

**THE GOVERNING COUNCIL**  
**REPORT NUMBER 76 OF**  
**THE PLANNING AND BUDGET COMMITTEE**

**January 9, 2002**

To the Academic Board,  
University of Toronto.

Your Committee reports that it met on Wednesday, January 9, 2002, 12:00 a.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 Adel Sedra, Vice-President and Provost  
Mr. Felix Chee, Vice-President, Business Affairs  
Professor Derek McCammond, Vice-Provost, Planning and Budget  
Professor Carl Amrhein  
Professor Philip H. Byer  
Mr. Brian Davis  
Professor Ruth M. Gallop  
Professor Marc Gotlieb  
Professor Bruce Kidd  
Ms. Francoise Ko

Professor Robert H. McNutt  
Professor David Mock  
Mrs. Susan Scace  
Ms. Heather C. Schramm  
Professor Victor R. Timmer

**Non-voting Assessors:**

Ms. Sheila Brown, Controller and Director of Financial Services  
Professor Ron Venter, Vice-Provost, Space and Facilities Planning

**Secretariat:**

Mr. Neil Dobbs  
Mrs. Beverley Stefureak, Secretary

**Regrets:**

Professor Paul Halpern  
Professor Susan Horton  
Ms. Shirley Hoy  
Professor Ian McDonald  
Mr. Kashif Pirzada

**In Attendance:**

Dr. Sheldon Levy, Vice-President, Government and Institutional Relations  
Mr. Marty England, Assistant Vice-Provost  
Ms. Rivi Frankle, Assistant Vice-President, Alumni and Advancement  
Mr. Flemming Galberg, Director, Design and Construction  
Ms. Lesley Lewis, Assistant Vice-Provost  
Ms. Mary McGee, Assistant Provost  
Professor Paul Perron, Principal, University College  
Ms. Elizabeth Sisam, Director of Space and Facilities Planning  
Dr. Eva Swenson, Director, Student Information Systems

ITEMS 4 TO 12 INCLUSIVE, AND ITEM 14 ARE FOR APPROVAL.

The Chair informed members that item 15 (Revised Strategic Research Plan) had been removed from the Agenda and would be presented at a March meeting.

**1. Report of Previous Meeting**

Report Number 75 of November 13, 2001 was approved.

**2. Business Arising out of Report of Previous Meeting**

There was no business arising out of Report Number 75.

The Chair informed members that the motion with respect to the funding of the **Capital Project: Student Centre at the University of Toronto at Scarborough**, reported on page 9 of Report 75, was amended following the meeting of the Academic Board. The purpose of the amendment was to clarify the source of the contribution of approximately \$3.7 million from the Provost. Section (ii) of the motion approved by Governing Council reads, "A contribution of \$3,748,695 from the University Infrastructure Investment Fund ..." rather than "... from the Provost."

With the permission of the Committee, item 3 was moved to the end of the agenda.

**4. Capital Plan, Update December 2001**

Professor Venter reviewed his memorandum of December 17, 2001 and the attached Capital Plan, updated in December 2001 (attached as Appendix "A"), and summarizing capital projects in excess of \$2 million. He reminded members that the new Policy on Capital Planning and Capital Projects, approved in June 2001, assigned approval authority for projects under \$2 million to the Accommodation and Facilities Directorate. Accordingly, none of these was listed in this summary document. The list was separated into academic and non-academic projects and, within each group, it further classified each project into one of the eight sectors shown across the top of the planning document. Professor Venter explained that some projects had been assigned a priority A1, signifying that the project would definitely proceed while those with a lesser priority were subject to conditions being met before they could proceed. All had project planning committees working to differing deadlines.

Professor Sedra added that each of the projects in the Capital Plan was important; all had arisen through the academic planning process and it was hoped that they all would proceed when feasible. He confirmed that the summary list would be updated monthly for the information of administration and that it would be determined with the Secretariat how often it should be brought back through governance.

Responding to a question, Professor Venter confirmed that approval for each project cost would be sought at appropriate intervals and that was not part of the recommendation at this time.

A member asked whether the capital planning for residences was in line with the student housing objectives of the University. Professor Venter responded that the Capital Plan was consistent with these objectives; a number of residences had been assigned an A priority, while others identified were still in the planning stage. The member noted that it would be

**4. Capital Plan Update, December 2001 (cont'd)**

useful in the future for the capital plan to indicate the relationship of capital planning for residences to the University's goal for student housing.

