

THE GOVERNING COUNCIL
REPORT NUMBER 77 OF
THE PLANNING AND BUDGET COMMITTEE

March 19, 2002

To the Academic Board,
University of Toronto.

Your Committee reports that it met on Tuesday, March 19, 2002, 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Professor Avrum Gotlieb (in the Chair)
Professor W. Raymond Cummins, Vice-Chair
Professor Robert J. Birgeneau, President
Professor Adel Sedra, Vice-President and Provost
Mr. Felix Chee, Vice-President, Business Affairs
Professor Derek McCammond, Vice-Provost, Planning and Budget
Professor Carl Amrhein
Mr. Brian Davis
Professor Ruth M. Gallop
Professor Marc Gotlieb
Ms. Shirley Hoy
Professor Bruce Kidd
Ms. Françoise Ko
Professor Ian McDonald
Professor Robert H. McNutt

Professor David Mock
Mr. Kashif Pirzada
Mrs. Susan Scace
Professor Victor R. Timmer

Non-voting:

Professor Heather Munroe-Blum
Vice-President, Research & International Relations
Professor Ron Venter, Vice-Provost, Space and Facilities Planning
Mr. Louis R. Charpentier, Secretary of the Governing Council

Secretariat:

Mr. Neil Dobbs
Mrs. Beverley Stefureak, Secretary

Regrets:

Professor Philip H. Byer
Professor Paul Halpern
Professor Susan Horton
Ms. Heather C. Schramm

In Attendance:

Dr. Robert Bennett, Member of the Governing Council
Dr. Sheldon Levy, Vice-President, Government and Institutional Relations
Dr. Mary Cone Barrie, Director of the School of Continuing Studies
Dr. Ken Bartlett, Director of the Office of Teaching Advancement
Professor Don Cormack, Acting Dean of the School of Graduate Studies
Mr. Bruce Dodds, Director, Utilities and Property Management
Mr. Paul Donoghue, Chief Administrative Officer, University of Toronto at Mississauga
Mr. Marty England, Assistant Vice-Provost
Mr. Flemming Galberg, Director, Project Management, Design and Construction

In Attendance: (cont'd)

Mr. Ivan Gottlieb, Director, Administration Services
Professor Wayne Hindmarsh, Dean of the Faculty of Pharmacy
Professor Lynn Howarth, Dean of the Faculty of Information Studies
Mr. Ernie Lopez, Office of Space Management
Ms. Mary McGee, Assistant Provost
Ms. Margaret McKone, Office of the Governing Council
Professor Edward Relph, Associate Principal for Campus Development, University of
Toronto at Scarborough
Professor Wendy Rotenberg, Director, Commerce Programs, Rotman School of
Management
Ms. Judith Snow, Acting Chief Librarian
Professor Anastasios Venetsanapolous, Dean of the Faculty of Applied Science and
Engineering

ITEMS 5 TO 16 INCLUSIVE ARE RECOMMENDED TO THE ACADEMIC BOARD
FOR APPROVAL.

ALL OTHER ITEMS ARE REPORTED TO THE ACADEMIC BOARD FOR
INFORMATION.

1. Approval of Report Number 76 of January 9, 2002

Report Number 76 of January 9, 2002 was approved.

2. Business Arising from the Report

The Chair recalled that, at the January meeting, the Committee had recommended approval of the updated Capital Plan. Members would be interested to know that following discussion in the Agenda Planning Group, the Provost had decided to bring updates of the Capital Plan to the Planning and Budget Committee for information on a quarterly basis. Members could look forward to the next update in mid-April.

There was no other business arising.

3. Senior Assessor's Report

Professor Sedra informed the Committee of the timetable for planning and budgeting proposals to proceed through governance. On April 1, 2002 the budget report for 2002-03, which was year 5 in the long-range planning period ending in 2004, would be presented to the Planning and Budget Committee and, on April 11, to the Academic Board. Projections to the final year, 2004, would also be going forward and would complete the current cycle. The tuition fee schedule, which had a measured effect on the budget, would be presented to the Business Board at its April 8 meeting. Both the tuition fee schedule and the budget report would go to the Governing Council meeting of May 2, for the new fiscal year beginning May 1.

3. Senior Assessor's Report (cont'd)

At its May 21 meeting, the Planning and Budget Committee could expect to see the next budget plan with new assumptions and long-range planning guidelines for 2003-08. The University would enter into the next round of academic planning within the framework of these long-range planning guidelines.

Professor Sedra told the Committee to expect a detailed enrolment expansion report at its April 16 meeting, predicting student intake year by year from 2002-03 to 2007-08. It would also reflect recommendations for transfers of funding allocations to the divisions to support the expected expansion. Later in today's Agenda some of the one-time-only allocations would be proposed.

Finally, Professor Sedra referred to the proposed Varsity project. A referendum on the proposed student levy to partially support the capital construction of the Varsity Centre for Field and Ice Sports would conclude on April 12. If the levy were approved, the University would match the funds raised through the levy on a 50% basis, similar to other student-focused projects in the past, e.g. the University of Mississauga Student Centre. Later on the Agenda, the Committee would be informed of three Project Planning Committees which had been established for the residence projects adjacent to the proposed Varsity Centre.

