UNIVERSITY OF
TORONTO

OFFICE OF THE GOVERNING COUNCIL

TO: Members of the Planning and Budget Committee

SPONSOR: Avrum I. Gotlieb, Chair, Planning and Budget Committee

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DATE: March 10, 2011 for April 6, 2011

AGENDA ITEM   4

ITEM IDENTIFICATION:

Planning and Budget Committee – Terms of Reference: Revisions to Section 4.4.2

JURISDICTIONAL INFORMATION:

Section 2(14) (e) of the *University of Toronto Act* empowers the Governing Council to
"appoint committees and delegate thereto power and authority to act for the Governing
Council . . . ." Such delegation of authority is limited to committees consisting of a
majority of members of the Council, apart from certain purely academic matters. In other
matters, the Planning and Budget Committee must make recommendations to the
Academic Board, which must in turn make recommendations to a higher level of
governance – the Governing Council or its Executive Committee.

The Governing Council achieves the delegation of authority through its approval of
committee terms of reference. Traditionally, Committees recommend revisions to their
own terms of reference to their parent Board, which in turn makes a recommendation to
the Governing Council.

PREVIOUS ACTION TAKEN

For some years, the University has been using its new budget model.

On October 28, 2010, the Governing Council approved the recommendations of its Task
Force on Governance.

On June 24, 2010, the Governing Council approved the revised Policy for Approval and
Review of Academic Programs. It also received for information the detailed University
of Toronto Quality Assurance Process, which has been submitted to the Ontario
Universities Council on Quality Assurance (the "Quality Council") for ratification.

**Committee on Academic Policy and Programs – Terms of Reference:
Revisions**

HIGHLIGHTS:

- **The new budget model** enables each academic division to allocate its own net revenue
  – the revenue its generates minus its share of University-wide expenses, its contribution
  to student aid and its contribution to the University Fund. If, therefore, a division
  wishes to allocate a portion of its net revenue to a establish a new academic program, it
  is reasonable that it be permitted to do so without detailed governance scrutiny of the
  budget implications by a committee the Governing Council. As a result, in all or
  almost all cases, the proposals for new academic programs that have been brought to
  the Planning and Budget Committee contain no implications for the University budget.
  It would therefore make sense that the Planning and Budget Committee consider the
  budget implications of proposals for new academic programs only in any cases where
  their establishment would require the allocation of additional resources to the division.

- **The Report of the Task Force on Governance** has urged the avoidance of
  duplication. It has also urged that the Planning and Budget Committee review and
  approve divisional plans at a high level. That would remove the need to look more
  specifically at the plans for individual programs. Avoiding duplication, the
  consideration of individual programs would be left to the Committee on Academic
  Policy and Programs. From a planning perspective, consideration of proposals by the
  Planning and Budget Committee would be necessary only where a plan for a new
  program would have effects outside of the division offering the plan – either on other
  University divisions or outside of the University.

- **The revised Policy for Approval and Review of Academic Programs and the detailed
  University of Toronto Quality Assurance Process (the U.T.QAP)** set a very high
  standard for the program review process. The Policy stipulates that the review process
  will "address the quality of programs, and how the programs and the units in which they
  reside compare to the best in their field among international peer institutions." It
  strengthens Governing Council oversight of the review process. Because governance
  would be vigilant with respect to the performance of programs, there not be need for
  proposals to be examined by both policy committees of the Academic Board.

- **P&B role**. Therefore, the Planning and Budget Committee would be called on to advise
  the Academic Board and to concur with the recommendation to approve a new program,
  only (a) when that program will have substantial resource implications requiring
  additions to a division's approved budget, or (b) when there are significant effects outside
  of the division offering the program, and therefore significant planning implications.

  The Planning and Budget Committee would continue to be the lead Committee in
  considering recommendations to establish or close academic units.

Committee on Academic Policy and Programs – Terms of Reference: Revisions

FINANCIAL AND/OR PLANNING IMPLICATIONS: N/A

RECOMMENDATION:

Be it Recommended to the Academic Board

> THAT the proposed amendment to section 4.4.2 of the terms of reference of the Planning and Budget Committee be approved.

