



TO: Planning and Budget Committee

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AGENDA ITEM: 8

ITEM IDENTIFICATION

Budget Report 2010-11 and Long Range Budget Guidelines 2010-11 to 2014-15

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. [The concurrence of the Business Board is sought in regard to fiscal soundness before it is forwarded to Council.]

HIGHLIGHTS

Despite facing pressing and ongoing financial challenges, the University plans for a balanced budget in 2010-11. It must be emphasized that the University encountered extraordinarily difficult financial circumstances in 2009-10 and the impact of this will be strongly felt in the upcoming years. While the revenue outlook has improved somewhat since a year ago, projected revenues over the five-year budget cycle remain constrained and uncertainty in government funding and pension liabilities remains a significant concern. Tuition revenues have increased, but the University continues to draw down tuition revenues for student aid and support in light of its strong and continuing commitment to accessibility. There is particular concern about the fact that, despite the addition of thousands of new PhD-stream students to the Ontario system, there has been no increase in the number of awards available under the OGS program since 2005. It is unclear whether the Government of Canada will be enhancing its share of student loans and graduate scholarships/fellowships, but early signals suggest that a new program of post-doctoral funding is likely to be the centrepiece investment in education and training.

Other than some minor adjustments to the funding of graduate spaces and a small increase in quality funding, the provincial government has not announced any changes in the funds available for post-secondary education. The system shortfall for undergraduate spaces is likely to exceed \$100M. The University is therefore at risk of receiving discounted funding for undergraduate enrolment increases over 2004-05 in each of the next two years. Moreover, demographic projections suggest that enrolment

pressures will continue until at least 2015, increasing the potential for debilitating pro-ration of per-student grants in the absence of growth-related funding from the Government.

The tuition framework expires in 2010 and in the absence of a new one the University will assume a continuation of the same parameters mandated in the expired framework.

Federally, the long-awaited increase in funding for the full cost of research has not materialized. This means that growth in granting council budgets, while highly desirable, has the perverse effect of intensifying the pressure on the operating budget with each new grant dollar won.

FINANCIAL AND/OR PLANNING IMPLICATIONS

Total revenue is projected to increase from \$1438M in 2009-10 to \$1573M in 2010-11. A large portion of this increase is in tuition revenues generated from the flow-through of higher enrolment levels and increases in tuition fees of 4.31% on average for domestic students and 6% on average for international students. Only a very modest increase of \$11.5M is projected for the operating grant, which is primarily due to graduate expansion and a minor addition to quality funds. After taking into account increased expenditures on student aid and funding for shared-infrastructure the incremental net revenue available to the academic divisions in 2010-11 is \$93.4M.

Academic divisions have many expenses they must fund from the incremental net revenue available to them. At a minimum, increases in compensation costs, graduate student support, capital debt-service support, and repayment of divisional accumulated deficits are estimated to be about \$52M in 2010-11 and \$245M over the planning period, based on the budget assumptions and the available enrolment and capital project estimates. Additional funds totaling \$12.2M must be set aside to fund deficit repayments in 2010-11 and \$43M over the planning period.

In addition, the pension deficit must be addressed. A number of alternative pension funding strategies are being reviewed. Until a revised strategy is approved, the budget continues to include the annual pension special payment amount of \$27.2M, in accordance with the current pension funding strategy as approved by Business Board. Once a new strategy is approved the operating budget is expected to be adjusted in 2011-12. One projection of the potential impact of a new strategy suggests an additional base commitment of \$49M could be required, with some indexing in outer years to reflect compensation increases. While the filing is not required until July 1, 2011 (absent any pension plan changes) the revised funding strategy may recommend that funds be set aside starting in 2010-11.

The University entered the 2009-10 fiscal-year with an accumulated deficit of \$43.9M, and a planned in-year deficit of \$45M. The University has made a deficit repayment of \$11.2M in 2009-10, as scheduled, and the draw on the Deficit Fund was \$17.8M. Hence, the projected accumulated deficit at the end of 2009-10 is \$50.5M. It should be noted that in-year variances do not impact the accumulated deficit as they are assigned back to academic divisions on a slip-year basis. The previously scheduled repayment plan of \$11.2M each year over the next two years will continue, with a final payment of \$10.3M in 2012-13. In addition, the planned in-year deficit of \$17.8M in 2009-10 will be repaid over a five-year period, with equal installments of \$3.6M.

RECOMMENDATION

THAT the *Budget Report, 2010-11 and Long Range Budget Guidelines 2010-11 to 2014-15*, which includes the long-range budget projections for 2010-11 to 2014-15 and the budget for 2010-11, be approved.



UNIVERSITY OF
TORONTO

Budget Report 2010-11

and

**Long Range Budget Guidelines
2010-11 to 2014-15**

March 3, 2010

University of Toronto
Budget Report 2010-11 and Long Range Budget
Guidelines: 2010-11 to 2014-15

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Budget Report 2010-11 and Long Range Budget Guidelines

2010-11 to 2014-15

This report introduces the proposed Long Range Budget Guidelines for the five-year budget cycle 2010-11 to 2014-15, followed by the detailed annual budget for fiscal year 2010-11. Projections for the outer years of the cycle provide the framework in which the University's budget will be prepared for fiscal years 2012 to 2015 as foreseen at the time of preparation of this report. They are provided to facilitate planning, 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.

Despite facing pressing and ongoing financial challenges, the University plans for a balanced budget in 2010-11. It must be emphasized that the University encountered extraordinarily difficult financial circumstances in 2009-10 and the impact of this will be strongly felt in the upcoming years. The University is just beginning to recover from substantial endowment losses, which led to the cancellation of the endowment payout in 2009, valued at \$62M. Not only is there still significant uncertainty with respect to the economic climate, but the University also faces high-level uncertainty related to provincial and federal funding, with government deficits ballooning and spending cuts signalled at both levels of government. The tuition framework has expired and uncertainty prevails there too; the potential for continued restrictions is real.

Section I includes a description of the general fiscal context. Section II provides a brief description of the University's budget approach.

Governing Council guidelines for deficit control are summarized in Section III. The remainder of the report describes the budgetary assumptions, the budget guidelines for the next five years, the budget details for 2010-11 and the divisional allocations.

I. Fiscal Context

Last year the University faced the consequences of a very serious economic recession. While revenue projections are improving, there remains a great deal of uncertainty in the projections presented in this report. Careful controls on spending and contingency planning remain necessary, balanced against the need for strategic investments.

The loss in the University's Long Term Capital Appreciation Pool (LTCAP) for the year ended April 30, 2009 was \$468M or 26.7% over the prior year. The 2009 endowment payout was cancelled, representing a loss of about \$62M in revenue. The corresponding drop in revenue in the University's operating budget was about \$46M, which is the portion of the endowment payout that flows through the operating budget to support endowed chairs and student awards. The impact of this loss was felt across the University; however some divisions were affected more deeply than others. In order to manage this loss, the Academic Deficit Financing Fund was created for one year to assist academic divisions in meeting their financial commitments, in particular student aid. The University received approval to incur a deficit of up to \$45M. This amount was placed in a special account from which funds were disbursed to the divisions. Because divisions were encouraged to use only the minimum amount needed, the draw on the fund was

\$17.8M. Divisions dug deeply into their carefully managed reserves (reserves built up, for instance, to pay for necessary deferred maintenance, to replace deteriorating equipment in labs, etc.) to mitigate the effects of the endowment loss and to continue to strive to deliver programs of the very first rank. The unused portion of the deficit fund, \$27.2M, will reduce the accumulated deficit in 2009-10. The long range plan includes repayment of the fund in equal instalments over five years.

Enrolment

The primary sources of revenue for the University of Toronto are tuition fees and grant received from the provincial government, both of which are a function of student enrolment. The University has experienced a period of over fifteen years in which enrolments on the three campuses increased significantly. The corresponding increase in revenue has helped mitigate somewhat the impact of the lack of growth in per-student grant funding relative to inflation and of the government-imposed constraints on tuition fees. But it has exacerbated pressure on faculty-student ratios and on student space.

Demographic projections are such that we anticipate a continuing rise in demand for university places, particularly in the GTA. However, no overall increases in undergraduate enrolment are planned at the University of Toronto for the next five years. Current plans call for an increase in enrolment on the Mississauga campus. Enrolment at St. George Arts and Science will increase slightly in the next three years, and then begin to fall. The Scarborough campus will maintain current enrolment levels until additional space becomes available.

The University's plans to increase graduate enrolment continue to be on track. An intensive process of academic planning took place following the announcement of the Province's *Reaching Higher* plan in 2005 and the funding opportunities it included. This process culminated in the development of the *Framework for Graduate Expansion* approved by Governing Council in 2006, which calls for an increase of about 40% in graduate enrolment relative to 2002-03. The recent announcement by the Ministry to allow some fungibility between PhD and Master's spaces will enable the University to better match divisional plans and capacity for graduate education. On the whole, graduate education and financial support for students is costly. While graduate expansion will increase revenue, it will also increase expenditures. In fact, tuition revenue from the doctoral stream is generally a net zero for students in their first five years, as the University flows this tuition directly back to students as part of the graduate student funding commitment.

Tuition and Provincial Grant

Historically, the provincial grant represented the largest portion of the University's revenue. Operating grants were frozen throughout 1992-94 and then reduced. Tuition fees increased by 8 to 10% annually to partially compensate for the loss of grant revenue.

In 1995 the University experienced a further loss of \$54M in government grants. Again, as a partial offset to the loss of grant revenue, significant increases in tuition fee rates were permitted; 20% in 1996-97 and 10% on average in each subsequent year up to and including 1999-2000. Tuition fees were deregulated for international students, and for students in some professional and all graduate programs.

The University's operating grant revenue rose to \$600M by 2009-10, mostly as a result of the introduction over the last decade of several new targeted funding envelopes to support undergraduate and graduate enrolment increases. However, government operating funding per student, including the quality funds introduced in recent years, has decreased in real terms by approximately 30% relative to 1992-93, when adjusted for CPI. Full funding for undergraduate enrolment growth remains in doubt as provincial allocations fall short of funding all of the students in the system. Ontario universities, individually and through the Council of Ontario Universities, continue to advocate for the funding of all students.

The drop in the provincial grant has dramatically altered the size and composition of the operating budget. Government grants now represent just under 40% of total University revenue, down from 70% in 1991-92. Tuition revenue has more than doubled in proportional terms, from 16% to 39% of the total. A significant proportion of the tuition revenue increase comes from two sources: increased international enrolment and increased graduate enrolment. The latter kind of increase in tuition revenue comes at significant cost once graduate student funding packages and other supports are taken into consideration.

The provincial government implemented a Tuition Framework for 2006-07 through to 2009-10. During this period, tuition fees were regulated and increases were allowed only subject to accessibility guarantees. The 2006 Tuition Framework has expired and the Ontario Government has not yet released a new framework. In the absence of a new framework, the University will assume a continuation of the same parameters mandated in the expired framework.

The practical effect of the government's funding policy and tuition constraints has been that the University has had to introduce expense containment measures to absorb a significant portion of cost increases for compensation, library acquisitions, graduate student funding, and utilities. Over the past ten years, cost containment measures have taken over \$200M out of the University's operating budget. The budget projections indicate that over \$50M may need to be removed from operating budgets over the next five years if advocacy for new sources of revenue on several fronts is not successful.

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.

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. This program is of tremendous value to the University of Toronto. It has helped us maintain faculty complement despite the expense containment measures introduced over the years. As a result of a recent redistribution of funding in the program over the last few years, the University has lost 12 of its chairs. The 2010-11 budget proposes investment in renewal of research service infrastructure to mitigate the impact of eroding shares of granting council funding.

Since the CRC program was introduced, inflation has reduced the effective value of Chair funding by over 20%. An appropriate adjustment to Chair funding is long overdue.

The funds received from the federal granting councils must be used exclusively to cover the direct costs of research, such as personnel and supplies. The less direct but equally necessary expenses incurred as a result of research activity are very significant and are borne by the universities' operating budgets. At the University of Toronto, they have been estimated to be well in excess of 50% of direct expenditures on research.

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 started to provide indirect cost (IDC) funding in 2001-02, with an effective rate for the University of Toronto of slightly less than 20%. This is currently contributing about \$20M to the University's operating budget, which continues to be considerably short of the actual institutional cost of research, and of what sister institutions in the U.S., U.K. and Europe receive. There has been no signal from the government that they will address this long-standing issue of alleviating the financial burden of the hidden costs of conducting research. A doubling of the federal IDC rate to \$40M would put us almost in line with our 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 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. There are also several federal programs for student support. The support for graduate students has not kept pace with the rapid growth in graduate enrolment.

Other Revenue Sources

Revenue sources other than government grants and tuition fees include endowment payout, interest income, application fees and divisionally-generated income.

The University of Toronto has many generous friends and benefactors, who have contributed a total endowment in excess of \$1.2 billion (value at April 30, 2009.) Endowment income is highly targeted. Most of this income is directed to student aid and to the support of endowed chairs. Under normal economic conditions, endowment revenue represents a modest but important part of the University's total operating revenue, approximately 3%.

In addition to the returns from the long-term investments of the endowment capital, the University receives interest on short- and medium-term investments of the Expendable Funds Investment Pool (EFIP.) This tends to be rather small as a percentage of total operating revenue (about 1.5%), and fluctuates with market conditions.

Academic divisions also generate significant revenues from activities such as continuing education offerings or full cost-recovery programs that do not receive government

support. This is a valuable source of revenue because of its flexibility. However, the amount generated is modest and coupled with offsetting expenses.

Together, revenue sources other than government grants and tuition fees represent about 18% of the revenue base. As a result, the University is less dependent upon two dominant sources of revenue (tuition and operating grants), but at the same time is exposed to a wider array of risks such as stock market performance.

Student Aid

In 1996-97 the Government mandated that 10% of revenue from tuition fee increases be spent on student aid; this was increased to 30% in 1997-98 and remained until a new framework was introduced in 2006-07.

The new framework for tuition and student aid introduced by the government in 2006-07 sets limits for annual tuition fee increases. The OSAP program was also modified, relieving some of the financial pressure on universities. The framework does not mandate a specific amount to be set aside by universities for student aid. Instead, it requires universities to ensure accessibility, regardless of the students' financial means.

At the University of Toronto, student aid is guided by the 1998 Governing Council policy on accessibility, which predates the government's framework. It 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.”

In fulfillment of this commitment, expenditures on student aid have increased dramatically, from \$7.7 million in 1991 to \$143M in 2009-10, far exceeding government requirements, and thus making the University of Toronto student body very economically diverse.

Student aid normally supported from the University's endowments is in the range of \$30M. The loss of endowment payout in 2009 placed considerable strain on the student aid budget. The University remains committed to its student aid policy and every effort was made last year to reallocate carryforward and other funds to student aid. In addition University friends and supporters came forward with increased donations for student aid to assist in managing the impacts of the shortfall.

Pension

The deficit in the combined pension plans exceeds \$1 billion. The unfunded position has deteriorated for the second year in a row. There are a number of issues that continue to cause concern, including current solvency deficit funding requirements, potential volatility in investment returns over the coming years as the global economy deals with the fallout from the financial crisis, the potential need to make payments into the RPP, and whether we will meet the long-term return expectations given financial market trends.

The next required filing of the actuarial reports (absent of any plan changes) is July 1, 2011. At this time, based on current legislation and regulation, it is expected that the University will be required to contribute significant additional funding into the registered

plans. In 2004-05 the University began setting aside \$26.2M annually from the operating budget to amortize the deficit in the pension fund over fifteen years and to provide a reserving strategy. This was approved by Business Board as part of the pension funding strategy at that time. Since the funding strategy was adopted in 2004 there have been a number of plan amendments and by 2006-07 the annual amount was increased to \$27.2M, which is the level currently reflected in the budget. From this allocation, the University this year made an annual special payment of \$14.8M to the registered pension plan with the balance of \$12.4M set aside in a pension reserve.

The University is also reviewing its pension funding strategy and investment risk and return targets, which may impact future contribution requirements. A recommendation on a funding strategy to deal with both of these issues is expected to come forward to senior administration and Governing Council later in the year. Once an approach is approved, the appropriate adjustments are expected to be made in the 2011-12 operating budget. An estimate of the potential impact is included in Appendix A, Schedule 4. Further details on this estimate are included in Section VII below.