In response to a question about how the University would proceed should the referendum question not be approved, Professor Sedra said that the project would need to be scaled down to include only an athletics field with surrounding residences.

4. Contractual Obligations and Policy Commitments

The Chair recalled that each year the Planning and Budget Committee had the responsibility to consider for approval the list of Contractual Obligations and Policy Commitments (COPC) for inclusion in the forthcoming Budget Report.

Professor Sedra said that the COPC list formed a very important component of the Budget Report, contributing to the assumptions underlying the development of the budget.

Mr. England reviewed the highlights of the COPC list, observing that a deliberate University policy statement provided the basis for each item on the list.

Contractual obligations to affiliated institutions: Federated colleges block grant (page 1). The \$300,000 one-time-only item represented a special payment to Victoria University to assist with the purchase of equipment for the newly renovated E. J. Pratt Library. The grant would be used to purchase carrels and computer equipment to serve Arts and Science students at Victoria. The "price inflation and formula adjustment" of \$246,000 in the block grant to the federated colleges represented the flow-through of the increased cost of utilities service for space used to serve Arts and Science students.

Institutional statutory commitments: Legal fees (page 2). The base budget for legal fees would have to increase by \$833,000 to a total of \$2,368,000, exclusive of the COPC contingency, to deal with the costs of a number of legal matters.

Legal fees also formed a part of the COPC contingency budget (page 10). Contingency items also included amounts for assistance to the libraries in dealing with adverse currency

4. Contractual Obligations and Policy Commitments **Institutional statutory commitments: Legal fees (cont'd)**

fluctuations, to deal with any higher-than-anticipated expenses for negotiation with the Faculty Association, and to pay any higher-than-anticipated costs for the disposal of hazardous waste.

Utilities (page 3). The budget for utilities would have to be increased by \$4.6 million. For 2001-02, the budget had been increased dramatically to deal with the higher cost of natural gas. While that cost had declined, the cost of electricity was expected to increase by one third with the forthcoming de-regulation. The result was an increase of \$2.675 million to deal with the higher cost. The remaining increase of \$1.9 million was to provide for utilities service for new space such as the Bahen Centre for Information Technology. In response to a member's question, Mr. England said that in the absence of the de-regulation of the electricity market in Ontario, the utilities budget could probably have been reduced owing to the lower cost for natural gas.

Additional cost of new space (page 3). The budget for building maintenance costs (other than utilities) would have to increase by \$1.261 million to maintain new or newly renovated space. The largest element was the Bahen Centre for Information Technology, which was expected to open at the end of May. Cost estimates had been based on the costs of comparable facilities. In response to a member's question, Mr. England said that an estimated cost for utilities and maintenance, amounting to about 3% of the cost of the building, was taken into account in the planning for each project.

Paid leave commitments (page 4). The budget for released time to the University of Toronto Faculty Association, the United Steelworkers of America and the Canadian Union of Public Employees, and to pay the cost of administrative leaves for teaching staff members who had served in administrative positions in the central administration and in the federated and constituent colleges, had not changed significantly from 2001-02.

Library acquisition commitments (pages 5 and 6). The 4% annual increase in the libraries' acquisition budgets reflected the policy commitment to sustain the purchasing power of the libraries. The success of the policy was reflected in the continuing high ranking of the University of Toronto library system. The protection of the library acquisition budgets also required a \$4.2 million provision in the COPC contingency list to deal with currency fluctuations, with the cost of three quarters of the list being included in the budget. When the long-range budget projection had been made for the current planning period, the University had assumed that the Canadian dollar would be valued at U.S. 75¢ - a reasonable estimate at that time.

Other policy commitments: Expenses funded from overhead payments on contract research (page 7). This was the first of two new policy commitments. The University would receive \$14.6 million from the Government of Canada to help cover the overhead costs associated with research funded by the federal research-granting councils. Twenty-five percent of this new revenue would be allocated to the academic divisions on a one-time-only basis in proportion to their level of funded research.

In response to a member's question, Professor Munroe-Blum confirmed that this grant had been made by the Government on a one-time-only basis and it was being allocated to the divisions on a one-time-only basis for 2002-03. The administration did, however, expect

4. Contractual Obligations and Policy Commitments

Other policy commitments: Expenses funded from overhead payments on contract research . (cont'd)

that there would be ongoing support by the Government, and the administration was committed to moving this income into divisional base-budgets over time. The University was in fact making every effort to convince the Government to increase this funding from 20% to 40% of the amount of the direct research grants provided by the federal granting councils. Professor Sedra noted that the long-range budget plan anticipated that this source of income would continue and would increase. If, therefore, the funding were not continued, the University would face a problem.