March 10, 2011

Memorandum to: Planning and Budget Committee

From: Avrum I. Gotleib, Chair, Planning and Budget Committee

Subject: **Proposal to Revise the Terms of Reference Concerning**
                  Concurrence with Proposals to Approve New Academic
                  Programs

Under its current terms of reference, the Planning and Budget Committee has been called upon (a) to consider the planning and budget implications of proposals to establish new academic programs, and (b) to concur with the recommendation of the Committee on Academic Policy and Programs to establish them. Three factors make it timely to review that provision.

The first factor is the University's new budget model, which enables each academic division to allocate its own net revenue – the revenue it generates minus its share of University-wide expenses, its contribution to student aid and its contribution to the University Fund. If, therefore, a division wishes to allocate a portion of its net revenue to a establish a new academic program, it is reasonable that it be permitted to do so without central governance approval. As a result, in all or almost all cases, the proposals for new academic programs that have been brought to the Planning and Budget Committee have had no requirement for an additional allocation of funding to the academic division. The Committee has been advised that there are no implications for the University budget. It would, therefore, make sense that the Planning and Budget Committee consider proposals for new academic programs only in any cases where their establishment would require the allocation of additional resources to the division proposing the program. Proposals for most programs, which would require no allocation of resources to the division beyond its net revenue, would be considered solely on their academic merits by the Committee on Academic Policy and Programs. Those proposals would in appropriate cases be recommended for approval by the Academic Board with confirmation of that approval by the Executive Committee.

The second factor is the Report of the Task Force on Governance. That Task Force sought in its Report, among other things, to avoid duplication. Its Report, approved by the Governing Council on October 28, 2010, included recommendation 16, which urged "that the terms of reference of the Academic Board and its Planning and Budget Committee be revised to clarify their respective responsibilities for reviewing and approving divisional academic plans and to provide appropriate delegation and oversight to divisional Councils and to divisions." The Planning and Budget Committee would review a division's plans – including its plans for new programs – at a high level, but

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**Planning and Budget Committee: Proposal to Revise the Terms of Reference
Concerning Concurrence with Proposals to Establish New Academic Programs**
(Cont'd)

would not need to look more specifically at the plans for individual programs. Avoiding
duplication, that would be left to the Committee on Academic Policy and Programs,
which would where appropriate make a recommendation to the Academic Board. From a
planning perspective, consideration of proposals by the Planning and Budget Committee
would be necessary only where a plan for a new program would have effects outside of
the division offering the plan – either on other University divisions or outside of the
University.

The third factor concerned the revised Policy for Approval and Review of
Academic Programs (approved by the Governing Council on June 24, 2010) and the
detailed University of Toronto Quality Assurance Process (the U.T.QAP). The new
Policy sets a very high standard for the program review process. It stipulates that the
review process will "address the quality of programs, and how the programs and the units
in which they reside compare to the best in their field among international peer
institutions." It strengthens Governing Council oversight of the review process.
Because governance would be vigilant with respect to the performance of programs, there
would be less need to scrutinize their initiation and change. There would not be need for
proposals to be examined by both policy committees of the Academic Board, the Board
itself and perhaps also the Executive Committee of the Governing Council.

The purpose of this proposal is to recommend amendments to section 4.2.2 of the
terms of reference of the Planning and Budget Committee to require that a divisions'
proposals for new academic programs be brought to the Committee only in cases where
such proposals: (a) would require the allocation of additional resources, or (b) would
have significant planning implications in terms of effects outside of the division
proposing to offer the program. It should be stressed that the Committee would continue,
pursuant to section 4.4.1 of its terms of reference to deal with "plans and proposals to
establish, disestablish, or significantly restructure academic *units*." [Emphasis added.]

Current Provision	Proposed Provision
4.4.2 The Committee advises the Academic Board on the planning and resource implications of plans and proposals to establish, disestablish or significantly restructure academic programs. Those implications might include significant planning and budgetary changes within the division or significant effects on other divisions, the University as a whole and the public. [The Committee on Academic Policy and Programs has responsibility for	**4.4.2** Where a proposal for a new program, as defined by the University's Quality Assurance Process*, will have substantial resource implications requiring additions to a division's approved budget, or where there are significant effects outside of the division offering the program, the Committee advises the Academic Board on the planning and resource implications of the proposal and, if it deems it appropriate (a) concurs with the recommendation of the Committee on

**Planning and Budget Committee: Proposal to Revise the Terms of Reference
Concerning Concurrence with Proposals to Establish New Academic Programs**
(Cont'd)

considering the curricular aspects of academic program proposals.]
 	
