



TO: **Planning and Budget Committee**

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DATE: For meeting on February 29, 2012

AGENDA ITEM: 4

ITEM IDENTIFICATION

- Long Range Budget Guidelines: 2012-13 to 2016-17 and Budget Report for 2012-13

JURISDICTIONAL INFORMATION

Excerpt from the terms of reference for the Planning and Budget Committee:

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

HIGHLIGHTS

This report introduces the proposed Long Range Budget Guidelines for the five-year budget cycle 2012-13 to 2016-17, including the detailed annual budget for fiscal year 2012-13. Projections for the outer years of the cycle provide the framework in which the University's budget will be prepared as foreseen at the time of preparation of this report. They are provided to facilitate planning, and will be updated as appropriate each year to reflect changes in the economic conditions and the most recent information regarding the University's revenues and expenses. It is important to note that the operating budget is prepared on a cash basis.

Like many public sector organizations with defined benefit pension plans, the most challenging issue facing the University of Toronto is the need to fund the pension deficit and place the pension plan on a sustainable footing. The Ontario Government has not agreed to exempt universities but has recently agreed that universities should be given some flexibility regarding payment of Solvency Deficits through a temporary solvency relief program. If the University meets certain metrics – and therefore provides some evidence to the Provincial Government that the long term sustainability of the Pension Plan has been enhanced – the Solvency Deficit can be

amortized over a longer period than five years. A two stage process was initiated that will allow universities to make net solvency payments over a longer period than would otherwise be required. Metrics were put in place to measure an institution's ability to enter Stage 1, and then to move on to Stage 2. The University has recently been accepted to Stage 1 and the required special payments are now known for the period July 1, 2011 to June 30, 2015 provided that no further actuarial valuations are required to be filed prior to July 1, 2014. Funding these solvency special payments places a heavy burden on academic divisions.

The economic climate continues to present further financial challenges as the University looks to the next five years. Uncertainty prevails with regard to provincial operating grants and a new provincial tuition framework.

Deans have demonstrated an outstanding capacity to cope with these challenges by developing strategic and creative multi-year budget plans, which maintain and enhance academic priorities while minimizing the impact of the economic volatility on the student experience. Leaders of shared-service portfolios have also risen to the challenge, seeking efficiencies and collaborations wherever possible. Despite, or perhaps because of, the continued downturn in the economy, enrolment remains very strong and the University continues to attract excellent domestic and international students. The value of a post-secondary education is only becoming clearer. Plans are under development to ensure the University of Toronto participates in the Province's next phase of enrolment expansion.

The \$2 billion Boundless Campaign was launched in November 2011. To date \$1 billion has been raised and divisional planning is well underway to continue to raise funds for student aid, endowed chairs and capital projects.

Against this background of uncertainty and cost-constraint, the University projects growth in total revenue of \$113 million in 2012-13 (6.7% over 2011-12) and \$528 million over the planning period. The total operating budget for 2012-13 is expected to be \$1.8 billion. Projected growth in revenue stems primarily from planned increases in both domestic and international enrolments as well as tuition revenue increases resulting from higher enrolments and assumes continuation of the existing provincial tuition framework, which allows for modest annual increases on domestic tuition of no more than 5% on average; the actual average increase at the University of Toronto over the past six years under the framework has been approximately 4.3%. Expenditure plans assume that the University will be granted Stage 2 pension solvency relief and pension special payments will increase to \$97 million per year by 2015-16. The alternative, failure to achieve Stage 2 solvency relief, resulting in pension special payments of approximately \$200 million per year, would cripple the University and this scenario is not contemplated in this report.

Allocations to shared-services are cautious, yet recognize the importance of continued investment in vital services. The University plans for an overall balanced budget in 2012-13, and in each of the following years. The institutional accumulated deficit will be fully paid in 2012-13. Divisional deficits arising from the cancellation of the 2009 endowment payout will be fully paid in 2014-15. This is a prudent budget for precarious times.

FINANCIAL AND/OR PLANNING IMPLICATIONS

Total revenue is projected to increase from \$1688M in 2011-12 to \$1801M in 2012-13. A large portion of this increase is in tuition revenues generated from the flow-through of higher enrolment levels and increases in tuition fees of 4.30% on average for domestic students and 6.35% on average for international students. Tuition revenue has increased in large measure by

increasing international enrolment and increasing graduate enrolment. But the former type of increase in tuition revenue requires significant investment in services to ensure a high-quality experience and the success of our international students. The latter kind of increase in tuition revenue comes at significant cost once graduate student funding packages and other supports are taken into consideration. We continue to advocate with the provincial government on how important it is for the province and the county that we are enabled to bring in more international graduate students.

Demographic projections are such that we anticipate a continuing rise in demand for university places, particularly in the GTA. Our plans call for most of the undergraduate growth to be on the Mississauga and Scarborough campuses as called for in the University's *Towards 2030* plan. Small undergraduate increases are also planned in the faculties of Music; Kinesiology and Physical Education; Architecture and Landscape Design; and Applied Science and Engineering. Future growth on the Scarborough campus is still heavily dependent on funding for capital expansion. Undergraduate enrolment at St. George Arts and Science will remain constant at the 2011 level. Expansion of graduate enrolment is also planned at all three campuses, once again in accordance with the direction set by the *Towards 2030* plan.

The only increase in the provincial operating grant is due to undergraduate and graduate expansion. University revenues in 2012-13, excluding divisional income and funds that flow to other institutions, are increasing by \$99.2M over 2011-12. Expenditures on student aid from the operating fund are expected to increase by \$9.4M and total central expenses are projected to increase by \$29.4M (including \$20M pension special payment) before implementing the proposed cost containment of \$3.3M in central administrative divisions for 2012-13. The increase in expenditures includes increases in compensation in the administrative divisions but does not account for increases in the academic divisions. The incremental net revenue available to the academic divisions in 2012-13 is estimated at \$64.2M.

Increases in compensation costs, graduate student support and capital debt-service support and repayment of divisional accumulated deficits in the academic divisions are estimated to be about \$42M in 2012-13 and \$232M over the planning period, based on the budget assumptions and the available enrolment and capital project estimates. This leaves academic divisions with an overall balance of \$22M in 2012-13, to be used toward new initiatives. The impact of budget projections varies considerably from division to division.

The historical accumulated deficit is projected to drop to \$21M by the end of the 2012 fiscal year. A final payment of \$10.3M will be made next year. The divisional accumulated deficit, approved three years ago to manage the impact of the endowment payout cancellation, will be repaid with equal installments of \$3.6M over three more years.

RECOMMENDATION

THAT the *Budget Report 2012-13* be approved, and

THAT the *Long Range Budget Guidelines 2012-13 to 2016-17* be approved in principle.

**Long Range Budget Guidelines 2012-13 to 2016-17
and Budget Report 2012-13**



UNIVERSITY OF
TORONTO

February 22, 2012

Budget Highlights

This report introduces the proposed Long Range Budget Guidelines for the five-year budget cycle 2012-13 to 2016-17, including the detailed annual budget for fiscal year 2012-13. Projections for the outer years of the cycle provide the framework in which the University's budget will be prepared for fiscal years 2014 to 2017 as foreseen at the time of preparation of this report. They are provided to facilitate planning, and will be updated as appropriate each year to reflect changes in the economic conditions and the most recent information regarding the University's revenues and expenses. It is important to note that the operating budget is prepared on a cash basis.

Like many public sector organizations with defined benefit pension plans, a key issue facing the University of Toronto is the need to fund the pension deficit and place the pension plan on a sustainable footing. The Ontario Government has not agreed to exempt universities but has recently agreed that universities should be given some flexibility regarding payment of Solvency Deficits through a temporary solvency relief program. If the University meets certain metrics – and therefore provides some evidence to the Provincial Government that the long term sustainability of the Pension Plan has been enhanced – the Solvency Deficit can be amortized over a longer period than five years. A two-stage process was initiated that will allow universities to make net solvency payments over a longer period than would otherwise be required. The University has recently been accepted to Stage 1 and the required special payments are now known for the period July 1, 2011 to June 30, 2015 provided that no further actuarial valuations are required to be filed prior to July 1, 2014. Funding required beyond that date depends on acceptance to Stage 2 of the program and on the financial status of the plans at that time. Metrics were put in place to measure an institution's ability to enter Stage 2. Funding these solvency special payments places a heavy burden on academic divisions.

The economic climate continues to present further financial challenges as the University looks to the next five years. Uncertainty prevails with regard to provincial operating grants and a new provincial tuition framework.

Deans have demonstrated an outstanding capacity to cope with these challenges by developing strategic and creative multi-year budget plans, which maintain and enhance academic priorities while minimizing the impact of the economic volatility on the student experience. Leaders of shared-service portfolios have also risen to the challenge, seeking efficiencies and collaborations wherever possible. Despite, or perhaps because of, the continued downturn in the economy, enrolment remains very strong and the University continues to attract excellent domestic and international students. The value of a post-secondary education is only becoming

clearer. Plans are under development to ensure the University of Toronto participates in the Province's next phase of enrolment expansion.

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Fiscal Context

The Economic Climate

Globally, the economic outlook continues to present significant financial challenges. Canada has weathered the turbulence better than many other economies, but we are in no way insulated from these challenges. The Bank of Canada recently revised downward its growth trajectory for Canada and the U.S. for 2012. The Provincial Government has signaled spending cuts across most ministries in the upcoming provincial budget in order to address the \$16 billion deficit. Interest rates have remained at historically low levels, weakening investment returns and persisting as a factor that sharply increases the calculated deficit in our pension plan. These circumstances contribute to the challenges and uncertainties the University faces in preparing a fiscally responsible budget, while protecting our academic mission.

Pension

Like almost every other Canadian and US public sector institution that sponsors a defined benefit pension plan, the University is facing a pension deficit. Stage 1 of the process is a three-year period from July 1, 2011 to July 1, 2014 during which there would be a solvency funding exemption, subject to various tests, of which one would be making going concern special payments that at least cover interest on the solvency deficit. The University has recently been accepted to Stage 1 and the required special payments are now known for the period July 1, 2011 to June 30, 2015. At the end of Stage 1, our plan will be assessed, based on technical measures, to determine whether sufficient progress in meeting the sustainability commitments has been made. If the assessment is that we have made sufficient progress then we are eligible to enter Stage 2 of the process. Under Stage 2, the solvency deficit can be amortized over 10 years, that is, from July 1, 2014 to June 30, 2024, instead of the regular 5 year period. If we fail to enter Stage 2, we will be required to fund the solvency deficit over 5 years.

The planned strategy for dealing with this deficit, which assumes acceptance to Stage 2 of the Ontario Government's temporary solvency funding relief programme, includes lump sum payments, annual special payments and non-cash letters of credit.

The impact of this strategy on the operating fund is an increase of \$70 million per annum to the pension annual special payments budget, increasing from \$27.2 million per annum in 2010-11 to \$97.2 million by 2014-15, via a series of base budget increases including \$30 million in 2011-12, (which was approved as part of the Budget Report for 2011-12), \$20 million in 2012-13, \$10 million in 2013-14, \$5 million in 2014-15 and \$5 million in 2015-16. This increased budget allocation will be used to maintain the pension contribution strategy, including required special payments into the registered pension plans and other costs related to the pension contribution strategy such as pension payments to Supplemental Retirement Arrangement pensioners.

The special payments to fund the going concern deficit run until 2029 and the costs related to the lump sum payments run for a number of years after that. Even if interest rates increase and the deficit calculated on a solvency basis decreases, this operating budget special allocation to fund the pension contribution strategy is not expected to decrease since the net solvency payments simply represent an acceleration of going concern special payments. If the University were not accepted to Stage 2 of the temporary solvency funding relief programme, the annual special payments would be much higher than provided for in the current plan, and would be approximately \$200 million per annum.

Enrolment

Enrolment is the primary driver of operating revenue, generating approximately 90% of general university revenues. The University has experienced a period of many years in which enrolments on the three campuses increased significantly. The corresponding increase in

revenue has helped mitigate somewhat the impact of the lack of growth in per-student grant funding relative to inflation. But increased enrolments have exacerbated pressure on faculty-student ratios and on student space.

Last year the provincial government announced funding for 60,000 new spaces in colleges and universities. This includes 6,000 graduate spaces and 35,000 undergraduate spaces for the university sector. Specific details on allocations to individual universities are not available yet. Divisional multi-year enrolment growth plans have been worked out over the last several months and these will be used as the basis for the University's submission to the Ministry of Training, Colleges and Universities (MTCU.) The University has been able to attract very high quality students. Entering averages are carefully monitored year over year and are getting stronger. Early application statistics for this year indicate that the University remains on this trajectory in both applicant numbers and quality.

Our plans call for most of the undergraduate growth to be on the Mississauga and Scarborough campuses as called for in the University's *Towards 2030* plan. Small undergraduate increases are also planned in the faculties of Music; Kinesiology and Physical Education; Architecture and Landscape Design; and Applied Science and Engineering. Future growth on the Scarborough campus is still heavily dependent on funding for capital expansion. Enrolment intake for undergraduate students at St. George Arts and Science will remain at the 2011 level. Expansion of graduate enrolment is also planned at all three campuses, once again in accordance with the direction set by the *Towards 2030* plan.

Enrolment plans, upon which revenue projections are based for the five-year period, are summarized in the table below.

	2011-12A	2012-13P	2013-14P	2014-15P	2015-16P	2016-17P
UG Domestic FTE	47,485	48,035	48,688	49,510	50,076	50,406
UG International FTE	7,260	7,756	8,267	8,741	9,155	9,468
Grad Domestic FTE	12,168	12,650	13,119	13,512	13,914	14,104
Grad Inter. FTE	1,913	1,948	2,025	2,096	2,142	2,178
Total FTE	68,826	70,389	72,099	73,858	75,288	76,157

Provincial Grant

The provincial grant has in the past represented the largest portion of the University's revenue. Government operating funding per student, even when we include quality funds introduced in recent years, has decreased in real terms by about almost 40%, relative to 1992-93, when

adjusted for CPI. Per-student funding in Ontario lags behind all other provinces and this shortfall damages some of Canada's finest universities. The drop in the provincial grant has dramatically altered the size and composition of the University of Toronto operating budget. Last year, for the first time since the current funding model was introduced by the Province in the 1960s, government grants represented a smaller proportion of total operating revenue (\$1.8 billion) than tuition revenue. This trend continues in 2012-13 with government grants expected to represent 36% of total operating revenue in 2012-13 declining to 31% by 2016-17.

Tuition Fees and Student Assistance

Tuition fees at the University of Toronto are determined in accordance with the University's Tuition Fee Policy, the Statement of Commitment Regarding International Students and the Provincial Government's Tuition Framework. A provincial framework for tuition and student aid has been in place for the last six years (2006-07 through to 2011-12) and has now expired. Over this period, domestic tuition fees were regulated and increases were allowed subject to accessibility guarantees. Under the Tuition Framework, tuition fees for entering students in Arts and Science and selected other undergraduate programs may increase by a maximum of 4.5%. Tuition fees for entering students in graduate and high-cost professional programs may be increased by a maximum of 8%. Increases in tuition fees for continuing students in any program may not exceed 4%. Overall, the average increase in tuition for all students in any institution may not exceed 5%. The projected average for the University of Toronto in 2012-13 is 4.30%.

In the absence of a new framework the University will assume a continuation of the parameters mandated in the old framework.

It is important to note that tuition revenue increases are a result of both increased tuition fees and higher enrolments.

The (expired) tuition framework was accompanied by a Student Access Guarantee (SAG.) The SAG requires universities to provide enough financial aid to cover a student's assessed needs for expenses directly related to his or her program, including books, tuition and mandatory fees, that are not fully met by OSAP.

The University of Toronto is independently committed to student aid and is guided by the 1998 Governing Council policy on accessibility, which predates the government's framework, and will continue to drive our funding for needs-based student aid. The policy contains the following Statement of Principle:

"No student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means."

Federal Funding

Funding from the federal government is provided to universities primarily to support research and is not generally part of the University's operating budget. However, it interacts with the University's operating budget in three important areas: Canada Research Chairs, the institutional cost of research, and graduate student support.

