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OFFICE OF PLANNING AND BUDGET

TO: Planning and Budget Committee

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AGENDA ITEM: #5

Item Identification

Allocations for 2002-03 from the Enrolment Growth Fund associated with enrolment expansion funded from the Provincial Government's Enrolment Expansion Accessibility Fund.

Jurisdictional Information

The Planning and Budget Committee is responsible for approving allocations from the Special Operating Funds.

Highlights

The Enrolment Growth Fund (EGF) was established to fund divisions for enrolment increases under approved agreements. Tuition revenue from planned enrolment increases, and increased government operating funds for Ministry of Training, Colleges and Universities (MTCU) approved growth, are placed in the EGF to provide resources for the new or expanded programs. The Provincial Government, in its May 2001 budget, announced the provision, in principle, of full average operating grant funding for enrolment increases in 1st entry programs over their 2000-01 level. There was agreement that increases in enrolment in the undergraduate Pharmacy program should be included in the 1st entry pool. Existing agreements were in place for enrolment increases targeted at programs in Engineering, Computer Science, Education, Nursing and Medicine. In September 2002, an Enrolment Target Agreement (ETA) was signed by the University and MTCU that defined the additional enrolment in first entry programs to be funded from the Accessibility Fund in 2002-03. This memo describes the allocations from the Enrolment Growth Fund resulting from these increased enrolments.

The University's detailed enrolment expansion plan for the divisions, based on the Expansion Framework Document endorsed by Governance in the Spring of 2000, was approved by Governing Council at its meeting on June 3rd 2002. An update to the Enrolment Plan to reflect the revised enrolments in the ETA is being brought forward to Governance. The enrolment plans propose that, in general beyond 2001-02, 75% of the revenue available from tuition fees and Government Enrolment Expansion Accessibility Fund should flow to the divisions to provide the resources needed to accommodate the extra students. An exception is the Phase 1 enrolment expansion at UTSC and UTM where 90% of the revenues flow to the divisions to assist with the capital expenditures needed on these campuses. The allocations described below follow these guidelines for 2002-03. However, it may be necessary to revise the return to the divisions in the new *Long-Range Budget Guidelines for 2004-2010* in order to address budgetary shortfalls created by the impact of market returns on investments,

mandated pension plan contributions and the lack of indexing of Government Operating Funding per student to reflect increased costs.

For each year's increase in the (domestic) enrolment in the ETA over the previous year's actual domestic enrolment, 75% of the revenue from tuition fees, net of student aid, plus 75% of Accessibility Funding will flow to the divisions. Where this domestic enrolment increase is an increment towards the steady state enrolment targets in the Enrolment Expansion Plan, the funds will be placed in the division's base budget in the following year and two-thirds will flow as OTO in the current year. Seventy five per cent of the tuition fee revenue, net of mandated student aid, from domestic student enrolment in excess of the ETA will flow to the divisions on an OTO basis. As was the case last year, sixty per cent of the tuition revenue from increases in international student enrolment over 2000-01 levels will also flow to the divisions on an OTO basis. The 2000-01 international student enrolment level will be considered the base international enrolment with funding for enrolment in excess being provided each year on an OTO basis. Revenue generated from the Accessibility Fund by increases in enrolment in programs in the Rotman School of Management, net of institutional overhead will flow directly to the School under the Responsibility Center Management protocol approved in the 2002-03 Budget Report.

The University's total (3-term) enrolment in first entry programs in 2002-03 is ~3,000 FTEs above last year's actual enrolment and ~450 FFTEs above the ETA, primarily as a result of greater than expected summer enrolment and a significant change in the number of Professional Experience Year students. The following Table shows the funding resulting from increased domestic and international enrolment in undergraduate programs in 2002-03.

First Entry Programs plus Pharmacy	Domestic Increase		International Increase
	Lesser of ETA/Nov 1	Additional	
Faculty of Arts & Science	\$4,846,015	\$33,952	\$2,915,911
University of Toronto at Mississauga	\$3,583,186	\$0	\$794,820
University of Toronto at Scarborough	\$4,471,810	\$115,800	\$578,449
Faculty of Pharmacy	\$1,057,209	\$0	\$0
Faculty of Applied Science & Engineering	\$289,537	\$633,862	\$232,838
Faculty of Physical Education & Health	\$0	\$0	\$12,864
Total	\$14,247,757	\$783,614	\$4,534,882

The following allocations are also being recommended:

- (i) \$499,855 to the Library to enable it to maintain existing library hours and service points in the face of increasing enrolment numbers and new faculty research needs and to provide the operating and utilities costs associated with the Morrison Pavilion expansion to the Gerstein Science Information Centre.
- (ii) \$400,000 to Student Information Systems to provide for increased software costs associated with hardware upgrades and functionality improvements to ROSI to better enable it to deal with increased demand as enrolments increase.
- (iii) \$504,496 to Facilities and Services for operating and utilities costs associated with the Canadiana Building and to supplement the amount already allocated in the Access to Opportunities Program budget for the BCIT.

Recommendation

The Planning and Budget Committee recommends to the Academic Board approval of the following allocations from the Enrolment Growth Fund to the Divisions to accommodate the 2002-03 enrolment expansion.

(a) OTO funding in 2002-03 of:

Library	\$499,855
Student Information Systems	\$400,000
Facilities and Services	\$504,496
Faculty of Arts & Science	\$6,180,540
University of Toronto at Mississauga	\$3,183,611
University of Toronto at Scarborough	\$3,675,455
Faculty of Pharmacy	\$704,806
Faculty of Applied Science & Engineering	\$1,059,724
Faculty of Physical Education & Health	\$12,864

(b) Base funding in 2003-04 of:

Library	\$499,855
Student Information Systems	\$400,000
Facilities and Services	\$504,496
Faculty of Arts & Science	\$4,846,015
University of Toronto at Mississauga	\$3,583,186
University of Toronto at Scarborough	\$4,471,810
Faculty of Pharmacy	\$1,057,209
Faculty of Applied Science & Engineering	\$289,537
Faculty of Physical Education & Health	\$0