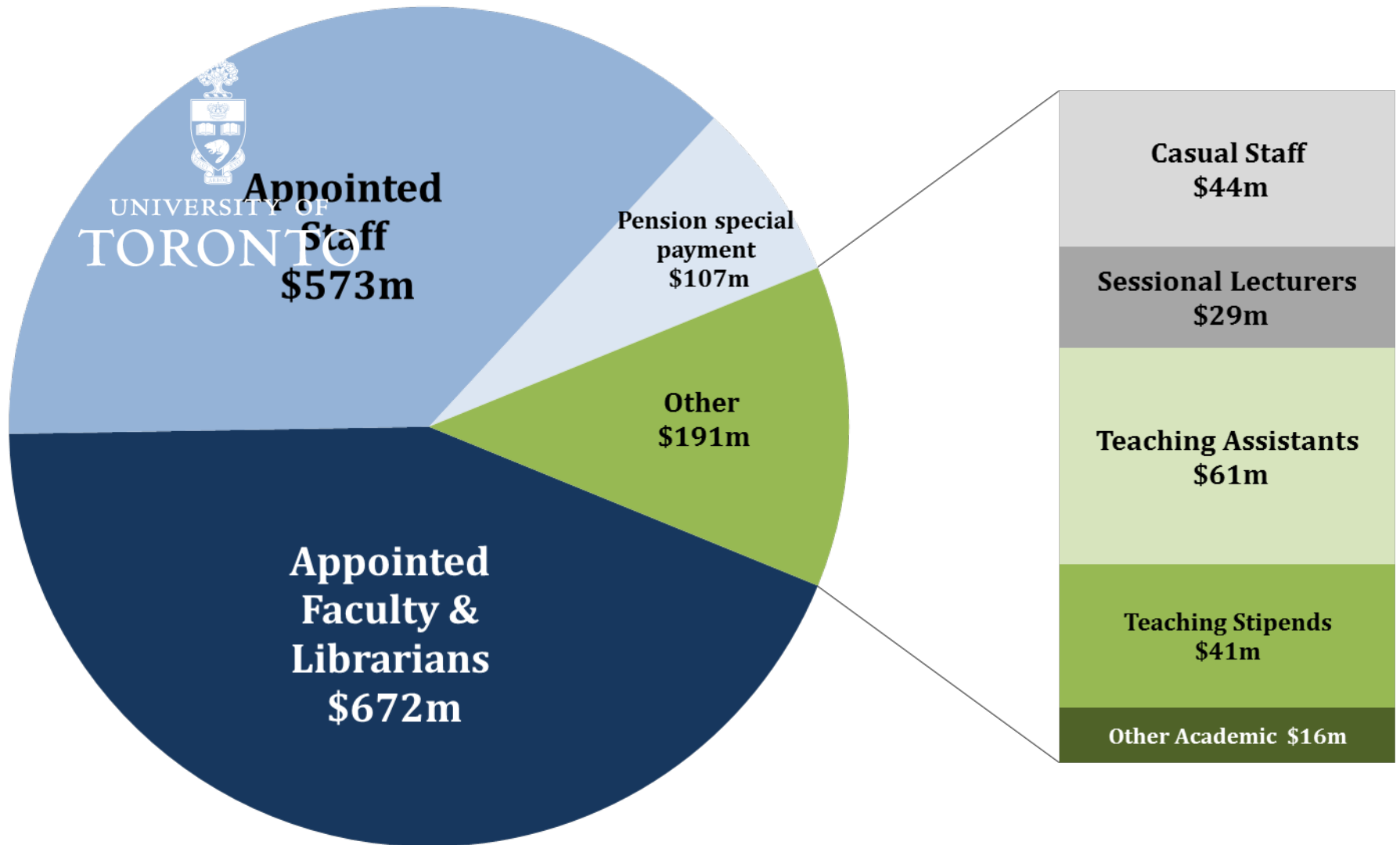
Program Type	2016-17 FTE	Projected 2021-22
Prof Masters	424	506
DS Masters *	82	n/a
PhD *	155	n/a
TOTAL	661	

* As per self-declared code in student system

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 UTM

	Faculty & Librarians	Staff
2016-17	363	539
2017-18	+31	+43
2018-19	+22	+25
2019-20	+23	+11
2020-21	+22	+24
2021-22	-	+11

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

Placeholders

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
Total	\$160	\$57	\$102	\$138

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

Portfolio Operations
\$284 million
(51%)