The Canada Research Chairs program introduced in 2000-01 provides salary and research support for outstanding university researchers on a competitive basis. Research chairs are awarded to each university based on its share of research funding by the federal granting councils. Since the CRC program was introduced, inflation has reduced the effective value of Chair funding by over 20%. An appropriate adjustment to Chair funding is long overdue.

The funds received from the federal granting councils must be used exclusively to cover the direct costs of research, such as personnel and supplies. The less direct but equally necessary expenses incurred as a result of research activity are very significant and are borne by the universities' operating budgets. At the University of Toronto, they have been estimated to be well in excess of 50% of direct expenditures on research.

As a long-standing subject of government advocacy, universities have been requesting that the federal government recognize the full cost of research in its research funding policy, with a 40% rate as a minimum target for the indirect costs. The government started to provide institutional costs of research (ICR) funding in 2001-02, with an effective rate for the University of Toronto now at 17.8%. This is currently contributing about \$19 million to the University's operating budget, which continues to be considerably short of the actual institutional cost of research, and of what sister institutions in the U.S., U.K. and Europe receive. There has been no signal from the government that they will address this long-standing issue of alleviating the financial burden of the hidden costs of conducting research. A doubling of the federal ICR rate to close to \$40 million would put us almost in line with our competitors and would have a significant impact on allowing the research intensive divisions to close the gap on their structural deficits. Without a change in the funding formula, each additional dollar of research funding places a higher burden on the University's operating funds.

The federal government supports graduate students by providing fellowships on a competitive basis. Although these funds do not flow through the University's budget, they provide indirect budget relief to the academic divisions by freeing up funds that would otherwise have to be used for graduate student support. There are also several federal programs for student support. The support for graduate students has not kept pace with the rapid growth in graduate enrolment.

Compensation

Approximately 75% of operating budget expenditures fund salaries and benefits. Compensation expense increases due to negotiated salary increases for employee groups and due to the additional number of faculty to support the growth in students and research activity. Over the last three years faculty FTEs have increased by 144 operating-funded positions and staff FTEs by 246 positions.

In 2010 the Provincial Government announced Bill 16, the Public Sector Compensation Restraint Act. The legislation required compensation restraint, for a two year period, effective March 24, 2010 for all public sector employees who do not bargain collectively. At the University this group includes Professional/Managerial, Confidentials and Advancement staff. The legislation comes to an end in March 2012, and the budget assumes across-the board increases will resume for these groups, commensurate with settlements reached by other employee groups.

Ensuring the long term sustainability of the pension plan remains an overarching objective in negotiating salary and benefit agreements with employee groups. As part of its solvency relief program, the Government requires that employees and the University more closely share the cost of providing the benefit, leading to increased sustainability for the pension plan. We have been actively engaged, and so far successful in some agreements, in seeking increased employee pension contributions. Negotiations are ongoing with other bargaining groups.

Other Future Liabilities

The University has many future liabilities, not currently funded directly through the operating budget.

Deferred maintenance across the three campuses is estimated at \$422 million. The operating budget sets aside approximately \$12 million annually. This funding, in addition to any provincial Facilities Renewal Program (FRP) funds, attempts to at least maintain the current conditions of the buildings and minimize the chance of unforeseen major expenditures.

The Ancillary operations' cumulative deficit is projected to be \$85 million at April 30, 2012. The ancillary operations deficit is primarily due to the internal financing of capital projects, which has the impact of increasing both the University's overall deficit and the investment in capital assets.

The capital fund cumulative deficit is projected to be \$46 million at April 30, 2012. The capital fund deficit is also primarily due to the internal financing of capital projects, which has the impact of increasing both the University's overall deficit and the investment in capital assets.

The Budget Process

The Planning Process

This budget represents the culmination of many months of planning and the decisions of many academic and administrative units. An essential component of the annual budget process is the process for budgetary reviews for both academic and service divisions. Two review processes are conducted annually, one for shared-infrastructure and the associated university-wide costs, and the other for the academic divisions.

Each shared-infrastructure division prepares multi-year budget plans for its units. These plans are reviewed by the President, who takes advice from the Divisional Advisory Committee. The committee includes a representation of tri-campus principals and deans. The purpose of the reviews is two-fold. First, it ensures that any proposed changes in service are aligned with the needs and priorities of the academic enterprise. The second objective is to establish spending priorities and to ensure that all possible cost reductions have been examined. Decisions on funding allocations to the service divisions are prepared based on these reviews.

Also, each academic division annually submits a multi-year budget plan to the Provost based on its academic plans. Revenue projections are based on the division's enrolment plans, new program offerings, etc. Expense projections take into account cost increases, changes in faculty and staff complement, student financial support, and so on. These plans are discussed in individual review meetings with a Provostial committee and the reviews inform approvals of academic appointments, allocations from the University Fund, and academic reserve funds. The reviews also identify capital priorities and support the development of advancement priorities.

The review process, whether for academic or administrative divisions, amounts to a high level of engagement by deans, directors and all members of the senior administration in the budget process. As a result, budgetary allocations are informed not only by the overall budget situation of the University but also by the circumstances of individual divisions and by their academic values and priorities. Cost containment measures, which are often necessary because of the constraints on revenue, are applied by each academic division based on its own circumstances.

The review process also promotes a better alignment of the University-wide services with the needs of the academic divisions. The involvement of members of the senior administration leads to a deeper understanding of the nature of the University's expenses, how services can be best delivered, and where and how savings may be realized.

The University's Budget Model

The University of Toronto adopted a new approach to budgetary allocations starting in 2007-08. Information on the budget model can be found on the [Provost's website](#).

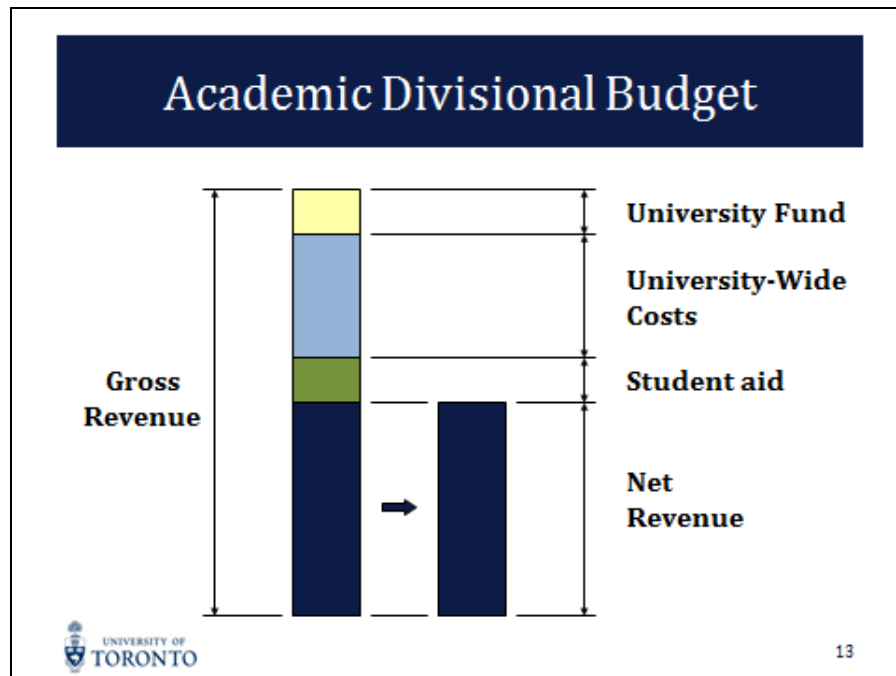
The fundamental guiding principle underlying the budget model is *“The budget allocation process is a primary tool for the implementation of the university’s academic plans and academic priorities.”* The model has three basic objectives:

- to provide a high degree of transparency, enabling all levels of university administration and governance to have a clear understanding of university revenues and expenses,
- to introduce broadly-based incentives to strengthen the financial health of the university by increasing revenues and reducing expenses, and
- to encourage a higher level of engagement of all senior levels of administration in budget planning for academic divisions and in recommending priorities and budgetary allocations for Shared infrastructure.

A review of the budget model was conducted in 2010-11 and the results of the review indicate that the budget model is meeting these objectives and serving the University well. In fact it has enabled the University to manage its resources with greater resilience and creativity through the recent challenging fiscal circumstances. The review report can be found on the [Planning & Budget website](#).

The model introduced a simple methodology for attributing revenues and the costs of Shared infrastructure to all divisions. A major portion of the expense budget allocated to an academic division is its *Net Revenue*, which is equal to its share of the University’s gross revenue less its share of expenses and its contribution to student aid and to a university-wide fund called the University Fund. A division’s net revenue reflects its programs, student enrolments, fund raising activities, research, etc. Hence, divisions benefit as these activities bring more revenue. Divisions also benefit when, in cooperation with central service units, they are able to make more efficient use of the shared resources.

The remainder of the divisional budget is an allocation from the University Fund. This is an entirely non-formulaic allocation, intended to provide funding in accordance with the University’s academic values and priorities. It ensures that the total budget of a division is determined by the University’s own priorities rather than by those of an external body. It also enables the University to recognize differences in the cost of delivery of various programs. The graph on the following page provides a visual presentation of how academic budgets are derived.



The process of attributing revenues and costs to divisions has been designed to minimize administrative overhead. For example, no transaction accounting is used to attribute the cost of a particular service. Instead, revenues and costs are attributed using readily available and verifiable parameters that provide a reasonable basis for the distribution of revenue or a suitable measure of the extent to which a division uses a particular resource or service. These measures are referred to as revenue drivers and cost drivers, respectively. They include such parameters as number of students, number of faculty, usable space area occupied, etc.

The budget planning cycle is based on a five-year rolling window. Budget assumptions used in the Long Range Budget Guidelines are updated each year, and new assumptions are prepared for one additional year. Revised revenue and expense projections are then prepared for the new cycle based on these assumptions.

Surplus/Deficit Management

Governing Council guidelines for deficit control were revised in 2008 as a result of the change from a fixed to a rolling-window planning cycle. According to these guidelines, the University should strive to plan a balanced budget in every year of the cycle. In addition, any outstanding accumulated deficit from previous years should be reduced to zero by the end of the five-year planning period. An in-year deficit may be allowed in some years to facilitate planning, recognizing that fluctuations often occur in enrolments, government grants, investment income, etc. A planned deficit may also be necessary in exceptional circumstances. Planned budgetary deficits should also be repaid over five years.

The University's budget is prepared as an aggregation of the expense budgets of individual divisions. Budget plans for both the academic and administrative divisions are reviewed and approved annually by the President and the Provost, with the assistance of appropriate advisory committees, as explained above. Hence, the deficit or surplus in the University's integrated budget is a result of the aggregated plans of individual divisions. These management control mechanisms encourage divisions to operate within their budgets and to minimize the level of a planned budget deficit when one is necessary.

Structure of the Long Range Budget Guidelines Report

The long range budget guidelines, including the 2012-13 budget, are presented in the budget schedules in Appendix A. The projections are presented in six schedules. The first three include an institutional overview of revenues and expenses:

- Schedule 1 provides a summary of projected revenue and expense, as well as the planned accumulated deficit repayment schedule
- Schedule 2 shows line-by-line, year-over-year increases of various university-wide expenses and funds, grouped in the following four categories: Contractual Obligations, Capital and Maintenance, Funding for Administrative/Academic Service Divisions, and University-wide Funds.
- Schedule 3 provides a different view of expenses, grouped by the 12 cost bins defined in the budget model, which are the basis for cost attribution to divisions.

Schedules 4-6 provide supporting information:

- Schedule 4 is not technically part of the budget, but rather provides an overview of the impact of the budget on academic divisions
- Schedule 5 contains a detailed summary of revenue attributions and deductions by division for 2012-13.
- Schedule 6 provides multi-year projections by division for the five-year budget cycle.

A complete list of budget assumptions is given in Appendix B. The assumptions used in the long range projections are responsible, fiscally prudent and as realistic as possible given the high level of uncertainty related to the economic environment. Appendix C provides more detailed information on the University's contractual and non-discretionary obligations. These include such items as the cost of electricity or contractual commitments to other institutions. Appendix D provides additional context in terms of capital expenditures.

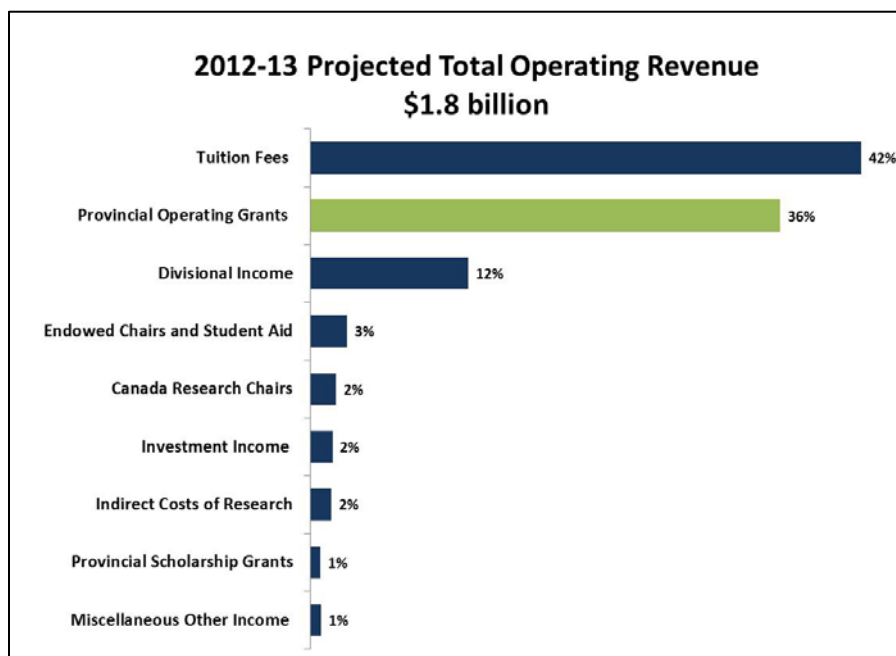
Long Range Budget Guidelines Overview and Assumptions

The information below offers an overview of the key planning assumptions. More detailed planning assumptions are included in Appendix B.

Revenue Projections

Revenues are comprised of general university revenues and divisional revenues. General university revenues are derived primarily from provincial operating grants and tuition fees. They also include investment income, endowment income, scholarship grants, Canada Research Chairs and funding for the indirect costs of research. Divisional revenue is raised directly by divisions and includes revenue from activities such as continuing education, sale of services and cost recovery ancillary fees. Divisional revenues flow directly to divisions and are, for the most part, directly offset related costs. Total operating revenues are projected to increase by \$113 million in 2012-13 to \$1.8 billion (an increase of 6.7 % over the prior year's budget) and by \$528 million over the planning period, — an average increase of 5.6% per year. Of this growth, approximately \$30 million over the five years is derived from divisional revenues.

The chart below displays the major components of total operating revenue (\$1.8 billion) projected for 2012-13.



Operating Grants

An increase of \$10.9 million (1.7%) is projected in the operating grant for 2012-13 and \$51 million (8%) over the next five years. As noted above, this is primarily due to undergraduate enrolment expansion at the University of Toronto Mississauga (UTM), at the University of

Toronto Scarborough (UTSC), in some St. George professional faculties, and tri-campus graduate expansion.

The budget assumes the following:

- The budget projections are based on the most recent divisional enrolment plans and the information available about government funding;
- The budget projections do not include funding for capital expansion;
- The provincial government operating grants will not include an inflationary increase;
- Full-per student funding will be received for all graduate and undergraduate students as per the enrolment plan. This assumption is made despite there being some indication that a small discount (\$1-3 million for the University of Toronto) on funding for undergraduate growth could be implemented by MTCU in 2012-13.

Undergraduate enrolment plans are summarized in the table below:

FTE	2011-12A	2012-13P	2013-14P	2014-15P	2015-16P	2016-17P
UTM	9,644	10,037	10,624	11,333	11,925	12,361
UTSC	8,727	9,250	9,884	10,495	10,893	11,089
St. George	36,373	36,505	36,446	36,423	36,412	36,425
Total FTE	54,745	55,791	56,955	58,250	59,231	59,874

Graduate enrolment plans are summarized in the table below:

FTE	2011-12A	2012-13P	2013-14P	2014-15P	2015-16P	2016-17P
Prof Masters	5,364	5,656	5,953	6,197	6,412	6,514
DS Masters	2,720	2,843	2,941	3,004	3,056	3,059
PhD	5,998	6,099	6,250	6,407	6,589	6,709
Total FTE	14,081	14,598	15,144	15,608	16,057	16,283

Tuition Fees

Tuition fee increases are assumed to be 4.30% on average for domestic students and 6.35% for international students each year. Details on proposed tuition fee increases program by program are found in the Tuition Fee Report, which comes to Governing Council for approval along with this report.