 [Changes within a degree program that do not meet the above definition and do not require the allocation of additional resources from sources outside the division are considered by the Committee on Academic Policy and Programs and do not require the attention of the Committee. Examples of such changes would include the addition or deletion of a specialist, major or minor program in the Faculty of Arts and Science or changes within such programs where the change can be accommodated without additional budget appropriations, substantial reallocations among departments or significant effects outside of the department(s) offering the program.]
	Academic Policy and Programs to the Academic Board that the proposed program be approved, and (b) where required, recommends the addition to the division's budget. [The Committee on Academic Policy and Programs has responsibility for considering the curricular aspects of academic program proposals.]
	
	 [Proposed program changes that would not require the allocation of additional resources from sources outside the division, and would not have significant effects outside of the division offering the program, do not require the attention of the Committee.]
	
	   * A "new program" is presently defined in the University's Quality Assurance Process, draft dated May 4, 2010, as new undergraduate degrees, undergraduate specialists and majors (for which a similar specialist/major is not already approved), graduate programs and diplomas, collaborative graduate programs, and new fields in a graduate program.
	
	     This definition, and this note, are subject to change from time to time. Any change will be reported to the Committee for information.

Recommendation

> THAT the proposed amendments to sections 4.4.2 of the terms of
> reference of the Planning and Budget Committee be approved.

UNIVERSITY OF TORONTO

PLANNING AND BUDGET COMMITTEE[1]

1. MEMBERSHIP

1.1 Composition

Membership is about 26, including 2 lay members, 3 students, the Chair or Vice-Chair of the Committee on Academic Policy and Programs (*ex officio*) or the designate of the Chair of the Committee on Academic Policy and Programs, 12 teaching staff, 1 administrative staff, and 3 assessors selected by the President.

The composition of Planning and Budget Committee is as follows:[2]

	GOVERNING COUNCIL	NON-GOVERNING COUNCIL	TOTAL
Administrative Staff	0-1	1-0	1
Alumni	} 2	0	} 2
LGIC Appointees		0	
Teaching Staff	1-2	11-10	12
Students	1-2	2-1	3
Presidential Assessors			3
Ex Officio			
Chancellor	1		1
Chairman	1		1
Vice-Chairman	1		1
President	1		1
Other (from AP&P)	0-1	1-0	1
TOTAL			**26**

The President may appoint annually University Officers as non-voting assessor members of the Committee.

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[1] Also approved as part of the terms of reference of the Planning and Budget Committee (June 1994) was the following:

"The proposal to merge the responsibilities of the present Budget and Planning and Priorities Committees is intended to eliminate existing overlaps in jurisdiction, which have resulted in a number of important issues being examined in an unnecessarily artificial manner in several forums. Equally important is the need to ensure that increasing demands for accountability can be responded to in an effective manner. To this end, the proposal entails additional delegation of authority with appropriate reporting to the Committee, streamlined approval processes and increased flexibility for the Chair of the Committee in agenda planning. Further opportunities in these areas should be identified as the new Committee begins to operate."

[2] Members of Governing Council may or may not be members of the Academic Board. Non-members of Governing Council must be members of the Academic Board.

When sufficient governors are not available, the number of non-governor members is increased to the required total.

The seats for 12 members of the teaching staff should be allocated between members elected to the Governing Council and/or the Academic Board and those who hold their seats *ex officio,* in the ratio of their seats on the Board: 8 elected teaching staff and 4 deans or principals.

The total size of the Committee may be varied slightly, up or down, with the approval of the Chairman of Governing Council .

1.2 Term

Terms are for one year, beginning July 1, and may be renewed.

1.3 Chair and Vice-Chair

The Chair and Vice-Chair shall be appointed by the Academic Board.

2. QUORUM

One-third of the voting members (normally 9).

3. FUNCTION

The Committee, which reports to the Academic Board, is responsible for monitoring, reviewing and making recommendations concerning a broad range of planning issues and priorities and for the use of University resources (including, but not limited to: staff positions, funds, space and facilities, and campus lands). Many of the matters within the Committee's scope are matters that have an impact on relationships amongst divisions and relationships between the University and the community at large.

4. AREAS OF RESPONSIBILITY

4.1 Planning and Monitoring

The Committee is responsible for policy on planning. The Committee reviews and makes recommendations on the University's general planning framework.[3] Specific areas in which recommendations are made to the Academic Board include:

- policy on the organization of planning;
- statements of the University's mission or general objectives;
- statements of multi-year University principles and objectives for academic planning;
- statements of general divisional objectives;
- enrolment plans and policies;
- long-range planning and/or (operating and capital) budget guidelines;
- strategic planning framework for research.