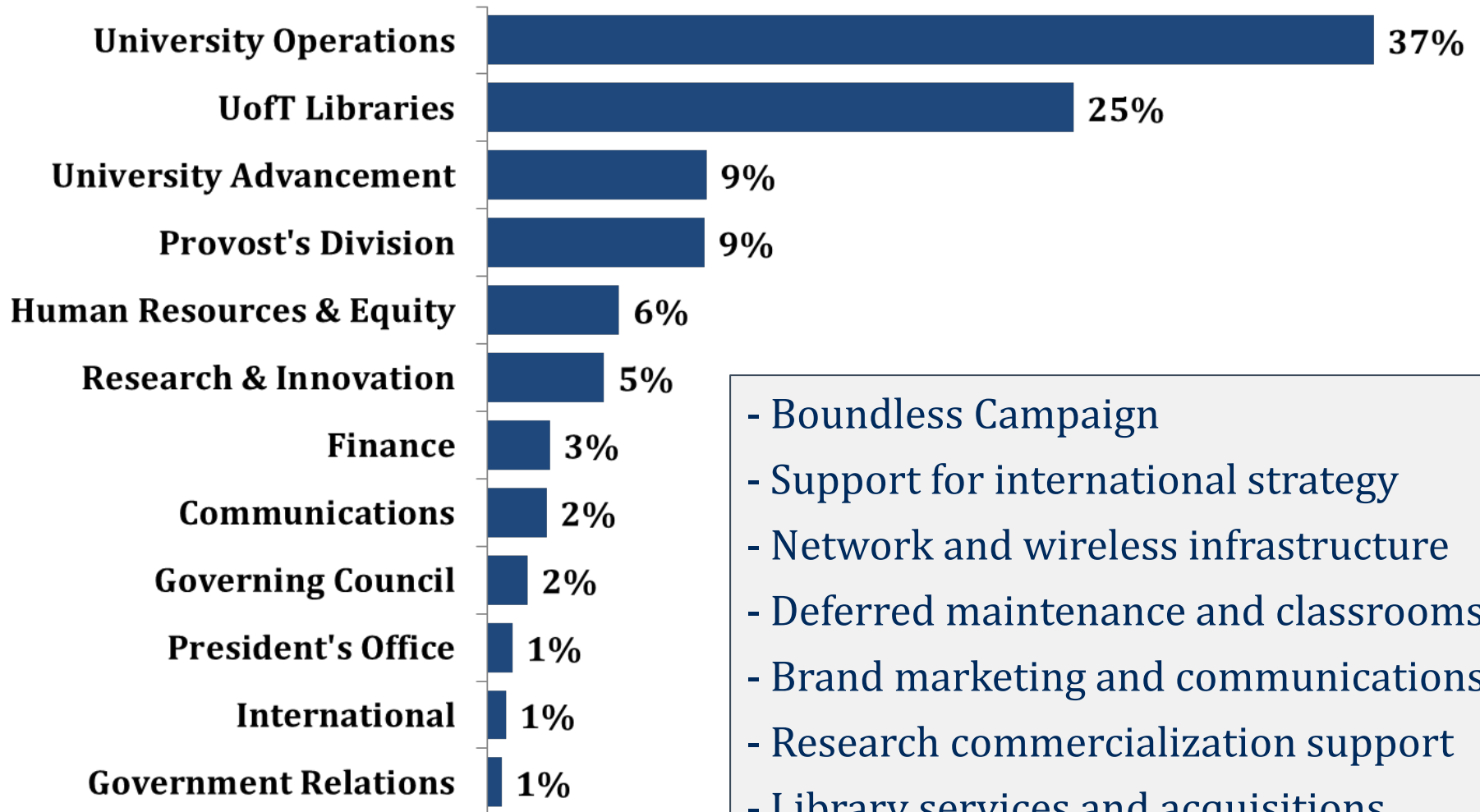
Non-discretionary
\$120 million

Pension Special Payment
\$107 million

Acad & Admin Initiative Funds \$41m

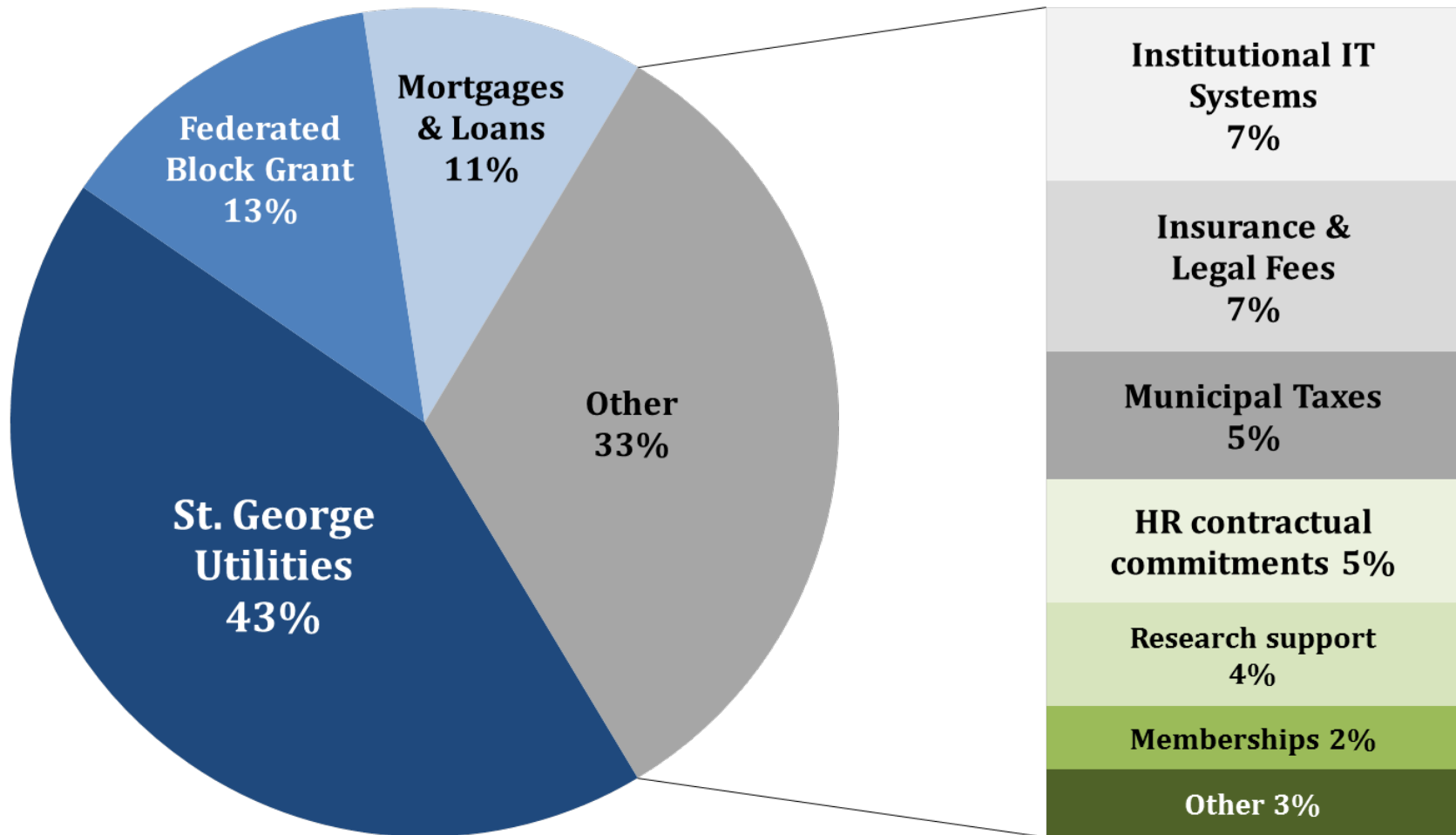
UTM/UTSC spend an additional \$91m on campus costs