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 \$270M. The operating budget sets aside approximately \$11M annually. This funding, in addition to any provincial Facilities Renewal Program (FRP) funds, attempts to at least maintain the current conditions of the buildings and minimize the chance of unforeseen major expenditures.

The Ancillary operations' cumulative deficit is projected to be \$107M at April 30, 2010. The ancillary operations deficit is 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 capital fund cumulative deficit is projected to be \$71M at April 30, 2010. The capital fund deficit is also 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 projected net accrued benefit obligation for employee future benefits (medical, dental, vision) as at April 30, 2010 is \$342.8M. This obligation results in an annual obligation of \$39.5M, of which \$10.5M is set aside in the operating budget leaving \$29M annually to be funded in the future.

II. The University's Budget Model

The University of Toronto adopted a new approach to budgetary allocations starting in 2007-08. The new approach and the reasons for its adoption were recommended by a Provostial Task Force that was struck in April, 2004, and presented its final report in February, 2006. The report of the Task Force, the Provost's response and related material are available on the Provost's web page, at:

<http://www.provost.utoronto.ca>

. The final report of the Task Force states:

“The budget allocation process is a primary tool for the implementation of the university’s academic plans and academic priorities.”

This has been the fundamental guiding principle underlying the development of the budget model. To best support the University’s 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 services.

The model introduced a simple methodology for attributing revenues and the costs of shared services 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 and 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, fund raising activities, research, etc. Hence, divisions benefit as these activities bring more revenue. Divisions also benefit when, in cooperation with central service units, they are able to make more efficient use of the shared resources.

The remainder of the divisional 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 body. It also enables the University to recognize differences in the cost of delivery of various programs or to support particular activities that it considers to have high academic priority.

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 uses 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.

A detailed description of the budget allocation methodology under the budget model and the revenue and cost drivers used in the attribution process can be found on the Provost’s web page mentioned above.

An essential component of the budget model, and possibly one of its most valuable innovations, is the development of a new process for budgetary reviews for both academic and service divisions. Two review processes have been established, the first for shared-infrastructure and the associated university-wide costs, and the second for the academic divisions.

Each shared-infrastructure division prepares multi-year budget plans for its service offerings. These plans are reviewed by the President, who takes advice from the Divisional Advisory Committee (DAC.) DAC includes a representation of tri-campus principals and deans. The purpose of the reviews is two-fold. First, it ensures that any proposed changes in service are aligned with the needs and priorities of the academic enterprise. The second objective is to establish spending priorities and to ensure that all possible cost reductions have been examined. Decisions on funding allocations to the service divisions are prepared based on these reviews.

In the autumn, each academic division submits a multi-year budget plan based on the University's Long Range Budget Guidelines and its own academic plans. Revenue projections are based on the division's enrolment plans, new program offerings, etc. Expense projections take into account cost increases, changes in faculty and staff complement, student financial support, and so on. These plans are discussed in individual review meetings with a provostial committee and the reviews inform approvals of academic appointments, allocations from the University Fund, and academic reserve funds. The reviews also identify capital priorities and support the development of advancement priorities.

The review process, whether for academic or administrative divisions, amounts to a higher level of engagement by all 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. 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.

III. Planning Cycle

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. A planned deficit may also be necessary in exceptional circumstances. Planned budgetary deficits should also be repaid over five years.

The University's budget is prepared as an aggregation of the expense budgets of individual divisions. Budget plans for both the academic and administrative divisions are reviewed and approved annually by the President and the Provost, with the assistance of appropriate advisory committees, as explained in Section II. Hence, the deficit or surplus in the University's integrated budget is a result of the aggregated plans of individual divisions. These management control mechanisms encourage divisions to operate within their budgets and to minimize the level of a planned budget deficit when one is necessary.

IV. Long Range Budget Guidelines

The University is exiting a budget year in which it faced exceptionally difficult economic circumstances, in particular an endowment payout shortfall of \$62M, with \$46M of the loss directly impacting the operating budget.

The budget for 2009-10 included a planned deficit of \$45M as a result of the cancellation of the 2009 endowment payout. The actual draw on the deficit fund by academic divisions was \$17.8M as described in Section I above. Divisions were able to draw down less than the maximum limit by using unspent funds in endowment accounts and their own carryforwards and reserves to cover the shortfall. While it is commendable that the borrowing was accordingly limited, the depletion of those reserves means that any further interruption or reduction of the endowment payouts can no longer be cushioned without budget cuts or a higher level of external borrowing. A repayment schedule of \$3.6M per year over the following five years is proposed. The total accumulated deficit was projected to reach a maximum of \$77.7M in 2009-10 however with the lower divisional draw and the continued payments toward the accumulated deficit, the accumulated deficit projection by the end of 2010-11 decreases to \$35.7M.

While the revenue outlook has improved somewhat since a year ago, projected revenues over the five-year budget cycle remain constrained and uncertainty in government funding and pension liabilities remains a significant concern. Tuition revenues have increased, but the University continues to draw down tuition revenues for bursary support in light of its strong and continuing commitment to accessibility. Given the lack of any recent enhancements to OSAP, the burden for defending accessibility has increasingly shifted to the University. A significant proportion of the tuition revenue increase comes from two sources: increased international enrolment and increased graduate enrolment. The latter kind of increase in tuition revenue comes at significant cost: indeed, the doctoral stream increase is generally a net zero for students in their first five years, once graduate student funding packages and other supports are taken into consideration.

Other than some minor adjustments to the funding of graduate spaces and a small increase in quality funding, the provincial government has not announced any changes in the funds available for post-secondary education. The system shortfall for undergraduate spaces is likely to exceed \$100M. The University is therefore at risk of receiving discounted funding for undergraduate enrolment increases over 2004-05 in each of the

next two years. Moreover, demographic projections suggest that enrolment pressures will continue until at least 2015, increasing the potential for debilitating pro-ration of per-student grants in the absence of growth-related funding from the Government.

The tuition framework expires in 2010 and in the absence of a new one the University will assume a continuation of the same parameters mandated in the expired framework, with the attendant adverse impacts on ability to maintain the quality of education.

Federally, the long-awaited increase in funding for the full cost of research has not materialized. This means that growth in granting council budgets, while highly desirable, has the perverse effect of intensifying the pressure on the operating budget with each new grant dollar won.

There is particular concern about the fact that, despite the addition of thousands of new PhD-stream students to the Ontario system, there has been no increase in the number of awards available under the OGS program since 2005. It is unclear whether the Government of Canada will be enhancing its share of student loans and graduate scholarships/fellowships, but early signals suggest that a new program of post-doctoral funding is likely to be the centrepiece investment in education and training.

Budget Framework

The budget schedules are given in Appendix A. Budget projections for the period 2010-11 to 2014-15 are given in Schedules 1 to 3 and an analysis of the impact of the budget on academic divisions is given in Schedule 4. The expense budgets of the academic divisions are presented in Schedules 5 and 6.

Budget projections are dependent on many factors external to the University, including government policy, market behaviour, and so on. Hence, many assumptions must be made to estimate revenues and expenses over the five-year budget planning window. Key assumptions are described in Sections V and VI, and a complete list is given in Appendix B. The assumptions used in the long range projections are responsible, fiscally prudent and as realistic as possible given the high level of uncertainty related to the economic environment.

Appendix C provides more detailed information on the University's contractual obligations. These include such items as the cost of electricity or contractual commitments to other institutions. Only essential expenditures that are beyond the University's control are included in this list.

Schedule 1 – Budget Summary

Schedule 1 provides a summary of projected revenue and expense, as well as the planned accumulated deficit repayment schedule.

Revenue Projections

Revenues, excluding divisional income, are projected to increase by \$125M in 2010-11 and by \$380M over the planning period, — an average of 5.5% per year. The Government has not announced any increase in university funding beyond 2008-09, and none has been assumed. As a result, only a very modest increase in government funding of \$22M is projected for the operating grant over the next five years, which is primarily due to graduate expansion. This static level of government funding places pressure on the

University to find revenue sources elsewhere. Over the same period, tuition revenue is projected to increase by \$288M, with \$207M stemming from increases in tuition levels (\$129M from domestic increases and \$78M from international increases) and \$81M a result of the flow-through of increased enrolment numbers (\$38M domestic and \$43M international.) Tuition fees and the provincial operating grant contribute about 77% of the total operating revenue. Divisional income, which consists of revenues collected directly by the academic divisions, is the next highest component, representing about 13% of total revenue. This source of revenue varies considerably from year to year. For budget purposes, actual earnings in any given year are used as the projected value for the following year. For the outer years, divisional income is assumed to increase with inflation (~2%).

Each academic division contributes 10% of its revenues to the University Fund. However, not all revenues are subject to the University Fund assessment, as this fund is not intended to redistribute revenues earned directly by the divisions. The portion of revenue that contributes to the University Fund is clearly delineated in the schedule.

Expenditure Projections

With the uncertainty in government funding and the general economic climate and the need to reallocate resources to fund key institutional priorities, the University continues to be forced to apply expense containment measures.

Major budgeted expense items are described briefly below.

Centrally-Administered Student Aid

Part of the financial aid provided to students is administered centrally, and the remainder is provided by the academic divisions. The centrally administered portion includes:

- Funds set aside from the operating budget; and
- Funds available from endowments.

A total of \$90M has been allocated to student aid from the operating budget. In addition, an estimated \$4.5M will be set aside from carryforward funds and new expendable donations to ensure all student aid need is met. It is projected that the endowment payout will resume at near-normal levels in 2010 and student aid will continue to be fully funded.

Flow-through revenue to other institutions

Several university programs include joint activities with other institutions. 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 colleges with which the University offers joint programs.

Shared Infrastructure

This section includes the central funds that support university-wide infrastructure and services to the academic divisions and the central library. They include:

- Occupancy costs, such as utilities, maintenance and caretaking;
- Shared services, such as human resources, financial services, advancement, procurement and computing services;
- General university-wide expenses, including debt service, legal fees and fees for membership in organizations such as AUCC and COU;
- Administrative funds: These are funds held centrally to be allocated to the administrative divisions for specific purposes based on institutional planning and priorities;
- Central library expense, including acquisitions and operating expenses; and
- Federated block grant, which supports services in the Federated Universities

Academic Divisions

This category includes all the funds that flow to the academic divisions, presented in three components as follows:

- Divisional expense budgets, which make up the bulk of the funding provided to the academic divisions from the operating budget. Under the budget model each division receives an expense budget equal to net revenue plus an allocation from the University Fund, as described earlier.

In the case of UTM and UTSC, their expense budgets include an additional allocation to support various campus services, such as the cost of utilities, building and grounds maintenance, student services, and so on. These services are provided centrally for Faculties on the St. George campus, and hence are not included in the divisional budgets.

The academic and campus services components of the expense budgets of UTM and UTSC are not delineated. Each campus receives an overall budget, which it manages locally to best suit its own circumstances. Historically, UTM and UTSC have allocated about 70% of their budgets to the academic operation and the remaining 30% to support campus-wide services.

- Pension amortization expense: This is the academic divisions' share of the payment made by the University to amortize the pension loss. The share of this payment belonging to the administrative divisions is included in the cost of shared services described above. Section VII addresses the additional unfunded pension liability.
- Academic funds: These are funds held centrally to be allocated to the academic divisions for specific purposes based on academic planning and priorities. Some funds are used to facilitate transitional changes at times of severe budget difficulties or significant academic restructuring. The academic funds include the Transitional Fund, the Provost's Contingency Fund, and the PhD Expansion Incentive Fund.

- **Academic Deficit Financing Fund:** This fund was created in anticipation of the cancellation of the endowment payout in April 2009, to assist academic divisions in meeting their financial commitments, in particular student aid. The University received authorization to incur a deficit of up to \$45M. This amount was placed in a special account from which funds were disbursed to the divisions. Because divisions were encouraged to use only the minimum amount needed, the draw on the fund was \$17.8M. The remaining \$27.2 will reduce the accumulated deficit in 2009-10. The long range plan includes repayment of the fund in equal instalments over five years.

Accumulated Deficit Repayment

The University entered the 2009-10 fiscal-year with an accumulated deficit of \$43.9M, and a planned in-year deficit of \$45M. The University has made a deficit repayment of \$11.2M in 2009-10, as scheduled, and the draw on the Deficit Fund was \$17.8M. Hence, the projected accumulated deficit at the end of 2009-10 is \$50.5M. It should be noted that in-year variances do not impact the accumulated deficit as they are assigned back to academic divisions on a slip-year basis. The previously scheduled repayment plan of \$11.2M each year over the next two years will continue, with a final payment of \$10.3M in 2012-13. In addition, the planned deficit of \$17.8M in 2009-10 will be repaid over a five-year period, with equal instalments of \$3.6M. The planned repayment schedule, including payments of both the institutional deficit and the division-specific deficit, results in payments of \$14.8M in 2010-11 and 2011-12, \$13.9M in 2012-13 and \$3.6M in the final two years of the cycle. The full schedule is included in Appendix A, Schedule 1.

Schedule 2 – Incremental Shared Expense

Schedules 2 and 3 of the budget provide two different views of the breakdown of expenses. Schedule 2 shows line-by-line, year-over-year increases of various university-wide expenses and funds, grouped in the following four categories:

- ***Contractual Obligations:*** This category comprises the contractual obligations detailed in Appendix C.
- ***Capital and Maintenance:*** These expenses include debt service for capital projects as well as costs related to the University's caretaking and maintenance.
- ***Funding for Administrative/Academic Service Divisions:*** Under the principles of the budget model, academic divisions are no longer funded centrally for salary and benefit increases, nor are they assigned cost containment measures from the centre. Salary and benefit increases continue to be funded for administrative and academic service divisions as these divisions do not generally generate revenue. Funding for library acquisitions and services is also included in this section. A cost containment measure totalling \$3.2M will be applied to all service divisions.
- ***University-wide Funds:*** This group of expenses includes the university-wide academic funds described under Schedule 1 as well as several targeted funds to support priority areas in university-wide services. The Academic Initiatives Fund and the Student Experience Fund have been fully allocated and are now closed out. The Academic Deficit Financing Fund is described above.

Schedule 3 – Cost Bins

Expense information is summarized in Schedule 3 using the 12 cost bins defined in the new budget model, which are the basis for cost attribution to divisions. The following is a brief description of expenses in each cost bin. Further information on the cost bins and what each bin covers is contained in the Task Force reports mentioned in Section II of this report.

Cost Bin	Description
Occupancy	Utilities, caretaking, maint., space mgmt. (St George)
Information Technology	Computing & network services, systems management
University Management	Gov. Council, Offices of President, Provost, some VPs
Financial Management	Office of CFO, Financial Services, Internal Audit
Human Resources	All central HR offices and related funds
Pension Amortization	Amortization of pension losses
University Advancement	Alumni Relations, Development
Central Library	Acquisitions and services
Research Administration	Research administration
Student	Admissions & Awards, recruitment, SGS, student services
University-wide Academic	Academic funds (Transitional, Contingency, PhD Expansion)
University-wide General	Legal fees, memberships, insurance, debt service

Schedule 4 – Budget Impact

Schedule 4 presents a high-level view of the budget projections that enables an assessment of the impact of the budget on the University's operation. It is organized to show aggregated year-over-year changes in revenue and expense. Section VII on budget impact provides further discussion of this schedule.

Schedules 5 and 6 – Allocations to Academic Divisions

Schedule 5 contains a detailed summary of revenue attributions and deductions by division for 2010-11. Multi-year projections by division for the entire budget cycle are given in Schedule 6. These two schedules are discussed in more detail in Section VIII on divisional allocations.

V. Planning Assumptions for 2010-2015

A complete list of updated assumptions on revenue and expense is given in Appendix B. The following is a summary of key assumptions.

Revenue

The budget projections are based on the most recent divisional enrolment plans and the information available about government funding. Graduate enrolment plans have been adjusted to reflect the University's response to the Ministry's recent announcement on fungibility; 262 PhD spaces will be exchanged for an additional 500 Master's spaces by 2013-14, as current demand for spaces in Master's programs significantly exceeds the number of spaces available.

