

THE GOVERNING COUNCIL
REPORT NUMBER 82 OF
THE PLANNING AND BUDGET COMMITTEE

September 17, 2002

To the Academic Board,
University of Toronto.

Your Committee reports that it met on Tuesday September 17, 2002, at 5:00 pm in the Council Chamber, Simcoe Hall, with the following members present

Professor Avrum Gotlieb (in the Chair)
Professor Susan Horton, Vice-Chair
Professor Shirley Neuman, Vice-President
and Provost
Mr. Felix Chee, Vice-President, Business
Affairs
Professor Derek McCammond, Vice-
Provost, Planning and Budget
Professor Michael Berkowitz
Professor Philip H. Byer
Professor Paul Halpern
Professor Edith Hillan
Ms. Shirley Hoy
Professor Bruce Kidd
Ms. Karen Lewis
Professor John MacDonald
Professor Ian McDonald
Professor David Mock
Mr. Colm Murphy

Professor Ian Orchard
Mr. Timothy Reid
Professor J. J. Berry Smith
Mr. Nick Turk-Browne

Non-voting Assessors:

Mr. John Bisanti, Chief Capital Projects
Officer
Mr. Louis Charpentier, Secretary of the
Governing Council
Professor Ron Venter, Vice-Provost,
Space and Facilities Planning

Secretariat:

Mr. Neil Dobbs
Mrs. Beverley Stefureak, Secretary

Regrets:

Professor Carl Amrhein

In Attendance:

Dr. Sheldon Levy, Vice-President, Government and Institutional Relations
Ms. Mary McGee, Assistant Vice-Provost
Professor Paul Perron, Principal, University College

ITEMS 4 and 5 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL.

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

The Chair made introductory remarks and presented a brief orientation.

1. Report of the Previous Meeting

Report Number 81 of June 4, 2002 was approved.

2. Business Arising from the Report of the Previous Meeting

There was no business arising.

3. Senior Assessor's Report

Enrolment Planning: Professor Neuman reported continuing concern within the Government of Ontario about the number of students in the double cohort. She recalled that universities had been asked to sign agreements committing to an enrolment increase over each of the next three years. The pressure on enrolment this summer from first-entry students had been greater than expected. The University had moved into Phase III of its plan and had moved beyond what had been established as a buffer plus Phase II. The baseline year for the plan had been 2000-01 in which the total number of domestic full-time students had been 37,682. Total head count this year would be 41,680 and by 2005-06 it was expected to reach 49,444. Professor Neuman further recalled that the enrolment target agreement signed by the University had gone forward with what had become known as the "Toronto asterisk", conditionally agreeing to the outlined expansion provided that capital funding was forthcoming to support it. The Government had accepted the agreement with its condition and the University was hoping to be awarded a substantial share of the upcoming SuperBuild funding. This would be particularly important to the University of Toronto at Mississauga (UTM) and the University of Toronto at Scarborough (UTSC) which were expected to accommodate most of the additional students.

Professor Neuman reported that actual first entry enrolment this year was projected to be 7,924, which was an increase of about 13% over last year. The greatest increase was expected to be at UTM (28%) and UTSC (27%) with Arts and Science at St. George increasing by about 8%. Total intake for first entry, including some students with advanced standing, was expected to be 1,173 more than last year or about 13% as well. Graduate enrolment, though it was early for accurate data, indicated a total increase of about 11.9% over last year.

With the large numbers of first year students, the cost of meeting the residence guarantee had become a significant fiscal issue. It had been necessary to continue last year's arrangements with the Primrose Hotel and to expand the off-campus subsidized housing to include floors at the Delta Chelsea. The cost of the subsidy was \$5,180 per student which this year represented an overall drain on the operating budget of \$3.2 million. This was too high and could not continue. The University would either have to come up with alternatives to accommodate the students or review the policy.

SuperBuild Professor Neuman reported on continuing discussions with the Ministry about SuperBuild funding. The Government was committed to a second round of funding and proposals were likely to be requested by November. The University was optimistic that its proposals would be at least partially funded and that grants would be announced by February. If so, the allocations would be directed toward support for A2 priorities on the summary of capital projects which had been placed on the table as background to item 4. The largest amount would support expansion at the University of Toronto at Scarborough with completion of the Arts Classroom Building, the

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

Science Building and the Welcome Centre. Some would go to UTM for its Library project and renovations to the North and South Buildings. St. George campus would receive allocations for some new science laboratories and for completion of the Sidney Smith patio project and possibly a large classroom. The extent to which these projects could be addressed would, of course, depend on how much funding was received.

Professor Neuman concluded these remarks by informing the Committee that she and Mr. Chee were in the process of establishing committees to define more robust procedures for capital funding and to review business processes within the University to simplify current practices and eliminate unnecessary work.