The Committee is responsible for monitoring planning activities and documents as may be required by general policy, as specified herein or by resolution of the Academic

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[3] Individual academic plans are approved by the Vice-President and Provost.

Board. The Committee receives periodic reports from the Vice-President and Provost on the implementation of academic plans.

The Committee reviews, on its own decision or on the recommendation of the Vice-President and Provost, the academic and budget plans of divisions in cases where a division is substantially altering its programs or having significant difficulty in implementing approved plans.

The Committee conducts periodic reviews of the budget plans of non-academic portfolios, to consider appropriateness of resources and effective and efficient use of resources in support of University plans and priorities. [Academic service areas, such as the Library, are the responsibility of the Committee on Academic Policy and Programs.]

4.2 Campus and facilities

4.2.1 Policy

Campus master plans and policy governing the approval of capital plans and projects are recommended to the Academic Board for consideration.

4.2.2 Capital guidelines and plans

Plans are recommended to the Academic Board for consideration.

4.2.3 Individual plans and projects

The Committee considers reports of project planning committees and recommends to the Academic Board approval in principle of projects (i.e. site, space plan, overall cost and sources of funds) with a capital cost as specified in the Policy on Capital Planning and Capital Projects. [The Business Board is responsible for approving the establishment of appropriations for individual projects and authorizing their execution within the approved costs.] The level of approval required is dependent on the cost of the project.[4]

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[4]The current requirements, as defined in the Policy on Capital Planning and Capital Projects, are:

(a)   Capital Projects
- Capital projects with a projected cost of more than $2-million - Governing Council approval on the recommendation of the Academic Board and the Planning and Budget Committee.
- Capital projects with a total cost between $50,000 and $2-million - Accommodations and Facilities Directorate approval. All such projects shall be reported annually to the Governing Council through the Academic Board and the Planning and Budget Committee.
- Projects costing less than $50,000, in total, and funded by a unit, approved by the unit and reported to the Accommodations and Facilities Directorate. For small projects costing less than $3,000 the projects are, for reporting purposes, pooled and identified as small projects, with the total cost of such projects provided.

(b)   Infrastructure Renewal Projects
- Infrastructure Renewal projects with a projected cost of more than $2-million - Governing Council approval on the recommendation of the Academic Board and the Planning and Budget Committee.
- Infrastructure Renewal projects with a total cost between $50,000 and $2-million - Accommodations and Facilities Directorate approval.
- A listing of all Infrastructure Renewal projects requiring attention shall be forwarded annually for information to the Governing Council through the Academic Board and the Planning and Budget Committee.

Significant changes to a space program/approved project require the same level of approval as the original proposal.

4.3 Operating and designated funds

4.3.1 Budget guidelines

The Committee recommends to the Academic Board for consideration guidelines for long-range planning and budgeting that are the basis for the development of the University's annual Operating Budget.

4.3.2 Annual operating budget

The Committee considers for inclusion in the proposed Operating Budget the major components of the Budget, such as changes to Policies and Procedures for Budget Preparation, Contractual Obligations and Policy Commitments, allocation of Funds, General University Expenses, and Facilities Renewal Funds.

The annual budget is considered by the Committee for recommendation to the Academic Board. [Once the budget is recommended by the Academic Board, the concurrence of the Business Board is sought in regard to fiscal soundness before it is forwarded to Council.]

The Committee receives regular reports on the status of long-range budget guidelines, projections, and the strategic budget model.

4.3.3 Designated funds

The Committee is responsible for recommending to the Academic Board for consideration the creation and allocation of general University Funds established in the Operating Budget, Capital Renewal Fund or elsewhere.

4.4. Academic units and programs

4.4.1 The Committee recommends to the Academic Board on plans and proposals to establish, disestablish, or significantly restructure academic units, here defined as "faculties, schools, colleges, departments, centres and institutes with teaching, or teaching and research functions, undergraduate degree programs, and graduate degree programs", regardless of the source of funds.