As mentioned above, in the absence of a provincial tuition framework announcement, the long range budget guidelines assume a continuation of the existing framework. An increase of \$81 million (11.7%) is projected in tuition revenue for 2012-13 and \$407 million (58.3%) over the next five years. Of the 2012-13 increase, the portion resulting from proposed increases in tuition fees is \$36 million, of which about \$14 million is domestic. The remaining \$45 million of new revenue is projected due to the flow-through of enrolment increases and previously approved tuition increases as students move to the upper years of their programs.

It should be noted that effective 2012-13 the School of Continuing Studies (SCS) will be brought into the University's budget model. Like other academic divisions, they will contribute 10% of their general revenues (all derived from tuition fees in their case) to the University Fund, and become eligible for University Fund allocations. In order to implement this change, tuition revenue from the School of Continuing Studies has been moved from the Divisional Income – Student Fees section of the budget to the main Tuition Fees revenue line (Appendix A, Schedule 1.) The prior year has been restated in accordance with standard accounting practice. Tuition fees for SCS in 2011-12 have been estimated at \$19.1 million. The 2012-13 budget is projected to be \$20.4 million.

Investment Income

The University receives interest on short- and medium-term investments of the Expendable Funds Investment Pool (EFIP.) This tends to be rather small as a percentage of total operating revenue (about 1.7%), and fluctuates with market conditions.

In 2012-13 investment income is projected to remain similar to last year's level of \$31 million. It is projected to increase to \$58 million over the planning period, assuming increased capital balances and interest rates remaining similar to the current low level.

Other Income

Income from other sources will remain relatively remain similar to last year's level of \$15 million. It is projected to increase slowly to \$18 million over the planning period, (this income source includes primarily application fee revenue and service charges on unpaid fees.)

Endowment Income

The University of Toronto has many generous friends and benefactors, who have contributed a total endowment in excess of \$1.5 billion (value at April 30, 2011.) Endowment income is highly

targeted. Most of this income is directed to student aid and to the support of endowed chairs. The endowment revenue represents a modest but important part of the University's total operating revenue, approximately 3%. With the recent launch of the Boundless campaign, it is anticipated that endowments will increase over the planning period. The long range budget guidelines build in an assumption of modest growth in endowments; this will be adjusted each year as gifts are received. Endowment revenue to support chairs and student aid is projected to increase by approximately \$4 million next year and \$10 million over the planning period. It is important to note that endowment revenue for research and academic program support is not reflected in the operating budget.

The endowment payout projection reflects the strategy set in 2003 with a recommended payout at April 2003 of \$6.60 per unit to increase annually thereafter with inflation. In 2009, the payout was suspended due to severe financial market losses, but it was resumed in 2010 with a payout rate of \$7.26 per unit. For 2012, following the current payout methodology, the payout is projected to be \$7.56 per unit, representing 4.58% of the opening market value of the LTCAP unit. The payout is projected to be held constant at this rate for the following two years. This approach is signaled now in recognition that the investment return to December 31, 2011 is below the projected payout rate. Holding the payout rate constant for two years will facilitate the restoration of the preservation of capital to the required cumulative inflation. Starting in 2014-15 the payout rate is projected to increase by 2% annually, reaching \$8.02 by 2016-17. Endowments support endowed chairs in the year in which the endowment is paid out and student aid on a slip-year basis.

Provincial Scholarship Grants

The Provincial Government has recently announced an end to the Queen Elizabeth II Aiming for the Top Scholarship program. This program has historically provided about \$4.3 million in scholarship funding to our undergraduate students. Students currently receiving the scholarship will remain eligible for renewal. The long range projections include a wind-down of the program phased in over three years.

On the positive side, funding for Ontario Graduate Scholarships is projected to increase to from the current level \$8.5 million to \$10.4 million in 2012-13, as a result of more awards to our students.

The budget projections include revenue, and offsetting expense, for the Ontario Trillium Scholarships (OTS), which were announced in November 2010, but not included in last year's budget as our allocation was not known at that time. The program is designed to help the best doctoral students from around the world to study in Ontario. Each OTS is worth \$40,000 annually and is renewable for a maximum of four years. Seventy five scholarships will be

awarded each year, with the first students being offered scholarships to begin their studies in Ontario this past fall.

Canada Research Chairs

The University recently experienced a reduction of five chairs in our allocation of Canada Research Chairs (CRCs), bringing the number down to 242. The number projected to decrease by 8 chairs, 5 of which are in the hospitals, to a low of 234 increasing to 236 by the end of the planning period; projections include “flex” moves, in which two Tier II chairs can be combined to form one Tier I chair or vice versa at the discretion of the University

Institutional Costs of Research on Grants and Contracts

This category of revenue includes funding from the federal institutional cost of research program (NSERC, SSHRC and CIHR grants) as well as indirect costs on provincial grants and various contracts. Federal funds are projected to decline over the planning period, offset by a projected increase in research overhead funding on contracts. Overall the revenue remains relatively constant.

Divisional Income

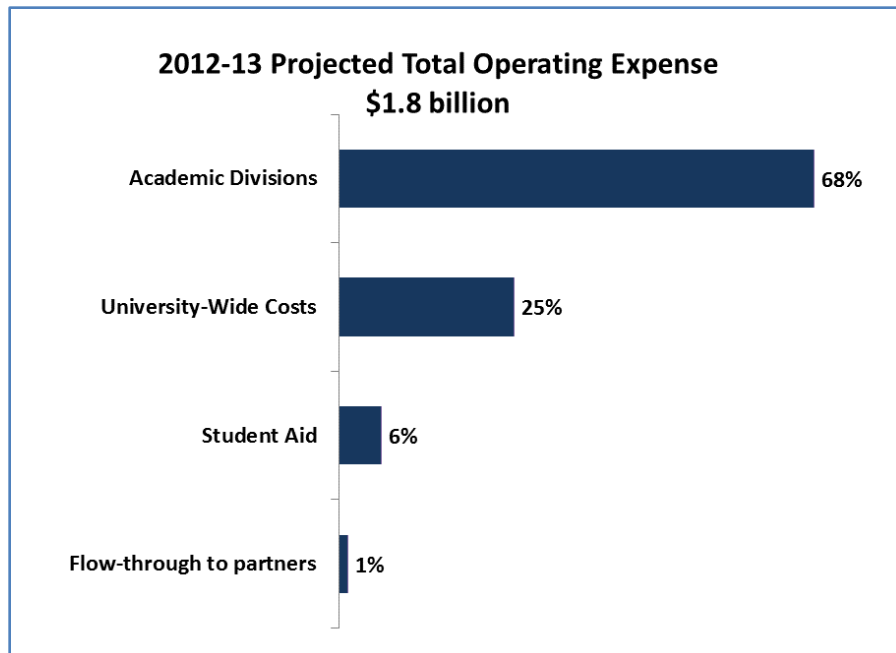
Academic divisions (and to a minor extent shared-service divisions) generate significant revenues from activities such as continuing education offerings, ancillary fees, sale of services outside the University or full cost-recovery programs that do not receive government support. This is a valuable source of revenue because of its flexibility. However, the amount generated is modest and coupled with offsetting expenses. Divisional income is projected to increase by \$14 million in 2012-13 and 2% per year thereafter.

Expenditure Projections

With the requirement to fund the pension solvency deficit, general uncertainty in government funding and a provincial tuition framework, and ongoing economic instability, we must remain cautious in our allocation of resources, while ensuring we maintain standards of excellence in teaching, research and the student experience. Expenditure allocations are proposed within these competing constraints.

Total expenditures are projected to increase by 6.7% from \$1,688 million in 2011-12 to \$1,801 million in 2012-13. Investments in important strategic initiatives will continue to be funded across academic and service divisions.

A broad breakdown of projected expenditures for 2012-13 is shown in the chart on the next page.



A cost containment of \$3.3 million (2%) will be applied to the service divisions in 2012-13 and a further \$1.6 million (1%) is planned in 2013-14.

Academic divisions are responsible for their own increases in expense, including the cost of compensation increases, and they will implement internal cost containment measures according to their individual circumstances.

Decisions on the allocation of resources across the institution take into consideration a balance between the rates of expenditure increase in the administrative divisions vs. the academic divisions. The major factors contributing to increases in university-wide expenditure (discretionary and non-discretionary as listed in Appendix A, Schedule 2) are outlined below.

Student Aid

Projections for student aid

In 2010-11 the University provided a total of \$141 million in student assistance. Some of this student aid is administered directly by academic divisions and some centrally. The long range budget guidelines displays in Appendix A, Schedule 1 the student assistance that is centrally coordinated (\$108 million); the remainder, primarily support for doctoral stream students, is included within academic budgets. The major components of this budget line include undergraduate needs-based aid, a modest fund held by the School of Graduate Studies for doctoral stream student support, grants funded through endowments, the Work Study program, merit scholarships and provincial scholarships.

A significant portion of student aid is derived from endowments. Endowments for student aid are projected to increase by \$4.7 million over last year's budget. The remainder of the student aid budget is derived from government scholarship grants; centrally-funded needs based aid and allocations made by the divisions from their expense budgets. The budget projections take into account the potential for continued pressure on needs-based student aid as the economic downturn is likely to continue to impact many students and their families.

As mentioned above, provincial scholarship grants will decrease as the Queen Elizabeth II Aiming for the Top Scholarship program winds down. An additional \$4.3 million will be allocated from the operating budget in 2012-13 to ensure adequate funds are available to meet our student access commitment. The planned increase takes into consideration growth in the number of undergraduate students and increased tuition fees. Funding for student aid is projected to increase by \$31 million over the planning period, with \$9 million of the increase resulting from growth in student aid endowments.

Ontario Tuition Grant

In 2011 the provincial government announced the Ontario Tuition Grant (OTG) program for full-time undergraduate students in direct-entry programs whose parents earn less than \$160,000 per year. The grant will become effective January 1, 2012 at the rate of \$800 per term, up to two terms per year (maximum of \$1600.) The full details of the Government's recent announcement of the Ontario Tuition Grant, and the impact on the operating budget, are not yet available.

Flow-through revenue to other institutions

Several university programs include joint activities with other institutions. This expense category captures those portions of university revenue that flow to collaborating institutions. It includes:

- Canada Research Chair revenue flowing to hospitals;
- Provincial grant revenue flowing to the Toronto School of Theology; and
- Grant and tuition revenue flowing to colleges with which the University offers joint programs.

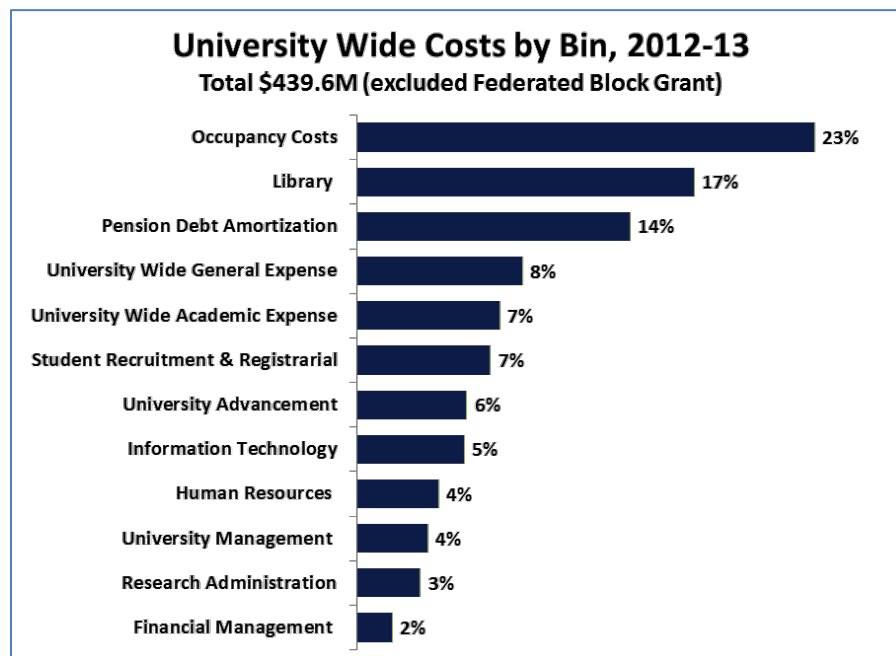
Allocations to Shared-Infrastructure

This section includes the central funds that support university-wide infrastructure and services to the academic divisions. Shared-infrastructure (sometimes referred to as university-wide costs) includes the following portfolios:

- Office of the President
- Governing Council

- Vice-President and Provost
- Vice-President University Operations
- Vice-President Human Resources and Equity
- Vice-President Research
- Vice-President Advancement
- Vice-President University Relations
- Central Library

For budget allocation and reporting purposes, these services are summarized in Appendix A, Schedule 2, and in more detailed form in the twelve costs bins in Appendix A, Schedule 3. The chart below provides an overview of university-wide costs for 2012-13.



Shared-infrastructure costs and significant assumptions include:

- Occupancy costs, including utilities, maintenance and caretaking and deferred maintenance:
 - 1) Utility costs are projected to increase by \$0.8 million in 2012-13 and by \$7 million over the remainder planning period. This is a result of increased utility rates, an increase in space, including the opening of the new Rotman building, the opening of the new Munk School of Global Affairs building and renovations to the Lassonde Mining Building attic. The increase is offset by a decrease in debt costs due to loan repayments and a decrease in load due to energy efficiency initiatives. The allocation includes funding to

support the ongoing electronic metering project, one of the many energy savings projects underway. Under the University's budget model, academic divisions are responsible for covering the operating costs of their space.

- 2) An additional \$1.5 million will be provided in 2012-13 for increased caretaking and maintenance costs. An additional \$6.4 million is planned over the next four years. These increases will fund servicing of new space, implementation of new regulatory requirements, as well as ensuring we maintain the level of caretaking service for existing buildings. This includes an allocation to the deferred maintenance fund of \$0.8 million, bringing the total fund to \$16 million by the end of the period. These funds are used to manage the deferred maintenance liability, estimated at \$422 million.
- Other shared infrastructure includes human resources, financial services, advancement, procurement, research services and computing services, governing council, the Provost's portfolio, etc. A net allocation across these portfolios of \$0.4 million is proposed for 2012-13. This amount is deceptively low because one-time-only allocations from the prior year are "pulled back" and replaced with new allocations. The gross allocation of new funds to these portfolios in 2012-13 is \$15 million.
 - 1) Additional funds are proposed to strengthen staffing in the Research Services portfolio, including contract officers, research and compliance accountants. The proposed allocation recognizes the increasing volume and complexity of services provided by this portfolio. Outer year allocations will be determined pending approval of an activity-based scaling model.
 - 2) Additional funds are proposed for the Provost's portfolio, including an allocation for classroom renewal, investment in national and international recruitment, and a significant expansion of Accessibility Services and Health and Wellness counselling services for students, both domestic and international. Outer year projections anticipate continued funding for recruitment activities.
 - 3) Additional funds are proposed to strengthen staffing in the Human Resources portfolio. Funds are also proposed for the next phase of the HR information system renewal project.
 - 4) Continued investments are planned for the next stages of a new student information system, commonly referred to as NGSIS, upgrades to the learning management system (Blackboard) and enhanced wireless access across all three campuses as well as several other smaller projects. Adequate funds were allocated last year to fund the next phases and no new allocation is proposed.

- 5) Funding will be provided over the next several years to support the next phases of the Boundless fundraising campaign and the implementation of a new donor information system.
- No significant increases are anticipated for general university-wide expenses, which includes debt service, legal fees and fees for membership in organizations such as AUCC and COU.
 - Additional funding is proposed for the central library in 2012-13 for acquisitions, staff renewal, security and graduate student carrels. A comprehensive strategic plan, accompanied by a multi-year budget plan, will come forward from the Chief Librarian next year after full consultation with library stakeholders.
 - The Federated Block Grant supports services such as libraries, cleaning and maintenance, and registrarial services in the Federated Universities. The allocation will be increased each year as per the Memorandum of Agreement. Funding allocations to the Federated Universities are adjusted each year on a slip-year basis to account for actual occupancy costs.