A member found the summary very useful and wondered if it could also include complete information on past approvals. Professor Sedra said this would be taken under advisement. Continuing that line of enquiry, a member asked if the deficit shown for the University Infrastructure Investment Fund included those past approvals. Professor Sedra replied that it did and that the \$9.544 million deficit shown was the most recent number.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

THAT the report entitled "December 2001 - Capital Plans for Buildings and Projects in Excess of \$2 million" be approved in principle.

**5. Capital Project: University of Toronto at Mississauga, Kaneff Centre - Project Planning Report**

Professor Venter summarized his memorandum of December 19 (attached as Appendix B"), noting that the opportunity to expand this ten-year-old building was an effort to capitalize on existing structures in order to provide critically needed office space to accommodate expansion at the University of Toronto at Mississauga. The project comprised a minimum of 557 net assignable square metres of new construction and approximately 40 nasm of renovation to allow for the interface between the existing building and the addition.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

THAT the Project Planning Report for the Expansion of the Kaneff Building be approved in principle;

THAT the project scope of up to 660 nasm, comprising a minimum of 557 nasm of new construction and 40 nasm of renovation to suitably link the expansion on a site extending north from the Kaneff, be approved at an estimated cost of \$3.584 million. This cost includes the immediate campus improvements.

THAT the funding for the Expansion of the Kaneff Building in the amount of \$3.584 million be approved and funded from future donations and or external contributions, and any shortfall financed from the Capital Renewal Fund with all debt service costs [principal and interest] being paid by University of Toronto at Mississauga [UTM] from their enrolment expansion.

**6. Vertical Expansion of the Centre of Applied Bio-science and Biotechnology (CABB), University of Toronto at Mississauga - Funding**

Professor Venter explained that, given the shift to two phases of student expansion at the University of Toronto at Mississauga, the addition of a floor to the Centre of Applied Bio-science and Biotechnology (CABB) provided the opportunity for a cost-effective way to secure critical science laboratory space in advance of the construction of the Science Building which was now planned as part of phase 2. (Professor Venter's memorandum of December 17, 2001 is attached as Appendix "C".)

A member asked about the process with respect to projects that seemed closely linked, particularly with respect to those under \$2 million which were approved in principle by the

**6. Vertical Expansion of the Centre of Applied Bio-science and Biotechnology (CABB), University of Toronto at Mississauga – Funding (cont'd)**

Accommodation and Facilities Directorate (AFD) and for which the Committee did not see the Project Planning Report. He noted that he did not see this as an attempt to advance a project in a piece-meal approach, but wondered how the Committee could be assured that a project breakdown into components of less than \$2 million did not occur in the future. Professor Venter said that approvals by the AFD would become transparent through its regular reporting to the Planning and Budget Committee and Governing Council. That would be the opportunity for the Committee to be assured that there was no attempt to compound projects. In this particular case, there could still be a need for a ten percent cost adjustment of the primary project to allow for the vertical expansion. However, the vertical expansion component was a separate project and the preference of the Project Planning Committee was to keep it separate.

A member spoke to the importance of this project, not only for the additional laboratory space it would provide to support the science program at the University of Toronto at Mississauga, but also because it accepted the recommendation of the design review committee that the exterior presentation of the building could be dramatically improved with the addition of a top floor.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

THAT the funding for the Vertical Expansion of the Centre for Applied Bio-science and Biotechnology, [CABB], in the amount of \$800,000, be approved and funded from future donations and or external contributions, and any shortfall financed from the Capital Renewal Fund with all debt service costs [principal and interest] being paid by University of Toronto at Mississauga [UTM] from its enrolment expansion.

**7. University Infrastructure Investment Fund (UIIF): Allocation - Robarts Library, Accessibility Examination Centre**

Professor Venter's memorandum of December 17, 2001 (attached as Appendix "D") addressed the proposed funding for the relocation of the Accessibility Examination Centre from the Koffler Building on College Street to the Robarts Library, adjacent to the Student Accessibility Services Office. Professor Venter noted the new location would result in reduced invigilation costs, that access to the new location was excellent and that, overall, the proposed design was pleasant and efficient in serving the needs of the students.

In response to a question about the academic merits of closed examination rooms, Professor Venter explained that controlled environments were often necessary to ensure specific air quality and/or privacy requirements. The rooms were designed with glass walls and doors to allow the invigilators to observe the students, should any difficulties arise.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

THAT an allocation of \$225,000 from the University Infrastructure Investment Fund (UIIF) be approved to address the complete cost of the Accessibility Examination Centre within the Robarts Library.