Undergraduate enrolment is projected to remain more or less flat over the planning period, with most of the growth planned at UTM and a small reduction planned for St. George Arts and Science. Enrolment plans at UTSC are on hold until further capital funding is secured. Full average funding for undergraduate expansion beyond 2004-05 is discounted at approximately 44% (~\$16M) in 2010-11 and 2011-12 due to the shortfall in the government's funding envelope for undergraduate accessibility. It is assumed that funding will return to the 100% level in the final three years of the budget period, when the government will need to address the system-wide shortfall. Lack of progress in addressing this undergraduate grant discount will significantly erode divisional budgets and directly degrade quality of education and the overall student experience

Tuition fee increases are assumed to be 4.31% on average for domestic students and 6% for international students each year.

There is a further reduction of six chairs to the University's allocation of Canada Research Chairs starting in 2010-11, bringing the number down to 249. Projected revenue has been adjusted accordingly.

No assumptions have been made on increases in the IDC rate either federally or provincially.

Student Aid

The University remains committed to its policy on student financial support and to the provincial government's student access guarantee. A significant portion of student aid is derived from endowments. The remainder of the student-aid budget is derived from government scholarship grants and allocations made by the divisions from their expense budgets. The budget projections assume that all needs-based student aid commitments will be fully supported and the majority of other forms of student awards will continue. The budget projections also assume that there will continue to be higher demand for needs-based student aid funded from the operating budget as the economic downturn will continue to impact many students and their families.

Hence, an additional \$5M will be allocated from the operating budget and carryforward funds and new expendable donations of \$4.5M will be set aside in 2010-11.

Funding will increase by \$22M over the planning period.

University-wide Expenditures

Compensation increases are per negotiated settlements; they are assumed to be no more than CPI (~2%) for all agreements that have expired and are already under negotiation, or that will expire and be renegotiated during the course of the year.

Occupancy costs are projected to increase by 3.6% in 2010-11 as a result of increased volume, additional funding for deferred maintenance, the infrastructure reserve fund and new regulatory requirements. This is partially offset by a decrease in gas prices. Costs are projected to continue to increase in the outer years when several new or expanded buildings are planned to come on-line. Occupancy costs also rise as a result of projected increases in salary and benefit costs.

Starting in 2010-11 investments will be made to fund high priority institutional initiatives. These include the implementation of a new student system to replace ROSI, the launch of a major fundraising campaign and strengthening of the University research services infrastructure. Over the planning period increases in shared services costs are projected to be 3.3% on average. Additional cost increases also include: continuing support for shared services associated with graduate and international expansion and student experience, projected increases in salary and benefit costs in administrative divisions; augment of a Job Evaluation Adjustment Fund as per USW agreements and funding of city-regulated water backflow infrastructure in each of next few years.

Central library expense will increase by \$9M over the next five years. The increase is primarily a result of an increase of \$1.3M for library acquisitions and service improvements in 2010-11 (and \$2.5M thereafter) and projected increases in salary and benefit costs.

Finally, tuition revenues for the growing number of doctoral stream students are flowed directly back to the students generally for the first five years of any students' doctoral studies. Academic divisions are directly responsible for graduate student support, including tuition reimbursement and the minimum funding commitment.

VI. 2010-11 Budget

The previous section introduced a budget framework for the next five years. This section describes the revenue and expense components of the 2010-11 budget in more detail.

VI.1. 2010-11 Revenue

Total revenue is projected to increase by 9.4%, from \$1438M in 2009-10 to \$1573M in 2010-11. In 2009-10 revenue was essentially flat relative to the prior year. When viewed over a two-year period, and recognizing that 2010-11 includes a recovery from the prior year, the increase in revenue averages 5% per year. The main assumptions underlying the revenue projection are:

- Tuition fees in 2010-11 will rise by an average of 4.31% for domestic students and 6% for international students;
- The budget projections do not include funding for capital expansion;
- The provincial government operating grants will not include an inflationary increase;

- The University is at risk of receiving discounted operating funding for undergraduate enrolment growth over 2004-05, a shortfall of \$16.3M;
- Enrolment in professional and doctoral stream Master's programs is projected to increase by 1940 eligible FTEs over 2004-05 levels and will be fully funded. Enrolment in PhD programs is projected to increase by 715 eligible FTEs over 2004-05 levels and will be fully funded.
- Funding from the provincial Access to Higher Quality Education Fund will increase by \$7M, equivalent to funds received in 2009-10;
- Investment income will increase to normal levels of \$25M in 2010-11 as a result of a slight increase in rates and a larger average capital balance;
- Income from other sources will increase by \$2M, primarily as a result of increases in application fee revenue and surcharges on unpaid fees;
- The projections used in this year's budget assume a payout of \$7.00 per unit in 2009-10. Endowments support endowed chairs in the year in which the endowment is paid out and student aid on a slip-year basis;
- Canada Research Chair revenue will decline to \$36.6M resulting from the loss of another six chairs,
- Funding of the institutional cost of research will remain constant at \$29M;
- Divisional income has been adjusted to reflect prior-year actual income and is offset by an equivalent increase in divisional expense. Divisional income is projected to increase by \$10M.

VI.2. 2010-11 Expenditures

Total expenditure is projected to increase by 9.4%, from \$1483M in 2009-10 to \$1573M in 2010-11. Last year, funding for several initiatives was deferred due to the highly constrained budget situation. Expenditures planned for 2010-11 begin to restore some of these deficiencies.

A cost containment of \$3.2M (2%) will be applied to the administrative divisions. Academic divisions are responsible for their own increases in expense, including the cost of compensation increases and they will implement internal cost containment measures according to their individual circumstances. The allocation of resources across the institution takes into consideration a balance between the rates of expenditure increase in the administrative divisions vs. the academic divisions. The major factors contributing to increases in university-wide expenditure (discretionary and non-discretionary) are:

Shared Infrastructure Costs

- Utility costs are projected to decrease by \$1.1M. This is a result of improved utility rates, lower interest rates and project costs on debt financing for the T8/chiller replacement project and slightly lower consumption than projected a year ago;

- An additional \$2.8M (of which \$1M is one-time-only (OTO)) will be provided for increased caretaking and maintenance costs. This increase will fund servicing of new space and deferred maintenance, implementation of new regulatory requirements, phased implementation of the electronic metering project as well as maintaining the level of caretaking service for academic programs;
- The first instalment of \$4.8M OTO funds toward a new student system, commonly referred to as NGSIS, will be funded;
- Funding will be provided to prepare for the launch of the next major fundraising campaign; \$6.8M (of which \$4.5M is OTO) will be allocated to fund increased campaign staffing, marketing and campaign events and the first phase of replacing the donor information system;
- An additional \$2.4M (of which \$1.9M is OTO) will be allocated toward human and information technology resources in research support services, including participation in MaRS Innovation;
- Pension deficit amortization remains at the previously approved level of \$27.2M. See Section I for further detail. This amount includes the pension deficit amortization for both academic and administrative divisions ;
- Debt service costs will increase by \$1.5M to fund the purchase of 90 Queen's Park;
- The University's internal insurance reserve fund will be replenished with an addition of \$0.4M;
- Additional staff resources will be funded in Financial Services to support the increasing complexity and volume of financial reporting;
- As per the University's agreement with USW, an additional \$1.5M will be added to the Job Evaluation Adjustment Fund;
- Compensation costs in administrative and academic service divisions are projected to rise by \$6.8M. Increases are assumed to be as per negotiated agreements. Otherwise, increases are assumed to be no more than CPI (~2%) for all agreements that have expired and are already under negotiation, or that will expire and be renegotiated during the course of the year
- The standard benefit rate is 23.75% for appointed employees and 10% for non-appointed employees. Compensation costs in 2010-11 will include a catch-up adjustment of the standard benefit rate for 2009-10.

University-Wide Funds

This section includes both academic and administrative funds. A total of \$2.4M has been transferred to the academic divisions. Transfers to shared-infrastructure divisions are not shown as the funds remain within the same cost bin.

- *Academic Initiatives Fund:* This fund will close as signalled in last year's budget report;
- *Student Experience Fund:* This fund will close as signalled in last year's budget report;

- *Provost's Contingency:* The sum of \$1M will be transferred to the Provost's Contingency fund in 2010-11. This fund is primarily available to assist academic divisions with unanticipated expenses.
- *Other Provostial Funds:* The Academic Recruitment and Retention Fund and the Research Fund for principals, deans and directors will be replenished;
- *Transitional Fund:* An amount of \$0.5M will be allocated to the Transitional Fund to support academic divisions as they transition to managing resources under difficult or changing budget circumstances.
- *PhD Expansion Incentive Fund:* This fund is intended to assist divisions in achieving their targets for increased PhD enrolment and attracting top applicants against increased competition. Funding is provided at the rate of \$5,000 per year for each BIU-eligible FTE above fall 2008 enrolment numbers. The level of funding attained in 2011-12 will be maintained until 2014-15, provided enrolments continue to be at or above 2011-12. Thus, in effect, 4-year funding will be provided for all PhD enrolment increases during the period 2009-10 to 2011-12. This fund was originally established to support both Master's and PhD expansion and the fund balance was \$7.2M last year. The fund will decrease by \$5.9M in 2010-11, leaving \$1.3M to support new PhD spaces.
- *Academic Services Fund:* This fund supports such services as libraries (other than acquisitions) and academic computing. This fund will be increased by \$0.7M.
- *Graduate Expansion Services:* This fund is used to extend shared services to support graduate enrolment growth. This fund will be increased by \$0.7M.
- *Information Technology:* This fund is used to support IT needs across the University. This fund will be increased by \$0.7M.
- *Administrative Priorities Fund:* The sum of \$0.7M will be allocated to the Administrative Priorities Fund for new initiatives in the administrative divisions.
- *Academic Deficit Financing Fund:* This fund is described in full in Section IV of this report

VII. Budget Impact

Schedule 4 of the budget (see Appendix A) is provided as context and presents a high-level view of the budget projections and an assessment of the impact of the budget provisions on the University's operations. It provides a summary of year-over-year changes in revenue and expense, and shows the expendable funds available to the divisions after accounting for projected increases in costs. This view is helpful in assessing the extent to which expense containment measures are needed and how they have been apportioned between administrative and academic divisions.

University revenues in 2010-11, excluding divisional income and funds that flow to other institutions, are increasing by \$123.8M over 2009-10. Expenditures on student aid from the operating fund are expected to increase by \$5M and total central expenses are projected to increase by \$28.6M before implementing the proposed cost containment of \$3.2M in central administrative divisions for 2010-11. The increase in expenditures

includes increases in compensation in the administrative divisions, but does not account for increases in the academic divisions. The incremental net revenue available to the academic divisions in 2010-11 is \$93.4M.

Academic divisions have many expenses they must fund from the incremental net revenue available to them. At a minimum, increases in compensation costs, graduate student support, capital debt-service support, and repayment of divisional accumulated deficits are estimated to be about \$52M in 2010-11 and \$245M over the planning period, based on the budget assumptions and the available enrolment and capital project estimates. Additional funds totalling \$12.2M must be set aside to fund deficit repayments in 2010-11 and \$43M over the planning period.

As described above in Section I, a number of alternative pension funding strategies are being reviewed. Until a revised strategy is approved, the budget continues to include the annual pension special payment amount of \$27.2M, in accordance with the current pension funding strategy as approved by Business Board. Once a new strategy is approved the operating budget is expected be adjusted in 2011-12. In the meantime, Appendix A, Schedule 4, line G provides one projection of the potential impact which suggest an additional base commitment of \$49M could be required, with some indexing in outer years to reflect compensation increases. While the filing is not required until July 1, 2011 (absent any pension plan changes) the revised funding strategy may recommend that funds be set aside starting in 2010-11.

After taking all of the above required and potential future expenditures into account, academic divisions are left with a possible overall shortfall of almost \$20M in 2010-11 and a total of \$36M over the period. Thus, these are an estimate of the cost containments that academic divisions will need to implement. The impact of budget projections varies considerably from division to division.

VIII. Divisional Allocations

This section describes the expense budgets for individual academic and administrative divisions.

VIII.1. Academic Divisions

The expense budget of an academic division consists of its net revenue plus its share of the University Fund. The net revenue is equal to the sum of all the revenues attributed to the division less its contribution to the University Fund, student aid and the cost of shared services.

Schedule 5 of Appendix A provides a summary of the attributed revenues and expenses to all academic divisions. It also shows the University Fund allocations and the resulting expense budget subtotals for 2010-11. The final expense budget of each division is determined after accounting for other adjustments and transfers, as detailed in Appendix E.

Administrative Divisions

Expense budgets for administrative divisions are determined following a review process. The recommended allocations take into account increases in the cost of compensation for

2009-10 and the need for cost containment in 2010-11. As salary increases for 2010-11 are not yet known, they are not included in divisional budgets. The funds needed are held centrally. The recommended allocations to administrative divisions for 2010-11 are summarized in Appendix E.

Outer year allocations to administrative divisions will be reviewed annually by the President, with advice from the Divisional Advisory Committee (DAC). In some cases DAC recommends multi-year allocations.

IX. Capital Project Funding

Prior to 2001, academic capital projects were funded from a combination of campaign donations, federal and provincial capital grant allocations, and the University's operating budget. Debt financing was restricted to resolving cash-flow shortfalls during the construction of academic buildings. Debt was also routinely used to provide the majority of the cost of residence construction where the debt service charges were recovered from room rental revenue. The University Infrastructure Investment Fund (UIIF) was created as the vehicle through which operating budget funds are allocated to capital projects.

Since 2001, it became clear that the traditional sources of funding were no longer sufficient to meet the capital construction demands driven by research initiatives and enrolment expansion. The 2001 update to the *Long-Range Budget Guidelines (1998-2004)* provided \$30M of funding to the UIIF in each of 2001-02, 2002-03 and 2003-04 in the form of loans, with the debt service costs charged to the operating budget. Funding shortfalls in individual project budgets, after deployment of government, campaign and UIIF funding, were to be the responsibility of the occupying divisions. This was the first recognition that capital construction of academic buildings could no longer be funded on a cash basis and that the use of debt financing would be necessary in the future. The Guidelines also argued for the evolution to a budget for expenditures on capital projects separate from the Operating Budget, but where the Operating Budget would be one source of revenue for the debt service charges associated with these projects.

Capital Funds Summary

This report on capital projects and the associated borrowing is intended to provide a comprehensive summary, encompassing construction projects for academic and administrative divisions, residences, parking garages and space for student activities. Capital projects are approved separately and are presented in this report for information only. All capital projects approved by Governance have been incorporated in this summary, including those where the approval to proceed is conditional on raising campaign donations.

Table 1 in Appendix D, depicts the total current costs of all approved capital projects to date. It illustrates the past and the most recently approved capital requirements for all academic, non-academic and ancillary projects and outlines their major funding sources. The total approved project costs at the beginning of 2009-10 amounted to \$1.34B. The University of Toronto will undertake approximately \$217M in new capital projects, raising its total capital project costs to \$1.56B.

Table 2 presents a detailed summary of the most recently approved capital projects, showing various sources of funding. Of the total \$217M in new projects, \$35M will be funded from the divisional operating budgets, and \$182M from other sources such as donations and the provincial government. The table also shows the approved borrowing related to new capital projects, totalling \$13.5M.