Shared Service Portfolio Operations (\$284m)



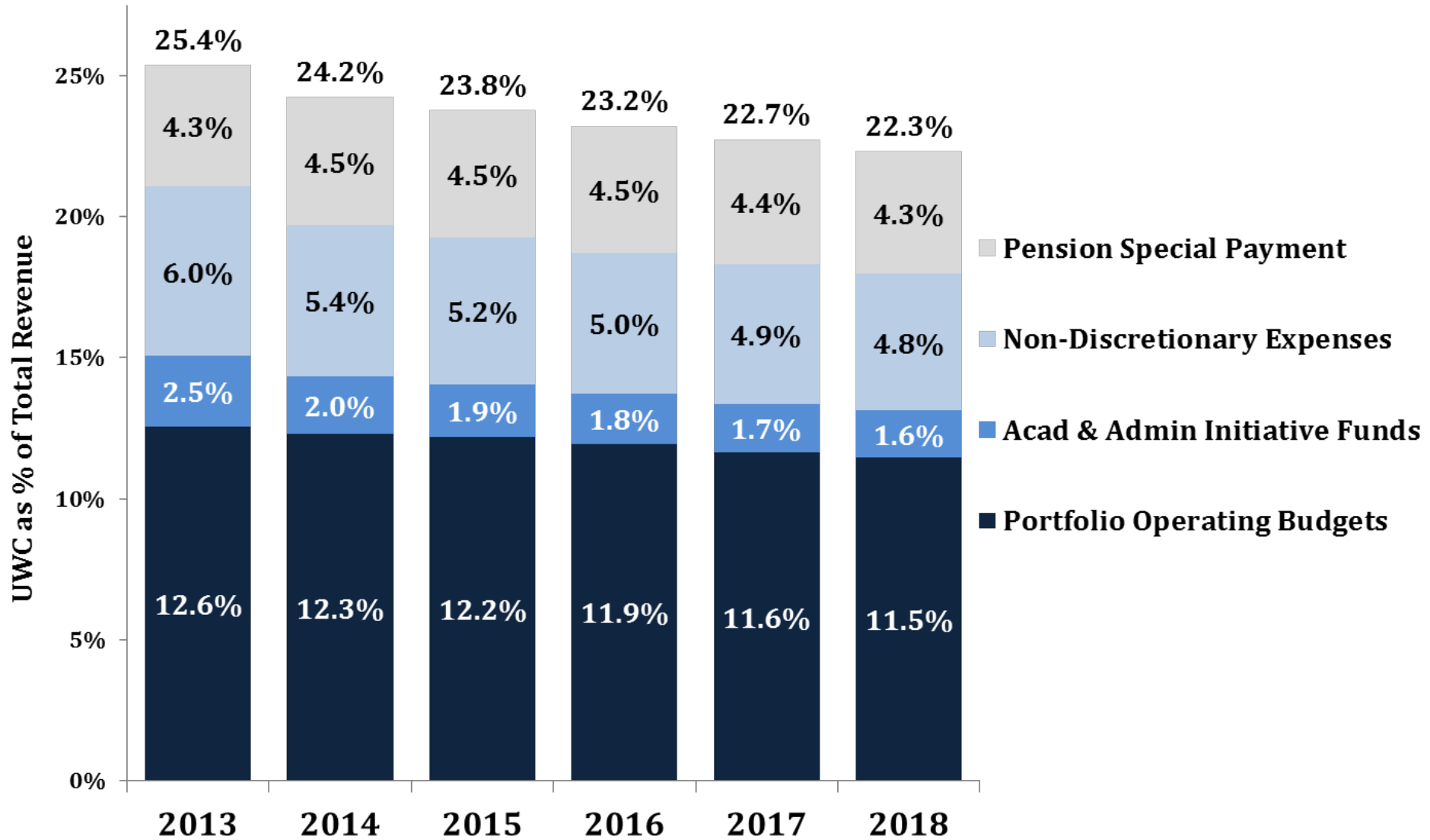
- Boundless Campaign
- Support for international strategy
- Network and wireless infrastructure
- Deferred maintenance and classrooms
- Brand marketing and communications
- Research commercialization support
- Library services and acquisitions
- Sexual violence prevention & support