Academic Planning: Professor Neuman noted that she had hoped to have a year in which to familiarize herself with the University before launching into an academic planning exercise. However, an academic plan would need to be in place by the end of this academic year so she was in the process of setting the schedule in place and beginning the process. In her view, it was critical that the plan drive the budget rather than vice versa and, accordingly, completion of the long-range planning guidelines for 2003-08 would be delayed until early fall 2003 following anticipated completion of the academic plan in the spring of 2003. Professor Neuman described the academic planning schedule and process, which allowed for broad community-wide consultation, discussion and feedback.

Discussions and consultations over the fall period would define the characteristics that would place the University of Toronto among the best research institutions -- private and public -- in the world. The framework to facilitate the shaping of strategies and priorities to achieve this objective included faculty, research and the student experience. The expected turnover of about 45% of the faculty in the next six years provided the opportunity for departments to rethink their intellectual direction. Concurrently, it was an opportune time for divisions to objectively review academic programming and the quality of teaching and to identify what advances, if any, could be made toward ensuring that their programs were among the best in the world. The planning exercise would also allow the University to look at the non-academic aspects of the student experience and at the graduate student experience.

Professor Neuman concluded by noting that the planning exercise would also review the resources that support the academic mission – space, human resources, facilities, modes of revenue generation and priorities for expenditures. The exercise was designed to follow on the previous three academic planning papers and to become the basis for the next long-range budget framework. Professor Neuman anticipated both changes in direction and enrichment of areas in which there was not a need to change.

Recalling that the Committee had anticipated the long-range budget guidelines, 2003-08, this autumn, a member asked for clarification of the relationship between the academic planning exercise and the long-range budget process. Professor Neuman confirmed that her hope would be to have the academic plan in place prior to finalizing work on the long-range budget guidelines. The former was the key to establishing the priorities in the latter. She went on to say that, in light of the budget pressures and updated projections showing lower than anticipated revenue, the administration would want to re-examine the budget model with which it had been working. In response to a member's caution about determining a fair initial envelope for divisions, Professor Neuman pointed to two factors that should work toward increased fiscal flexibility. The high rate of faculty turnover in

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

the next few years would allow for more movement in hiring. As well, a lot could be accomplished with collaboration and good will. Whatever the budget model, she hoped there would be increased accountability and built-in opportunities for correction when projections were not realized.

A member asked about the plans for achieving student input into the discussion paper on student experience. Professor Neuman said that the process was evolving but she foresaw holding town hall meetings in each college, holding meetings for both faculty and students at both UTM and UTSC, meeting with faculty councils most of which have student representation and also consulting directly with student organizations.

4. Capital Project: University College Residence – Revised Project Planning Report University Infrastructure Investment Fund: Allocation

The Chair referred to the memorandum and executive summary which had been circulated with the Agenda and which highlighted the changes undergone by this project since the first Project Planning Report had been approved in principle in June 2002. He invited Professor Venter to comment. Professor Venter noted that the primary reason why this report had been revised was because of objections from the City to the site that had been proposed in the June 2000 Report. The building was now to be located on site 22, immediately adjacent and to the north of Sir Daniel Wilson residence and was to be an eleven storey high building rather than the previously-planned lower residence. There was confidence, but no guarantee, that the City of Toronto would approve the current site.

Professor Venter underscored the difficulty of presenting to the Planning and Budget Committee accurate project cost estimates. At this stage, project costs had been estimated based on detailed specification data, assuming market escalation to point of tender. In future, capital project planning reports would present a cost range. When the project was presented to the Business Board for execution and after tendering, the costs would be firm and hopefully within the range reviewed at the time the report came through governance for approval in principle. Timelines for the University College project were unusual in that an architect had been hired for the purposes of site evaluation. When this project went to the Business Board in two weeks it was possible that the cost might be slightly different than the estimates now presented.

Professor Perron was invited to comment. He stressed to the Committee the urgency of this project and the broad consultation that had occurred to bring this forward. It had passed unanimously, with no abstentions, in both the College Council and among the University College student government. Students themselves had underlined the need for this new residence by voting in favour of an 8% increase in residence rates in each of the next three years. He urged support by this Committee.

Responding to queries from members, Dr. Levy said that the rates for University College residences with the proposed increases were still well within the University of Toronto range and were competitive with other universities. The business plan was

**4. Capital Project: University College Residence – Revised Project Planning Report
University Infrastructure Investment Fund: Allocation (cont'd)**

good; this was an important addition for students and their parents; lots of care had been taken in identifying the location and he agreed with Professor Venter and Professor Perron that the project should proceed as soon as possible. Mr. Bisanti added that the model projected full occupancy during the academic year and conservatively estimated 65% to 75% during the summer months.