Other policy commitments: Amortization of loan to the University Infrastructure Investment Fund (UIIF) (page 7). An amount of \$30 million had been borrowed for the UIIF in 2001-02, giving rise to the need for an operating budget appropriation of \$2.779 million to amortize the loan. With a continuing high level of capital needs, it would be necessary to borrow a further \$30 million for the UIIF, requiring a further expenditure of \$2.832 million of operating funds to amortize the new borrowing in 2002-03.

On motion duly moved and seconded,

YOUR COMMITTEE APPROVED

THAT the Contractual Obligations and Policy Commitments be included in the 2002-03 Budget Report.

5. Academic Priorities Fund: Allocations

5.1 Faculty of Dentistry, *Raising Our Sights* Plan

Referring to his memorandum of February 6 and the attached Academic Plan Update from the Faculty of Dentistry (both attached as Appendix "B"), Professor Sedra recalled that the *Raising Our Sights* plan for the Faculty had been reviewed by the Committee some time ago and appropriate allocations had been made at that time. He was proposing an additional allocation to support two items which had been deferred, as well as one additional request from the new Dean.

In response to a question, Professor Mock explained that, though the Faculty had experienced a revenue loss in its clinical operations, this greatly diminished in significance when compared to the alarming decrease in patients. Patients were needed for a successful program of educating clinical students and numbers were going down rapidly. Much of this had been due to lengthy waits. Four years ago, the clinic had been operating with a staff of four full-time equivalents (FTE); now it struggled with 0.75 FTE. This allocation would allow that number to increase to 1.5 FTE which should greatly improve service and thereby provide the ability to attract more patients. A side benefit would be some restored revenue.

Professor Mock further clarified that, currently, patients were seen on a fee-for-service basis but discussions had been underway with the government to change this and those discussions would continue.

5. Academic Priorities Fund: Allocations**5.1 Faculty of Dentistry, *Raising Our Sights Plan* (cont'd)**

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT allocations from the Academic Priorities Fund of \$167,300 in base and \$125,000 one-time-only for the Faculty of Dentistry be approved.

5.2 Faculty of Information Studies, *Raising Our Sights Plan*

The Chair welcomed Professor Lynn Howarth to the meeting.

Professor Sedra referred to his memorandum of March 7 and the attached synopsis of the *Raising Our Sights* plan for the Faculty of Information Studies (both attached as Appendix “C”). The proposed allocation was to enable the Faculty to implement that plan. Their request for funding focused on base budget support for administrative staff, bridge funding to retirement of one full-time faculty position and a continuation of matching funds for revenue raised from a voluntary student levy for instructional technology and equipment.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$60,000 in base and \$107,000 one-time-only for the Faculty of Information Studies from the Academic Priorities Fund be approved.

5.3 Office of Teaching Advancement

The Chair welcomed to the meeting Professor Ken Bartlett, Director of the newly established Office of Teaching Advancement.

Professor Sedra referred to his memorandum of March 7, 2002 (attached as Appendix “D”) which informed the Committee that the new Office of Teaching Advancement had been established to provide assistance to faculty to enhance the quality of teaching and to raise the profile of teaching at the University. The Office would be located in the Roberts Library adjacent to the Resource Centre for Academic Technology. He indicated that the current request was for the initial base budget to enable the Office to commence operation. In a year, it may be necessary to return to the Committee with a request for an increased budget.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$182,948 in base funding from the Academic Priorities Fund for the Office of Teaching Advancement be approved.

5.4 University of Toronto at Mississauga

Professor Sedra's memorandum of March 7 and its attachment (both attached as Appendix "E") summarized the major elements of the University of Toronto at Mississauga (UTM) plan. UTM had formulated an exciting plan and Professor Sedra was pleased to recommend that an allocation equal to what it had contributed to the Academic Priorities Fund be returned to UTM.

Professor McNutt noted a correction in the attachment. Total administrative staff should read 186 rather than 70.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$1,952,000 in base funding from the Academic Priorities Fund for the University of Toronto at Mississauga be approved.

5.5 Faculty of Arts and Science, University of Toronto at Mississauga (UTM) and University of Toronto at Scarborough (UTSC) Management and Business Programs, and University of Toronto at Scarborough (UTSC) Computing Science Program

The Chair welcomed Professor Wendy Rotenberg and Professor Ted Relph to the meeting to respond to substantive questions on this item.

Professor Sedra introduced this item, recalling that allocations from the Academic Priorities Fund were based on a formula for sharing tuition fee increases with the divisions that generated the increased revenue for the purpose of supporting quality enhancement of their academic programs. He summarized his memorandum of March 7 (attached as Appendix "F") which supported the proposed allocation to the Computing Science programs at the University of Toronto at Scarborough and to the Commerce, Management and Business programs at all three campuses.

A member asked if the allocations were based on approved tuition rates. Professor McCammond responded, saying that the allocations had been computed on revenue generated when current students paid approved tuition rates in all years to the conclusion of their program. Going forward, calculations had assumed a five percent increase.