Long Range Budget Guidelines
2010-11 to 2014-15
(\$ millions)

Budget Model Summary		<u>Assump.#</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
<u>Projection of Operating Revenue</u>								
Provincial Operating Grants	1	\$	599	\$ 622	\$ 626	\$ 625	\$ 620	\$ 617
Contingency for Undergraduate Accessibility Discount	1		(4.6)	(16.3)	(16.6)	-	-	-
Net Provincial Operating Grants			594.5	606.0	609.2	625.1	620.0	616.8
Tuition Fees	2		546.8	612.6	670.6	731.3	783.2	835.0
Subtotal Grants plus Fees			1,141.3	1,218.6	1,279.9	1,356.5	1,403.2	1,451.8
Investment Income	3		13.0	25.6	28.5	29.2	32.9	34.0
Other Income	4		10.9	12.9	13.6	14.3	14.9	15.6
Subtotal - Revenue for University Fund Contribution			1,165.2	1,257.1	1,321.9	1,399.9	1,451.0	1,501.4
Endowment Revenue for Chairs and Student Aid	5		6.1	41.8	45.5	48.3	50.6	52.6
Provincial Scholarship Grants	6		11.2	10.7	10.7	10.7	10.7	10.7
Canada Research Chairs	7		38.3	36.6	36.6	36.6	36.7	36.7
Indirect Cost Recovery on Research Grants and Contracts	8		29.4	29.0	29.0	29.0	29.0	29.0
Subtotal General University Revenue			1,250.1	1,375.2	1,443.7	1,524.5	1,578.0	1,630.4
Divisional Income - Government Grants	9		2.6	2.3	2.3	2.3	2.4	2.4
Divisional Income - Student Fees	9		52.9	51.6	52.6	53.7	54.7	55.8
Divisional Income - Ancillary Fees	9		64.6	72.3	73.7	75.2	76.7	78.3
Divisional Income - External Revenue	9		67.2	71.2	72.7	74.1	75.6	77.1
Subtotal Divisional Revenue			187.4	197.4	201.3	205.3	209.4	213.6
Total Operating Revenue		\$	1,437.6	\$ 1,572.5	\$ 1,645.0	\$ 1,729.8	\$ 1,787.4	\$ 1,844.0

Long Range Budget Guidelines
2010-11 to 2014-15
(\$ millions)

Projection of Operating Expenditures

	<i>Assump.#</i>	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
University Wide Student Aid Set-Aside	10	84.9	89.8	94.6	98.8	103.2	106.8
Flow-through to Other Institutions (Hospitals, Colleges, TST)	11	20.6	21.8	22.0	22.2	22.4	22.6
<u>Shared Infrastructure</u>	<i>see schedule 2</i>						
Occupancy Costs (Cost Bin 1)		93.0	96.3	99.6	102.5	107.3	110.1
Shared Infrastructure		104.6	125.5	125.3	125.6	121.3	123.3
University-wide General Expense (Cost Bin 12)		32.3	34.7	35.5	36.4	37.2	38.0
Central Library Expense (Cost Bin 8)		69.6	72.7	73.7	75.4	76.9	78.5
Federated Block Grant		12.1	13.1	13.6	14.1	14.6	15.1
Sub-total		311.6	342.4	347.8	354.1	357.3	365.2
<u>Academic Divisions</u>							
Academic Expense Budget (excluding University Fund)		850.3	944.5	998.6	1,063.9	1,107.6	1,146.4
University Fund		114.5	123.7	130.1	137.9	143.0	148.0
Pension Amortization (Cost Bin 6)		21.5	21.5	21.5	21.5	21.5	21.5
Academic Funds (Cost Bin 11)		34.2	28.9	30.5	31.5	32.5	33.5
Academic Deficit Financing Fund		45.0	-	-	-	-	-
Sub-total		1,065.5	1,118.5	1,180.7	1,254.8	1,304.6	1,349.4
Total Expenditure		\$ 1,482.6	\$ 1,572.5	\$ 1,645.0	\$ 1,729.8	\$ 1,787.4	\$ 1,844.0
Annual Planned Deficit		(45.0)	-	-	-	-	-

Accumulated deficit opening balance	\$ (43.9)						
Annual deficit	(45.0)	-	-	-	-	-	-
Return of unused divisional deficit room	27.2						
Repayment of institutional accumulated deficit	11.2	11.2	11.2	10.3	-	-	-
Repayment of divisional accumulated deficit		3.6	3.6	3.6	3.6	3.6	3.6
Accumulated deficit closing balance	(50.5)	(35.7)	(21.0)	(7.1)	(3.6)	-	-

Long Range Budget Guidelines
2010-11 to 2014-15

Incremental Expenditure Summary of University Wide Expense

Year-Over-Year Increases	Assump.#	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
University-Wide Expense							
University Wide Expense, Beginning of Year (excl. deficit fund)		\$ 367.8	\$ 367.3	\$ 392.8	\$ 399.8	\$ 407.1	\$ 411.3
Contractual Obligations							
Federated Block Grant	12	1.2	1.0	0.5	0.5	0.5	0.5
Utilities	13	3.6	(1.1)	1.7	1.6	2.4	1.3
Pension Deficit Amortization	14	-	-	-	-	-	-
Capital and Maintenance							
Facilities and Services: Caretaking, Maintenance	15	2.9	2.8	2.8	3.0	3.0	2.3
Utilities Infrastructure Reserve	16		1.3	-	-	-	-
Operating Fund Debt Service Support of Capital Budget	17	0.2	1.5	0.5	0.5	0.5	0.5
Funding for Administrative/Academic Service Divisions							
Library Acquisitions and Services	18	0.8	1.3	1.0	0.5	0.5	0.5
Shared-infrastructure Investments	19	1.3	18.9	(4.2)	(3.1)	(7.1)	(0.8)
Cost of Compensation Settlements (incl. benefits)	20	5.0	6.8	4.5	4.6	4.8	4.9
Expense Containment Requirement	21	(4.5)	(3.2)	(3.3)	(3.4)	(3.5)	(3.6)
University-Wide Funds							
Academic Initiatives Fund (AIF)	22	(5.0)	-	-	-	-	-
Student Experience Fund	23	(10.0)	-	-	-	-	-
Other Provostial Funds	24	-	0.4	-	-	-	-
Provost's Contingency	25	1.0	1.0	1.0	0.5	0.5	0.5
Transitional Funding - Academic	26	2.0	0.5	0.3	0.2	0.2	0.2
Prior year distribution of academic funds to divisions	27	(1.3)	(2.4)	-	-	-	-
PhD Expansion Incentive Fund	28	1.1	(5.9)	-	-	-	-
Academic Service Initiatives	29	-	0.7	0.7	0.7	0.8	0.8
Graduate Expansion - University-Wide Services	30	-	0.7	0.4	0.4	0.5	0.5
Information Technology Initiatives and Upgrades	31	-	0.7	0.4	0.4	0.5	0.5
Administrative Priorities	32	1.2	0.7	0.7	0.7	0.8	0.8
University Wide Expense, End of Year		367.3	392.8	\$ 399.8	\$ 407.1	\$ 411.3	\$ 420.2
Academic Deficit Financing Fund	33	45.0	(45.0)	-	-	-	-
Total University Wide Expense, including Deficit Financing Fund		\$ 412.3	\$ 347.8	\$ 399.8	\$ 407.1	\$ 411.3	\$ 420.2

Cost Bins
2010-11 to 2014-15

Bin #	Shared Infrastructure	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1	Occupancy	\$ 93.0	96.3	99.6	102.5	107.3	110.1
2	Information Technology	19.8	25.7	24.8	22.5	21.7	22.1
3	University Management	15.5	16.9	17.2	17.2	17.4	17.7
4	Financial Management	6.6	8.1	7.2	7.5	7.8	8.2
5	Human Resources	16.9	17.4	15.9	15.7	16.1	16.5
7	University Advancement	15.8	23.5	26.3	27.6	23.0	22.9
8	Central Library	69.6	72.7	73.7	75.4	76.9	78.5
9	Research Administration	9.6	12.3	12.1	12.8	12.7	13.1
10	Student Recruitment, Registrarial & Services	20.6	21.6	21.8	22.3	22.6	22.9
12	University-wide General	32.3	34.7	35.5	36.4	37.2	38.0
	Direct - Federated Block Grant	12.1	13.1	13.6	14.1	14.6	15.1
	Sub-total	311.6	342.4	347.8	354.1	357.3	365.2
	Academic						
11	University-wide Academic	34.2	28.9	30.5	31.5	32.5	33.5
6	Pension Amortization (academic portion)	21.5	21.5	21.5	21.5	21.5	21.5
	Total University Wide Expense	\$ 367.3	\$ 392.8	\$ 399.8	\$ 407.1	\$ 411.3	\$ 420.2

Budget Impact

2010-11 to 2014-15

		2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue							
Increase (decrease) in revenue (excluding divisional income)		\$ (0.2)	\$ 125.0	\$ 68.6	\$ 80.8	\$ 53.5	\$ 52.4
(Increase) decrease in revenue flowing to other institutions		0.8	(1.2)	(0.2)	(0.2)	(0.2)	(0.2)
Incremental revenue available to University	A	0.5	123.8	68.3	80.6	53.3	52.2
Expense							
Increase in shared services/academic funds prior to cost containment		4.0	28.6	10.3	10.7	7.7	12.5
Cost containment applied to shared service divisions		(4.5)	(3.2)	(3.3)	(3.4)	(3.5)	(3.6)
Increase (decrease) in Student Aid		(5.2)	5.0	4.8	4.2	4.4	3.7
Incremental expense (expense reduction)	B	(5.7)	30.4	11.8	11.5	8.6	12.5
Net new revenue available to academic divisions	C= A-B	6.2	93.4	56.6	69.0	44.7	39.7
Cost pressures							
Estimated cost increases for academic divisions: compensation, graduate expansion, capital projects, repayment of divisional accumulated deficits	D	41.0	52.1	48.4	47.7	47.9	49.1
Repayment of divisional deficit borrowing	E		3.6	3.6	3.6	3.6	3.6
Repayment of institutional deficit	F	8.6	8.6	8.6	7.9	-	-
Reserve for pension deficit funding	G		49.0	0.6	0.6	0.6	0.7
Estimated pressure on divisional operating budgets due to loss of endowment payout	H	20.0	-	-	-	-	-
Total cost pressures	I	61.0	113.2	61.2	59.8	52.1	53.3
Funds available / (Shortfall) in academic divisions	J=C-I	(54.8)	(19.8)	(4.6)	9.3	(7.4)	(13.6)
Academic Deficit Financing Fund	K	45.0	-	-	-	-	-
Total surplus / (expense containment required)	L	\$ (9.8)	\$ (19.8)	\$ (4.6)	\$ 9.3	\$ (7.4)	\$ (13.6)

Note: additional divisional payment of institutional accumulated deficit assigned to administrative divisions

Annual repayment assigned to administrative divisions	2.6	2.6	2.6	2.4	-	-
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Summary of Projected Revenue and Expense Allocations for 2010-11

DIVISION	Attributed Operating Revenue	10% Contribution to Univ Fund	Share of University Wide Expense	Student Aid Set-Aside	Net Revenue	less: Revenue in Restricted Funds and Div Income	Adjusted Net Revenue	University Fund Allocation	Expense Budget
	(A)	(B)	(C)	(D)	(E = A-B-C-D)	(F)	(G=E-F)	(H)	(I = G+H)
Faculty of Arts & Science	440,476,271	40,626,692	142,904,225	28,063,034	228,882,320	15,276,376	213,605,944	31,409,521	245,015,465
University of Toronto at Scarborough	145,587,357	14,233,201	22,367,268	6,903,920	102,082,968	999,405	101,083,564	2,409,715	103,493,278
University of Toronto at Mississauga	153,084,572	14,926,806	24,608,223	7,118,013	106,431,530	1,205,659	105,225,871	2,708,200	107,934,070
Faculty of Dentistry	25,229,554	2,291,104	9,292,221	1,314,189	12,332,041	1,098,377	11,233,664	11,395,662	22,629,326
Faculty of Medicine	182,278,852	14,849,375	74,484,993	17,223,352	75,721,132	11,419,333	64,301,799	21,875,276	86,177,075
Lawrence S. Bloomberg Faculty of Nursing	17,732,906	1,620,065	5,316,006	1,424,432	9,372,404	388,496	8,983,908	1,976,336	10,960,244
Leslie Dan Faculty of Pharmacy	27,759,933	2,553,012	8,490,390	2,215,799	14,500,732	722,031	13,778,702	328,638	14,107,339
Faculty of Physical Education & Health	9,314,641	901,570	2,904,959	627,738	4,880,375	61,227	4,819,148	493,155	5,312,303
Faculty of Applied Science & Engineering	144,976,282	12,496,652	47,027,056	10,313,864	75,138,710	9,988,702	65,150,007	5,310,129	70,460,136
John H. Daniels Faculty of Architecture, Landscape & Design	7,856,217	748,139	2,828,275	542,411	3,737,391	50,399	3,686,992	2,903,731	6,590,723
OISE/UT	69,765,550	6,569,043	19,307,378	4,225,094	39,664,035	2,073,914	37,590,121	14,361,793	51,951,914
Faculty of Forestry	2,820,888	184,282	1,846,301	361,861	428,445	447,906	(19,461)	2,856,064	2,836,603
Faculty of Law	22,949,660	2,089,235	5,922,836	3,416,829	11,520,759	682,970	10,837,790	7,115,060	17,952,850
Faculty of Information	11,164,877	1,028,150	3,710,303	682,625	5,743,798	279,461	5,464,337	2,657,694	8,122,031
Faculty of Music	14,053,423	1,294,093	4,696,190	1,565,034	6,498,106	3,173	6,494,933	5,087,218	11,582,151
Factor-Inwentash Faculty of Social Work	11,785,655	969,607	2,930,969	915,255	6,969,824	1,357,310	5,612,513	1,171,086	6,783,600
Joseph L. Rotman School of Management	65,899,598	6,237,357	13,695,156	2,687,306	43,279,778	2,204,816	41,074,963	7,802,099	48,877,062
Transitional Year Programme	665,292	43,977	432,698	230,827	(42,210)	-	(42,210)	1,460,697	1,418,487
Graduate Centres & Institutes	-	-	-	-	-	-	-	340,286	340,286
Subtotal (excluding divisional income)	1,353,401,526	123,662,360	392,765,445	89,831,584	747,142,137	48,259,554	698,882,583	123,662,360	822,544,943
<i>Divisional Income</i>	<i>197,365,021</i>				<i>197,365,021</i>				<i>197,365,021</i>
Subtotal (including divisional income)	1,550,766,547	123,662,360	392,765,445	89,831,584	944,507,158	48,259,554	698,882,583	123,662,360	1,019,909,964
<i>Flow-through to Jt. Program and TST</i>	<i>7,357,726</i>				<i>7,357,726</i>				<i>7,357,726</i>
<i>Flow-through to hospitals for CRCs</i>	<i>14,400,000</i>				<i>14,400,000</i>				<i>14,400,000</i>
Total	1,572,524,273	123,662,360	392,765,445	89,831,584	966,264,884	48,259,554	698,882,583	123,662,360	1,041,667,690

¹ The 10% contribution to the UF is calculated on a sub-set of total attributed revenue in column A.

² Includes student aid in the operating fund (administered central through admissions & Awards) and student aid which is administered through restricted funds, but reflected in the operating fund.

Long Range Academic Divisional Projections

Arts & Science	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	397,988,706	440,476,271	466,262,232	494,973,766	506,428,538	519,266,097
Deductions ¹	(197,884,128)	(211,593,951)	(220,536,871)	(228,558,621)	(232,486,442)	(237,595,230)
Revenue adjustments ²	(13,827,195)	(15,276,376)	(15,572,204)	(15,788,385)	(15,970,433)	(16,129,725)
University Fund Allocation ³	26,229,427	31,409,521	31,409,521	31,409,521	31,409,521	31,409,521
Expense Budget	212,506,810	245,015,465	261,562,679	282,036,281	289,381,184	296,950,663

UTSC	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	135,046,789	145,587,357	151,183,264	162,812,505	169,595,992	178,225,173
Deductions ¹	(41,055,040)	(43,504,389)	(44,603,327)	(46,679,142)	(48,575,947)	(50,796,387)
Revenue adjustments ²	(1,248,189)	(999,405)	(999,405)	(999,405)	(999,405)	(999,405)
University Fund Allocation ³	259,420	2,409,715	2,409,715	2,409,715	2,409,715	2,409,715
Expense Budget	93,002,980	103,493,278	107,990,247	117,543,673	122,430,356	128,839,096

UTM	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	141,686,913	153,084,572	163,477,635	175,168,401	183,240,305	190,242,663
Deductions ¹	(43,444,844)	(46,653,042)	(48,749,114)	(51,113,476)	(53,129,432)	(55,150,226)
Revenue adjustments ²	(1,210,687)	(1,205,659)	(1,205,659)	(1,205,659)	(1,205,659)	(1,205,659)
University Fund Allocation ³	186,501	2,708,200	2,708,200	2,708,200	2,708,200	2,708,200
Expense Budget	97,217,882	107,934,070	116,231,061	125,557,465	131,613,414	136,594,977

Dentistry	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	24,438,250	25,229,554	25,988,415	27,094,387	28,152,132	29,090,669
Deductions ¹	(12,455,859)	(12,897,513)	(13,093,793)	(13,367,432)	(13,795,907)	(14,241,286)
Revenue adjustments ²	(1,416,269)	(1,098,377)	(1,122,526)	(1,140,174)	(1,155,035)	(1,168,038)
University Fund Allocation ³	11,445,350	11,395,662	11,395,662	11,395,662	11,395,662	11,395,662
Expense Budget	22,011,472	22,629,326	23,167,758	23,982,443	24,596,852	25,077,007

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes allocations up to and including 2010-11. Flatlined for outer years.