**8. University Infrastructure Investment Fund (UIIF): Allocation - Vertical Expansion to New Soils Storage Facility**

Professor Venter referred to his memorandum of December 17, 2001 (attached as Appendix "E") that explained the proposal for an allocation toward the cost of adding three floors to the building already under construction as a soils storage facility in the Earth Sciences Complex. The proposal would provide for much needed office space for Arts and Science. That Faculty was contributing \$350,000 toward the project.

A member asked if there had been thought given to restoring the bio-diversity of the area. A discussion ensued during which it was noted that this project would not extend the footprint for the Soils Storage Facility, approval of which had been given by Governing Council early last summer. Further, scientists in the Faculty of Arts and Science were of the opinion that the bio-diversity of the area had been long ago destroyed by its proximity to vehicular traffic and fumes and sidewalk activity. The member reiterated the hope that the environmental question would be considered.

In further discussion about the opportunity cost of office space in the proposed building, it was noted that a cost ratio would need to factor in more than one occupant per office and that, comparatively, this project seemed economical. Professor Sedra indicated that the administration would continue working toward providing useful data to the Committee and the notion of setting benchmarks for per unit costs was a good one.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$718,323 from the University Infrastructure Investment Fund (UIIF) be approved toward the cost of the Vertical Expansion of the New Soils Storage Facility in the Earth Sciences Complex on Russell Street.

**9. University Infrastructure Investment Fund (UIIF): Allocation - 56 Spadina Avenue Renovation**

Professor Venter referred members to his memorandum of December 17, 2001 (attached as Appendix "F") and explained that it was becoming urgent that Campus Co-op Daycare be moved from its current location in preparation for construction of the new Woodsworth College Residence at St. George and Bloor Streets. It was proposed that Campus Co-op Daycare would be relocated to 56 Spadina and the proposed allocation was to allow for the retrofit of that property to accommodate code requirements for childcare.

A member commented that this was a superb location for the facility. In response to a question, Professor Venter said that the proposed location was temporary until June 2004, following which there would be discussion about whether Campus Co-op Daycare would continue to be located on campus.

There was some discussion about why this would be funded out of University funds rather than, for example, being treated as an ancillary. Professor Venter explained that the cost under consideration was a secondary effect to be assigned to site 12, a future building site on which Campus Co-op Daycare was currently located. The relocation of Campus Co-op Daycare would also ensure that the Woodworth College project could proceed (site 12 was adjacent to the Woodworth College site). Additionally, for this project, the allocation would

**9. University Infrastructure Investment Fund (UIIF): Allocation - 56 Spadina Avenue Renovation (cont'd)**

be directed toward upgrading a property that also housed the Institute for Child Study, that was part of OISE/UT.

A member noted the importance of good childcare on campus at a time when the University was recruiting significant numbers of young faculty and was pleased to support this proposal.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

THAT an allocation of \$575,000 from the University Infrastructure Fund be approved, to address the cost of the 56 Spadina Avenue renovation to suitably accommodate Campus Co-op Daycare. This allocation includes the \$75,000 required to demolish the Campus Co-op Daycare facilities and to clear site 12.

**10. Canada Research Chairs Fund: Allocations**

Professor Sedra referred to his memorandum of November 23, 2001 (attached as Appendix "G").

A member recalled that the objective of the University's Canada Research Chairs' program had been to aim for balance and cost neutrality. Had that been achieved? Professor Sedra responded that the model was holding up well. There was still a surplus in the fund and, as members were aware, there was good cost recovery on internal appointments. That surplus would, however, soon be required as a higher proportion of Chairs were appointed from outside the University.

On motion duly moved and seconded,

**YOUR COMMITTEE RECOMMENDS**

THAT an allocation of \$1.8 million from the Canada Research Chairs Fund be approved to cover the salaries, benefits, research allowances and cluster support for ten Chairholders approved in the December 2000, March 2001 and June 2001 CRC competitions; and,

THAT an allocation of \$1.247 million (\$1.3 million less \$53,000 indirect cost of 6% of salaries and benefits) be approved for the Faculty of Medicine in support of 8 Chairholders based in Hospital and Research Institutes that were approved in the March 2001 CRC competition.

**11. Academic Priorities Fund: Allocations for *Raising Our Sights* Plans**

The Chair welcomed guests, Professor Paul Perron, Principal of University College, and Dr. Eva Swenson, Director of Student Information Systems, who were present to respond to questions, if necessary, on items 11.2 and 11.3.