Non-discretionary Expenses (\$120m)



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

University-wide costs as % of Revenue

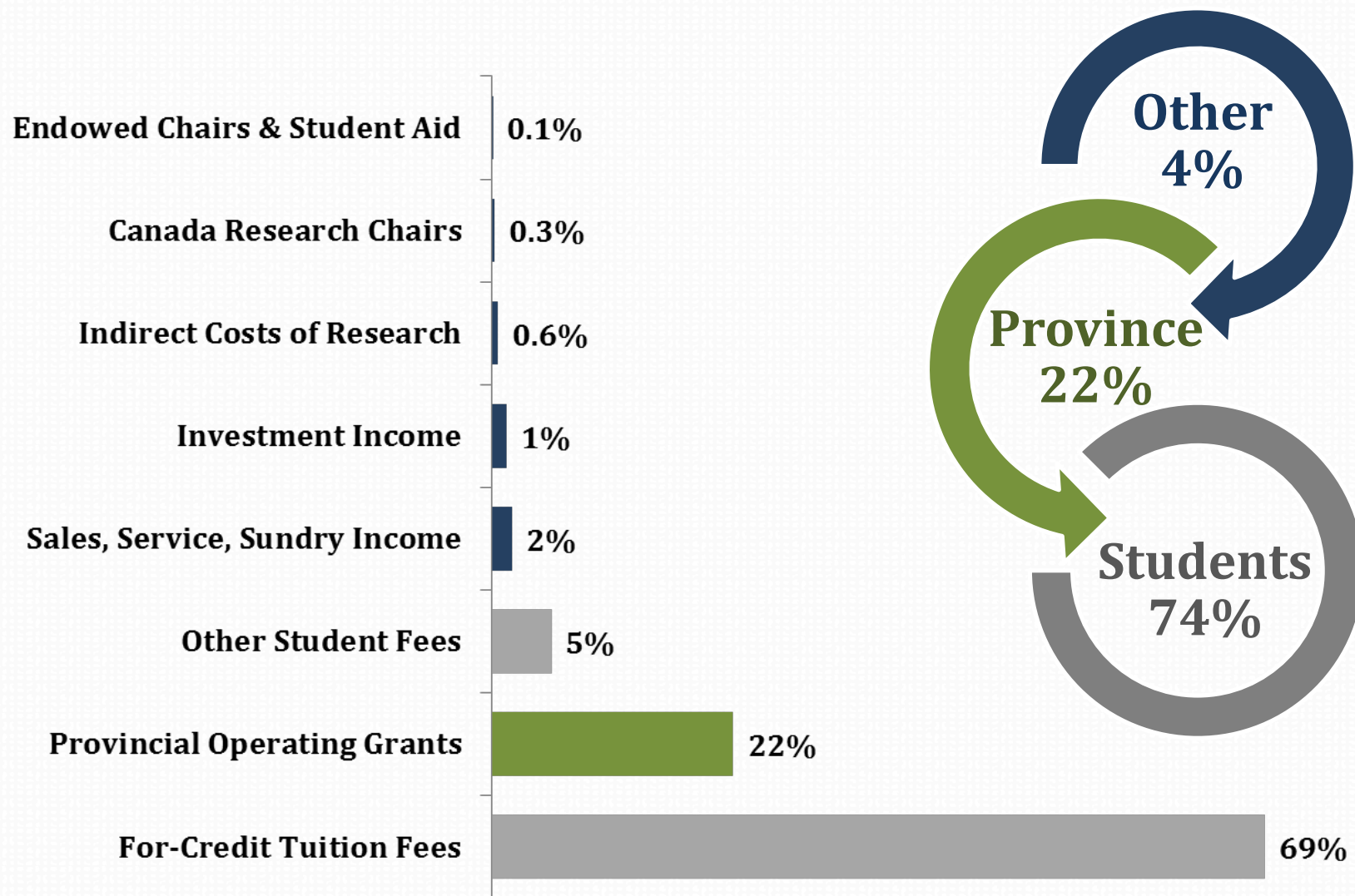


*Restated to report academic and administrative initiative funds in a single category