Responding to a further question, Professor Sedra said that funds from the Academic Priorities Fund flowed to divisions on an annual basis and could be assigned by them to either capital or operating expenditures.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the base allocations from the Academic Priorities Fund for quality improvements in the following undergraduate programs be approved:

- (a) \$682,684 to the Faculty of Arts and Science for expenditure on the Commerce Program,

5.5 Faculty of Arts and Science, University of Toronto at Mississauga (UTM) and University of Toronto at Scarborough (UTSC) Management and Business Programs, and University of Toronto at Scarborough (UTSC) Computing Science Program (cont'd)

- (b) \$567,394 to the University of Toronto at Mississauga for expenditure on the Commerce and Management Programs,
- (c) \$911,434 to the University of Toronto at Scarborough for expenditure on the Bachelor of Business Administration Program,
- (d) \$298,095 to the University of Toronto at Scarborough for expenditure on the Computing Science programs.

5.6 Raising Our Sights Plans, Miscellaneous

The Chair welcomed Ms. Judith Snow from the University of Toronto Library and Professor Don Cormack, School of Graduate Studies, for this item.

Professor Sedra said he had hoped in this meeting and the mid-April meeting to complete the allocations from the Academic Priorities Fund. He spoke briefly about each of the allocations proposed in his memorandum of March 7 (attached as Appendix "G"). He noted that the Transitional Year Program had been very successful. It was a small program with a limited budget which had been protected from budget reductions for the past eight and one-half years. He proposed to continue that protection until the end of this planning cycle.

The allocation to the Ontario Institute for Studies in Education, University of Toronto (OISE/UT), was to assist the division which had been struggling with a large funding gap in their efforts to fund every doctoral-stream student at the same level as other divisions within the University. In efforts to close that gap, OISE/UT had proposed various measures, including an incentive for students to apply for outside funding. The administration had agreed to provide matching funding in some instances and the proposed allocation was in support of one such matching initiative.

Finally, the Asian Institute, establishment of which would be proposed under a later Agenda item, was proposed to be funded in a ratio of one-third each from the Faculty of Arts and Science, the School of Graduate Studies and the Office of the Vice-President and Provost on a one-time-only basis. A request for base funding would be considered as part of the next planning cycle.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

1. THAT the following allocations from the Academic Priorities Fund be approved:
 - a) A base allocation of \$70,800 to the Ontario Institute for Studies in Education, University of Toronto (OISE/UT) to match increased SSHRC fellowships;

5.6 *Raising Our Sights Plans, Miscellaneous* (cont'd)

- b) A one-time-only allocation of \$99,000 to the Asian Institute subject to approval of its establishment;
 - c) A base allocation of \$480,191 for salary and benefits in the unfunded academic/librarian positions described in Appendix “G”.
2. THAT base allocations in 2002-03 and 2003-04 to protect the Transitional Year Program from budget cuts be approved.

Dr. Bob Bennett had requested and was given time to address the Committee. Dr. Bennett recognized that this had been the final occasion on which Professor Adel Sedra would be in the position to respond positively to funding requests from the Faculty of Dentistry. He applauded the administration’s support of the Faculty under the leadership of Professor Sedra and, on behalf of the alumni, faculty, staff and students in Dentistry, thanked him sincerely.

6. **Enrolment Growth Fund, 2001-02 Allocations**

The Chair welcomed Professor Wayne Hindmarsh, and Professor Anastasios Venetsanopoulos to the meeting to respond to questions

Professor McCammond introduced the proposed allocations from the Enrolment Growth Fund to academic divisions to meet enrolment expansion needs in 2001-02. He referred to Professor Sedra’s memorandum of February 15, 2002 (attached as Appendix “H”). The provincial Government’s announcement in May, 2001 of full average operating grant funding for all enrolment increases in first-entry programs over their 2000-01 level had resulted in a recommendation to increase 2001-02 intake by approximately 1,600 above the budgeted level. Professor McCammond reviewed the highlights of this recommendation for allocations and briefly explained the funding associated with the increased domestic and international enrolment. He noted that, in addition to the recommended allocations to the academic divisions, an allocation of \$500,000 to the Library was proposed to enable it to maintain existing access hours and service to support the increased enrolment and new faculty research needs. In conclusion, he noted that the University of Toronto at Mississauga (UTM) was not among the one-time-only allocations because it had already received its allocation. However, an allocation to base was proposed for UTM for the 2002-03 year.

In response to questions, Professor Sedra explained that the allocation for the Library was to the University Library and that allocations to divisional libraries had been folded into divisions’ respective budgets.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the following allocations be approved from the Enrolment Growth Fund to the divisions to accommodate the 2001-02 enrolment expansion.