Expenditures in Academic Divisions

This category includes all the funds that flow to the academic divisions, presented in four components as follows:

- Divisional expense budgets: These make up the bulk of the funding provided to the academic divisions from the operating budget. Under the budget model each division receives an expense budget equal to net revenue plus an allocation from the University Fund, as described earlier.

Academic divisional plans include plans for hiring of tenure and teaching stream faculty across many divisions, funding of all compensation increases, allocations for renovations and upgrades of classroom, laboratory and office space, debt service for divisions holding mortgages, and increased funding for research stream graduate students, as required to support the planned growth in graduate student numbers.

Some highlights of major academic initiatives and priorities include:

- Recent and planned enrolment growth requires academic divisions to increase faculty complement, in order to maintain quality of student experience. New academic hiring is planned across most divisions.
- Many capital projects are planned, including renovations for the Faculty of Nursing to the second and third floors of the Health Sciences Building, renovations or a new building to create new space for the Daniels Faculty of Architecture and Landscape

design at 1 Spadina, construction of a new building for the Faculty of Law, renovations and upgrades at UTM and UTSC.

- Many divisions will be engaged in the Boundless Campaign, with divisional launches planned over the coming year.
- Applied Science and Engineering has implemented a \$5 million annual 'strategic fund' through which the Dean supports departmental initiatives in teaching, multi-disciplinary research, the student experience and space improvements.
- International enrolment across all arts and science programs at all three campuses is projected to increase. These divisions will invest in additional counselling, writing services, and other programs to ensure the success of our international students.
- The newly named Faculty of Kinesiology and Physical Education plans to invest in new faculty to support the new undergraduate Kinesiology curriculum. The Faculty will also be contributing to the operating costs of the new high-performance sport facility, the Goldring Centre.
- Significant and selective expansion of master's enrolment and faculty is planned in the Dalla Lana School of Public Health, the School of Public Policy and the Munk School of Global Affairs, supported by the University Fund.
- All seven Arts and Science colleges, plus UTM and UTSC, continue to invest in their first year foundation programs, with significant support from the Provost's Office and from the Boundless Campaign.
- In general, graduate student growth will require additional funding for the graduate student funding commitment. Many graduate units have a goal to raise more research funds to support graduate students, using matching funding provided by the Provost's Office. Divisions will nonetheless have to set aside operating funds to support growth in graduate student.
- The Faculty of Arts and Science is investing in an increased number of research and international opportunities for undergraduates.

It is important to note that the UTM and UTSC budgets include an additional allocation to support various campus services, such as the cost of utilities, building and grounds maintenance, student services, and so on. These services are provided centrally for Faculties on the St. George campus, and hence are not included in the divisional budgets.

The academic and campus services components of the expense budgets of UTM and UTSC are not delineated. Each campus receives an overall budget, which it manages locally to best suit its own circumstances. Historically, UTM and UTSC have allocated about 70% of their budgets to the academic operation and the remaining 30% to support campus-wide services.

- University Fund: As noted above, the University Fund is the non-formulaic portion of an academic division's budget, intended to provide funding in accordance with the University's academic values and priorities. It ensures that the total budget of a division is determined by the University's own priorities rather than by those of an external body. It also enables the University to recognize differences in the cost of delivery of various programs. Each year the Provost has 10% of incremental revenue available for distribution to academic divisions. The distribution is made after all annual budget reviews have taken place, taking into consideration relative academic priorities. The total incremental amount available in 2012-13 is projected to be \$9.4 million. Over the 5-year planning period the Provost is projected to have \$49 million available for allocation. In 2012-13 allocations will be made as follows:
 - \$5.7 million for salary, benefits and related support for 44 entry-level faculty positions to address high student to faculty ratios in divisions that have the capacity to hire this year: the Faculty of Arts & Science; the Faculty of Applied Science & Engineering; the Leslie Dan Faculty of Pharmacy; the Faculty of Kinesiology and Physical Education; the University of Toronto Scarborough; and the University of Toronto Mississauga.
 - \$2.6 million for salary, benefits and related support for 13 senior faculty positions to support graduate expansion in the Dalla Lana School of Public Health, the Munk School of Global Affairs the School of Public Policy and Governance, and the Faculty of Applied Science and Engineering.
 - \$1.0 million to address the shortfall in funding for equity and accessibility services at University of Toronto Scarborough and University of Toronto Mississauga.
 - \$0.1 million to fund department-level support for enhanced student academic experiences at University of Toronto Scarborough and University of Toronto Mississauga.
 - \$1.5 million will continue from last year in support for The Undergraduate Course Development Fund (UCDF) which provides funding to graduate divisions (or divisions with graduate-only departments or faculty) for development and delivery of undergraduate courses. The Fund is meant to encourage the establishment of ongoing, mutually beneficial, inter-divisional teaching arrangements.

There will also be a \$4.6 million one-time-only allocation from the University Fund for the first time. This fund is collected as a result of positive variances to the prior year's

budget. Allocations will support divisions which are in transition and implementing plans to eliminate structural operating deficits.

Effective May 1, 2012, the School of Continuing Studies will be incorporated into the University's budget model. Like other academic divisions, they will contribute 10% of their general revenues (all derived from tuition fees in their case) to the University Fund, and become eligible for University Fund allocations.

- **Pension deficit funding**: This is the academic divisions' share of the cost of the pension funding strategy. The share of this cost belonging to the administrative divisions is included in the cost of shared-infrastructure described above.
- **Academic funds**: These are funds held centrally to be allocated to the academic divisions for specific purposes based on academic planning and priorities, as well as to cover unforeseen circumstances. Some funds are used to facilitate transitional changes at times of severe budget difficulties or significant academic restructuring. The academic funds include the following:
 - a. *Provost's Contingency*: The sum of \$0.1 million will be transferred to the Provost's Contingency fund in 2012-13. This fund is primarily available to assist academic divisions with unanticipated expenses;
 - b. *Transitional Fund*: An amount of \$0.1 million will be allocated to the Transitional Fund to support academic divisions as they transition to managing resources under difficult or changing budget circumstances or to restructure;
 - c. *Graduate Expansion Incentive Fund*: This fund is intended to assist divisions in achieving their targets for increased PhD and doctoral stream masters enrolment. Funding will be provided at the rate of \$3,000 per year for each BIU-eligible FTE above fall 2011 enrolment numbers.
 - d. *Graduate Expansion U-W Services*: This fund is used to extend shared services to support graduate enrolment growth. No increase is planned for 2012-13 however an allocation of \$0.3 million is proposed for 2013-14 to ensure the fund has adequate resources to support graduate services as divisions take in more graduate students.

Compensation Assumptions

Academic divisional budgets must cover the full cost of compensation increases. Shared-infrastructure divisions receive central funding to cover compensation increases.

Budgets for all divisions have been constructed based on the following assumptions:

- The standard benefit rate (SBR) will increase starting in 2012-13 to 24.75% for appointed staff and will remain at 10% for non-appointed staff. The SBR covers legislated and negotiated benefits;
- Compensation increases for all university employees are assumed to be as per negotiated agreements or, in the case of ongoing negotiations, as per the University's offer.
- The Provincial Government Bill 16, the Public Sector Compensation Restraint Act, comes to an end in March 2012.

Pension Contribution Strategy

As mentioned above, the University faces a \$1 billion pension solvency deficit. The planned strategy (subject to future Business Board approval) for dealing with this deficit, which recognizes our recent acceptance to Stage 1 and assumes acceptance to Stage 2 of the Ontario Government's temporary solvency funding relief programme, is as follows:

- \$300 million in lump sum payments of which the first \$150 million was made prior to June 30, 2011. The second \$150 million payment is planned to be made by June 30, 2014, a significant portion of which is expected to be funded from a transfer of assets from the SRA fund.
- Required special payments into the pension plans are expected to be \$66.6 million for each of 2012-13, 2013-14 and 2014-15 as per the actuarial valuation results at July 1, 2011 and taking into account the one year-deferral permitted under regulation.
- Based on the earlier projections done for the January 31, 2011 document to Business Board, entitled Ensuring a Sustainable Pension Plan for the University of Toronto, which included many financial assumptions, and assuming acceptance to Stage 2, the special payments would increase to \$110 million per annum thereafter (\$104 million adjusted by interest to reflect a one-year deferral) until July 1, 2029. Of that \$110 million projected special payment, \$76 million would be planned to be cash payments and \$34 million, representing the net solvency deficit payments, would be planned to be addressed through utilization of non-cash letters of credit. At July 1, 2024, the annual special payment is projected to drop to \$76 million per annum until July 1, 2029.

The impact of this strategy on the operating fund is an increase of \$70 million per annum to the pension annual special payments budget, increasing it from \$27.2 million per annum in 2010-11 to \$97.2 million by 2015-16, via a series of base budget increases (\$30 million in 2011-12, which was approved as part of the Budget Report for 2011-12, \$20 million in 2012-13, \$10 million in 2013-14, \$5 million in 2014-15 and \$5 million in 2015-16.)

This operating fund special payments budget will be used to fund special payments into the registered pension plans, and for other related costs, including Pension Benefits Guarantee Fund payments, the cost of issuing letters of credit, and the costs related to the lump sum payments (principal and interest payments on up to \$150 million of borrowing and SRA payments to pensioners which must be funded from the operating fund once the SRA assets are utilized towards the second \$150 million lump sum payment.) The name of this budget line will be changed to reflect its use for a combination of special payments and pension-related costs arising from the pension contribution strategy. This budget is expected to remain in place at this level until at least 2029. The special payments to fund the going concern deficit run until 2029 and the costs related to the lump sum payments run for a number of years after that.

Even if interest rates increase and the deficit calculated on a solvency basis decreases, the operating budget special payments budget is not expected to decrease since the net solvency payments simply represent an acceleration of going concern special payments.

If the University were not accepted to [both Stage 1 and] Stage 2 of the temporary solvency funding relief programme, the annual special payments beginning in 2015-16 would be much higher than provided for in the current plan and could be as much as \$200 million per annum.

Accumulated Deficit Repayment

The University entered the 2011-12 fiscal year with an accumulated deficit of \$35.7 million. The University has made a deficit repayment of \$14.8 million in 2011-12, as scheduled. Hence, the projected accumulated deficit at the end of 2011-12 is \$21 million. It should be noted that in-year variances do not impact the accumulated deficit as they are assigned back to academic divisions on a slip-year basis. The previously scheduled final repayment of \$10.3 million next year will be made in 2012-13. In addition, the divisional accumulated deficit, arising from the need to assist divisions with the cancellation of the endowment payout in 2009, will be repaid over the next four years in equal instalments of \$3.6 million. The planned repayment schedule results in payments of \$13.9 million in 2012-13 and \$3.6 million in each of 2013-14 and 2014-15. The full schedule is included in Appendix A, Schedule 1.

Budget Impact

Schedule 4 of the budget (see Appendix A) is provided as context and presents a high-level view of the budget projections and an assessment of the impact of the budget provisions on the University's operations. It provides a summary of year-over-year changes in revenue and expense, and shows the funds available to the academic divisions after accounting for projected increases in costs. This view is helpful in assessing the extent to which expense containment

measures are needed and how they have been apportioned between shared infrastructure and academic divisions.

Total operating revenues are expected to increase by \$113 million next year. The first step of the analysis is to remove the portion of the increase that relates to divisional revenues, because these revenues are directly offset by costs and therefore do not impact the analysis. The net increase becomes \$99.6 million. The next step is to pull out the revenues that we flow to other institutions, such as Centennial and Sheridan Colleges, hospitals and the Michener Institute, as these revenues are not available to our academic divisions. This year there will be a reduction in revenue sharing with our affiliated institutions, bringing the incremental revenue back up to \$100 million in 2012-13. This is the number we look at when assessing the impact of incremental revenues and costs. Total university-wide expenses are projected to increase by \$11 million, including the \$4 million portion of the pension deficit funding allocation attributed to shared-infrastructure divisions, and before implementing the proposed cost containment of \$3.3 million in shared-infrastructure divisions for 2012-13. The increase in expenditures includes increases in compensation in the administrative divisions but does not account for increases in the academic divisions. The portion of the incremental pension deficit funding expense assigned to academic divisions is \$16 million. Expenditures on university-wide student aid from the operating fund are expected to increase by \$9.4 million. The incremental net revenue available to the academic divisions in 2012-13 is \$67.1 million.

Academic divisions have many expenses they must fund from the incremental net revenue available to them. At a minimum, increases in compensation costs, graduate student support, capital debt-service support, and repayment of divisional accumulated deficits are estimated to be about \$42 million in 2012-13 and \$232 million over the planning period, based on the budget assumptions and the available enrolment and capital project estimates. It is important to note that the impact of budget projections varies considerably from division to division, depending on their unique revenue and cost structure. As circumstances across academic divisions vary widely, each division will make decisions on cost containments commensurate with their own revenue and expense provisions.

Capital Project Funding

Prior to 2001, academic capital projects were funded from a combination of campaign donations, Federal and Provincial government capital grant allocations, and the University's operating budget. Debt financing was restricted to resolving cash-flow shortfalls during construction of academic buildings. Debt was also routinely used to provide the majority of the cost of residence construction where the debt service charges were recovered from room

rental revenue. The University Infrastructure Investment Fund (UIIF) was created as the vehicle through which operating budget funds are allocated to capital projects.

Since 2001, it became clear that the traditional sources of funding were no longer sufficient to meet the capital construction demands driven by research initiatives and enrolment expansion. The 2001 update to the *Long-Range Budget Guidelines (1998-2004)* provided \$30M of funding to the UIIF in each of 2001-02, 2002-03 and 2003-04 in the form of loans, with the debt service costs charged to the operating budget. Funding shortfalls in individual project budgets, after deployment of government, campaign and UIIF funding were to be the responsibility of the occupying divisions. This was the first recognition that capital construction of academic buildings could no longer be funded on a cash basis and that the use of debt financing would be necessary in the future. The Guidelines also argued for the evolution to a budget for expenditures on capital projects separate from the Operating Budget, but where the Operating Budget would be one source of revenue for the debt service charges associated with these projects.

Capital Funds Summary

This report on capital projects and the associated borrowing provides a comprehensive summary, encompassing construction projects for academic and administrative divisions, residences, parking garages and space for student activities. Capital projects are approved separately and are presented in this report for information only. All capital projects that have been approved by Governance have been incorporated in this summary.

Table 1 in Appendix D depicts the total current costs of all approved capital projects to date. It illustrates the total approved projects from the past, budget revisions made to existing projects in 2011-12, and the most recently approved capital requirements for all academic, non-academic and ancillary projects and outlines their major funding sources. The total approved project costs to 2010-11 for the University amounted to \$1.6 billion. Budget revisions during the year amounted to \$13.9 million. The University of Toronto has approved new capital projects totalling \$144 million, thereby raising its total capital project costs to \$1.8 billion. These new projects are listed in Table 2. Of the total \$144 million in new projects, \$2 million will receive funding from central sources; \$26.9 million will be funded from the divisional operating budgets, and \$115 million from other sources such as potential donations or the Provincial Government. The table also shows the approved borrowing related to new capital projects, totalling \$19.7 million.