Funding Sources

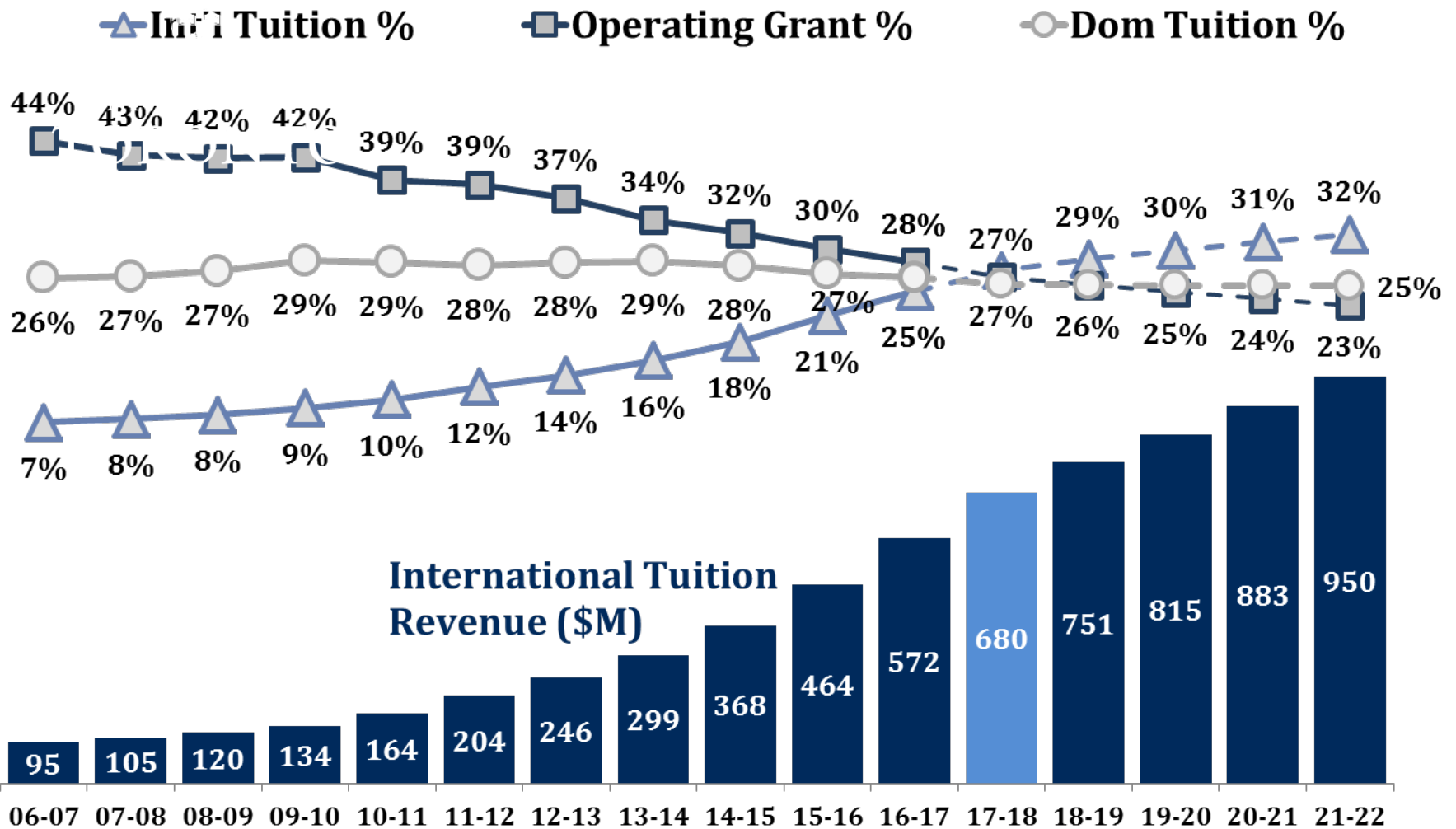


UTM 2017- 18 sources of revenue (\$327m)



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%

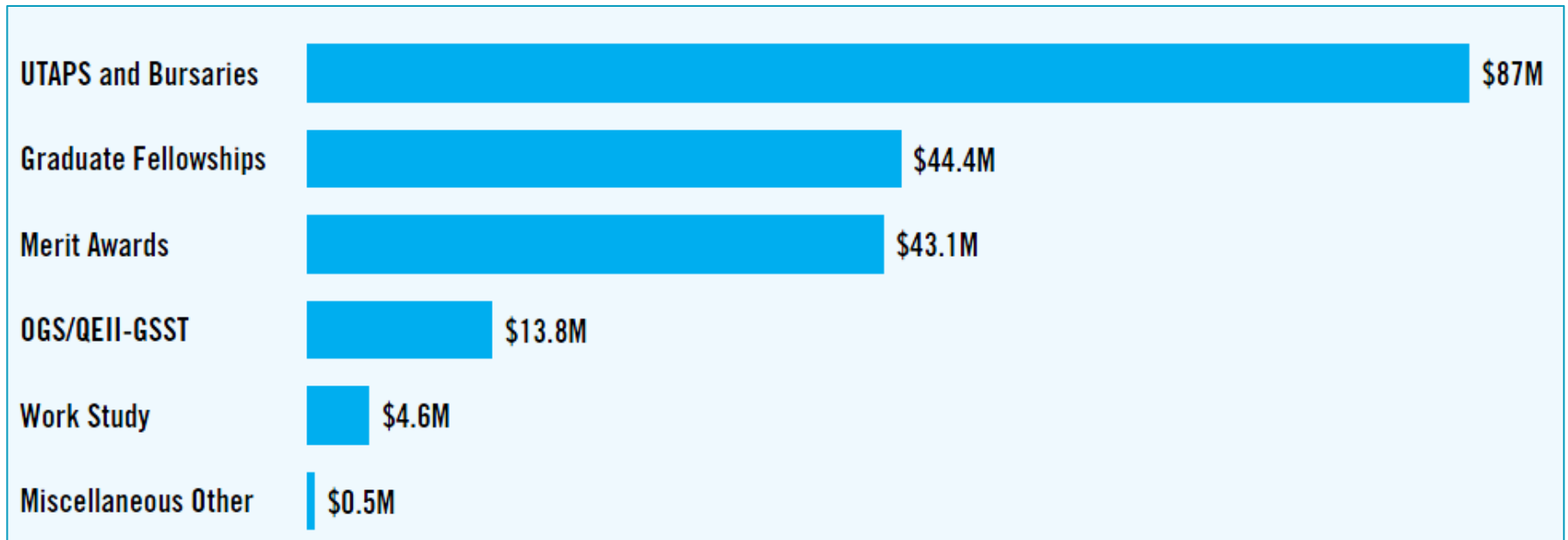
* Domestic tuition fee for doctoral stream will **decrease** by \$70