6. Enrolment Growth Fund, 2001-02 Allocations (cont'd)

(a) one-time-only funding in 2001-02 of:

Library	\$500,000
Faculty of Arts and Science	\$3,446,881
University of Toronto at Scarborough	\$1,081,164
Faculty of Pharmacy	\$329,251
Faculty of Nursing	\$164,929
Faculty of Applied Science and Engineering	\$705,311

(b) base funding in 2002-03 of:

Library	\$500,000
Faculty of Arts and Science	\$3,381,534
University of Toronto at Mississauga	\$669,728
University of Toronto at Scarborough	\$1,364,175
Faculty of Pharmacy	\$493,876
Faculty of Nursing	\$247,393
Faculty of Applied Science and Engineering	\$881,576

7. Capital Project: University of Toronto at Scarborough: Management Building - Revised Project Planning Report

Professor Venter introduced the item, referring to his memorandum of March 7 and the revised Project Planning Report (both attached as Appendix "I"). He recalled that late in 2001 a number of capital projects had come forward to Governing Council, two of which were the Management Building and the Classroom/Arts Building at the University of Toronto at Scarborough (UTSC). Each had a significant funding gap which it had been hoped would be reduced with additional Government funding. In the absence of that funding to date, the University had reconsidered its urgent capital needs at UTSC and made the decision to proceed in two phases. Phase 1 now included a reconfiguration of the earlier Management Building to incorporate elements of the Classroom/Arts Building that would be required to meet the expected enrolment expansion. The Classroom/Arts Building would remain on the priority list of Phase 2, to proceed when Government funding was received. Professor Venter concluded by noting that the cost of the Management Building was approximately the same as originally planned but the configuration was now significantly different.

A discussion developed following a member's reference to the possibility that it may be necessary to consider using a construction management approach to the project. In the member's view, that usually implied use of non-union labour. Professor Venter indicated that, though it may be necessary, it was not intended that this proceed as a construction management project, but rather as a fixed price contract. Mr. Chee added that it was incorrect to assume a correlation between construction management and either union or non-union labour. This was not, therefore, an issue.

In response to a member's question about the use of enrolment growth funding for capital construction, Professor Sedra and Dr. Levy explained that a decision had been made on what portion of this funding the University could afford to use for capital construction, that the Government had been asked to contribute an equal amount, that historically the Government had never funded the full cost of capital construction, that in the case of

7. Capital Project: University of Toronto at Scarborough: Management Building - Revised Project Planning Report (cont'd)

UTSC a decision had been made to use the enrolment growth funding so as to allow immediate commencement of construction of space that was urgently needed, and that this had been made clear to the Government as had the fact that Phase 2 would have to have full Government funding to proceed. Finally, the University would continue to seek external funding. If that were identified, enrolment growth funding could revert to the operating budget.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

1. That the revised Project Planning Report for the UTSC Management Building be approved in principle.
2. THAT the revised project scope of 2436 nasm in total on a site adjacent to the existing Humanities Wing be approved at an estimated cost of \$15.53 million (2003 dollars) excluding campus improvements.
3. THAT the funding sources to construct the Management Building and advance the project will be allocated as follows:
 - (i) Allocation of \$14.37 million from the Phase I enrolment growth income that will be available to UTSC, and
 - (ii) External contributions by donors and other support through UTSC in the amount of \$1.16 million.

8. Capital Project: Sidney Smith Infill – Revised Project Planning Report

Professor Venter reviewed the highlights of his memorandum of March 7 and the revised report (both attached as Appendix “J”). This was a project, funded jointly by the Faculty of Arts and Science and the University Infrastructure Investment Fund, that had received initial approval in February 2001 and was proposed to resolve severe space shortages for faculty and graduate students in the Departments of History and Political Science. The project had run into difficulty with the first architectural design and then, following the appointment of a second architect, with the recognition that the project initially had been significantly under-estimated. The space was important to the Faculty of Arts and Science and original planning had anticipated a completion date in time for occupancy in September 2002. This was not now possible and the administration was considering alternatives that might become available within the domino effect of released and new space arising from recent building acquisitions. However, if none were found to be feasible, the Sidney Smith Infill would need to proceed for occupancy by September 2003 and approval of the revised project planning report was needed for that to proceed.

Discussion ensued about the wisdom of proceeding with what had evolved into an expensive project. Professor Amrhein, Professor Venter and Mr. Chee jointly explained the administration’s intention to exhaust opportunities for appropriate alternatives before proceeding with this project and to use the allocated money wisely. However, the Sidney Smith Infill represented guaranteed space that was critical to undergraduate and graduate

8. Capital Project: Sidney Smith Infill – Revised Project Planning Report
(cont'd)

programs in these two departments. In the event that a more economical and suitable alternative did not emerge soon, it would be necessary to proceed with the Infill.

A member expressed the concern that project cost increases were more frequent and wondered why. Mr. Chee explained that the University's construction boom was coincident with a scarcity of construction resources and, thus, it was necessary to pay premium prices. He stressed that it was important for the University to define precisely what it could afford and then proceed efficiently through the construction phase to minimize the chances of unexpected costs.

Finally, it was clarified that if the Infill project did not proceed at this time, the design documents produced and municipal approvals would be retained for future use when needed.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

1. THAT the revised Sidney Smith Infill project be approved in principle;
2. THAT the revised Sidney Smith Infill project be undertaken at a cost of \$3,075,000; and
3. THAT the funding sources for this project be approved as follows:
 - (i) An allocation of \$875,000 from the Faculty of Arts and Science
 - (ii) The allocation of \$1,289,000 from the University Investment Infrastructure Fund previously approved be increased by \$711,000 to a total allocation of \$2,000,000 and
 - (iii) An allocation of \$200,000 from the funds available to the Accommodation and Facilities Directorate.