Professor Venter closed by noting that the design, while allowing for room sizes equal to other residences, was somewhat sparse in common space. However, it achieved the objective of a large number of extra beds on a small part of the campus. The design included three rooms that met accessibility requirements and if more were needed this could be managed by working with other residences on campus to better manage use of these facilities across campus.

For the benefit of new members, Professor Venter briefly reviewed the Capital Plan summary which had been placed on the table and assured members that an updated version would be provided at each meeting where approval in principle was sought for a capital project.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

Subject to the understanding that the rates of the University College residence ancillary operation are increased sufficiently to ensure that the operation continues to recover its costs,

1. THAT the Revised Project Planning Report for the University College Residence Expansion be approved in principle;
2. THAT the project scope totaling approximately 7,400 gross square metres, allowing for the construction of the University College Residence Expansion on Site 22, an approved building site, be approved; and
3. THAT the project cost of \$21,500,000 be approved, with the funding sources as follows:
 - (i) Donation from University College of \$2,500,000;
 - (ii) University College Residence Ancillary allocation of \$1,485,000;
 - (iii) University College Food Service allocation of \$800,000;
 - (iv) University Infrastructure Investment Fund [UIIF] of \$70,000; and,
 - (v) Financing in the amount of \$16,645,000 to be repaid from residence fee revenues over a 25-year amortization period at 8% per annum.

5. University Infrastructure Investment Fund (UIIF) Allocation: Bissell Building, Faculty of Information Studies, Creation of Student Study Space

At the invitation of the Chair, Professor Venter briefly reviewed the highlights of his memorandum which had been circulated with the Agenda. He also referred members to the updated summary of UIIF commitments which had been placed on the table for the information of members.

On motion duly moved and seconded,

YOUR COMMITTEE RECOMMENDS

THAT an allocation of \$35,000 be made from the University Infrastructure Investment Fund [UIIF] to address the partial cost of the dividing wall and related access doors to allow for the creation of student study space within the Faculty of Information Studies.

6. Calendar of Business for 2002-03

The Chair referred members to the corrected Calendar of Business which had been placed on the table. He noted that the Calendar was a living document, updated monthly on the advice of the Agenda Planning Group of the Committee and he encouraged members to determine from the Calendar items of business in which they were particularly interested. It was appropriate that members seek to provide input, if they wished, at the very early stages of the development of a proposal. The Calendar would be helpful in identifying the timelines for particular items of business and the Secretary could help in providing advice on the appropriate assessor to contact.

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

The Chair noted that members had had time to review the membership and terms of reference of the seven project committees listed below. These were items for information only unless members had questions.

A member enquired whether the committee established for 255/257 McCaul Street was considering how or whether to move University Services. Professor Venter said this was an exploratory committee and its task would be to look at both whether the move made sense and if so, how it could be accommodated.

A member asked if there were plans to have seminar rooms in the Medical Arts Building. Professor Venter responded that plans for this building would unfold as current users vacate. Current plans were that it would be dedicated largely to professorial offices and graduate student space with some small lecture/seminar rooms.

A member commented that it would be helpful to have information on the status of the various projects that had been approved by the Committee. Professor Venter said that this could best be determined by following the action taken by Business Board. However, if it would be useful to the Committee, he would certainly be able to report back on exceptions to normal progress in construction.

7. Capital Projects: Project Committees, Membership and Terms. of Reference (cont'd)

- 7.1 University of Toronto at Scarborough – Arts Classroom Building
- 7.2 University of Toronto at Scarborough – Parking
- 7.3 University of Toronto at Scarborough – Welcome Centre
- 7.4 Medical Arts Building: Relocation of Departments of English, Linguistics, Philosophy and Religion
- 7.5 155 College Street: Renovation for Faculty of Nursing and Units within the Faculty of Medicine
- 7.6 255/257 McCaul Street: Relocation of University Services
- 7.7 Management Building Expansion

8. Accommodation and Facilities Directorate (AFD): Annual Report (2001-02) on Approved Projects

The Annual Report had been circulated with the Agenda and there were no questions.

9. Other Business

A member voiced serious concern about the cost to the University of maintaining the residence guarantee and wondered what options the University had to limit this drain on the operating budget. Dr. Levy responded that the administration was also very concerned and that within a review of the policy on the first-year guarantee all options were being considered.

10. Next Meeting

The Chair reminded members that the next regular meeting was scheduled for Tuesday, October 15, 2002 in the Council Chamber.

The meeting adjourned at 6:55 p.m.

Secretary

Chair

October 1, 2002

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