Student Aid



STUDENT AID EXPENSES

\$193 million in 2015-16



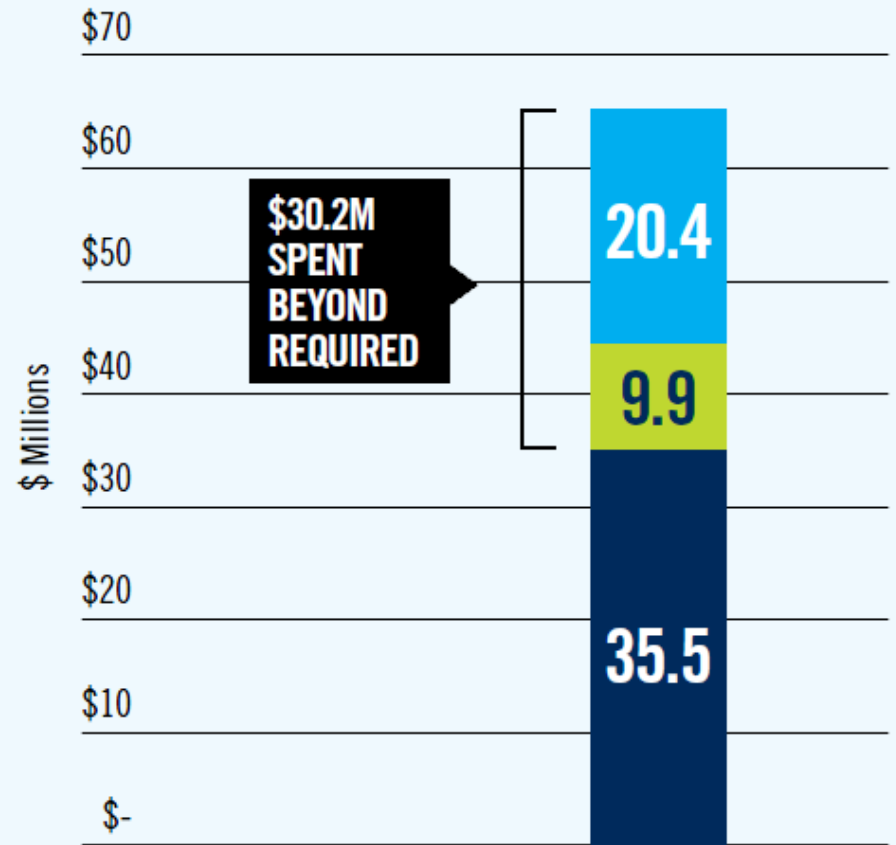
STUDENT ACCESS GUARANTEE

\$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)