9. Capital Project: University of Toronto at Scarborough, Academic Resource Centre, Change of Scope – Project Planning Report

Professor Venter summarized his memorandum of March 7, 2002 and the revised Project Planning Report (attached as Appendix "K"). Following the appointment of the architects, it had become clear that the extension to the existing Bladen Library Building, adjacent to the site of the proposed Academic Resource Centre (ARC) at the University of Toronto at Scarborough (UTSC), had been poorly constructed initially and could not accommodate the new construction. A decision had been made to demolish the Bladen Building extension and to change the scope of the ARC project. Overall, there would be less space in the entire project but a greater proportion now would be new rather than renovated space. In closing, Professor Venter said that, if this were approved, Phase I construction program at the University of Toronto at Scarborough would focus on the Management Building and the ARC.

On motion duly moved and seconded,

9. Capital Project: University of Toronto at Scarborough, Academic Resource Centre, Change of Scope – Project Planning Report (cont'd)

YOUR COMMITTEE RECOMMENDS

1. THAT the March 2002 revisions to the Academic Resource Centre project at the University of Toronto at Scarborough be approved in principle.
2. THAT project scope of 4571 net assignable square meters (nasm) of new space and 1286 nasm of renovated space at a cost of \$22,560,000 be approved, with the funding sources as follows:

SuperBuild Funds/Centennial Lease	\$ 10.30 million
Allocation from the Phase I enrolment expansion at UTSC	11.99
Institutional Contribution, UTSC	1.20
Total	23.49
Encumbrance: Due Diligence costs	(0.080)
Encumbrance: ATOP	(0.100)
Encumbrance: Soil Remediation	(0.500)
Encumbrance: Traffic Improvements	(0.250)
Funds available to support the Project	\$ 22.56 million

10. University of Toronto at Mississauga: Phase I – Allocation for Capital Projects

The Chair indicated that this and the next item were requests for approval of an aggregate allocation in each case, subject to approval by Governing Council, of the individual project planning reports in principle, and of the scope, site and other sources of funding for individual projects over \$2 million. He welcomed Mr. Paul Donoghue, Chief Administrative Officer, University of Toronto at Mississauga (UTM) for this matter and invited Professor Venter to introduce the item.

Professor Venter noted a correction on the summary sheet attached to his memorandum of March 7, 2002 (the corrected version of which is attached as Appendix “L”). The total of the Phase 1 Allocation column should have been \$26.1 million, rather than \$6.1 million. He explained that the list of projects on page 1 of the memorandum summarized how the UTM had chosen to direct its Phase 1 capital funding. Any projects in excess of \$2 million that had not already been approved would come back through Governing Council for approval. Projects under \$2 million would be approved by the Accommodation and Facilities Directorate (AFD). This was a proposal to delegate authority to the Vice-President and Provost and the Principal of UTM to allocate the funding for those projects. An update on how the funds had been allocated would be provided to the Planning and Budget Committee every quarter.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

Subject to Governing Council approval of any individual project costing over \$2 million and approval by the Accommodation and Facilities Directorate of individual projects costing less than \$2 million, and subject

10. University of Toronto at Mississauga: Phase I – Allocation for Capital Projects (cont'd)

to quarterly reports by the Vice-Provost, Space and Facilities Planning, on the progress of the Phase I plan to expand the University of Toronto at Mississauga,

1. THAT funding of \$26.1 million plus interest, from the Enrolment Growth Fund allocation(s) to the University of Toronto at Mississauga, be approved for the following capital projects for the Phase I expansion of the University of Toronto at Mississauga, [the projects to be financed, with principal and interest repaid over time by the University of Toronto at Mississauga from its Enrolment Growth Fund allocations, deriving from enrolment expansion]:

Phase I: Communication, Culture & Information Technology [CCIT]

Phase I Vertical Expansion of the Centre for Applied Bioscience and Biotechnology [CABB]

Phase I: Kaneff Building Expansion

Phase I: Collegeway Stage 1

Phase I: Basement for the CABB

Phase I: North Building/ Classroom Renovation

Phase I: Collegeway Stage 2

Phase I: South Building Renovation

Phase I: Library Improvements

2. THAT authority be delegated to the Vice-President and Provost and the Principal of the University of Toronto at Mississauga to allocate this funding to individual projects costing less than \$2 million.