**Long Range Budget Guidelines
2012-13 to 2016-17
(\$ millions)**

**Appendix A
Schedule 1**

	<i>Assump.#</i>	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<u>Projection of Operating Revenue</u>							
Provincial Operating Grants	<i>1</i>	\$ 637.7	\$ 648.6	\$ 663.4	\$ 677.3	\$ 689.0	\$ 689.0
Tuition Fees	<i>2</i>	697.7	779.1	863.1	946.5	1,027.3	1,104.7
Subtotal Grants plus Fees		1,335.4	1,427.7	1,526.5	1,623.8	1,716.3	1,793.6
Investment Income	<i>3</i>	31.0	30.5	36.3	42.4	51.6	56.8
Other Income	<i>4</i>	13.1	14.9	15.8	16.6	17.4	18.2
Subtotal - Revenue for University Fund Contribution		1,379.5	1,473.1	1,578.6	1,682.8	1,785.3	1,868.7
Endowment Revenue for Chairs and Student Aid	<i>5</i>	45.2	49.5	50.4	52.0	53.3	54.9
Provincial Scholarship Grants	<i>6</i>	13.1	14.4	13.7	13.1	12.0	12.0
Canada Research Chairs	<i>7</i>	36.5	35.6	35.6	35.6	35.9	35.9
Institutional Costs of Research Grants and Contracts	<i>8</i>	28.6	29.4	29.1	28.7	28.4	28.0
Subtotal General University Revenue		1,502.9	1,602.1	1,707.4	1,812.2	1,914.9	1,999.5
Divisional Income - Government Grants	<i>9</i>	2.5	2.4	2.4	2.5	2.5	2.6
Divisional Income - Student Fees	<i>9</i>	37.7	40.3	41.1	41.9	42.8	43.6
Divisional Income - Ancillary Fees	<i>9</i>	73.9	78.8	80.4	82.0	83.6	85.3
Divisional Income - External Revenue	<i>9</i>	71.1	77.3	78.8	80.4	82.0	83.6
Subtotal Divisional Revenue		185.2	198.7	202.7	206.8	210.9	215.1
Total Operating Revenue		\$ 1,688.1	\$ 1,800.8	\$ 1,910.1	\$ 2,019.0	\$ 2,125.8	\$ 2,214.6

**Long Range Budget Guidelines
2012-13 to 2016-17
(\$ millions)**

**Appendix A
Schedule 1**

	<i>Assump.#</i>	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<u>Projection of Operating Expenditures</u>							
Student Aid (centrally coordinated portion only)	10	\$ 98.2	\$ 107.6	\$ 111.8	\$ 115.6	\$ 119.0	\$ 123.9
Flow-through to Other Institutions (Hospitals, Colleges, TST)	11	21.9	21.3	21.5	21.8	22.3	22.5
<u>Shared Infrastructure</u>							
Occupancy Costs (Cost Bin 1)		95.4	101.9	104.5	108.9	113.1	117.0
Shared Infrastructure		130.7	133.3	135.5	138.9	142.8	146.3
University-wide General Expense (Cost Bin 12)		38.1	36.8	33.4	33.5	33.5	33.6
Central Library Expense (Cost Bin 8)		73.2	75.0	74.5	76.5	78.5	80.3
Federated Block Grant		12.2	12.0	12.3	12.7	13.1	13.5
Sub-total		349.6	359.0	360.1	370.4	381.1	390.7
<u>Academic Divisions</u>							
Academic Expense Budget (excluding University Fund)		1,006.8	1,075.1	1,161.0	1,240.2	1,317.5	1,383.2
University Fund		135.9	145.3	155.8	166.2	176.4	184.8
Pension Deficit Funding (Cost Bin 6)		45.1	60.9	68.7	72.7	76.6	76.6
Academic Funds (Cost Bin 11)		30.7	31.7	31.1	32.0	32.9	32.9
Sub-total		1,218.5	1,312.9	1,416.7	1,511.1	1,603.4	1,677.4
Total Expenditure		\$ 1,688.1	\$ 1,800.8	\$ 1,910.1	\$ 2,019.0	\$ 2,125.8	\$ 2,214.6
<hr/>							
Accumulated deficit opening balance		\$ (35.7)	(21.0)	(7.1)	(3.6)	-	-
Repayment of institutional accumulated deficit		11.2	10.3	-	-	-	-
Repayment of divisional accumulated deficit		3.6	3.6	3.6	3.6	-	-
Accumulated deficit closing balance		(21.0)	(7.1)	(3.6)	(0.0)	-	-

**Long Range Budget Guidelines
2012-13 to 2016-17**

**Appendix A
Schedule 2**

Incremental Expenditure Summary of University Wide Expense

Year-Over-Year Increases	<i>Assump.#</i>	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
University Wide Expense, Beginning of Year		\$ 392.8	\$ 425.4	\$ 451.6	\$ 460.0	\$ 475.1	\$ 490.6
Contractual Obligations		-					
Federated Block Grant	12	(1.0)	(0.2)	0.4	0.4	0.4	0.4
Utilities	13	(2.2)	0.8	1.0	1.9	1.6	1.8
Pension Deficit Funding	14	30.0	20.0	10.0	5.0	5.0	-
Capital and Maintenance		-					
Facilities and Services: Caretaking, Maintenance	15	1.2	1.5	0.6	1.9	1.7	0.8
Operating Fund Support of Capital Budget	16	-	1.1	(4.3)	-	-	-
Funding for Administrative/Academic Service Divisions		-					
Library Acquisitions and Services	17	0.5	0.6	-	0.5	0.5	0.5
Shared-infrastructure Investments	18	6.0	1.1	(3.2)	(0.9)	(0.4)	0.2
Cost of Compensation Settlements (incl. benefits)	19	-	3.8	5.5	5.6	5.8	6.0
Expense Containment Requirement	20	(4.8)	(3.3)	(1.6)	-	-	-
University-Wide Funds							
Provost's Contingency	21	1.0	0.1	-	-	-	-
Transitional Funding - Academic	21	0.5	0.1	-	-	-	-
Other Provostial Funds	21	-	0.3	0.5	-	-	-
Prior year distribution of academic funds to divisions	22	(0.0)	(0.1)	(1.9)	-	-	-
Graduate Expansion Incentive Fund	23	0.5	0.3	1.0	0.9	0.9	-
Graduate Expansion - University-Wide Services	24	-	0.0	0.3	-	-	-
Information Technology Initiatives and Upgrades	25	1.0	0.1	0.3	-	-	-
University Wide Expense, End of Year		\$ 425.4	\$ 451.6	\$ 460.0	\$ 475.1	\$ 490.6	\$ 500.2

**Cost Bins
2012-13 to 2016-17**

**Appendix A
Schedule 3**

Bin #	Shared Infrastructure	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Occupancy	\$ 95.4	101.9	104.5	108.9	113.1	117.0
2	Information Technology	28.8	23.8	24.6	25.4	26.2	27.0
3	University Management	16.1	15.7	16.9	17.5	18.1	18.6
4	Financial Management	7.6	7.8	8.1	8.4	8.7	8.9
5	Human Resources	17.0	18.1	18.5	18.7	19.1	19.5
7	University Advancement	23.6	24.3	22.4	22.8	23.3	23.7
8	Central Library	73.2	75.0	74.5	76.5	78.5	80.3
9	Research Administration	13.0	14.0	14.7	14.9	15.4	15.8
10	Student Recruitment, Registrarial & Services	24.6	29.6	30.3	31.2	32.1	32.8
12	University-wide General	38.1	36.8	33.4	33.5	33.5	33.6
	Direct - Federated Block Grant	12.2	12.0	12.3	12.7	13.1	13.5
	Sub-total	349.6	359.0	360.1	370.4	381.1	390.7
	Academic						
11	University-wide Academic	\$ 30.7	31.7	31.1	32.0	32.9	32.9
6	Pension Amortization (academic portion)	\$ 45.1	60.9	68.7	72.7	76.6	76.6
	Total University Wide Expense	\$ 425.4	\$ 451.6	\$ 460.0	\$ 475.1	\$ 490.6	\$ 500.2

**Budget Impact (Analysis)
2012-13 to 2016-17**

**Appendix A
Schedule 4**

		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue							
Increase in total operating revenue		115.6	112.7	109.3	108.8	106.8	88.9
(Increase) in divisional revenue (directly offset by costs)		(6.9)	(13.6)	(4.0)	(4.1)	(4.1)	(4.2)
Subtotal		108.7	99.2	105.3	104.8	102.7	84.6
(Increase) decrease in revenue flowing to other institutions		(0.1)	0.6	(0.2)	(0.3)	(0.5)	(0.2)
Incremental revenue available to University	A	108.6	99.7	105.1	104.5	102.1	84.4
Expense							
Increase in shared services and central funds prior to cost containment (includes shared-services portion of pension special payment)		13.8	13.7	2.2	11.2	11.6	9.6
Cost containment applied to shared service divisions		(4.8)	(3.3)	(1.6)	-	-	-
Pension Deficit Funding - academic divisional share		23.6	15.7	7.9	3.9	3.9	-
Increase in Cost Bins		32.6	26.2	8.4	15.1	15.5	9.6
Increase in Central Student Aid		8.3	9.4	4.2	3.8	3.3	5.0
Incremental expense	B	40.9	35.6	12.6	19.0	18.8	14.6
Net new revenue available to academic divisions	C= A-B	67.6	64.2	92.5	85.6	83.3	69.8
Cost pressures							
Estimated cost increases for academic divisions: compensation, graduate expansion, capital projects, reserves, repayment of divisional accumulated deficits	D	57.6	42.0	50.0	47.6	47.2	45.4
Total surplus	E= C-D	10.0	22.2	42.5	37.9	36.1	24.4

Note: additional divisional payment of institutional accumulated deficit assigned to administrative divisions

Annual repayment assigned to administrative divisions

2.6 2.4 - - - -

Summary of Projected Revenue and Expense Allocations for 2012-13

Appendix A Schedule 5

DIVISION	Attributed Operating Revenue	10% Contribution to Univ Fund	Share of University Wide Expense	Student Aid Set-Aside	Net Revenue	Less: Rev in Restr Funds and Div Income	Adjusted Net Revenue	University Fund Allocation	Academic Expense Budget
	(A)	(B)	(C)	(D)	(E = A-B-C-D)	(F)	(G = E-F)	(H)	(I = G+H)
Faculty of Arts & Science	\$ 498,582,218	\$ 46,440,578	\$ 158,826,007	\$ 32,000,531	\$ 261,315,102	\$ 13,338,125	\$ 247,976,977	\$ 38,517,414	\$ 286,494,392
University of Toronto at Scarborough	168,147,642	16,576,283	26,900,642	7,597,440	117,073,277	803,599	116,269,678	5,986,842	122,256,520
University of Toronto at Mississauga	185,802,385	18,292,429	30,475,705	8,039,531	128,994,721	924,836	128,069,885	6,923,081	134,992,967
Faculty of Dentistry	27,177,130	2,506,440	11,494,438	1,555,287	11,620,965	845,263	10,775,702	11,490,344	22,266,046
Faculty of Medicine	210,831,988	17,270,056	82,882,425	18,919,314	91,760,193	11,207,535	80,552,658	22,517,454	103,070,111
Lawrence S. Bloomberg Faculty of Nursing	18,060,979	1,634,715	4,998,675	1,489,729	9,937,860	512,662	9,425,198	1,887,197	11,312,396
Leslie Dan Faculty of Pharmacy	33,361,685	3,098,356	8,426,502	2,882,453	18,954,375	643,911	18,310,463	369,040	18,679,503
Faculty of Kinesiology and Physical Education	12,269,269	1,197,804	3,515,746	764,462	6,791,257	12,003	6,779,254	981,457	7,760,711
Faculty of Applied Science & Engineering	170,342,629	14,961,566	55,028,273	11,995,084	88,357,706	9,410,683	78,947,023	8,057,846	87,004,869
John H. Daniels Faculty of Arch, Landscape & Design	10,098,268	966,774	3,387,470	728,884	5,015,140	17,025	4,998,116	2,996,371	7,994,487
OISE/UT	67,655,420	6,356,959	21,274,301	4,642,835	35,381,325	1,651,385	33,729,941	14,344,770	48,074,710
Faculty of Forestry	3,106,954	228,410	2,123,595	389,352	365,597	281,054	84,544	2,915,267	2,999,810
Faculty of Law	26,375,675	2,413,554	7,242,809	3,556,126	13,163,187	790,585	12,372,601	7,258,874	19,631,475
Faculty of Information	12,267,337	1,141,579	3,781,564	830,095	6,514,099	208,809	6,305,290	2,617,841	8,923,131
Faculty of Music	16,188,994	1,487,939	5,734,669	1,827,039	7,139,347	-	7,139,347	5,313,024	12,452,371
Factor-Inwentash Faculty of Social Work	12,295,779	1,055,980	3,503,425	1,110,467	6,625,906	820,019	5,805,887	1,218,241	7,024,128
Joseph L. Rotman School of Management	79,885,358	7,541,870	19,730,276	2,127,307	50,485,905	3,333,255	47,152,650	7,173,001	54,325,651
Transitional Year Programme	765,150	45,228	556,149	344,776	(181,003)	-	(181,003)	1,493,366	1,312,363
School of Continuing Studies	20,771,512	2,076,793	1,685,237	3,581	17,005,902	20,400,000	(3,394,098)	1,731,884	(1,662,215)
Subtotal	\$ 1,573,986,371	\$ 145,293,313	\$ 451,567,906	\$ 100,804,291	\$ 876,320,861	\$ 65,200,749	\$ 811,120,112	\$ 143,793,314	\$ 954,913,425
<i>Divisional Income</i>	198,745,233				198,745,233	(20,400,000)	219,145,233	-	219,145,233
<i>Centrally-held endowments for student aid</i>	6,803,034	-	-	6,803,034	-	-	-	-	-
<i>Undergraduate Course Development Fund</i>	-	-	-	-	-	-	-	1,500,000	1,500,000
Subtotal (excl flow-through to partner institutions)	\$ 1,779,534,639	\$ 145,293,313	\$ 451,567,906	\$ 107,607,325	\$ 1,075,066,094	\$ 44,800,749	\$ 1,030,265,345	\$ 145,293,314	\$ 1,175,558,659
<i>Flow-through to Joint Programs and TST</i>	7,288,427	-	-	-	7,288,427		7,288,427	-	7,288,427
<i>Flow-through to hospitals for Canada Research Chairs</i>	14,000,000	-	-	-	14,000,000		14,000,000	-	14,000,000
Total	\$ 1,800,823,065	\$ 145,293,313	\$ 451,567,906	\$ 107,607,325	\$ 1,096,354,521	\$ 44,800,749	\$ 1,051,553,772	\$ 145,293,314	\$ 1,196,847,085

¹ The 10% contribution to the UF is calculated on a sub-set of total attributed revenue in column A.

² Includes student aid in the operating fund (administered central through admissions & Awards) and student aid which is administered through restricted funds, but reflected in the operating fund.