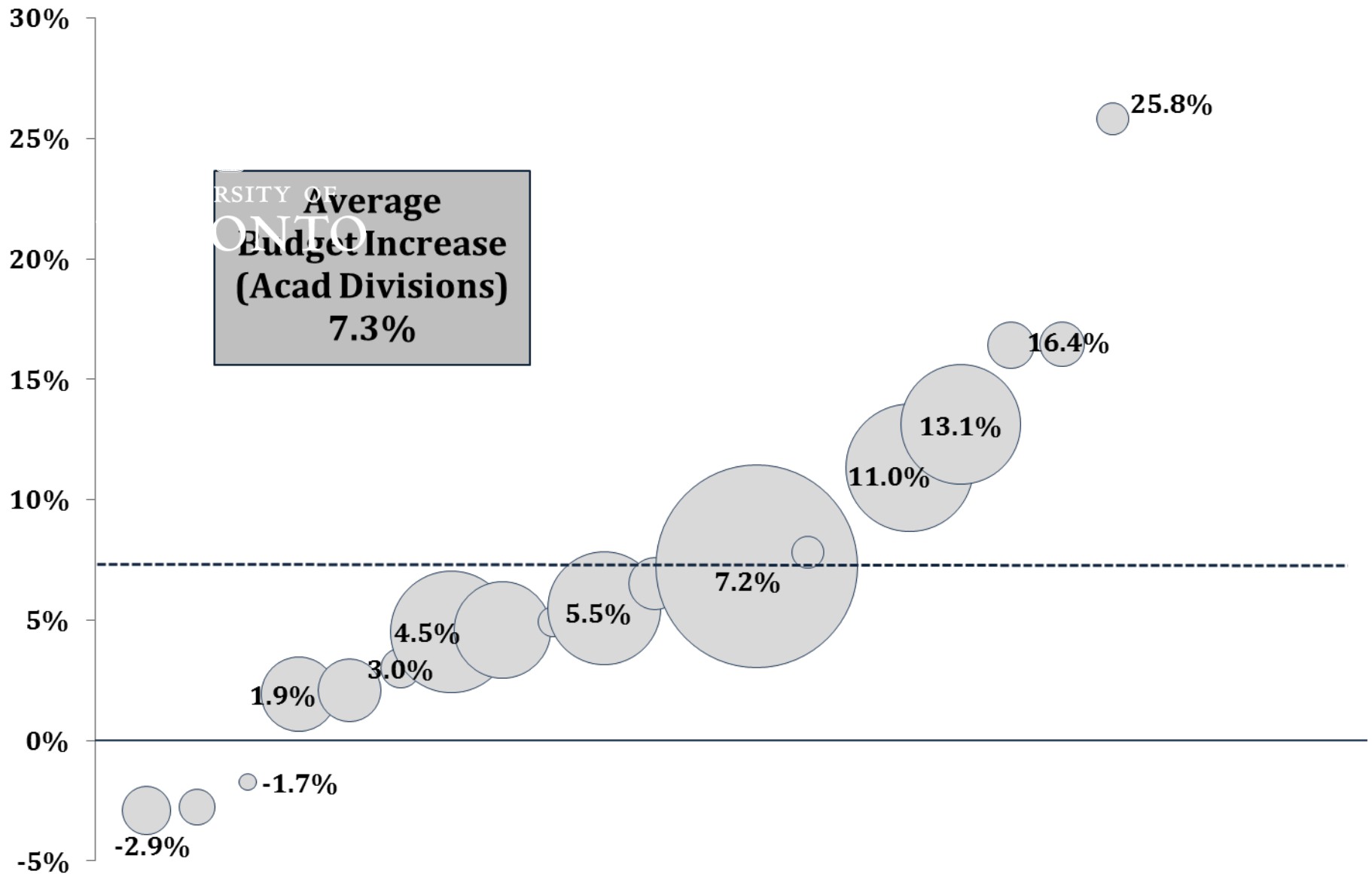
Changes to Ontario Financial Aid

- 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

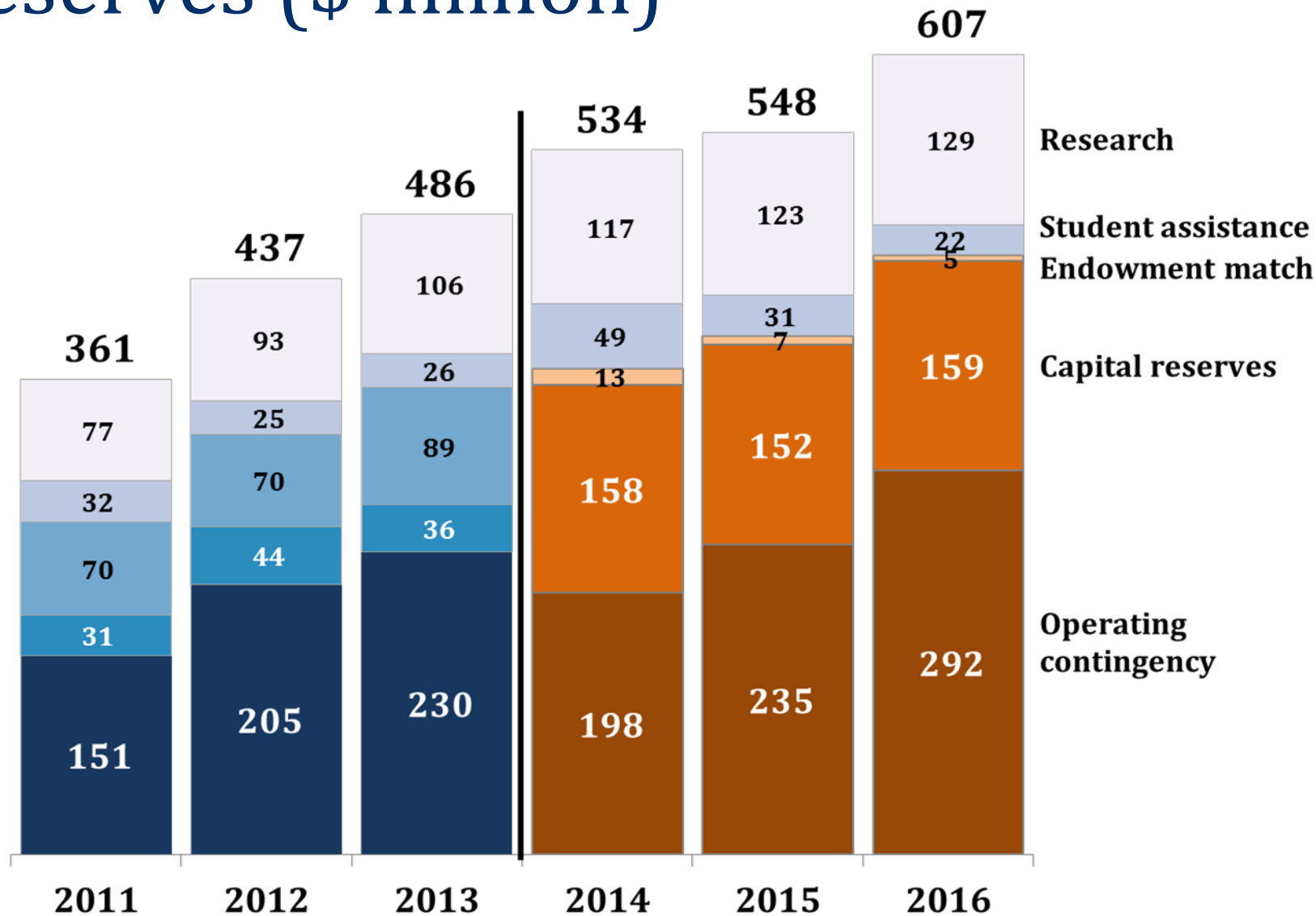
Budget Summary - Opportunities and Risks