Long Range Academic Divisional Projections

Medicine	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	168,035,895	182,278,852	188,045,363	194,244,100	198,979,280	201,537,541
Deductions ¹	(99,904,748)	(106,557,720)	(108,237,434)	(110,584,437)	(112,071,255)	(114,316,445)
Revenue adjustments ²	(11,759,127)	(11,419,333)	(11,626,245)	(11,777,449)	(11,904,779)	(12,016,193)
University Fund Allocation ³	22,360,024	21,875,276	21,875,276	21,875,276	21,875,276	21,875,276
Expense Budget	78,732,043	86,177,075	90,056,960	93,757,490	96,878,522	97,080,179

Nursing	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	15,737,775	17,732,906	18,187,739	18,986,419	19,599,359	19,980,227
Deductions ¹	(7,641,119)	(8,360,503)	(8,574,619)	(8,822,264)	(8,978,681)	(9,183,644)
Revenue adjustments ²	(324,949)	(388,496)	(406,125)	(419,007)	(429,856)	(439,348)
University Fund Allocation ³	2,000,428	1,976,336	1,976,336	1,976,336	1,976,336	1,976,336
Expense Budget	9,772,135	10,960,244	11,183,332	11,721,483	12,167,158	12,333,570

Pharmacy	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	26,349,199	27,759,933	29,135,880	30,712,985	31,837,503	33,135,999
Deductions ¹	(12,385,121)	(13,259,201)	(13,867,161)	(14,435,211)	(14,878,407)	(15,406,331)
Revenue adjustments ²	(665,889)	(722,031)	(722,031)	(722,031)	(722,031)	(722,031)
University Fund Allocation ³	(161,576)	328,638	328,638	328,638	328,638	328,638
Expense Budget	13,136,613	14,107,339	14,875,326	15,884,381	16,565,703	17,336,274

PE&H	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	7,907,794	9,314,641	9,817,257	10,496,589	10,601,010	10,752,003
Deductions ¹	(3,946,292)	(4,434,267)	(4,697,087)	(4,909,541)	(5,010,677)	(5,105,363)
Revenue adjustments ²	(52,863)	(61,227)	(61,227)	(61,227)	(61,227)	(61,227)
University Fund Allocation ³	303,498	493,155	493,155	493,155	493,155	493,155
Expense Budget	4,212,137	5,312,303	5,552,099	6,018,976	6,022,261	6,078,569

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes allocations up to and including 2010-11. Flatlined for outer years.

Long Range Academic Divisional Projections

APSE	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	128,731,433	144,976,282	148,724,543	154,747,885	158,484,071	163,874,424
Deductions ¹	(66,768,403)	(69,837,572)	(71,510,902)	(73,340,948)	(74,719,219)	(76,714,790)
Revenue adjustments ²	(8,449,561)	(9,988,702)	(10,263,604)	(10,464,494)	(10,633,664)	(10,781,688)
University Fund Allocation ³	5,376,867	5,310,129	5,310,129	5,310,129	5,310,129	5,310,129
Expense Budget	58,890,337	70,460,136	72,260,165	76,252,572	78,441,317	81,688,074

Architecture, L & D	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	7,067,714	7,856,217	8,158,565	8,352,525	8,319,085	8,582,388
Deductions ¹	(3,745,761)	(4,118,825)	(4,208,554)	(4,311,456)	(4,322,493)	(4,419,696)
Revenue adjustments ²	(141,026)	(50,399)	(50,399)	(50,399)	(50,399)	(50,399)
University Fund Allocation ³	2,912,652	2,903,731	2,903,731	2,903,731	2,903,731	2,903,731
Expense Budget	6,093,579	6,590,723	6,803,343	6,894,402	6,849,924	7,016,024

OISE/UT	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	65,285,246	69,765,550	72,512,346	72,456,238	75,669,355	77,141,471
Deductions ¹	(28,142,759)	(30,101,515)	(31,144,296)	(31,370,821)	(32,007,640)	(32,761,955)
Revenue adjustments ²	(1,885,286)	(2,073,914)	(2,108,069)	(2,133,028)	(2,154,046)	(2,172,437)
University Fund Allocation ³	14,897,684	14,361,793	14,361,793	14,361,793	14,361,793	14,361,793
Expense Budget	50,154,885	51,951,914	53,621,775	53,314,183	55,869,462	56,568,872

Forestry	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	2,601,066	2,820,888	3,012,108	3,104,301	2,911,955	3,113,945
Deductions ¹	(2,379,836)	(2,392,443)	(2,480,675)	(2,564,630)	(2,608,236)	(2,683,855)
Revenue adjustments ²	(447,021)	(447,906)	(452,796)	(456,370)	(459,379)	(462,012)
University Fund Allocation ³	2,926,383	2,856,064	2,856,064	2,856,064	2,856,064	2,856,064
Expense Budget	2,700,593	2,836,603	2,934,701	2,939,366	2,700,404	2,824,141

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes allocations up to and including 2010-11. Flatlined for outer years.

Long Range Academic Divisional Projections

Law	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	20,017,868	22,949,660	24,746,122	27,205,040	29,262,720	31,240,641
Deductions ¹	(11,059,488)	(11,428,900)	(11,995,331)	(12,599,855)	(13,118,003)	(13,703,692)
Revenue adjustments ²	(615,775)	(682,970)	(714,279)	(737,158)	(756,426)	(773,284)
University Fund Allocation ³	7,028,595	7,115,060	7,115,060	7,115,060	7,115,060	7,115,060
Expense Budget	15,371,199	17,952,850	19,151,573	20,983,087	22,503,351	23,878,725

Information	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	9,770,494	11,164,877	10,844,868	11,893,969	12,990,600	13,492,392
Deductions ¹	(4,651,723)	(5,421,079)	(5,442,534)	(5,620,162)	(5,905,509)	(6,126,134)
Revenue adjustments ²	(307,007)	(279,461)	(279,461)	(279,461)	(279,461)	(279,461)
University Fund Allocation ³	2,433,965	2,657,694	2,657,694	2,657,694	2,657,694	2,657,694
Expense Budget	7,245,729	8,122,031	7,780,567	8,652,040	9,463,324	9,744,490

Music	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	12,125,519	14,053,423	14,241,825	14,400,274	14,083,924	14,264,915
Deductions ¹	(6,967,807)	(7,555,318)	(7,841,932)	(8,051,814)	(8,062,427)	(8,209,136)
Revenue adjustments ²	(103,104)	(3,173)	(3,173)	(3,173)	(3,173)	(3,173)
University Fund Allocation ³	4,795,639	5,087,218	5,087,218	5,087,218	5,087,218	5,087,218
Expense Budget	9,850,248	11,582,151	11,483,938	11,432,506	11,105,542	11,139,824

Social Work	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	9,929,277	11,785,655	12,163,891	12,502,473	12,760,397	12,992,442
Deductions ¹	(4,388,527)	(4,815,831)	(5,020,323)	(5,147,386)	(5,149,648)	(5,265,448)
Revenue adjustments ²	(475,312)	(1,357,310)	(1,465,982)	(1,545,396)	(1,612,270)	(1,670,786)
University Fund Allocation ³	1,186,622	1,171,086	1,171,086	1,171,086	1,171,086	1,171,086
Expense Budget	6,252,059	6,783,600	6,848,673	6,980,777	7,169,565	7,227,296

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes allocations up to and including 2010-11. Flatlined for outer years.

Long Range Academic Divisional Projections

Management	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	54,526,079	65,899,598	74,541,996	82,419,193	91,831,372	99,995,615
Deductions ¹	(18,292,346)	(22,619,820)	(24,416,978)	(25,917,013)	(27,248,177)	(28,926,507)
Revenue adjustments ²	(1,520,015)	(2,204,816)	(2,376,238)	(2,501,508)	(2,606,998)	(2,699,303)
University Fund Allocation ³	6,926,565	7,802,099	7,802,099	7,802,099	7,802,099	7,802,099
Expense Budget	41,640,282	48,877,062	55,550,879	61,802,771	69,778,296	76,171,904

Trans. Year. Prog.	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	417,368	665,292	699,335	740,381	768,979	793,581
Deductions ¹	(637,399)	(707,502)	(753,032)	(784,086)	(800,010)	(821,972)
Revenue adjustments ²	-	-	-	-	-	-
University Fund Allocation ³	1,461,135	1,460,697	1,460,697	1,460,697	1,460,697	1,460,697
Expense Budget	1,241,104	1,418,487	1,407,000	1,416,991	1,429,666	1,432,306

SGS (Centres & Inst.)	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Attributed Revenue	1,934,804	-	-	-	-	-
Deductions ¹	(972,627)	-	-	-	-	-
Revenue adjustments ²	(88,806)	-	-	-	-	-
University Fund Allocation ³	1,946,365	340,286	340,286	340,286	340,286	340,286
Expense Budget	2,819,737	340,286	340,286	340,286	340,286	340,286

Incremental University Funds Available to be Allocated						
		9,146,815	6,457,199	7,781,314	5,088,523	5,017,568

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes allocations up to and including 2010-11. Flatlined for outer years.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2010-11 to 2014-15**

1) Provincial Operating Grants and Enrolment

a. Undergraduate Enrolment and funding

Over the next five years, the University plans to decrease undergraduate enrolment by 271 student FTEs relative to 2009-10. Arts and Science at St. George plans to reduce enrolment by 411 FTEs and UTSC plans to reduce by remain relatively constant. This is offset by a planned increase of 698 FTEs at UTM. Applied Science and Engineering is projected to reduce undergraduate enrolment by 638 FTEs to 3,954 as part of a strategy to rebalance the undergraduate and graduate mix. Enrolment in professional faculties is projected to increase by 76 FTEs to 7,743 FTEs.

It is estimated that there will be a significant shortfall in the provincial undergraduate Accessibility Grant and that funding for enrolment increases over 2004-05 will be discounted by 44% for the next two years. A revenue contingency of \$16.3M in 2010-11 and \$16.6M in 2011-12 is planned.

b. Graduate Enrolment and funding

Graduate enrolment expansion plans have been revised to reflect actual enrolment to date and updated divisional plans. The University recently received permission from MTCU to exchange some PhD spaces for additional Master's spaces. It is assumed that the Ministry will provide full funding for graduate expansion up to the revised end-state targets. The total planned increase in 2010-11 is 2,976 total FTEs, relative to 2004-05. This is composed almost entirely of domestic FTEs, with planned growth of only 11 international FTEs. Total Master's FTEs are projected to be 7031 by 2013-14. Total PhD FTEs are projected to be 3854 by 2013-14.

c. Other grants

The University received an additional \$6.9M from the provincial quality envelope in 2009-10. It is assumed this level of funding will continue in outer years. No significant changes are assumed in other funding envelopes.

2) Tuition Fees

a. Domestic

Tuition fees are assumed to increase by 4.31% on average in 2010-11. In the absence of a new government framework beyond 2009-10, the current multi-year tuition framework is assumed to continue in the outer years.

b. International

Tuition fees are assumed to increase by 6% on average in 2010-11. Arts and Science, Engineering, Nursing, OISE/UT undergraduate international fees are projected to increase by 10% in 2010-11 and 2011-12. Commerce and BBA undergraduate international fees are projected to increase by 8% in 2010-11 and 10% in 2011-12. Management, Computer Science, CCIT and Bioinformatics will increase by 10% in 2010-11 and for 2011-12.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2010-11 to 2014-15**

3) Investment Income

It is assumed that investment income will increase to \$25.6M in 2010-11 and to \$34M by the end of the period. The forecast is based on a return assumption of 2.31% in 2010-11, rising to 3.64% by the end of the period. Average capital balances are estimated at \$1.1B each year.

4) Other Income

Other income includes primarily service charges on unpaid fees and application fees. Service charge revenue is projected to increase at the same rate as tuition fees. Application fee revenue projections are based on application projections.

5) Endowment Revenue for Chairs and Student Aid

Given the cancellation of the 2009 endowment payout the University is aiming to set the 2010 payout rate as high as possible, consistent with prudent management of the endowment and with the endowment spending policy that provides for a spending allocation between 3% and 5% of the market value of the endowment pool. A floor of \$5.00 per unit has been announced. It is anticipated that the payout will be higher than this as a result of continuing improved market conditions. The payout rate per unit will be determined and announced in March 2010 and the actual distribution will occur just prior to year end at April 30, 2010, following the normal process. The budget assumes a payout rate of \$7.00 per unit in 2010, resulting in revenue of \$41.8M flowing to the operating budget. Endowment revenue flowing to the operating budget is projected to rise to \$52.6M by the end of the period.

6) Provincial Scholarship Grants

This revenue line includes Ontario Graduate Scholarships and Aim for the Top Scholarships. Revenue is projected to decrease by \$0.5M from the 2009-10 level of \$11.2M.

7) Canada Research Chairs

The University's share of CRCs has dropped by 6 to a total of 249 chairs. It is assumed this level will remain constant.

8) Indirect Cost Recovery (IDC)

- a. Indirect cost recovery from provincial and industrial grants and contracts is projected to remain constant at \$8.2M for 2010-11 and beyond.
- b. Projected federal IDC revenue is assumed to remain constant at \$20.7M for 2010-11 and beyond.

9) Divisional Income

Divisional income has been adjusted in 2010-11 to reflect prior year actual income. It is projected to increase by 2% each year.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2010-11 to 2014-15**

10) University-wide Student Aid

- a. Student aid amounts have been assessed to ensure sufficient funding to meet the Student Access Guarantee and the University's Policy on Student Financial Support.
- b. Student aid is supported by both operating and endowed funds. It is projected that in 2010-11 student aid funded by the endowment will be \$28.2M, \$13.2M will be funded through OGS, OGSST and Aim for the Top Scholarships and \$48.4M will be funded from the operating budget. Another \$4.5M will be funded from prior year savings and new expendable donations.

11) Flow-through to other institutions

The University receives grant and /or tuition revenue on behalf of other institutions for the CRC program, the joint programs with colleges and the Toronto School of Theology. Funds are flowed directly to these institutions when they are received.

12) Federated Block Grant

Payments to the federated colleges are projected to increase by \$1.0M in 2010-11 and \$0.5M in each the next four years. These payments include both annual funding as per the memorandum of agreement plus phased-in adjustments.

13) Utilities

Utility costs are projected to decrease by \$1.1M in 2010-11 as a result of a reduction in debt financing costs for the T8/chiller project, favorable gas and oil rates and slightly lower electrical consumption than previously estimated. Costs are anticipated to increase on average by \$1.8M in each of the next four years as rates increase and new or expanded buildings come on-line (Rotman expansion, Student Commons, Goldring Centre for High Performance)

14) Pension Deficit Amortization

Annual amortization continues at \$27.2M a year. The deficit in the combined pension plans exceeds \$1 billion. The unfunded position has deteriorated for the second year in a row. There are a number of issues that continue to cause concern, including current solvency deficit funding requirements, potential volatility in investment returns over the coming years as the global economy deals with the fallout from the financial crisis, the potential need to make payments into the RPP, and whether we will meet the long-term return expectations given financial market trends.

The next required filing of the actuarial reports (absent of any plan changes) is July 1, 2011. At this time, based on current legislation and regulation, it is expected that the University will be required to contribute significant additional funding into the registered plans. In 2004-05 the University began setting aside \$26.2M annually from the operating budget to amortize the deficit in the pension fund over fifteen years and to provide a reserving strategy. This was approved by Business Board as part of the pension funding

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2010-11 to 2014-15**

strategy at that time. Since the funding strategy was adopted in 2004 there have been a number of plan amendments and by 2006-07 the annual amount was increased to \$27.2M, which is the level currently reflected in the budget. From this allocation, the University this year made an annual special payment of \$14.8M to the registered pension plan with the balance of \$12.4M set aside in a pension reserve.