11. University of Toronto at Scarborough: Phase I – Allocation for Capital Projects

Referring to his memorandum of March 7, 2002 (attached as Appendix “M”), Professor Venter said that this proposal was for a similar overall allocation and for the equivalent authority to the Vice-President and Provost and the Principal of the University of Toronto at Scarborough for projects at that campus.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

Subject to Governing Council approval of any individual project costing over \$2 million and approval by the Accommodation and Facilities Directorate of individual projects costing less than \$2 million, and subject to quarterly reports by the Vice-Provost, Space and Facilities Planning, on the progress of the Phase I plan to expand the University of Toronto at Scarborough,

1. THAT funding of \$28.98 million plus interest, from the Enrolment Growth Fund allocation(s) to UTSC be approved for the following capital projects for the Phase I expansion of the University of Toronto at

11. University of Toronto at Scarborough: Phase I – Allocation for Capital Projects (cont'd)

Scarborough, [the projects to be financed, with principal and interest to be repaid over time by the University of Toronto at Scarborough from its Enrolment Growth Fund allocations, deriving from its enrolment expansion]:

Phase I: Academic Resource Centre
Phase I: Management Building
Phase I: Renovation to Arts and Science Facilities
Phase I: Infills for Offices and other Facilities
Phase I: Renovations: Delivery Services
Phase I: Roads, Landscaping and Bridge

2. THAT authority be delegated to the Vice-President and Provost and the Principal of the University of Toronto at Scarborough to allocate this funding to individual projects costing less than \$2 million.

12. University Infrastructure Investment Fund: Allocation –Office of Teaching Advancement and Resource Centre for Academic Technology

Professor Venter explained that this proposal addressed the need for space for the Office of Teaching Advancement, for which an operating allocation had been approved earlier in the meeting. The request was for a total capital allocation of \$460,000 to fund office space for the Director and to upgrade facilities in the adjacent Resource Centre for Academic Technology.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$460,000 from the University Infrastructure Investment Fund towards the complete cost of establishing the Office of Teaching Advancement and upgrading of the Resource Centre for Academic Technology facilities be approved.

13. University Infrastructure Investment Fund: Allocation – Governing Council Chamber and Board Room, Simcoe Hall, Refurbishment and Renovation

Professor Venter reviewed the proposal for refurbishment and renovation of the Council Chamber and Board Room, Simcoe Hall, outlined in his memorandum of March 7, 2002 (attached as Appendix "O"). These rooms had likely not been refurbished since their construction in 1926 and there was significant concern about bringing both up to current standards for meeting spaces, while retaining the heritage aspects of the rooms.

In response to questions, Professor Venter assured members that the heritage appearance of the rooms would be preserved, that audio/video conferencing capability and air conditioning would be installed, that chairs would be retained but strengthened and re-upholstered, and that the damaged ceiling would be addressed. He also indicated that a

13. University Infrastructure Investment Fund: Allocation – Governing Council Chamber and Board Room, Simcoe Hall, Refurbishment and Renovation
(cont'd)

phased-in approach had been considered but was not desirable because it would dramatically increase the cost of the project.

Mr. Charpentier addressed a member's question with respect to the feasibility of donor support for the project. He had been advised that this budget was too small to be attractive to major donors but, once the project was underway, requests for small amounts of funding for specific elements might be identified. Responding to a further comment, he assured members that the genesis for this undertaking had been in the increased demand in both rooms for audio and video conferencing, for an economical and effective sound and video system available for all meetings, and refurbishment of these frequently used rooms for the health and comfort of frequent users. The rooms often served as the public face of the University.

A member noted that there were other rooms in newer buildings that were equipped for audio and video conferencing and asked if they could be used for meetings of the boards and committees when that capability were required. Another member informed the Committee that the alternative spaces to which the member had referred were not large enough to accommodate neither the Academic Board nor Governing Council. Additionally, both of these groups traditionally met in open session for the most part and any of the alternative locations could not accommodate observers.

Professor Sedra added that, although his objective for the past ten years had been to ensure that as much funding as possible had been directed to the academic effort, he supported this project. This was an important investment in the University. Mr. Chee echoed those comments, noting that these rooms were the main public place of the University and they should be appropriately maintained. Other members added that this, together with some other projects, would help to maintain the stature and self-respect of the University and as such it was important that they proceed. Additionally, it was an appropriate time during the 175th anniversary to proceed with a refurbishment of these rooms.

Finally, a member hoped that refurbishment of Convocation Hall would be continued. Professor Venter indicated that additional work on Convocation Hall had been tentatively scheduled for this summer.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$1,593,000 from the University Infrastructure Investment Fund for the complete cost of the refurbishing and renovation of the Council Chamber and the Board Room in Simcoe Hall be approved.

14. University Infrastructure Investment Fund: Allocation – University of St. Michael's College, Alumni Hall

Professor Venter indicated that his memorandum of March 7, 2002 (attached as Appendix "P") provided the background to this request, which was a project that had been

14. University Infrastructure Investment Fund: Allocation – University of St. Michael’s College, Alumni Hall (cont’d)

enthusiastically supported some time ago but for which an allocation had never been approved.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$300,000 from the University Infrastructure Investment Fund toward the renovation of Alumni Hall in the University of St. Michael’s College so as to provide a significant teaching facility for programs within the Faculty of Arts and Science be approved.