Long Range Academic Divisional Projections

Appendix A Schedule 6

Arts & Science	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	470,024,394	498,582,218	522,872,215	548,202,781	574,314,528	598,061,381
Deductions ¹	(225,324,459)	(237,267,116)	(242,536,260)	(249,777,555)	(257,117,403)	(263,330,162)
Revenue adjustments ²	(14,759,870)	(13,338,125)	(13,338,125)	(13,388,336)	(13,441,895)	(13,492,107)
University Fund Allocation ³	35,385,367	38,517,414	38,517,414	38,517,414	38,517,414	38,517,414
Expense Budget	265,325,431	286,494,392	305,515,245	323,554,305	342,272,644	359,756,527
UTSC	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	152,151,932	168,147,642	187,949,104	210,211,769	228,912,424	241,796,461
Deductions ¹	(47,179,462)	(51,074,365)	(55,693,063)	(60,297,117)	(64,708,102)	(67,719,810)
Revenue adjustments ²	(1,001,322)	(803,599)	(803,599)	(803,599)	(803,599)	(803,599)
University Fund Allocation ³	3,805,695	5,986,842	5,986,842	5,986,842	5,986,842	5,986,842
Expense Budget	107,776,843	122,256,520	137,439,284	155,097,896	169,387,565	179,259,895
UTM	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	171,655,162	185,802,385	204,215,608	226,788,297	250,664,348	268,934,763
Deductions ¹	(52,452,486)	(56,807,664)	(60,736,086)	(65,294,502)	(70,424,233)	(74,513,576)
Revenue adjustments ²	(1,353,397)	(924,836)	(924,836)	(924,836)	(924,836)	(924,836)
University Fund Allocation ³	4,858,847	6,923,081	6,923,081	6,923,081	6,923,081	6,923,081
Expense Budget	122,708,126	134,992,967	149,477,767	167,492,040	186,238,360	200,419,433
Dentistry	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	26,751,797	27,177,130	28,139,390	29,079,262	30,178,576	31,236,333
Deductions ¹	(13,896,072)	(15,556,165)	(15,972,419)	(16,495,808)	(17,065,907)	(17,475,100)
Revenue adjustments ²	(1,212,799)	(845,263)	(845,263)	(851,597)	(858,354)	(864,688)
University Fund Allocation ³	11,381,033	11,490,344	11,490,344	11,490,344	11,490,344	11,490,344
Expense Budget	23,023,959	22,266,046	22,812,052	23,222,201	23,744,659	24,386,889

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs

2. Adjustments to reflect revenue included in restricted funds and divisional income

3. Includes allocations up to and including 2012-13. Flatlined for outer years.

Long Range Academic Divisional Projections

Appendix A Schedule 6

Medicine	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	201,449,053	210,831,988	220,098,615	226,535,697	232,022,457	235,127,523
Deductions ¹	(113,877,837)	(119,071,795)	(121,013,706)	(124,403,513)	(127,418,731)	(129,304,151)
Revenue adjustments ²	(11,572,148)	(11,207,535)	(11,207,535)	(11,281,732)	(11,360,874)	(11,435,071)
University Fund Allocation ³	21,874,845	22,517,454	22,517,454	22,517,454	22,517,454	22,517,454
Expense Budget	97,873,912	103,070,111	110,394,828	113,367,906	115,760,305	116,905,755
Nursing	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	18,142,401	18,060,979	18,944,455	20,259,138	21,687,487	22,399,308
Deductions ¹	(8,616,721)	(8,123,119)	(8,343,325)	(8,710,007)	(9,130,850)	(9,417,398)
Revenue adjustments ²	(557,609)	(512,662)	(512,662)	(519,677)	(527,161)	(534,176)
University Fund Allocation ³	1,921,606	1,887,197	1,887,197	1,887,197	1,887,197	1,887,197
Expense Budget	10,889,677	11,312,396	11,975,666	12,916,651	13,916,673	14,334,931
Pharmacy	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	29,034,410	33,361,685	36,846,762	37,586,266	35,638,563	37,385,241
Deductions ¹	(13,590,129)	(14,407,310)	(15,305,425)	(15,770,782)	(15,672,355)	(15,937,754)
Revenue adjustments ²	(735,094)	(643,911)	(643,911)	(643,911)	(643,911)	(643,911)
University Fund Allocation ³	143,705	369,040	369,040	369,040	369,040	369,040
Expense Budget	14,852,893	18,679,503	21,266,466	21,540,612	19,691,336	21,172,616
KPE	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	10,540,785	12,269,269	13,366,425	14,525,981	15,532,252	15,890,777
Deductions ¹	(4,721,982)	(5,478,012)	(5,875,581)	(6,246,240)	(6,614,902)	(6,836,607)
Revenue adjustments ²	(44,441)	(12,003)	(12,003)	(12,003)	(12,003)	(12,003)
University Fund Allocation ³	1,024,547	981,457	981,457	981,457	981,457	981,457
Expense Budget	6,798,910	7,760,711	8,460,297	9,249,195	9,886,804	10,023,624

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs

2. Adjustments to reflect revenue included in restricted funds and divisional income

3. Includes allocations up to and including 2012-13. Flatlined for outer years.

Long Range Academic Divisional Projections

Appendix A Schedule 6

APSE	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	159,081,170	170,342,629	178,947,635	187,704,894	196,895,683	205,800,150
Deductions ¹	(75,536,586)	(81,984,923)	(83,609,690)	(86,341,917)	(89,179,790)	(91,776,816)
Revenue adjustments ²	(10,667,798)	(9,410,683)	(9,410,683)	(9,461,139)	(9,514,960)	(9,565,416)
University Fund Allocation ³	6,515,701	8,057,846	8,057,846	8,057,846	8,057,846	8,057,846
Expense Budget	79,392,487	87,004,869	93,985,108	99,959,684	106,258,779	112,515,764
Architecture, L & D	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	8,214,610	10,098,268	12,626,569	15,464,937	18,145,291	19,308,283
Deductions ¹	(4,430,035)	(5,083,128)	(5,694,915)	(6,518,259)	(7,312,150)	(7,832,532)
Revenue adjustments ²	(18,149)	(17,025)	(17,025)	(17,025)	(17,025)	(17,025)
University Fund Allocation ³	2,966,502	2,996,371	2,996,371	2,996,371	2,996,371	2,996,371
Expense Budget	6,732,928	7,994,487	9,911,000	11,926,024	13,812,487	14,455,097
OISE/UT	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	68,958,548	67,655,420	69,452,753	70,586,998	72,419,162	74,539,009
Deductions ¹	(31,857,286)	(32,274,095)	(32,797,242)	(33,514,708)	(34,302,039)	(34,949,803)
Revenue adjustments ²	(2,139,602)	(1,651,385)	(1,651,385)	(1,662,156)	(1,673,644)	(1,684,415)
University Fund Allocation ³	14,483,756	14,344,770	14,344,770	14,344,770	14,344,770	14,344,770
Expense Budget	49,445,415	48,074,710	49,348,896	49,754,905	50,788,248	52,249,560
Forestry	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	3,198,341	3,106,954	3,504,399	3,909,446	4,148,728	4,297,214
Deductions ¹	(2,608,872)	(2,741,356)	(2,817,748)	(2,964,069)	(3,105,020)	(3,188,630)
Revenue adjustments ²	(509,515)	(281,054)	(281,054)	(282,627)	(284,305)	(285,879)
University Fund Allocation ³	2,904,786	2,915,267	2,915,267	2,915,267	2,915,267	2,915,267
Expense Budget	2,984,740	2,999,810	3,320,865	3,578,017	3,674,669	3,737,972

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs

2. Adjustments to reflect revenue included in restricted funds and divisional income

3. Includes allocations up to and including 2012-13. Flatlined for outer years.

Long Range Academic Divisional Projections

Appendix A Schedule 6

Law	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	25,414,616	26,375,675	28,636,347	30,423,743	32,717,206	34,723,147
Deductions ¹	(12,304,107)	(13,212,488)	(13,646,267)	(14,256,544)	(14,856,663)	(15,336,170)
Revenue adjustments ²	(835,848)	(790,585)	(790,585)	(800,097)	(810,243)	(819,754)
University Fund Allocation ³	7,186,957	7,258,874	7,258,874	7,258,874	7,258,874	7,258,874
Expense Budget	19,461,618	19,631,475	21,458,368	22,625,976	24,309,175	25,826,096
Information	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	11,275,649	12,267,337	13,105,184	14,142,977	15,075,747	15,426,848
Deductions ¹	(5,459,396)	(5,753,239)	(6,053,440)	(6,344,005)	(6,659,861)	(6,850,227)
Revenue adjustments ²	(286,708)	(208,809)	(208,809)	(208,809)	(208,809)	(208,809)
University Fund Allocation ³	2,593,503	2,617,841	2,617,841	2,617,841	2,617,841	2,617,841
Expense Budget	8,123,048	8,923,131	9,460,776	10,208,004	10,824,918	10,985,653
Music	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	14,857,854	16,188,994	16,706,613	17,005,936	17,596,247	17,844,001
Deductions ¹	(8,372,258)	(9,049,647)	(9,320,183)	(9,609,799)	(9,917,618)	(10,161,345)
Revenue adjustments ²	(2,807)	-	-	-	-	-
University Fund Allocation ³	5,258,073	5,313,024	5,313,024	5,313,024	5,313,024	5,313,024
Expense Budget	11,740,863	12,452,371	12,699,454	12,709,161	12,991,654	12,995,680
Social Work	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	11,587,654	12,295,779	12,515,919	12,844,214	13,316,308	13,657,256
Deductions ¹	(5,263,132)	(5,669,872)	(5,664,797)	(5,808,017)	(5,968,356)	(6,107,913)
Revenue adjustments ²	(824,558)	(820,019)	(820,019)	(832,547)	(845,910)	(858,438)
University Fund Allocation ³	1,200,113	1,218,241	1,218,241	1,218,241	1,218,241	1,218,241
Expense Budget	6,700,078	7,024,128	7,249,344	7,421,892	7,720,283	7,909,146

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs

2. Adjustments to reflect revenue included in restricted funds and divisional income

3. Includes allocations up to and including 2012-13. Flatlined for outer years.

Long Range Academic Divisional Projections

Appendix A Schedule 6

Management	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	73,246,560	79,885,358	88,950,765	95,378,185	102,799,320	109,279,424
Deductions ¹	(24,954,068)	(29,399,453)	(30,653,042)	(32,337,350)	(33,958,708)	(35,232,379)
Revenue adjustments ²	(3,075,532)	(3,333,255)	(3,333,255)	(3,392,419)	(3,455,526)	(3,514,689)
University Fund Allocation ³	7,487,541	7,173,001	7,173,001	7,173,001	7,173,001	7,173,001
Expense Budget	52,704,501	54,325,651	62,137,468	66,821,418	72,558,087	77,705,357
Trans. Year. Prog.	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	813,123	765,150	786,101	812,117	836,995	863,698
Deductions ¹	(867,125)	(946,153)	(923,067)	(954,763)	(983,069)	(1,006,273)
Revenue adjustments ²	-	-	-	-	-	-
University Fund Allocation ³	1,482,808	1,493,366	1,493,366	1,493,366	1,493,366	1,493,366
Expense Budget	1,428,805	1,312,363	1,356,400	1,350,720	1,347,292	1,350,790
School of Cont. Studies	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Attributed Revenue	-	20,771,512	21,231,282	21,700,006	22,207,942	22,685,924
Deductions ¹	-	(3,765,611)	(3,938,249)	(4,052,949)	(4,172,311)	(4,248,140)
Revenue adjustments ²	-	(20,400,000)	(20,808,000)	(21,224,160)	(21,648,643)	(22,081,616)
University Fund Allocation ³	-	1,731,884	1,731,884	1,731,884	1,731,884	1,731,884
Expense Budget	-	(1,662,215)	(1,783,083)	(1,845,219)	(1,881,128)	(1,911,949)
Incremental University Funds Available to be Allocated		9,408,365	10,522,027	10,397,428	10,227,633	8,316,494

Notes:

1. Includes: UF contribution, student aid set-aside and university-wide costs
2. Adjustments to reflect revenue included in restricted funds and divisional income
3. Includes allocations up to and including 2012-13. Flatlined for outer years.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2012-13 to 2016-17**

1. Enrolment and Provincial Operating Grants**a. Undergraduate and graduate enrolment and funding**

In the 2011 Provincial Budget, the government announced 35,000 new undergraduate and 6,000 new graduate spaces for Ontario universities. Specific allocations to each university are not yet known, however the LRBG assume full funding of planned undergraduate and graduate enrolment expansion at the University of Toronto.

Details of actual enrolment levels for 2011-12 and projections out to 2016-17 can be found in the Enrolment Report 2011-12.

b. Other grants

The PGME and MD expansion grants are projected to increase by \$2.3M in 2012-13 and by an additional \$2.7M over the planning period due to enrolment expansion. The budget assumptions include the elimination of \$3.5M Special Medical Research Grant (MOH portion) in 2012-13.

2. Tuition Fees

A detailed list of domestic and international tuition fees for 2012-13 can be found in the Tuition Fee Schedule for Publicly Funded Programs: 2012-13.

a. Domestic

The current Provincial Tuition Framework expires April 30, 2012. In the absence of a new framework the University will assume a continuation of the same parameters mandated in the old framework. Under the Tuition Framework, tuition fees for entering students in Arts and Science and selected other undergraduate programs were permitted to increase by a maximum of 4.5%. Tuition fees for entering students in graduate and high-cost professional programs could be increased by a maximum of 8%. Increases in tuition fees for continuing students in any program could not exceed 4%. Overall, the average increase in tuition for all domestic students in any institution could not exceed 5%.

The weighted average domestic tuition fee increase for 2012-13 is projected to be 4.30%.

b. International

Tuition fees are assumed to increase approximately 6.35% on average in 2012-13. Arts and Science, Engineering, Nursing, and OISE/UT undergraduate international fees are projected to increase by 10% in 2012-13 and 2013-14. Commerce and BBA undergraduate international fees are projected to increase by 8% in 2012-13 and 2013-14.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2012-13 to 2016-17**

3. Investment Income

The projections assume investment income will remain at approximately \$31M in 2012-13 rising to \$57M by the end of the period. The forecast is based on assumptions of cash balances, revenue and expenditure rates, endowment payout rates and investment return rates. The return and yield rate assumptions over the next 5 years are assumed to be 2.53%, 3.05%, 3.49%, 3.87% and 4.11%, respectively.

4. Other Income

Other income includes primarily service charges on unpaid fees (\$5.8M in 2012-13) and application fees (\$7M in 2012-13). Service charge revenue is projected to increase at the same rate as tuition fees. Application fee revenue projections are based on application projections.

5. Endowment Revenue for Chairs and Student Aid

By policy, pay-outs on the University's endowed funds range from 3% to 5% of the market value of the relevant assets, with a target around 4%. The payout rate per unit will be determined and announced in March 2012 and the actual distribution will occur just prior to year end at April 30, 2012, following the normal process. The budget assumes a payout rate of \$7.56 per unit in 2012, resulting in revenue of \$49.5M flowing to the operating budget. This includes \$35.3M for student aid and \$14.2M for chairs. Endowment revenue flowing to the operating budget is projected to rise to \$54.9M by the end of the period. The payout rate is projected to remain at \$7.56 in 2013 and 2014, increasing by 2% per year thereafter.

6. Provincial Scholarship Grants

This revenue line includes Ontario Graduate Scholarships, Ontario Graduate Scholarships for Science and Technology, Queen Elizabeth II Aiming for the Top Scholarships (QEIIA4T) and Ontario Trillium Scholarships (OTS). Revenue is projected to increase by \$0.8M in 2012-13 and \$1.6M over the period as a result of the phase in of the OTS program. This increase is offset by a decrease over the next three years of \$4.6M as the QEIIA4T is phased out, as recently announced by MTCU.

7. Canada Research Chairs

The federal allocation of CRCs is based on a rolling average of proportional shares of federal Tri-council funding. The University recently experienced a reduction in our allocation. While efforts are being made to stay losses, a further reduction is projected for 2012-13 with increases expected in the outer years.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2012-13 to 2016-17**

8. Institutional Cost of Research (ICR)

- a. Recovery of institutional costs of research from provincial and industrial grants and contracts is projected to increase slightly from \$8.2M to \$9M for 2012-13 and beyond.
- b. Recovery of institutional costs of research from federal grants is expected to decrease by about \$1.2M over the planning period as a result of declining share of federal granting council funding.

9. Divisional Income

Divisional income has been adjusted in 2012-13 to reflect prior year actual income. It is projected to increase by 2% each year.

10. Student Aid

- a. The amount of student aid reflected on this budget line includes only the portion which is centrally managed: University of Toronto Advance Planning for Students (UTAPS) which is the undergraduate and professional master's needs-based financial aid program; awards and bursaries funded from endowments; UofT Open and President's Scholarships; the Work Study program; student exchange bursaries; the Noah Meltz program, which is a needs-based aid program for part time students; doctoral completions awards; and graduate emergency bursaries. This budget line does NOT include funding for the doctoral stream graduate funding commitment; funding for doctoral students is included in academic divisional budgets.
- b. In total, the University spent \$147M on student financial support in 2010-11. Detailed information on student financial support expenditures for the prior year (2010-11) can be found in the Annual Report on Student Financial Support.
- c. Student aid amounts have been assessed to ensure sufficient funding to meet the Student Access Guarantee and the University's Policy on Student Financial Support.
- d. Student aid is supported by both operating and endowed funds. It is projected that student aid funded by the endowment will be \$35.3M in 2012-13 and \$39.8M by the end of the planning period. See note 5 above for more details on projected endowment payouts. In 2012-13 \$15.9M in student aid will be funded through provincial scholarships and \$56M will be funded from the operating budget. The operating budget includes both needs-based and merit awards, primarily for undergraduate students, as well as emergency grants and doctoral completion awards managed by the School of Graduate Studies.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2012-13 to 2016-17**

11. Flow-through to other institutions

The University receives grant and /or tuition revenue on behalf of other institutions for the CRC program, the joint programs with colleges (Centennial College, Sheridan College and the Michener Institute) and the Toronto School of Theology. Funds are flowed directly to these institutions based on enrolment and in accordance with the agreements with each institution.