15) Facilities and Services: Caretaking and Maintenance

Funding has been provided to maintain the level of caretaking and maintenance and to meet regulatory requirements on the St. George campus.

16) Utilities Infrastructure Reserve

The third and final allocation to the funding of the utilities infrastructure reserve has been provided in 2010-11. The 2009-10 installment was suspended. This will create a \$3.5M annual fund.

17) Operating Fund Debt Service Support of Capital Budget

An additional allocation of \$1.5M in 2010-11 has been provided to fund debt service on the purchase of 90 Queen's Park. It is projected that debt service costs will increase by \$0.5M in each of the next four years as additional purchases are funded.

18) Library Acquisitions and Services

Additional funding of \$1.25M has been provided to support library acquisitions and services in 2010-11.

19) Shared Infrastructure Investments

Requests for additional funding for the shared-infrastructure portfolios are submitted annually as part of the multi-year planning process. Allocations are approved by the President, taking advice from the Divisional Advisory Committee, and taking into consideration high priority needs and new revenues available to the University. Funding allocations include support for a new student information system, investment in resources to support the launch of a major fundraising campaign and renewed research services infrastructure.

20) Compensation: salaries and benefits for administrative/ academic service divisions

21) Compensation increases for all university employees are assumed to be as per negotiated agreements. Otherwise, increases are assumed to be no more than CPI (~2%) for all agreements that have expired and are already under negotiation, or that will expire and be renegotiated during the course of the year

The standard benefit rate will increase to cover the costs of negotiated benefits to 23.75% for appointed employees and will remain at 10% for non-appointed staff.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2010-11 to 2014-15**

22) Expense Containment

An across-the-board reduction in expenditures on central services will be applied, amounting to 2% of the relevant base in 2010-11 and beyond. A 2% cost containment is assumed in each of the outer years.

University-Wide Funds

- 23) **Academic Initiative Fund:** This fund will close as signaled in last year's budget report.
- 24) **Student Experience Fund:** This fund will close as signaled in last year's budget report.
- 25) **Other Provostial Funds:** Periodically the Academic Recruitment and Retention Fund and the Research Fund for principals, deans and directors must be replenished;
- 26) **Provost's Contingency Fund:** \$1M in additional funds has been allocated to the Provost's Contingency in 2010-11 and an additional \$2.5M over the remaining four years. These funds generally flow back to academic divisions to meet unanticipated needs.
- 27) **Transitional Funding (Academic):** An additional \$0.5M has been allocated to the Transitional Fund in 2010-11 and \$0.9M over the remaining four years to continue to support academic divisions in transition.
- 28) **Prior year distribution of academic funds to divisions:** Base allocations to the academic divisions must be removed from the funds and added to the University Fund total of a division the year following the allocation. In 2009-10 \$2.4M was allocated to academic divisions.
- 29) **PhD Expansion Incentive Fund:**
In total, \$7.3M was available in 2009-10 for the final year of the Graduate Expansion Incentive Fund, which was a fund that covered both Master's and PhD growth. The fund will be converted to a PhD-only fund and will be reduced by \$5.9M in 2010-11. The remaining \$1.4M will be distributed to academic divisions based on doctoral enrolment growth toward graduate expansion targets.
- 30) **Academic Service Initiatives Fund:** This fund supports such services as libraries (other than book and electronic acquisition) and academic computing. There will be a base allocation of \$0.7M in 2010-11, and \$3.0M over the remaining four years.
- 31) **Graduate Expansion University-wide Services:** This fund was created to support university wide services associated with the expansion, including library support, information technology, SGS, student services, student experience. An additional \$0.7M has been allocated to the fund in 2010-11 and \$1.8M over the remaining four years.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2010-11 to 2014-15**

- 32) **Information Technology Initiatives and Upgrades:** An additional \$ 0.7M in base has been allocated for administrative information technology in 2010-11. As revenues are projected to increase, allocations of \$1.8M will be made over the remaining four years to support improved information technology. This fund does not include funds for the new student system which is addressed in assumption # 19.
- 33) **Administrative Priorities Fund:** The purpose of this fund is to support unanticipated high-priority needs in various Vice-Presidential portfolios. An additional \$0.7M has been allocated in 2010-11 and \$3.0M over the remaining period.
- 34) **Academic Deficit Financing Fund:** As a result of the cancellation of the 2009 endowment payout, a deficit financing fund of \$45M fund was created in 2009-10 to assist academic divisions in meeting their financial commitments, in particular student aid. Academic divisions accessed the fund as needed, resulting in a total draw on the fund of \$17.8M. The balance of \$27.2M will be applied to the accumulated deficit in 2009-10.

**Contractual Commitments List
2010-11**

Expense Description	2009-10 Budget (Base & OTO)	Base Changes	OTO Allocations	Reversal of Prior Year OTO	Total Increase (Decrease)	2010-11 Budget (Base & OTO)
PAYMENTS TO AFFILIATED INSTITUTIONS						
Federated Colleges Block Grant	12,132,002	1,000,000			1,000,000	13,132,002
Toronto School of Theology Grant	2,090,637	219,917			219,917	2,310,554
Transfer Payments re Joint Programs with Colleges	4,760,922	286,250			286,250	5,047,172
Total	18,983,561	1,506,167	-	-	1,506,167	20,489,728
UTILITIES						
St George	43,394,388	(1,880,000)	750,000		(1,130,000)	42,264,388
St George - Utilities Infrastructure Reserve	2,515,596	1,250,000			1,250,000	3,765,596
University of Toronto at Scarborough ¹	3,963,631	398,432			398,432	4,362,063
University of Toronto at Mississauga ¹	4,130,139	129,618			129,618	4,259,757
Total	54,003,754	(101,950)	750,000	-	648,050	54,651,804
¹ net of recoveries						
PAID LEAVE COMMITMENTS						
Administrative leaves	651,000	800,000		(651,000)	149,000	800,000
UTFA Released Time	396,330	11,890			11,890	408,220
USW Released Time *	319,355	11,177			11,177	330,532
CUPE 3902 Unit 1 Released Time	8,620				-	8,620
CUPE 3261 Released Time	51,495	3,865			3,865	55,360
CUPE 1230 Released Time	51,953	2,057			2,057	54,010
Teaching Assistants - Training Program	275,000				-	275,000
Total	1,753,753	828,989	-	(651,000)	177,989	1,931,742
DEBT SERVICE SUPPORT OF CAPITAL BUDGET	18,704,583	1,500,000			1,500,000	20,204,583
MEMBERSHIP FEES						
A.U.C.C.	241,506	4,800			4,800	246,306
COU	768,664	23,309			23,309	791,973
Other Membership	81,360	8,164			8,164	89,524
Total	1,091,530	36,273	-	-	36,273	1,127,803
NEGOTIATION EXPENSES						
UTFA *	108,037				-	108,037
USW	15,000				-	15,000
CUPE (Unit 1 & 3)	600,938	197,000	277,000	(15,000)	459,000	1,059,938
Total	723,975	197,000	277,000	(15,000)	459,000	1,182,975

**Contractual Commitments List
2010-11**

Appendix C

Expense Description	2009-10 Budget (Base & OTO)	Base Changes	OTO Allocations	Reversal of Prior Year OTO	Total Increase (Decrease)	2010-11 Budget (Base & OTO)
OTHER HUMAN RESOURCE EXPENSES						
USW Job Evaluation - UofT cost	408,877		162,002	(408,877)	(246,875)	162,002
USW Job Evaluation - Union cost	364,327		384,857	(364,327)	20,530	384,857
USW Job Evaluation Salary Adjustment Fund	2,300,000		1,500,000	(2,300,000)	(800,000)	1,500,000
Job Accommodation Fund/ Program	65,000	10,000	25,000		35,000	100,000
Pension Consulting *	80,000				-	80,000
Total	3,218,204	10,000	2,071,859	(3,073,204)	(991,345)	2,226,859
EMPLOYEE HEALTH AND SAFETY						
Certification Training & Release	32,000				-	32,000
Waste Management Fund	577,000				-	577,000
EH&S Fund *	309,261	30,000	90,223	(141,011)	(20,788)	288,473
Total	918,261	30,000	90,223	(141,011)	(20,788)	897,473
OTHER						
Legal Fees *	2,243,820				-	2,243,820
City water backflow prevention	750,000		720,000	(750,000)	(30,000)	720,000
Other misc.and reversal of prior year OTO allocations	85,201			(85,201)	(85,201)	-
University Student Assistance Administration	1,613,354				-	1,613,354
Insurance	1,400,000	400,000	400,000		800,000	2,200,000
Lease cost of off-campus space	1,175,327	152,612			152,612	1,327,939
Total	7,267,702	552,612	1,120,000	(835,201)	837,411	8,105,113
CONTINGENCY ITEMS (see list below)	1,120,000	343,000			343,000	1,463,000
TOTAL CONTRACTUAL COMMITMENTS	\$ 107,785,323	\$ 4,902,091	\$ 4,309,082	\$ (4,715,416)	\$ 4,495,757	\$ 112,281,080

*** Funds set aside in central contingency account**

	Base
UTFA Negotiating Expenses	100,000
USW Release Time	60,000
Legal Fees	1,000,000
Pension and benefit consulting	40,000
EHS cost for compliance	263,000
TOTAL CONTINGENCY	1,463,000
Prior Year Contingency	1,120,000
Net Change in Contingency for 2010-11	343,000

Table 1: Capital Budget Cash Flow

	Total Approved Projects 2008-2009	Total Capital Requirements		Total Approved Projects
		Approved May 2009 to January 2010	Approved After January 2010	
Capital Projects, Academic and Non-Academic	\$ 1,006,965,044	\$ 197,536,000	\$ 19,327,000	\$ 1,223,828,044
Capital Projects, Ancillaries	290,490,000	0	0	290,490,000
Matching Funds for endowment capital	44,000,000	0	0	44,000,000
Total Capital Projects	\$ 1,341,455,044	\$ 197,536,000	\$ 19,327,000	\$ 1,558,318,044
Funding Sources				
Federal Government	\$ 59,990,000	\$ 80,000,000	\$ 4,193,500	\$ 144,183,500
Provincial Government	313,307,700	85,600,000	4,193,500	403,101,200
Campaign Donations	111,680,000	8,000,000	0	119,680,000
Other (interest earned, municipal)	79,277,250	0	0	79,277,250
Sub-Total	\$ 564,254,950	\$ 173,600,000	\$ 8,387,000	\$ 746,241,950
Funded by the Central Operating Budget	\$ 204,416,984.00	\$ -	\$ -	\$ 204,416,984.00
Funded by Academic Divisional Budgets	345,723,110	23,936,000	10,940,000	380,599,110
Funded by Ancillaries Budgets and Student Levies	227,060,000		0	227,060,000
Sub-Total	\$ 777,200,094	\$ 23,936,000	\$ 10,940,000	\$ 812,076,094
Total Funding identified	\$ 1,341,455,044	\$ 197,536,000	\$ 19,327,000	\$ 1,558,318,044
Total Funding surplus/(deficit)	\$ -	\$ -	\$ -	\$ -

Table 2: Capital Project Budget Details

Appendix D

	Project Cost	Sources of Funding			New Projects Approved Divisional Borrowing	Projected Completion Date
		Central	Divisional Operating Budget	Other Funding Sources		
Projects Approved May 2009-January 2010						
UTSC Instructional Lab	\$ 78,000,000		\$ 8,000,000	\$ 70,000,000		September 2011
UTSC Data Centre	\$ 3,904,000		\$ 3,904,000			January 2010
UTM Instructional Lab	\$ 70,000,000			\$ 70,000,000		September 2011
Munk School of Global Affairs	\$ 13,600,000			\$ 13,600,000		Summer 2011
Mining Building Civil Engineering	\$ 20,000,000			\$ 20,000,000		March 2011
St. George Infrastructure Renewal	\$ 11,232,000		\$ 11,232,000		\$ 6,232,000	March 2011
UTM Health Science Complex Increase	\$ 800,000		\$ 800,000		\$ 800,000	July 2011
Sub Total	\$ 197,536,000	\$ -	\$ 23,936,000	\$ 173,600,000	\$ 7,032,000	
Projects Approved After January 2010						
UTM Parking Deck	\$ 6,500,000		\$ 6,500,000		\$ 6,500,000	September 2010
UTM Chemistry Teaching Lab	\$ 4,240,000		\$ 4,240,000			September 2010
Digital Media Centre	\$ 3,187,000		\$ 200,000	\$ 2,987,000		December 2011
Microsatellite Science and Technology Centre	\$ 5,400,000			\$ 5,400,000		January 2011
Sub Total	\$ 19,327,000	\$ -	\$ 10,940,000	\$ 8,387,000	\$ 6,500,000	
Total New Projects	\$ 216,863,000	\$ -	\$ 34,876,000	\$ 181,987,000	\$ 13,532,000	

EXPENSE SUMMARY

DIVISIONAL BUDGET SCHEDULES

	ACADEMIC DIVISIONS	Academic Deficit Financing Fund	University-Wide Student Aid Set-Aside	Flow-Through to Other Institutions	Shared Services, Pension and Acad. Funds	TOTAL EXPENSE SUMMARY
Net Budget for 2009-10		45,000,000	84,874,187	20,551,559	404,752,880	555,178,626
One-Time-Only Budget for 2009-10					3,646,876	3,646,876
TOTAL NET BUDGET FOR 2009-10		45,000,000	84,874,187	20,551,559	408,399,756	558,825,502
BUDGET CHANGES:						
ACADEMIC DIVISIONS-						
Adjusted Net Revenue	698,882,583					698,882,583
University Fund Allocation	123,662,360					123,662,360
	822,544,943					822,544,943
SUBTOTAL	16,589				61,686	78,275
2010-11 Allocations from Central Funds						
SHARED SERVICES DIVISIONS-						
Cost Containment					(3,200,000)	(3,200,000)
Balance of Prior Year's Salary/Benefit Increase		(45,000,000)	4,957,397	1,206,167	13,392,583	(25,443,853)
Adjustments: Contractual / Budget Model						
ALL DIVISIONS-						
Transfers in	34,486				8,125,961	8,160,447
Transfers out	(34,486)				(8,125,961)	(8,160,447)
Expense Offset by Additional Divisional Revenue						
(Increase) Decrease in Divisional Revenue	822,561,532	(45,000,000)	4,957,397	1,206,167	10,254,269	793,979,365
TOTAL						
ONE-TIME-ONLY BUDGET CHANGES:						
Adjustments: Contractual / Budget Model					14,802,206	14,802,206
ONE-TIME-ONLY BUDGET CHANGE					14,802,206	14,802,206
Net Budget for 2010-11	822,561,532		89,831,584	21,757,726	415,007,149	1,349,157,991
OTO Budget for 2010-11					18,449,082	18,449,082
TOTAL NET BUDGET FOR 2010-11	822,561,532		89,831,584	21,757,726	433,456,231	1,367,607,073
Note 1						
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income :	9,688,653				71,000	9,759,653
External Income :	138,432,739		1,900,000		53,162,380	193,495,119
Internal Recoveries :	163,261,023				52,370,405	215,631,428
External Recoveries :	51,379,964				1,910,119	53,290,083
Negative Approp./Deficit Financing :	6,231,458					6,231,458
TOTAL DIV REVENUE (INCL. RECOVERIES)	368,993,837		1,900,000		107,513,904	478,407,741
GROSS EXPENSE BUDGET FOR 2010-11	1,191,555,369		91,731,584	21,757,726	540,970,135	1,846,014,814

Note 1 Reconciliation to Budget Model:	
Net Expense Budget as per Div Schedules	1,367,607,073
plus Divisional Income as per Budget Model	197,365,021
plus Endowment Income as per Budget Model	12,688,554
less Municipal Taxes not in Budget Model	(5,136,375)
Total	1,572,524,273