**11.1 Computing and Network Services**

Professor Sedra referred to his memorandum of December 17, 2001 (attached as Appendix "H"), saying that he hoped to bring forward within the next three or four meetings the

### **11.1 Computing and Network Services (cont'd)**

remainder of the allocations supporting the *Raising Our Sights* Plans. Professor Sedra commended the Computing and Network Services (CNS), which reported to Professor McCammond, on achieving a level of operation that rarely attracted negative comment. This had not been the case in the past and he believed it was a tribute to the good work currently being accomplished by CNS.

A member added that it was apparent in meetings with colleagues across the continent that CNS and the Robarts Library were the envy of Canadian and American postsecondary institutions. He saw this as evidence of a good combination of centralized and decentralized management.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT a base allocation of \$687,575 be approved from the Academic Priorities Fund to Computing and Network Services in support of its *Raising our Sights* Plan.

### **11.2 University Art Centre**

Professor Sedra referred to his memorandum of December 17, 2001 (attached as Appendix "I") and said that the University Art Centre had previously relied partly on one-time-only funding. He was pleased, with a new director in place, to respond positively to the Centre's request for funding and to now put it on a sound financial footing.

A member asked about links to the Hart House Art Gallery and any plans for closer cooperation. Professor Perron said the Board of the Art Centre considered a variety of ways to cooperate with Hart House. Generally, the two worked together on special events though each had separate jurisdiction over its holdings.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$200,000 be approved from the Academic Priorities Fund to the University Art Centre in support of its plans to link the Centre to teaching and research activities of several academic units.

### **11.3 Student Information Systems - Repository of Student Information (ROSI)**

Professor Sedra informed the Committee that ROSI was doing well but that it was costly to maintain. He referred to his memorandum of December 17, 2001 (attached as Appendix "J") which outlined the requests from the Student Information Systems and the thought underlying the Provost's recommendation to allocate less than requested and to do so on a one-time-only basis, while the Student Information Systems Department considered a less costly hardware platform for ROSI.

A member had heard that ROSI had been inaccessible over the Christmas break and asked if that had been scheduled or unplanned. Dr. Swenson responded that this had been a planned outage. There was not a sufficient number of staff on duty to keep the system up and running

**11.3 Student Information Systems - Repository of Student Information (ROSI)**  
(cont'd)

while also ensuring the security of the data stored thereon and providing the level of service that students have come to expect when the system was accessible.

Professor Sedra said that his office had received a number of complaints about the inaccessibility of ROSI during the holiday break. Similar dissatisfaction by students with closure of the Robarts Library had resulted, several years ago, in a decision to absorb the extra cost and have the Library remain open over the holiday season. He thought it may be necessary to consider maintaining full activity of SIS as well, recognizing that there would be a cost to doing this.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT one-time-only allocations of \$348,000 in 2001-02 and \$386,300 in 2002-03 be approved from the Academic Priorities Fund in support of ROSI, the University's student information system.

**11.4 Physical Education and Health**

Professor Sedra acknowledged the excellent leadership of the Dean of Physical Education and Health in guiding the Faculty through the merger and creating an ongoing positive environment and reputation. A major academic plan had been developed three years ago. The proposed allocation addressed in his memorandum of December 17, 2001 (attached as Appendix "K") related to an update of the Plan.

Responding to questions, Professor Sedra added that the allocation for graduate student assistance was not requested in this recommendation because it came from a different source and that there would be no supplementary allocation in response to the Faculty's current request.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT a base allocation of \$127,675 and a one-time-only allocation of \$100,000 be approved from the Academic Priorities Fund for the Faculty of Physical Education and Health.

**12. Policy: Assignment and Usage of Academic Offices**

Professor Venter, referring to his memorandum of December 17, 2001 (attached as Appendix "L"), said that office space was costly and, hoping to better utilize the available space, administration had proposed a policy that would limit each full-time faculty member to one office only. This would be at their primary location, and, if it were considered necessary, arrangements could be made for shared office space at a secondary location. The proposed policy addressed the issue of cross appointments, adjunct professors, professors emeriti and periods of absence due to research or unpaid leave.

Professor Venter reported that the proposed policy had generally received good support in discussions with the President/Vice-Presidents group, among Principals and Deans and at the



**12. Policy: Assignment and Usage of Academic Offices (cont'd)**

Accommodation and Facilities Directorate. He concluded by saying that it was perceived to be a particularly useful policy for the Faculty of Arts and Science, the University of Toronto at Mississauga and the University of Toronto at Scarborough.