12. Federated Block Grant

Payments to the federated colleges are projected to decrease by \$0.2M in 2012-13 to adjust for a prior year variance and projected to grow by \$0.4M in each the next four years. These payments are calculated based on agreed upon financial principles as per the memorandum of agreement.

13. Utilities

This budget line includes the costs of the St. George campus only. Utilities budgets for UTM and UTSC are included in the academic section of the budget as these divisions are directly responsible for funding their own services. The district energy and procurement budget at St. George is projected to increase to \$44.7M in 2012-13 as a result of:

- increases in water, oil and hydro rates;
- an increase in space coming online for the Rotman expansion, Munk School of Global Affairs and the Lassonde Mining Attic;
- a reduction in debt financing costs for the T8/chiller project;
- a decrease in electrical load primarily due to energy efficiency measures;
- an allocation to fund the next phase of the electronic metering project.

14. Pension Deficit Funding

An additional allocation for pension deficit funding of \$20M is planned for 2012-13 and further allocations of \$10M in 2013-14, \$5M in 2014-15 and \$5M in 2015-16. A more complete discussion of pension strategies is contained in the body of the Long Range Budget Guidelines report or can be found in more detail online: [Ensuring a Sustainable Pension Plan for the University of Toronto](#).

15. Facilities and Services: Caretaking and Maintenance

This budget line includes the costs of the St. George campus only. Caretaking and maintenance budgets for UTM and UTSC are included in the academic section of the budget as these divisions are directly responsible for funding these services. Funding has been provided to maintain the level of caretaking and maintenance, to provide services to the new buildings coming online (mentioned in note 13 above) and to meet regulatory requirements on the St. George campus.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2012-13 to 2016-17**

16. Operating Fund Support of Capital Budget

The University's operating budget supports debt service and subsidies for many capital projects. The annual debt service expense and subsidy to capital projects is approximately \$20M. The budget will be increased in 2012-13 by \$4.3M toward funding for the Varsity Pavilion and will be reduced by \$1.2M to reflect the end of the operating budget subsidy to the Woodsworth College residence ancillary.

17. Library Acquisitions and Services

Additional funding of \$1M has been provided to support library acquisitions and services in 2012-13. An additional allocation \$2M is projected over the outer years, however this allocation is pending confirmation subject to a strategic review of the Library system.

18. Shared Infrastructure Investments

Requirements for additional funding for the shared-infrastructure portfolios are submitted annually as part of the multi-year planning process. Allocations are approved by the President based on recommendations from the Divisional Advisory Committee, taking into consideration high priority needs and new revenues available to the University. Funding allocations include support for recruitment and services for international students, improvements to classrooms, development of a new donor information system, enhancement of research services, upgrade of the Human Resources information system and resources to support the Boundless campaign.

19. Compensation: salaries and benefits for administrative and academic service divisions

Compensation increases for all university employees are assumed to be as per negotiated agreements or, in the case of ongoing negotiations, as per the University's offer. Beyond that, total compensation increases are based on measures outlined in the Compensation Restraint Act. Beyond the requirements of the period covered by the Act, compensation increases are assumed to be no more than CPI (~2%.) The standard benefit rate will increase to cover the costs of negotiated benefits to 24.75% for appointed employees and will remain at 10% for non-appointed staff. The budget increase covers the compensation increases for administrative and academic service divisions only.

20. Expense Containment

An across-the-board reduction in expenditures on central services will be applied, amounting to \$3.3M or 2% of the relevant base in 2012-13. A further 1% cost containment is assumed in 2013-14.

**Revenue and Expense Assumptions
Long Range Budget Guidelines 2012-13 to 2016-17**

21. University-Wide Funds

The Provost holds several funds used primarily to support academic divisions on a one-time-only basis. These funds include the Provost's Contingency Fund which is used as a reserve fund to meet unanticipated needs in the academic divisions, the Transitional Fund used to assist academic divisions as they transition to a sustainable budget state, various funds to support academic start-up, research allowances for endowed chairs, University professors, etc. The budget assumes only minor increases to these funds over the five years, as the funds are used primarily on a one-time-only basis.

22. Prior year distribution of academic funds to divisions

Base allocations to the academic divisions must be removed from the funding source and added to the University Fund total of these divisions the year following the allocation. The total amount of base transfers to academic divisions in 2011-12 was \$119,000.

23. Graduate Expansion Incentive Fund

Funding of \$3,000 per student will be provided for doctoral stream enrolment growth over fall 2011. This includes: PhD, SJD, DMA, Ed.D and Year-1 doctoral stream masters. Incentive funding will apply only for growth up to approved targets; it is not intended to override the divisional allocation of phase 3 expansion spaces.

The terms of the fund are as follows:

- Funding will be provided at the rate of \$3,000 per year for each BIU-eligible doctoral or doctoral stream masters FTE above fall 2011 actual enrolment numbers, up to the division's assigned growth target;
- The level of funding attained in 2015-16 will continue in base, provided enrolments continue to be at or above fall 2011;

24. Graduate Expansion University-wide Services Fund

This fund was created to support university wide services associated with the expansion, including library support, information technology, SGS, student services, student experience. Funds remain available from prior years so no additional funding is required in 2012-13, with a small increase projected the following year.

25. Information Technology Initiatives and Upgrades Fund

Limited increases are allocated for administrative information technology in 2013-14 and 2014-15 to support improved information technology. This fund does not include funds for the new student system, Blackboard or the wireless network; these projects received sufficient funding last year through the CIO's portfolio to meet the project needs through 2012-13.

**Contractual Commitments List
2012-13**

Appendix C

Expense Description	2011-12 Budget (Base & OTO)	Base Changes	OTO Allocations	Reversal of Prior Year OTO	Total Increase (Decrease)	2012-13 Budget (Base & OTO)
(Note: Opening balances may vary from prior year list where revisions have been made between the time of budget planning and the actual budget set-up)						
PAYMENTS TO AFFILIATED INSTITUTIONS						
Federated Colleges Block Grant	\$ 12,175,816	\$ (189,590)			\$ (189,590)	\$ 11,986,226
Toronto School of Theology Grant	2,310,554	(36,436)			(36,436)	2,274,118
Transfer Payments re Joint Programs with Colleges	5,139,594	(125,285)			(125,285)	5,014,309
Total	19,625,964	(351,311)	-	-	(351,311)	19,274,653
UTILITIES						
St George ¹	40,049,388	782,853	750,000	(750,000)	782,853	40,832,241
St George - Utilities Infrastructure Reserve	3,765,596				-	3,765,596
University of Toronto Scarborough ¹	4,362,063				-	4,362,063
University of Toronto Mississauga ¹	4,259,757				-	4,259,757
Total	52,436,804	782,853	750,000	(750,000)	782,853	53,219,657
PAID LEAVE COMMITMENTS AND NEGOTIATION EXPENSES						
Administrative Leaves						
UTFA Negotiations and Release Time ²	800,000				-	800,000
USW Negotiations and Release Time ²	518,175	12,350			12,350	530,525
CUPE Negotiations and Release Time	355,256	6,805	50,000		56,805	412,061
Teaching Assistants - Training Program	1,242,996	13,818	304,000	(304,000)	13,818	1,256,814
Total	275,000				-	275,000
	3,191,427	32,973	354,000	(304,000)	82,973	3,274,400
OPERATING BUDGET SUPPORT OF CAPITAL BUDGET						
	19,922,209	(3,200,000)	4,300,000		1,100,000	21,022,209
MEMBERSHIP FEES						
Association of Universities and Colleges of Canada						
Council of Ontario Universities	246,306				-	246,306
Other Memberships	941,973				-	941,973
Total	100,682				-	100,682
	1,288,961	-	-	-	-	1,288,961

**Contractual Commitments List
2012-13**

Appendix C

Expense Description	2011-12 Budget (Base & OTO)	Base Changes	OTO Allocations	Reversal of Prior Year OTO	Total Increase (Decrease)	2012-13 Budget (Base & OTO)
OTHER HUMAN RESOURCE EXPENSES						
USW Job Evaluation - UofT cost						
USW Job Evaluation - Union cost	366,000			(366,000)	(366,000)	-
Job Accommodation Fund ²	166,000			(166,000)	(166,000)	-
Pension and Benefit Consulting ²	100,000			(25,000)	(25,000)	75,000
25 Year Award	80,000				-	80,000
Employees Health Tax Cost (EHT Cost)	29,012				-	29,012
Salary Anomalies - Administrative	34,000				-	34,000
Total	108,665				-	108,665
	883,677	-	-	(557,000)	(557,000)	326,677
EMPLOYEE HEALTH AND SAFETY						
Environmental Health & Safety Training and Release Time						
Hazardous Waste Management Fund	32,000				-	32,000
Environmental Health & Safety Fund	577,000	77,000	202,000	(202,000)	77,000	654,000
Total	539,581				-	539,581
	1,148,581	77,000	202,000	(202,000)	77,000	1,225,581
OTHER						
Legal Fees ²						
Legislated Physical Plant Improvements	2,243,820				-	2,243,820
Accommodation and Facilities Directorate	720,000		1,585,825	(720,000)	865,825	1,585,825
University Student Assistance Administration	594,000				-	594,000
Software License and Contracts	1,613,354				-	1,613,354
Insurance	4,040,451	110,564			110,564	4,151,015
Lease cost of off-campus space	1,800,000				-	1,800,000
Banking Fees	1,348,327				-	1,348,327
Total	130,000	20,000			20,000	150,000
	12,489,952	130,564	1,585,825	(720,000)	996,389	13,486,341
CONTINGENCY ITEMS (see list below)	1,701,000	25,000			25,000	1,726,000
TOTAL CONTRACTUAL COMMITMENTS	\$ 112,688,575	\$ (2,502,921)	\$ 7,191,825	\$ (2,533,000)	\$ 2,155,904	\$ 114,844,479

**Contractual Commitments List
2012-13**

Appendix C

Expense Description	2011-12 Budget (Base & OTO)	Base Changes	OTO Allocations	Reversal of Prior Year OTO	Total Increase (Decrease)	2012-13 Budget (Base & OTO)
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¹ Net of recoveries

² For some expenditures, additional funds are set aside in a combined contingency account. These funds are held centrally and approved for release as needed.

	Base
UTFA Negotiations and Release Time	\$ 100,000
USW Negotiations and Release Time	61,000
Legal Fees	1,500,000
Pension and Benefit Consulting	40,000
Job Accommodation Fund	25,000
Total contingency required for 2012-13	1,726,000
Prior Year Contingency	1,701,000
Increase in Contingency for 2012-13	\$ 25,000

Table 1: Summary of Capital Projects: 2001 to January 31, 2012 (presented for information only)

Appendix D

	Total Projects Approved (as reported in 2011-12 Budget Report)	Changes Made in 2011-12 to Existing Project Budgets	New Projects Approved Since 2011-12 Budget Report (see details on Table 2)	Total Projects Approved to Date: Cumulative amount over 11 years
Capital projects Approved				
Academic and Shared Service Divisions	\$ 1,265,059,044	\$ (3,145,000)	\$ 144,020,000	\$ 1,405,934,044
Ancillaries	334,330,000	17,070,000	-	351,400,000
Matching Funds for endowment capital	44,000,000	-	-	44,000,000
Total Capital Projects	\$ 1,643,389,044	\$ 13,925,000	\$ 144,020,000	\$ 1,801,334,044
Funding Sources				
Federal Government	140,410,000	550,000	-	140,960,000
Provincial Government	417,727,700	8,293,000	78,940,000	504,960,700
Campaign Donations	118,660,000	600,000	36,200,000	155,460,000
Other (interest earned, municipal)	100,757,250	1,200,000	-	101,957,250
Sub-Total	\$ 777,554,950	\$ 10,643,000	\$ 115,140,000	\$ 903,337,950
Funded by the Central Operating Budget	209,761,984	3,760,000	2,000,000	215,521,984
Funded by Academic Divisional Budgets	399,012,110	25,562,000	26,880,000	451,454,110
Funded by Ancillaries Budgets and Student Levies	257,060,000	(26,040,000)	-	231,020,000
Sub-Total	\$ 865,834,094	\$ 3,282,000	\$ 28,880,000	\$ 897,996,094
Total Funding	\$ 1,643,389,044	\$ 13,925,000	\$ 144,020,000	\$ 1,801,334,044

Table 2: New Capital Projects Approved Since 2011-12 Budget Report (presented for information only)

Appendix D

	Total Project Cost	Sources of Funding			New Projects Approved Divisional Borrowing	Projected Completion Date
		Central	Divisional Operating Budget	Other Funding Sources		
New Projects Approved Since Last Budget Report						
UTM Davis Building Teaching Labs	\$ 8,600,000		\$ 3,200,000	\$ 5,400,000		September 2012
Goldring Centre for High Performance Sports	69,800,000		2,700,000	67,100,000	2,700,000	June 2014
Robarts Library 4th Floor	2,600,000	2,000,000		600,000		August 2012
St. George Central Steam Plant	6,140,000			6,140,000		June 2014
UTSC East Arrival Court, Increase	880,000		880,000			August 2012
UTM North Building Reconstruction Phase A	56,000,000		20,100,000	35,900,000	17,000,000	August 2014
Total New Projects	\$ 144,020,000	\$ 2,000,000	\$ 26,880,000	\$ 115,140,000	\$ 19,700,000	

EXPENSE SUMMARY

DIVISIONAL BUDGET SCHEDULES

	ACADEMIC DIVISIONS	Student Aid (centrally coordinated portion only)	Flow-Through to Other Institutions	Shared Services, Pension and Acad. Funds	TOTAL EXPENSE SUMMARY
Net Budget for 2011-12		98,173,974	21,850,148	449,442,077	569,466,199
One-Time-Only Budget for 2011-12				17,789,082	17,789,082
TOTAL NET BUDGET FOR 2011-12		98,173,974	21,850,148	467,231,159	587,255,281
BUDGET CHANGES					
ACADEMIC DIVISIONS-					
Adjusted Net Revenue	811,120,113				811,120,113
University Fund Allocation	143,793,313				143,793,313
SUBTOTAL	954,913,426				954,913,426
2012-13 Allocations from Central Funds	561,075			(561,075)	
SHARED SERVICES DIVISIONS-					
Cost Containment				(3,285,360)	(3,285,360)
Balance of Prior Year's Salary/Benefit Increase					
Adjustments: Contractual / Budget Model		9,433,351	(561,721)	26,545,874	35,417,504
ALL DIVISIONS-					
Transfers in	4,669			140,198	144,867
Transfers out	(4,669)			(140,198)	(144,867)
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue					
TOTAL	955,474,501	9,433,351	(561,721)	22,699,439	987,045,570
ONE-TIME-ONLY BUDGET CHANGES					
Adjustments: Contractual / Budget Model				(1,491,568)	(1,491,568)
ONE-TIME-ONLY BUDGET CHANGE				(1,491,568)	(1,491,568)
Net Budget for 2012-13	955,474,501	107,607,325	21,288,427	472,141,516	1,556,511,769
OTO Budget for 2012-13				16,297,514	16,297,514
TOTAL NET BUDGET FOR 2012-13	955,474,501	107,607,325	21,288,427	488,439,030	1,572,809,283
DIVISIONAL REVENUE (INCL. RECOVERIES)					
Endowment Income	14,056,749			144,000	14,200,749
External Income	149,316,235	2,275,000		62,352,661	213,943,896
Internal Recoveries	138,183,746			53,234,968	191,418,714
External Recoveries	51,341,028			2,618,175	53,959,203
Negative Approp./Deficit Financing	11,092,785				11,092,785
TOTAL DIV REVENUE (INCL. RECOVERIES)	363,990,543	2,275,000		118,349,804	484,615,347
GROSS EXPENSE BUDGET FOR 2012-13	<u>1,319,465,044</u>	<u>109,882,325</u>	<u>21,288,427</u>	<u>606,788,834</u>	<u>2,057,424,630</u>
Note 1 Reconciliation to Budget Model:					
Net Expense Budget as per Div Schedules	1,572,809,283				
plus Divisional Income as per Budget Model	198,745,233				
plus Endowment Income as per Budget Model	14,200,749				
plus Continuing Education Fees in Divisional Income	20,400,000				
less Municipal Taxes not in Budget Model	(5,332,200)				
Total	1,800,823,065				