Academic Divisions

DIVISIONAL BUDGET SCHEDULES

	ARTS & SCIENCE (incl Colleges)	UTSC TOTAL	UTM TOTAL	DENTISTRY	MEDICINE	LAWRENCE S. BLOOMBERG FACULTY OF NURSING	LESLIE DAN FACULTY OF PHARMACY
Adjusted Net Revenue	213,605,944	101,083,563	105,225,870	11,233,664	64,301,799	8,983,908	13,778,701
University Fund Allocation	31,409,521	2,409,715	2,708,200	11,395,662	21,875,276	1,976,336	328,638
	245,015,465	103,493,278	107,934,070	22,629,326	86,177,075	10,960,244	14,107,339
SUBTOTAL	66,823	127,371	88,153	8,483	6,125	5,804	4,421
2010-11 Allocations from Central Funds	34,486						
Transfers in							
Transfers out		(735)	(33,751)				
Expense Offset by Additional Divisional Revenue							
(Increase) Decrease in Divisional Revenue							
TOTAL	245,116,774	103,619,914	107,988,472	22,637,809	86,183,200	10,966,048	14,111,760
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income :	2,450,000			200,000	1,713,607	146,000	
External Income :	11,209,331	13,603,339	10,160,432	9,970,547	34,717,941	125,000	1,329,350
Internal Recoveries :	53,994,852	7,243,861	9,530,212	1,814,216	42,207,680	489,198	1,158,175
External Recoveries :	10,581,425	769,122	102,426	104,326	36,144,112	355,250	
Negative Approp./Deficit Financing :	523,679						
TOTAL DIV REVENUE (INCL. RECOVERIES)	78,759,287	21,616,322	19,793,070	12,089,089	114,783,340	1,115,448	2,487,525
GROSS EXPENSE BUDGET FOR 2010-11	<u>323,876,061</u>	<u>125,236,236</u>	<u>127,781,542</u>	<u>34,726,898</u>	<u>200,966,540</u>	<u>12,081,496</u>	<u>16,599,285</u>

Academic Divisions

	JOHN H. DANIELS FACULTY OF ARCHITECTURE, LANDSCAPE & DESIGN						
	PHYSICAL EDUCATION & HEALTH	APPLIED SCIENCE & ENGINEERING		OISE/UT	FORESTRY	LAW	INFORMATION
Adjusted Net Revenue	4,819,148	65,150,007	3,686,992	37,590,121	(19,461)	10,837,790	5,464,337
University Fund Allocation	493,155	5,310,129	2,903,731	14,361,793	2,856,064	7,115,060	2,657,694
	5,312,303	70,460,136	6,590,723	51,951,914	2,836,603	17,952,850	8,122,031
SUBTOTAL	3,859	2,450	6,279	1,225		24,477	
2010-11 Allocations from Central Funds							
Transfers in							
Transfers out							
Expense Offset by Additional Divisional Revenue							
(Increase) Decrease in Divisional Revenue							
TOTAL	5,316,162	70,462,586	6,597,002	51,953,139	2,836,603	17,977,327	8,122,031
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income :		2,276,694		282,863	40,500	259,297	
External Income :	19,172,659	5,078,041	357,000	11,314,650		3,023,437	1,020,491
Internal Recoveries :	1,547,352	13,443,780	319,833	8,592,598	1,185,761	2,732,128	1,296,098
External Recoveries :				124,994		615,350	2,511,530
Negative Approp./Deficit Financing :			1,407,779			1,700,000	
TOTAL DIV REVENUE (INCL. RECOVERIES)	20,720,011	20,798,515	2,084,612	20,315,105	1,226,261	8,330,212	4,828,119
GROSS EXPENSE BUDGET FOR 2010-11	<u>26,036,173</u>	<u>91,261,101</u>	<u>8,681,614</u>	<u>72,268,244</u>	<u>4,062,864</u>	<u>26,307,539</u>	<u>12,950,150</u>

Academic Divisions

	FACTOR-INWENTASH MUSIC	FACULTY OF SOCIAL WORK	JOSEPH L. ROTMAN SCHOOL OF MANAGEMENT	TRANSITIONAL YEAR PROGRAMME	GRADUATE CENTRES & INSTITUTES	TOTAL Academic Divisions
Adjusted Net Revenue	6,494,933	5,612,514	41,074,963	(42,210)		698,882,583
University Fund Allocation	5,087,218	1,171,086	7,802,099	1,460,697	340,286	123,662,360
SUBTOTAL	11,582,151	6,783,600	48,877,062	1,418,487	340,286	822,544,943
2010-11 Allocations from Central Funds	5,341	3,859		2,205	(340,286)	16,589
Transfers in						34,486
Transfers out						(34,486)
Expense Offset by Additional Divisional Revenue						
(Increase) Decrease in Divisional Revenue						
TOTAL	11,587,492	6,787,459	48,877,062	1,420,692		822,561,532
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income :		900,000	1,419,692			9,688,653
External Income :	390,500	158,000	16,667,021	90,000	45,000	138,432,739
Internal Recoveries :	1,117,243	100,000	16,197,388	205,893	84,755	163,261,023
External Recoveries :	71,429					51,379,964
Negative Approp./Deficit Financing :	2,600,000					6,231,458
TOTAL DIV REVENUE (INCL. RECOVERIES)	4,179,172	1,158,000	34,284,101	295,893	129,755	368,993,837
GROSS EXPENSE BUDGET FOR 2010-11	<u>15,766,664</u>	<u>7,945,459</u>	<u>83,161,163</u>	<u>1,716,585</u>	<u>129,755</u>	<u>1,191,555,369</u>

University Wide Student Aid Set-Aside

	DIVISIONAL BUDGET SCHEDULES									
	AIM FOR THE TOP SCHOLARSHIPS	GRADUATE FELLOWSHIPS	GRADUATE STUDENT AID	ONTARIO GRADUATE SCHOLARSHIPS	OGSST	OSOTF MATCHING	STUDENT AID REINVESTMENT	STUDENT AID REINVESTMENT INTERNATIONAL	STUDENT AID FUNDED FROM RESTRICTED FUNDS	TOTAL Student Aid Set-Aside
Net Budget for 2009-10	5,100,000	1,017,431	390,393	6,100,000	2,600,000	1,500,000	37,195,103	3,071,260	27,900,000	84,874,187
One-Time-Only Budget for 2009-10										
TOTAL NET BUDGET FOR 2009-10	5,100,000	1,017,431	390,393	6,100,000	2,600,000	1,500,000	37,195,103	3,071,260	27,900,000	84,874,187
BUDGET CHANGES:										
ACADEMIC DIVISIONS-										
Adjusted Net Revenue										
University Fund Allocation										
SUBTOTAL										
2010-11 Allocations from Central Funds										
SHARED SERVICES DIVISIONS-										
Cost Containment										
Balance of Prior Year's Salary/Benefit Increase										
Adjustments: Contractual / Budget Model	(547,500)						6,704,897	(1,500,000)	300,000	4,957,397
ALL DIVISIONS-										
Transfers in										
Transfers out										
Expense Offset by Additional Divisional Revenue										
(Increase) Decrease in Divisional Revenue										
	(547,500)						6,704,897	(1,500,000)	300,000	4,957,397
TOTAL										
ONE-TIME-ONLY BUDGET CHANGES:										
Adjustments: Contractual / Budget Model										
ONE-TIME-ONLY BUDGET CHANGE										
Net Budget for 2010-11	4,552,500	1,017,431	390,393	6,100,000	2,600,000	1,500,000	43,900,000	1,571,260	28,200,000	89,831,584
OTO Budget for 2010-11										
TOTAL NET BUDGET FOR 2010-11	4,552,500	1,017,431	390,393	6,100,000	2,600,000	1,500,000	43,900,000	1,571,260	28,200,000	89,831,584
DIVISIONAL REVENUE (INCL. RECOVERIES)										
Endowment Income :										
External Income :										
Internal Recoveries :										
External Recoveries :										
Negative Approp./Deficit Financing :										
TOTAL DIV REVENUE (INCL. RECOVERIES)										
							1,900,000			1,900,000
GROSS EXPENSE BUDGET FOR 2010-11	4,552,500	1,017,431	390,393	6,100,000	2,600,000	1,500,000	45,800,000	1,571,260	28,200,000	91,731,584

Flow-through to Other Institutions

DIVISIONAL BUDGET SCHEDULES

	TORONTO SCHOOL OF THEOLOGY	CRC FlowThrough to Hospitals	JT PROGRAMS WITH COLLEGES	TOTAL Flow-through
Net Budget for 2009-10	2,090,637	13,700,000	4,760,922	20,551,559
One-Time-Only Budget for 2009-10				
TOTAL NET BUDGET FOR 2009-10	2,090,637	13,700,000	4,760,922	20,551,559
BUDGET CHANGES:				
ACADEMIC DIVISIONS-				
Adjusted Net Revenue				
University Fund Allocation				
SUBTOTAL				
2010-11 Allocations from Central Funds				
SHARED SERVICES DIVISIONS-				
Cost Containment				
Balance of Prior Year's Salary/Benefit Increase				
Adjustments: Contractual / Budget Model	219,917	700,000	286,250	1,206,167
ALL DIVISIONS-				
Transfers in				
Transfers out				
Expense Offset by Additional Divisional Revenue				
(Increase) Decrease in Divisional Revenue				
	219,917	700,000	286,250	1,206,167
TOTAL				
ONE-TIME-ONLY BUDGET CHANGES:				
Adjustments: Contractual / Budget Model				
ONE-TIME-ONLY BUDGET CHANGE				
Net Budget for 2010-11	2,310,554	14,400,000	5,047,172	21,757,726
OTO Budget for 2010-11				
TOTAL NET BUDGET FOR 2010-11	2,310,554	14,400,000	5,047,172	21,757,726
DIVISIONAL REVENUE (INCL. RECOVERIES)				
Endowment Income :				
External Income :				
Internal Recoveries :				
External Recoveries :				
Negative Approp./Deficit Financing :				
TOTAL DIV REVENUE (INCL. RECOVERIES)				
GROSS EXPENSE BUDGET FOR 2010-11	<u>2,310,554</u>	<u>14,400,000</u>	<u>5,047,172</u>	<u>21,757,726</u>

Shared Services, Pension and Acad. Funds

DIVISIONAL BUDGET SCHEDULES

	Other Academic Costs (excl CRCflowthrough, Joint Programs)	Central Library	St George Student Life Programs & Services	St George Facilities & Srvc	Governance & Administration
	Net Budget for 2009-10	83,164,264	53,688,075	528,502	102,485,051
One-Time-Only Budget for 2009-10	651,000			766,976	209,236
TOTAL NET BUDGET FOR 2009-10	83,815,264	53,688,075	528,502	103,252,027	82,693,012
BUDGET CHANGES:					
ACADEMIC DIVISIONS-					
Adjusted Net Revenue					
University Fund Allocation					
SUBTOTAL 2010-11 Allocations from Central Funds	284,670	(85,148)			
SHARED SERVICES DIVISIONS-					
Cost Containment		(633,000)	(11,000)	(955,000)	(1,508,000)
Balance of Prior Year's Salary/Benefit Increase		838,494	8,585	1,159,603	1,479,349
Adjustments: Contractual / Budget Model	(4,206,298)	421,725		1,220,000	3,510,000
ALL DIVISIONS-					
Transfers in	6,051,253				2,074,708
Transfers out	(6,479,308)	(770,628)	(76,285)	(364,331)	(435,409)
Expense Offset by Additional Divisional Revenue					
(Increase) Decrease in Divisional Revenue	(4,349,683)	(228,557)	(78,700)	1,060,272	5,120,648
TOTAL					
ONE-TIME-ONLY BUDGET CHANGES:					
Adjustments: Contractual / Budget Model	(651,000)	750,000		933,024	12,240,987
ONE-TIME-ONLY BUDGET CHANGE	(651,000)	750,000		933,024	12,240,987
Net Budget for 2010-11	78,814,581	53,459,518	449,802	103,545,323	87,604,424
OTO Budget for 2010-11		750,000		1,700,000	12,450,223
TOTAL NET BUDGET FOR 2010-11	78,814,581	54,209,518	449,802	105,245,323	100,054,647
DIVISIONAL REVENUE (INCL. RECOVERIES)					
Endowment Income :		71,000			
External Income :	500,000	2,044,849	15,170,340	5,632,684	12,637,646
Internal Recoveries :		2,817,874	1,743,431	26,683,968	16,213,958
External Recoveries :		1,539,614	220	43,000	153,804
Negative Approp./Deficit Financing :					
TOTAL DIV REVENUE (INCL. RECOVERIES)	500,000	6,473,337	16,913,991	32,359,652	29,005,408
GROSS EXPENSE BUDGET FOR 2010-11	<u>79,314,581</u>	<u>60,682,855</u>	<u>17,363,793</u>	<u>137,604,975</u>	<u>129,060,055</u>

Shared Services, Pension and Acad. Funds

	Gen Univ & Other (includes Mun Taxes)	Federated Block Grant	School of Graduate Studies	School of Continuing Studies	TOTAL Shared Srvc, Pension & Acad. Funds
Net Budget for 2009-10	65,995,533	12,132,002	4,275,677		404,752,880
One-Time-Only Budget for 2009-10	2,019,664				3,646,876
TOTAL NET BUDGET FOR 2009-10	68,015,197	12,132,002	4,275,677		408,399,756
BUDGET CHANGES:					
ACADEMIC DIVISIONS-					
Adjusted Net Revenue					
University Fund Allocation					
SUBTOTAL	(137,836)				61,686
2010-11 Allocations from Central Funds					
SHARED SERVICES DIVISIONS-					
Cost Containment	(4,000)		(89,000)		(3,200,000)
Balance of Prior Year's Salary/Benefit Increase	(3,588,592)		102,561		
Adjustments: Contractual / Budget Model	11,447,156	1,000,000			13,392,583
ALL DIVISIONS-					
Transfers in					8,125,961
Transfers out					(8,125,961)
Expense Offset by Additional Divisional Revenue					
(Increase) Decrease in Divisional Revenue					
TOTAL	7,716,728	1,000,000	13,561		10,254,269
ONE-TIME-ONLY BUDGET CHANGES:					
Adjustments: Contractual / Budget Model	1,529,195				14,802,206
ONE-TIME-ONLY BUDGET CHANGE	1,529,195				14,802,206
Net Budget for 2010-11	73,712,261	13,132,002	4,289,238		415,007,149
OTO Budget for 2010-11	3,548,859				18,449,082
TOTAL NET BUDGET FOR 2010-11	77,261,120	13,132,002	4,289,238		433,456,231
DIVISIONAL REVENUE (INCL. RECOVERIES)					
Endowment Income :					71,000
External Income :			967,250	16,209,611	53,162,380
Internal Recoveries :	3,879,350		70,304	961,520	52,370,405
External Recoveries :				173,481	1,910,119
Negative Approp./Deficit Financing :					
TOTAL DIV REVENUE (INCL. RECOVERIES)	3,879,350		1,037,554	17,344,612	107,513,904
GROSS EXPENSE BUDGET FOR 2010-11	81,140,470	13,132,002	5,326,792	17,344,612	540,970,135

Other Academic Costs (excl CRChairs Flowthrough)

DIVISIONAL BUDGET SCHEDULES

	ACADEMIC INITIATIVES	ACADEMIC SERVICES INITIATIVES	ACADEMIC REVIEWS	Administrators ON LEAVE	CAMPAIGN EXPENSE- Divisional	FACILITIES RENOVATIONS & UPGRADES FROM PROGRAM PLANNING	FACULTY RECRUITMENT	Fields Institute
Net Budget for 2009-10 (and Joint Programs)	6,051,253	1,606,694	225,307		2,100,000	2,000,000	2,972,075	276,553
One-Time-Only Budget for 2009-10				651,000				
TOTAL NET BUDGET FOR 2009-10	6,051,253	1,606,694	225,307	651,000	2,100,000	2,000,000	2,972,075	276,553
BUDGET CHANGES:								
ACADEMIC DIVISIONS-								
Adjusted Net Revenue								
University Fund Allocation								
SUBTOTAL								
2010-11 Allocations from Central Funds								
SHARED SERVICES DIVISIONS-								
Cost Containment								
Balance of Prior Year's Salary/Benefit Increase								
Adjustments: Contractual / Budget Model								
ALL DIVISIONS-								
Transfers in								
Transfers out								
Expense Offset by Additional Divisional Revenue								
(Increase) Decrease in Divisional Revenue								
	(6,051,253)	667,261		800,000				
TOTAL								
ONE-TIME-ONLY BUDGET CHANGES:								
Adjustments: Contractual / Budget Model								
ONE-TIME-ONLY BUDGET CHANGE								
				(651,000)				
				(651,000)				
Net Budget for 2010-11		2,273,955	225,307	800,000	2,100,000	2,000,000	2,972,075	276,553
OTO Budget for 2010-11								
TOTAL NET BUDGET FOR 2010-11		2,273,955	225,307	800,000	2,100,000	2,000,000	2,972,075	276,553
DIVISIONAL REVENUE (INCL. RECOVERIES)								
Endowment Income :								
External Income :								
Internal Recoveries :								
External Recoveries :								
Negative Approp./Deficit Financing :								
TOTAL DIV REVENUE (INCL. RECOVERIES)								500,000
GROSS EXPENSE BUDGET FOR 2010-11		2,273,955	225,307	800,000	2,100,000	2,000,000	2,972,075	776,553