A member noted that some professors emeriti were very actively involved in continuing research. Professor Venter indicated that, though he hoped the policy would be implemented immediately, there were provisions for decanal discretion in ensuring that individuals were treated fairly.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT the Policy on Assignment and Usage of Academic Offices be approved.

**13. School of Graduate Studies: Master of Science in Nursing Program, E-program in Acute Care Nursing**

The Chair noted that this was an item for information only and invited Professor McCammond to comment. Professor McCammond said that this was a proposal for alternative delivery of an existing program and that any budget implications would be funded from revenues received from enrolment expansion in Nursing.

**14. Administrative Transitional Fund (ATF) Allocation - 175<sup>th</sup> Anniversary of the University**

Professor Sedra said that this proposal, outlined in the memorandum from him and the President dated December 17, 2001 (attached as Appendix "M"), was to allocate some of the funds currently in the Administrative Transitional Fund (ATF) for expenses to be incurred for celebratory 175<sup>th</sup> anniversary events. The ATF is meant to assist in easing administrative change or to increase income. Many of the events planned for the coming year would generate friends or reach out to alumni, both of which should be positive factors in future fund-raising. The remainder of the \$1.5 million budget would come from the Office of the Vice-President and Chief Advancement Officer.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT a special one-time-only allocation of \$1 million from the Administrative Transitional Fund be approved in support of the 175<sup>th</sup> Anniversary Program. The allocation would be divided into two components: \$500,000 to be allocated in the 2001-02 fiscal year, and the remaining \$500,000 to be allocated in the 2002-03 fiscal year.

**3. Senior Assessor's Report**

Professor Sedra spoke from a PowerPoint presentation (attached as Appendix "N") informing the Committee on long-range budget projections to the end of the 2004 fiscal year. He noted that the projections, based on conservative assumptions, had taken into account the federal announcement of \$200 million for the indirect cost of research. It was the intent of

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

administration to bring to the Committee sometime this spring a new long-range budget plan for 2002-08, creating a deliberate overlap with the current six-year plan.

Professor Sedra made a number of points through the presentation. He said that earlier planning had assumed there would be a 2% inflationary index in government grants. In fact, that did not happen this past year, nor was it likely to happen next year. Planning would continue to assume that an inflationary increase would occur in 2003-04. With respect to tuition fees, the planning exercise would continue to assume a 2% annual increase in regulated fees and a 5% annual increase in de-regulated fees with some exceptions.

Professor Sedra reviewed other sources of revenue, noting how important it was that these remain diverse. The recent announcement that the federal government had allocated \$200 million for indirect costs of research was expected to translate into \$16 million for the University of Toronto, excluding the share for research in the hospitals. Further, if the federal government responded favourably to the requests of Canadian universities, this number could double.

Continuing, he noted that the Canada Research Chairs funding should reach its steady state by 2004-05. There was nothing new in that area. Investment income, on the other hand, had been negative this year and the tables illustrated how the loss was amortized over the next three years.

Professor Sedra reviewed graphs and tables that projected a growth of more than \$100 million in revenue over the next two years and showed how the ratio was changing between grants and fees. He cautioned that in reading the data it should be remembered that expenses had been shown in increments from year to year and revenue had been shown in absolute amounts. Looking at the Contractual Obligations and Policy Commitments (COPC) table, he recalled that the reason for the large increase this year was related to the cost of energy.

Other slides showed the incremental cost of educating additional students year over year and the cost of graduate student aid, in which he hoped to close the gap by 2003-04.

Professor Sedra addressed the proposed distribution of the expected federal funding of indirect costs of research. Twenty-five percent, or approximately \$4 million, was expected to go directly to the divisions, with 75% retained centrally to assist the University in enhancing the research infrastructure and to offset infrastructure costs that had already been incurred.

Recognizing that time was short, Professor Sedra spoke briefly to the overall picture and a final slide that illustrated the projections should there be no growth compared to the projections if enrolment were to grow as expected. His presentation would be attached to the report of this meeting and he looked forward to having a discussion on the projections at the next meeting.

The Chair reminded members that the next meeting was scheduled for Tuesday, January 29, 2002 in the Council Chamber.

The meeting adjourned at 2:15 p.m.

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Secretary  
(18169)

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Chair