15. Faculty of Arts and Science and School of Graduate Studies: Establishment of Asian Institute

Professor McCammond reviewed briefly the highlights of his memorandum of February 26, 2002 (attached as Appendix “Q”) that proposed the establishment of the Asian Institute by the School of Graduate Studies and the Faculty of Arts and Science. The Institute would provide a focal point for studies in the Asia Pacific area. Resources to fund the Institute had been approved earlier in the meeting.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the establishment of the Asian Institute, reporting jointly to the School of Graduate Studies and the Faculty of Arts and Science, be approved effective immediately.

16. School of Graduate Studies: Establishment of Risk Management Institute

Professor McCammond’s memorandum of February 26, 2002 (attached as Appendix “R”) explained that the Risk Management Institute proposed by the School of Graduate Studies would provide a nexus for activities of faculty across a number of disciplines, including Mathematics, Statistics, Engineering, Computer Science and Management, and for programs such as the Master of Mathematical Finance. The School of Graduate Studies proposed to cover the interim costs until there was sufficient endowment income for this purpose.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the establishment of the Risk Management Institute, within Division III of the School of Graduate Studies, be approved effective immediately.

17. University of Toronto at Scarborough – Proposed Joint Undergraduate Programs (with Centennial College) in Journalism and New Media

Professor McCammond had provided information in his memorandum of March 1, 2002, about the proposal from the University of Toronto at Scarborough, collaborating with Centennial College, for undergraduate programs in Journalism and New Media. In response to a question, it was indicated that the degrees conferred would be either a Bachelor of Arts or a Bachelor of Science, but that they would not be new degrees.

18. Enrolment Report

Professor McCammond referred members to his memorandum of February 16, 2002 and the attached Enrolment Report. The Report brought positive news in that enrolment was over target and the strong applicant pool for this year indicated that the trend would continue. System-wide applications were up by 15% and University of Toronto first-choice applicants were up by 20% across all three campuses. As well, international numbers were strong.

19. Capital Projects: Project Planning Committees, Terms of Reference and Membership

The Chair referred to Professor Venter's three memoranda outlining the terms of reference and membership of the three Project Planning Committees for the residences associated with the Varsity project. These items were for information and members were invited to direct questions to Professor Venter.

19.1 Varsity Residence: The Bar on Devonshire Place**19.2 Bloor East and Bloor West Residences at Varsity Centre****19.3 Devonshire Place (site 12) Residence, St. George Campus**

A member asked if all these residences were intended for students from professional faculties. Professor Venter responded that they were planned to be generic residences, not affiliated with any college or program, but intended to address the need of all first-entry and professional programs. In response to a further question and suggestion, he indicated that the committee membership could be expanded to include a representative from the Faculty of Arts and Science.

A member noted the difficulty experienced by medical students in acquiring residence space. Professor Venter indicated that these residences would be accessible to all health sciences students.

20. School of Continuing Studies: Annual Financial Report

The Chair welcomed Dr. Mary Cone Barrie, Director of the School of Continuing Studies, to the meeting.

Professor Sedra introduced the Forecasted Year End Report of the School of Continuing Studies. This was a "great news" story; registrations had increased in the past year by 11% and revenue by 24%. The School was in good fiscal shape and was debt-free for the first time in 10 years, climbing back without funding support from the central budget from

20. School of Continuing Studies: Annual Financial Report (cont'd)

a \$3.4 million debt in 1994. It now had an accumulated reserve and the upward trend was predicted to continue, but more conservatively than in the past few years. He invited Dr. Barrie to comment.

Dr Barrie thanked the Committee for the opportunity to present the report. She said the School had experienced good growth over the past number of years and more recently had undertaken tremendous community outreach. It would be unrealistic to expect the same rate to continue over the next ten years and the goal now was to maintain healthy entrepreneurial activity. In response to a question, Dr. Barrie thought that the ingredients for success were the combination of programs and markets. As an example, the School had been asked to launch professional certification programs in the mid-nineties. These had grown from none in 1994 to 32 this year. Her primary objective now was to sustain the healthy growth rate.

Members congratulated Dr. Barrie for a tremendously successful operation.

21. Strategic Research Plan (Revised)

Professor Sedra noted that Professor Heather Munroe-Blum had had to leave the meeting for another engagement and she had asked if he would introduce this item. Professor Sedra explained that, in order to qualify for ongoing participation in the Canada Foundation for Innovation and the Canada Research Chairs programs, the University was required annually to submit its Strategic Research Plan. When applications were submitted to either of these agencies, they were reviewed against this Plan. To be successful, it was important, therefore, for the University to identify what its research focus would be for the upcoming year and then to maintain that focus. What was presented at this meeting was an update of the University's Plan. Though he offered to respond to questions, he also invited members to direct their detailed questions to Professor Ian Spence, the Director, Government Research Infrastructure Programs, and the author of the document.

22. Next Meeting

The Chair reminded members that the next meeting of the Committee was scheduled for Monday, April 1, 2002 in the Croft Chapter House, calling particular attention to the change of day and venue.

The meeting adjourned at 7:55 p.m.

Secretary

Chair