Other Academic Costs (excl CRChairs Flowthrough

	GRADUATE EXPANSION INCENTIVE	GRADUATE EXPANSION UNIV-WIDE	Info Tech Courseware Developmt Fund (ITCDF)	INFORMATION TECHNOLOGY INITIATIVES & UPGRADES	NON- DEPARTMENTAL PROFESSORS	OVERHEAD ON FEDERAL RESEARCH GRANTS	PROVOST'S RESERVE & CONTINGENCY	RESEARCH ALLOWANCE- EndCh/UnProf
Net Budget for 2009-10 and Joint Programs)	7,293,356	2,286,400	216,422	2,344,386	233,972	5,125,000	7,288,606	2,100,000
One-Time-Only Budget for 2009-10								
TOTAL NET BUDGET FOR 2009-10	7,293,356	2,286,400	216,422	2,344,386	233,972	5,125,000	7,288,606	2,100,000
BUDGET CHANGES:								
ACADEMIC DIVISIONS-								
Adjusted Net Revenue								
University Fund Allocation								
SUBTOTAL								
2010-11 Allocations from Central Funds				(26,460)			311,130	
SHARED SERVICES DIVISIONS-								
Cost Containment								
Balance of Prior Year's Salary/Benefit Increase								
Adjustments: Contractual / Budget Model	(5,900,000)	667,261		667,261		46,000	1,000,000	
ALL DIVISIONS-								
Transfers in							6,051,253	
Transfers out				(164,680)				
Expense Offset by Additional Divisional Revenue								
(Increase) Decrease in Divisional Revenue	(5,900,000)	667,261		476,121		46,000	7,362,383	
TOTAL								
ONE-TIME-ONLY BUDGET CHANGES:								
Adjustments: Contractual / Budget Model								
ONE-TIME-ONLY BUDGET CHANGE								
Net Budget for 2010-11	1,393,356	2,953,661	216,422	2,820,507	233,972	5,171,000	14,650,989	2,100,000
OTO Budget for 2010-11								
TOTAL NET BUDGET FOR 2010-11	1,393,356	2,953,661	216,422	2,820,507	233,972	5,171,000	14,650,989	2,100,000
DIVISIONAL REVENUE (INCL. RECOVERIES)								
Endowment Income :								
External Income :								
Internal Recoveries :								
External Recoveries :								
Negative Approp./Deficit Financing :								
TOTAL DIV REVENUE (INCL. RECOVERIES)								
GROSS EXPENSE BUDGET FOR 2010-11	<u>1,393,356</u>	<u>2,953,661</u>	<u>216,422</u>	<u>2,820,507</u>	<u>233,972</u>	<u>5,171,000</u>	<u>14,650,989</u>	<u>2,100,000</u>

Other Academic Costs (excl CRChairs Flowthrough)

	RESEARCH ALLOWANCE- Canada Res Chairs	RESEARCH SUPPORT P.D.& D.	RESERVE FOR RESEARCH OVERHEAD	RESIDENCE FUNDING	Search Committees	TRANSITIONAL FUNDING	CANADA RESEARCH CHAIRS	TOTAL
Net Budget for 2009-10 and Joint Programs	1,260,000	590,657	8,754,081	1,860,000	250,152	3,729,350	24,600,000	83,164,264
One-Time-Only Budget for 2009-10								651,000
TOTAL NET BUDGET FOR 2009-10	1,260,000	590,657	8,754,081	1,860,000	250,152	3,729,350	24,600,000	83,815,264
BUDGET CHANGES:								
ACADEMIC DIVISIONS-								
Adjusted Net Revenue								
University Fund Allocation								
SUBTOTAL								
2010-11 Allocations from Central Funds								
SHARED SERVICES DIVISIONS-								
Cost Containment								
Balance of Prior Year's Salary/Benefit Increase								
Adjustments: Contractual / Budget Model								
ALL DIVISIONS-								
Transfers in								
Transfers out								
Expense Offset by Additional Divisional Revenue								
(Increase) Decrease in Divisional Revenue								
TOTAL								
ONE-TIME-ONLY BUDGET CHANGES:								
Adjustments: Contractual / Budget Model								
ONE-TIME-ONLY BUDGET CHANGE								
Net Budget for 2010-11								
OTO Budget for 2010-11								
TOTAL NET BUDGET FOR 2010-11								
DIVISIONAL REVENUE (INCL. RECOVERIES)								
Endowment Income :								
External Income :								
Internal Recoveries :								
External Recoveries :								
Negative Approp./Deficit Financing :								
TOTAL DIV REVENUE (INCL. RECOVERIES)								
GROSS EXPENSE BUDGET FOR 2010-11								
	<u>1,260,000</u>	<u>890,657</u>	<u>8,200,000</u>	<u>1,860,000</u>	<u>250,152</u>	<u>3,965,975</u>	<u>22,200,000</u>	<u>79,314,581</u>

Central Library

DIVISIONAL BUDGET SCHEDULES

	LIBRARY OPERATIONS & INFO COMMONS	ST GEORGE LIBRARY ACQUISITIONS	Central Library TOTAL
Net Budget for 2009-10	30,480,389	23,207,686	53,688,075
One-Time-Only Budget for 2009-10			
TOTAL NET BUDGET FOR 2009-10	30,480,389	23,207,686	53,688,075
BUDGET CHANGES:			
ACADEMIC DIVISIONS-			
Adjusted Net Revenue			
University Fund Allocation			
SUBTOTAL	(85,148)		(85,148)
2010-11 Allocations from Central Funds			
SHARED SERVICES DIVISIONS-			
Cost Containment	(633,000)		(633,000)
Balance of Prior Year's Salary/Benefit Increase	838,494		838,494
Adjustments: Contractual / Budget Model		421,725	421,725
ALL DIVISIONS-			
Transfers in			
Transfers out	(770,628)		(770,628)
Expense Offset by Additional Divisional Revenue			
(Increase) Decrease in Divisional Revenue	(650,282)	421,725	(228,557)
TOTAL			
ONE-TIME-ONLY BUDGET CHANGES:			
Adjustments: Contractual / Budget Model	750,000		750,000
ONE-TIME-ONLY BUDGET CHANGE	750,000		750,000
Net Budget for 2010-11	29,830,107	23,629,411	53,459,518
OTO Budget for 2010-11	750,000		750,000
TOTAL NET BUDGET FOR 2010-11	30,580,107	23,629,411	54,209,518
DIVISIONAL REVENUE (INCL. RECOVERIES)			
Endowment Income :	71,000		71,000
External Income :	2,044,849		2,044,849
Internal Recoveries :	2,817,874		2,817,874
External Recoveries :	1,539,614		1,539,614
Negative Approp./Deficit Financing :			
TOTAL DIV REVENUE (INCL. RECOVERIES)	6,473,337		6,473,337
GROSS EXPENSE BUDGET FOR 2010-11	37,053,444	23,629,411	60,682,855

Facilities and Services

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE MAINTENANCE & SERVICES	DEFERRED MAINTENANCE FUNDING	ST GEORGE UTILITIES	St George TOTAL
Net Budget for 2009-10	46,487,703	10,086,973	45,910,375	102,485,051
One-Time-Only Budget for 2009-10	766,976	0	0	766,976
TOTAL NET BUDGET FOR 2009-10	47,254,679	10,086,973	45,910,375	103,252,027
BUDGET CHANGES:				
ACADEMIC DIVISIONS-				
Adjusted Net Revenue				0
University Fund Allocation				0
	0	0	0	0
SUBTOTAL				0
2010-11 Allocations from Central Funds				0
SHARED SERVICES DIVISIONS-				
Cost Containment	(955,000)			(955,000)
Balance of Prior Year's Salary/Benefit Increase	1,159,603			1,159,603
Adjustments: Contractual / Budget Model	1,100,000	750,000	(630,000)	1,220,000
ALL DIVISIONS-				0
Transfers in				0
Transfers out	(364,331)			(364,331)
Expense Offset by Additional Divisional Revenue				0
(Increase) Decrease in Divisional Revenue	0	0	0	0
	<u>940,272</u>	<u>750,000</u>	<u>(630,000)</u>	1,060,272
TOTAL				
ONE-TIME-ONLY BUDGET CHANGES:				
Adjustments: Contractual / Budget Model	183,024	0	750,000	933,024
ONE-TIME-ONLY BUDGET CHANGE	<u>183,024</u>	<u>0</u>	<u>750,000</u>	933,024
Net Budget for 2010-11	47,427,975	10,836,973	45,280,375	103,545,323
OTO Budget for 2010-11	950,000	0	750,000	1,700,000
TOTAL NET BUDGET FOR 2010-11	48,377,975	10,836,973	46,030,375	105,245,323
DIVISIONAL REVENUE (INCL. RECOVERIES)				
Endowment Income :				0
External Income :	2,277,835	0	3,354,849	5,632,684
Internal Recoveries :	20,420,170	0	6,263,798	26,683,968
External Recoveries :	43,000			43,000
Negative Approp./Deficit Financing :				0
TOTAL DIV REVENUE (INCL. RECOVERIES)	22,741,005	0	9,618,647	32,359,652
GROSS EXPENSE BUDGET FOR 2010-11	<u>71,118,980</u>	<u>10,836,973</u>	<u>55,649,022</u>	<u>137,604,975</u>

Governance and Administration

DIVISIONAL BUDGET SCHEDULES

	GOVERNING		OTHER		VICE-PROVOST - ACADEMIC OPERATIONS				
	COUNCIL, FIPPA, OMBUDSPERSON, & INTERNAL AUDIT	OFFICE OF THE PRESIDENT	INSTITUTIONAL COSTS (incl Convocation)	OFFICE OF VICE-PRESIDENT & PROVOST	VICE-PROVOST FACULTY & ACADEMIC LIFE	VICE-PROVOST ACADEMIC OPERATIONS	PLANNING & BUDGET OFFICE	ASST VICE-PRESIDENT CAMPUS & FACIL. PLANNING	CHIEF INFORMATION OFFICER
	Net Budget for 2009-10	3,562,331	1,170,924	1,214,354	1,608,806	931,085		2,215,017	2,590,062
One-Time-Only Budget for 2009-10									
TOTAL NET BUDGET FOR 2009-10	3,562,331	1,170,924	1,214,354	1,608,806	931,085		2,215,017	2,590,062	16,244,388
BUDGET CHANGES:									
ACADEMIC DIVISIONS-									
Adjusted Net Revenue									
University Fund Allocation									
SUBTOTAL									
2010-11 Allocations from Central Funds									
SHARED SERVICES DIVISIONS-									
Cost Containment	(74,000)	(24,000)	(18,000)	(33,000)	(19,000)		(46,000)	(54,000)	(336,000)
Balance of Prior Year's Salary/Benefit Increase	43,645	8,269	5,954	15,019	10,673		25,326	47,844	389,920
Adjustments: Contractual / Budget Model	80,000								
ALL DIVISIONS-									
Transfers in				263,375		354,766		230,323	15,000
Transfers out							(354,766)		(80,643)
Expense Offset by Additional Divisional Revenue									
(Increase) Decrease in Divisional Revenue	49,645	(15,731)	(12,046)	245,394	(8,327)	354,766	(375,440)	224,167	(11,723)
TOTAL									
ONE-TIME-ONLY BUDGET CHANGES:									
Adjustments: Contractual / Budget Model									4,890,000
ONE-TIME-ONLY BUDGET CHANGE									4,890,000
Net Budget for 2010-11	3,611,976	1,155,193	1,202,308	1,854,200	922,758	354,766	1,839,577	2,814,229	16,232,665
OTO Budget for 2010-11									4,890,000
TOTAL NET BUDGET FOR 2010-11	3,611,976	1,155,193	1,202,308	1,854,200	922,758	354,766	1,839,577	2,814,229	21,122,665
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income :									
External Income :	42,000							1,180,615	312,410
Internal Recoveries :	58,450			17,943				723,067	3,540,057
External Recoveries :	43,035								
Negative Approp./Deficit Financing :									
TOTAL DIV REVENUE (INCL. RECOVERIES)	143,485			17,943				1,903,682	3,852,467
GROSS EXPENSE BUDGET FOR 2010-11	<u>3,755,461</u>	<u>1,155,193</u>	<u>1,202,308</u>	<u>1,872,143</u>	<u>922,758</u>	<u>354,766</u>	<u>1,839,577</u>	<u>4,717,911</u>	<u>24,975,132</u>

Governance and Administration

	VICE-PROVOST - STUDENTS		VICE PRESIDENT BUSINESS AFFAIRS	VICE PRESIDENT HUMAN RESOURCES & EQUITY	VICE PRESIDENT ADVANCEMENT	VICE PRESIDENT UNIVERSITY RELATIONS	VICE PRESIDENT RESEARCH	TOTAL Governance & Administration
	VICE-PROVOST STUDENTS	VICE-PROVOST STUDENTS OTHER						
Net Budget for 2009-10	1,540,008	7,467,493	7,129,663	9,364,312	13,578,940	5,278,595	8,587,798	82,483,776
One-Time-Only Budget for 2009-10			68,225	141,011				209,236
TOTAL NET BUDGET FOR 2009-10	1,540,008	7,467,493	7,197,888	9,505,323	13,578,940	5,278,595	8,587,798	82,693,012

BUDGET CHANGES:

ACADEMIC DIVISIONS-

Adjusted Net Revenue

University Fund Allocation

SUBTOTAL
2010-11 Allocations from Central Funds
SHARED SERVICES DIVISIONS-

Cost Containment	(32,000)	(116,000)	(149,000)	(197,000)	(124,000)	(109,000)	(177,000)	(1,508,000)
Balance of Prior Year's Salary/Benefit Increase	12,080	156,006	124,168	125,983	231,176	81,761	201,525	1,479,349
Adjustments: Contractual / Budget Model			570,000	30,000	2,300,000		530,000	3,510,000
ALL DIVISIONS-								
Transfers in		770,628		440,616				2,074,708
Transfers out								(435,409)
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue	(19,920)	810,634	545,168	399,599	2,407,176	(27,239)	554,525	5,120,648
TOTAL								

ONE-TIME-ONLY BUDGET CHANGES:

Adjustments: Contractual / Budget Model	350,000		(68,225)	(50,788)	4,500,000	750,000	1,870,000	12,240,987
ONE-TIME-ONLY BUDGET CHANGE	350,000		(68,225)	(50,788)	4,500,000	750,000	1,870,000	12,240,987

Net Budget for 2010-11	1,520,088	8,278,127	7,674,831	9,763,911	15,986,116	5,251,356	9,142,323	87,604,424
OTO Budget for 2010-11	350,000			90,223	4,500,000	750,000	1,870,000	12,450,223
TOTAL NET BUDGET FOR 2010-11	1,870,088	8,278,127	7,674,831	9,854,134	20,486,116	6,001,356	11,012,323	100,054,647

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :								
External Income :		3,595,000	1,962,075	2,482,396	2,707,150	126,000	230,000	12,637,646
Internal Recoveries :	482,574	1,410,242	5,280,965	4,372,780	247,144		80,736	16,213,958
External Recoveries :			70,458		40,311			153,804
Negative Approp./Deficit Financing :								
TOTAL DIV REVENUE (INCL. RECOVERIES)	482,574	5,005,242	7,313,498	6,855,176	2,994,605	126,000	310,736	29,005,408
GROSS EXPENSE BUDGET FOR 2010-11	<u>2,352,662</u>	<u>13,283,369</u>	<u>14,988,329</u>	<u>16,709,310</u>	<u>23,480,721</u>	<u>6,127,356</u>	<u>11,323,059</u>	<u>129,060,055</u>