4.4.2 ~~The Committee advises the Academic Board on the planning and resource implications of plans and proposals to establish, disestablish or significantly restructure academic programs. Those implications might include significant planning and budgetary changes within the division or significant effects on other divisions, the University as a whole and the public. [The Committee on Academic Policy and Programs has responsibility for considering the curricular aspects of academic program proposals.]~~

~~[Changes within a degree program that do not meet the above definition and do not require the allocation of additional resources from sources outside the division are considered by the Committee on Academic Policy and Programs and do not require the attention of the Committee. Examples of such changes would include the addition or~~

~~deletion of a specialist, major or minor program in the Faculty of Arts and Science or changes within such programs where the change can be accommodated without additional budget appropriations, substantial reallocations among departments or significant effects outside of the department(s) offering the program.]~~

4.4.2 Where a proposal for a new program, as defined by the University's Quality Assurance Process*, will have substantial resource implications requiring additions to a division's approved budget, or where there are significant effects outside of the division offering the program, the Committee advises the Academic Board on the planning and resource implications of the proposal and, if it deems it appropriate (a) concurs with the recommendation of the Committee on Academic Policy and Programs to the Academic Board that the proposed program be approved, and (b) where required, recommends the addition to the division's budget. [The Committee on Academic Policy and Programs has responsibility for considering the curricular aspects of academic program proposals.]

[Proposed program changes that would not require the allocation of additional resources from sources outside the division, and would not have significant effects outside of the division offering the program, do not require the attention of the Committee.]

* A "new program" is presently defined in the University's Quality Assurance Process, draft dated May 4, 2010, as new undergraduate degrees, undergraduate specialists and majors (for which a similar specialist/major is not already approved), graduate programs and diplomas, collaborative graduate programs, and new fields in a graduate program.

This definition, and this note, are subject to change from time to time. Any change will be reported to the Committee for information.

4.5   Policy submissions to and agreements with external bodies

4.5.1 Submissions that establish new policy positions will be reviewed first by either the Committee or by another Governing Council body approved by the Executive Committee. In the case of the latter, the Committee shall be informed of the nature of the submission.

Submissions to external agencies that summarize existing policies and practices are the responsibility of the President and should be submitted for information to the appropriate body of Governing Council.

4.5.2 The Committee recommends to the Academic Board for consideration templates for agreements with external bodies. Individual agreements that do not conform to the template are reviewed by the Committee for recommendation to the Academic Board and confirmation by the Executive Committee. [Agreements that conform to the template are approved by the Vice-President and Provost.]

4.6 Incorporation of associated organizations and research ancillaries

The Committee recommends approval, in principle to the Academic Board. [The Business Board is responsible for matters concerning the arrangements for incorporation.]

4.7 Chairs and professorships

The Committee is responsible for making recommendations with respect to the *Policy on Endowed Chairs, Professorships, Lectureships and Programs*. Approval of the establishment of individual chairs, etc., which fully conform to the *Policy*, is delegated to the President, with annual reports to the Committee on approvals given. The Committee considers, for recommendation to the Academic Board, proposals that do not conform to the *Policy.*

4.8 Priorities for fundraising

The Committee recommends to the Academic Board, for concurrence with the Business Board, on the ranking of priorities for major fundraising campaigns. [Policy concerning University development and fundraising campaigns is within the authority of the Business Board. Plans for fundraising campaigns are approved by the Governing Council on the recommendation of the Business Board.]

5. PROCEDURES

The Committee usually meets in open session but may, pursuant to section 33 of By-Law Number 2, meet in closed session or *in camera* when: (i) matters may be disclosed at the meeting of such a nature, having regard to the circumstances, that the desirability of avoiding open discussion thereof outweighs the desirability of adhering to the principle that meetings be open to the public; or (ii) intimate financial or personal matters of any person may be disclosed at the meeting or any part thereof.

In establishing agendas for meetings of the Committee, the Chair normally will be advised by a planning group that includes the Vice-Chair, two other members of the Committee, recommended by the Academic Board Striking Committee and approved by the Academic Board, and the voting and non-voting assessors. The proposed agenda for a meeting, together with background documentation, is reviewed at an agenda planning group meeting scheduled ten to fourteen days prior to the Committee meeting.
The Chair of the Committee, with the advice of the Committee's agenda planning group and subject to the duly established authority of the Agenda Committee of the Academic Board, the Academic Board, and the Executive Committee of Governing Council, has the authority to interpret the terms of reference of the Committee with respect to whether an item should be placed on the Committee's agenda (for approval or discussion) or should be circulated for information and/or comment apart from the Committee's agenda.

May 28, 2002

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