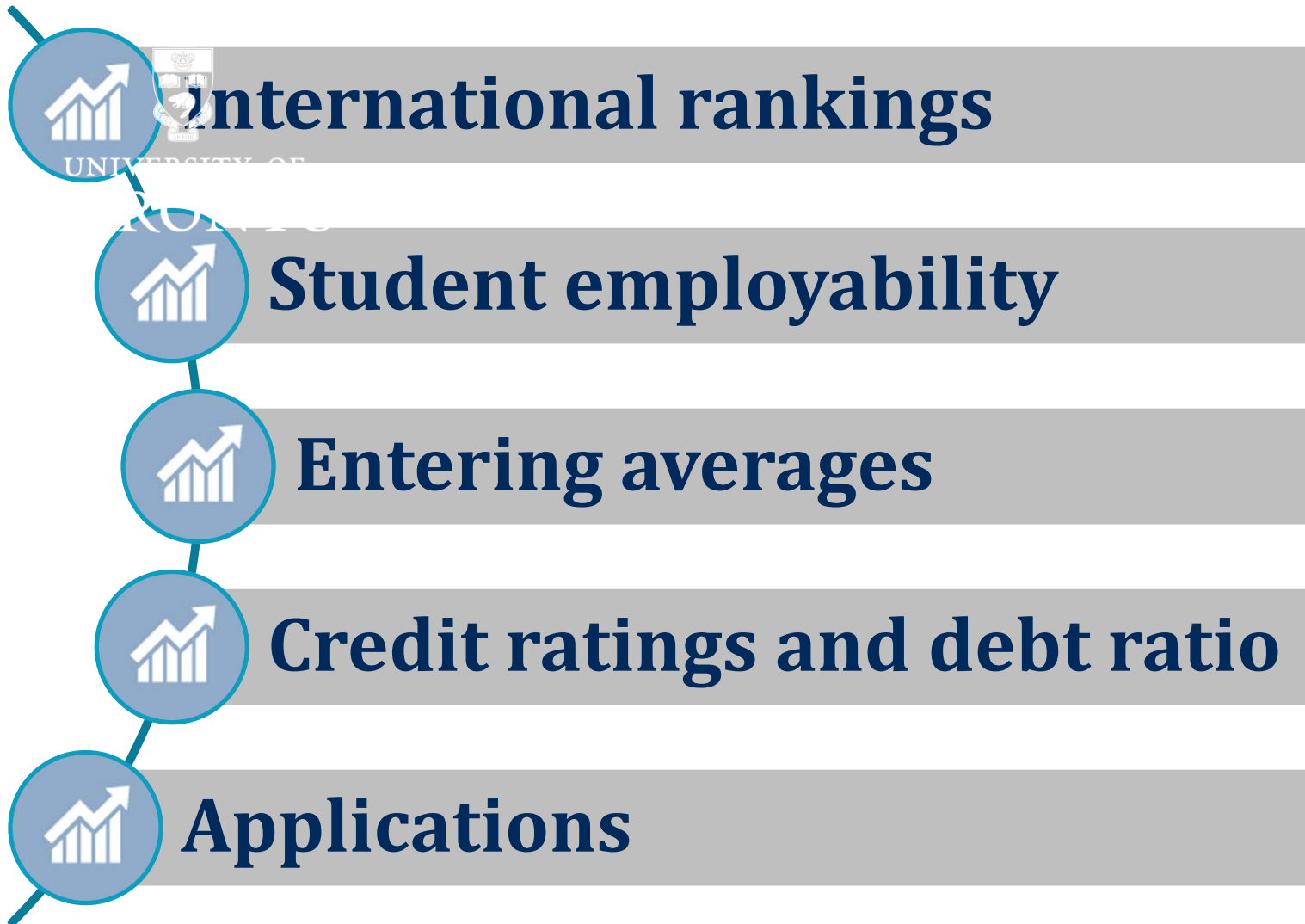
Variation in Growth of Divisional Expense Budgets (i.e. Revenue less University-wide Costs and Student Aid)



Reserves (\$ million)



Key metrics are strong



Risks

Structural deficit

Pension solvency

Funding for grad growth

Cdn. \$

Opportunities

Leverage our location

SMA2-Differentiation

Operating reserves

Cdn. \$