Academic Divisions

DIVISIONAL BUDGET SCHEDULES

	ARTS & SCIENCE (incl Colleges)	UTSC TOTAL	UTM TOTAL	DENTISTRY	MEDICINE	LAWRENCE S. BLOOMBERG FACULTY OF NURSING	LESLIE DAN FACULTY OF PHARMACY
Adjusted Net Revenue	247,976,977	116,269,678	128,069,885	10,775,702	80,552,658	9,425,198	18,310,463
University Fund Allocation	38,517,414	5,986,842	6,923,081	11,490,344	22,517,454	1,887,197	369,040
SUBTOTAL	286,494,391	122,256,520	134,992,966	22,266,046	103,070,112	11,312,395	18,679,503
2012-13 Allocations from Central Funds	133,564	35,042	35,136	7,331		141,633	8,223
Transfers in	4,296		373				
Transfers out	(373)		(4,296)				
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue							
TOTAL	286,631,878	122,291,562	135,024,179	22,273,377	103,070,112	11,454,028	18,687,726
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income	2,505,000			316,000	3,701,578	350,000	
External Income	14,189,723	15,900,392	12,231,124	10,781,963	42,461,700	197,678	1,740,978
Internal Recoveries	21,869,032	6,642,693	8,591,134	2,628,284	56,896,889	224,865	377,500
External Recoveries	10,337,099	365,328	114,132	104,518	38,590,694	348,353	
Negative Approp./Deficit Financing	9,592,785						
TOTAL DIV REVENUE (INCL. RECOVERIES)	58,493,639	22,908,413	20,936,390	13,830,765	141,650,861	1,120,896	2,118,478
GROSS EXPENSE BUDGET FOR 2012-13	<u>345,125,517</u>	<u>145,199,975</u>	<u>155,960,569</u>	<u>36,104,142</u>	<u>244,720,973</u>	<u>12,574,924</u>	<u>20,806,204</u>

Academic Divisions

	KINESIOLOGY AND PHYSICAL EDUCATION	APPLIED SCIENCE & ENGINEERING	JOHN H. DANIELS FACULTY OF ARCHITECTURE, LANDSCAPE, & DESIGN	OISE	FORESTRY	LAW	INFORMATION
Adjusted Net Revenue	6,779,254	78,947,023	4,998,116	33,729,941	84,544	12,372,601	6,305,290
University Fund Allocation	981,457	8,057,846	2,996,371	14,344,770	2,915,267	7,258,874	2,617,841
SUBTOTAL	7,760,711	87,004,869	7,994,487	48,074,711	2,999,811	19,631,475	8,923,131
2012-13 Allocations from Central Funds	5,343	40,000	5,840	6,213	4,473	30,103	3,168
Transfers in							
Transfers out							
Expense Offset by Additional Divisional Revenue							
(Increase) Decrease in Divisional Revenue							
TOTAL	7,766,054	87,044,869	8,000,327	48,080,924	3,004,284	19,661,578	8,926,299
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income		2,517,217		537,344	78,500	474,521	
External Income	148,500	1,874,755	438,500	10,014,669		1,093,000	721,500
Internal Recoveries	200,544	6,825,806	166,457	8,977,866	375,053	3,643,661	289,991
External Recoveries		52,597		208,864		1,219,443	
Negative Approp./Deficit Financing			1,000,000				
TOTAL DIV REVENUE (INCL. RECOVERIES)	349,044	11,270,375	1,604,957	19,738,743	453,553	6,430,625	1,011,491
GROSS EXPENSE BUDGET FOR 2012-13	8,115,098	98,315,244	9,605,284	67,819,667	3,457,837	26,092,203	9,937,790

Academic Divisions

	FACTOR-INWENTASH MUSIC	FACTORY OF SOCIAL WORK	JOSEPH L. ROTMAN SCHOOL OF MANAGEMENT	TRANSITIONAL YEAR PROGRAMME	SCHOOL OF CONTINUING STUDIES	TOTAL Academic Divisions
Adjusted Net Revenue	7,139,347	5,805,887	47,152,650	(181,003)	(3,394,098)	811,120,113
University Fund Allocation	5,313,024	1,218,241	7,173,001	1,493,366	1,731,883	143,793,313
SUBTOTAL	12,452,371	7,024,128	54,325,651	1,312,363	(1,662,215)	954,913,426
2012-13 Allocations from Central Funds	6,117	5,219	93,670			561,075
Transfers in						4,669
Transfers out						(4,669)
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue						
TOTAL	12,458,488	7,029,347	54,419,321	1,312,363	(1,662,215)	955,474,501
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income		625,000	2,951,589			14,056,749
External Income	546,228	200,000	15,974,011	90,000	20,711,514	149,316,235
Internal Recoveries	2,431,694	100,000	17,552,277		390,000	138,183,746
External Recoveries						51,341,028
Negative Approp./Deficit Financing	500,000					11,092,785
TOTAL DIV REVENUE (INCL. RECOVERIES)	3,477,922	925,000	36,477,877	90,000	21,101,514	363,990,543
GROSS EXPENSE BUDGET FOR 2012-13	15,936,410	7,954,347	90,897,198	1,402,363	19,439,299	1,319,465,044

Student Aid (centrally coordinated portion only)

DIVISIONAL BUDGET SCHEDULES

	QEII AIMING FOR THE TOP SCHOLARSHIPS	TRILLIUM SCHOLARSHIPS	GRADUATE FELLOWSHIPS	GRADUATE STUDENT AID	ONTARIO GRADUATE SCHOLARSHIPS	OGSST	OSOTF MATCHING	MERIT AWARDS	NEED-BASED BURSARIES	ONTARIO WORK STUDY PROGRAM	STUDENT AID FUNDED FROM RESTRICTED FUNDS	TOTAL Student Aid
Net Budget for 2011-12	4,617,817		1,017,431	390,393	8,531,717	2,600,000	1,500,000	3,316,091	43,772,525	1,828,000	30,600,000	98,173,974
One-Time-Only Budget for 2011-12												
TOTAL NET BUDGET FOR 2011-12	4,617,817		1,017,431	390,393	8,531,717	2,600,000	1,500,000	3,316,091	43,772,525	1,828,000	30,600,000	98,173,974
BUDGET CHANGES												
ACADEMIC DIVISIONS-												
Adjusted Net Revenue												
University Fund Allocation												
SUBTOTAL												
2012-13 Allocations from Central Funds												
SHARED SERVICES DIVISIONS-												
Cost Containment												
Balance of Prior Year's Salary/Benefit Increase												
Adjustments: Contractual / Budget Model	(1,346,879)	800,000	3,500,000		1,837,023		(1,440,393)	1,040,055	1,140,425	73,120	3,830,000	9,433,351
ALL DIVISIONS-												
Transfers in												
Transfers out												
Expense Offset by Additional Divisional Revenue												
(Increase) Decrease in Divisional Revenue												
TOTAL	(1,346,879)	800,000	3,500,000		1,837,023		(1,440,393)	1,040,055	1,140,425	73,120	3,830,000	9,433,351
ONE-TIME-ONLY BUDGET CHANGES												
Adjustments: Contractual / Budget Model												
ONE-TIME-ONLY BUDGET CHANGE												
Net Budget for 2012-13	3,270,938	800,000	4,517,431	390,393	10,368,740	2,600,000	59,607	4,356,146	44,912,950	1,901,120	34,430,000	107,607,325
OTO Budget for 2012-13												
TOTAL NET BUDGET FOR 2012-13	3,270,938	800,000	4,517,431	390,393	10,368,740	2,600,000	59,607	4,356,146	44,912,950	1,901,120	34,430,000	107,607,325
DIVISIONAL REVENUE (INCL. RECOVERIES)												
Endowment Income												
External Income										2,275,000		2,275,000
Internal Recoveries												
External Recoveries												
Negative Approp./Deficit Financing												
TOTAL DIV REVENUE (INCL. RECOVERIES)										2,275,000		2,275,000
GROSS EXPENSE BUDGET FOR 2012-13	3,270,938	800,000	4,517,431	390,393	10,368,740	2,600,000	59,607	4,356,146	44,912,950	4,176,120	34,430,000	109,882,325

Flow-through to Other Institutions

DIVISIONAL BUDGET SCHEDULES

	TORONTO SCHOOL OF THEOLOGY	CRC FlowThrough to Hospitals	JT PROGRAMS WITH COLLEGES	TOTAL Flow-through
Net Budget for 2011-12	2,310,554	14,400,000	5,139,594	21,850,148
One-Time-Only Budget for 2011-12				
TOTAL NET BUDGET FOR 2011-12	2,310,554	14,400,000	5,139,594	21,850,148
BUDGET CHANGES				
ACADEMIC DIVISIONS-				
Adjusted Net Revenue				
University Fund Allocation				
SUBTOTAL				
2012-13 Allocations from Central Funds				
SHARED SERVICES DIVISIONS-				
Cost Containment				
Balance of Prior Year's Salary/Benefit Increase				
Adjustments: Contractual / Budget Model	(36,436)	(400,000)	(125,285)	(561,721)
ALL DIVISIONS-				
Transfers in				
Transfers out				
Expense Offset by Additional Divisional Revenue				
(Increase) Decrease in Divisional Revenue				
TOTAL	(36,436)	(400,000)	(125,285)	(561,721)
ONE-TIME-ONLY BUDGET CHANGES				
Adjustments: Contractual / Budget Model				
ONE-TIME-ONLY BUDGET CHANGE				
Net Budget for 2012-13	2,274,118	14,000,000	5,014,309	21,288,427
OTO Budget for 2012-13				
TOTAL NET BUDGET FOR 2012-13	2,274,118	14,000,000	5,014,309	21,288,427
DIVISIONAL REVENUE (INCL. RECOVERIES)				
Endowment Income				
External Income				
Internal Recoveries				
External Recoveries				
Negative Approp./Deficit Financing				
TOTAL DIV REVENUE (INCL. RECOVERIES)				
GROSS EXPENSE BUDGET FOR 2012-13	<u>2,274,118</u>	<u>14,000,000</u>	<u>5,014,309</u>	<u>21,288,427</u>

Shared Services, Pension and Acad. Funds

DIVISIONAL BUDGET SCHEDULES

	Other Academic Costs (excl CRCflowthrough, Joint Programs)	Central Library	St George Student Life Programs & Services	St George Facilities & Svcs	Governance & Administration	Gen Univ & Other (includes Mun Taxes)
Net Budget for 2011-12	81,659,636	54,675,154	1,299,764	102,173,910	91,285,759	101,897,297
One-Time-Only Budget for 2011-12		400,000		1,650,000	14,938,000	801,082
TOTAL NET BUDGET FOR 2011-12	81,659,636	55,075,154	1,299,764	103,823,910	106,223,759	102,698,379
BUDGET CHANGES						
ACADEMIC DIVISIONS-						
Adjusted Net Revenue						
University Fund Allocation						
SUBTOTAL						
2012-13 Allocations from Central Funds	(303,644)	(75,143)				(182,288)
SHARED SERVICES DIVISIONS-						
Cost Containment		(620,370)	(26,613)	(971,385)	(1,579,523)	2
Balance of Prior Year's Salary/Benefit Increase		560,892	30,907	1,141,496	1,869,737	(3,701,840)
Adjustments: Contractual / Budget Model	(6,983,910)	1,096,000	1,477,929	3,146,378	2,719,957	25,279,110
ALL DIVISIONS-						
Transfers in					734,738	(634,540)
Transfers out	(112,789)				(661,949)	634,540
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue						
TOTAL	(7,400,343)	961,379	1,482,223	3,316,489	3,082,960	21,394,984
ONE-TIME-ONLY BUDGET CHANGES						
Adjustments: Contractual / Budget Model	4,300,000	1,209,000		1,228,325	(7,983,811)	(245,082)
ONE-TIME-ONLY BUDGET CHANGE	4,300,000	1,209,000		1,228,325	(7,983,811)	(245,082)
Net Budget for 2012-13	74,259,293	55,636,533	2,781,987	105,490,399	94,368,719	123,292,281
OTO Budget for 2012-13	4,300,000	1,609,000		2,878,325	6,954,189	556,000
TOTAL NET BUDGET FOR 2012-13	78,559,293	57,245,533	2,781,987	108,368,724	101,322,908	123,848,281
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income		144,000				
External Income	500,000	2,043,410	38,552,476	5,219,478	14,934,197	
Internal Recoveries		2,116,008	3,170,038	25,510,537	18,345,731	3,879,350
External Recoveries		2,194,766			423,409	
Negative Approp./Deficit Financing						
TOTAL DIV REVENUE (INCL. RECOVERIES)	500,000	6,498,184	41,722,514	30,730,015	33,703,337	3,879,350
GROSS EXPENSE BUDGET FOR 2012-13	<u>79,059,293</u>	<u>63,743,717</u>	<u>44,504,501</u>	<u>139,098,739</u>	<u>135,026,245</u>	<u>127,727,631</u>

Shared Services, Pension and Acad. Funds

	Federated Block Grant	School of Graduate Studies	TOTAL Shared Srvcs, Pension & Acad. Funds
Net Budget for 2011-12	12,175,816	4,274,741	449,442,077
One-Time-Only Budget for 2011-12			17,789,082
TOTAL NET BUDGET FOR 2011-12	12,175,816	4,274,741	467,231,159
BUDGET CHANGES			
ACADEMIC DIVISIONS-			
Adjusted Net Revenue			
University Fund Allocation			
SUBTOTAL			
2012-13 Allocations from Central Funds			(561,075)
SHARED SERVICES DIVISIONS-			
Cost Containment		(87,471)	(3,285,360)
Balance of Prior Year's Salary/Benefit Increase		98,808	
Adjustments: Contractual / Budget Model	(189,590)		26,545,874
ALL DIVISIONS-			
Transfers in		40,000	140,198
Transfers out			(140,198)
Expense Offset by Additional Divisional Revenue			
(Increase) Decrease in Divisional Revenue			
TOTAL	(189,590)	51,337	22,699,439
ONE-TIME-ONLY BUDGET CHANGES			
Adjustments: Contractual / Budget Model			(1,491,568)
ONE-TIME-ONLY BUDGET CHANGE			(1,491,568)
Net Budget for 2012-13	11,986,226	4,326,078	472,141,516
OTO Budget for 2012-13			16,297,514
TOTAL NET BUDGET FOR 2012-13	11,986,226	4,326,078	488,439,030
DIVISIONAL REVENUE (INCL. RECOVERIES)			
Endowment Income			144,000
External Income		1,103,100	62,352,661
Internal Recoveries		213,304	53,234,968
External Recoveries			2,618,175
Negative Approp./Deficit Financing			
TOTAL DIV REVENUE (INCL. RECOVERIES)		1,316,404	118,349,804
GROSS EXPENSE BUDGET FOR 2012-13	11,986,226	5,642,482	606,788,834

Other Academic Costs (excl CRChairs Flowthrough
and Joint Programs)

DIVISIONAL BUDGET SCHEDULES

	ACADEMIC SERVICES INITIATIVES	ACADEMIC REVIEWS	Administrators ON LEAVE	CAMPAIGN EXPENSE- DIVISIONAL	FACILITIES RENOVATIONS & UPGRADES FROM PROGRAM PLANNING	FACULTY RECRUITMENT	FIELDS INSTITUTE	GRADUATE EXPANSION INCENTIVE FUND	GRADUATE EXPANSION- UNIV-WIDE SERVICES
Net Budget for 2011-12	2,106,694	225,307	800,000	2,100,000	2,000,000	2,972,075	276,553	1,881,000	2,786,400
One-Time-Only Budget for 2011-12									
TOTAL NET BUDGET FOR 2011-12	2,106,694	225,307	800,000	2,100,000	2,000,000	2,972,075	276,553	1,881,000	2,786,400
BUDGET CHANGES									
ACADEMIC DIVISIONS-									
Adjusted Net Revenue									
University Fund Allocation									
SUBTOTAL									
2012-13 Allocations from Central Funds									
SHARED SERVICES DIVISIONS-									
Cost Containment									
Balance of Prior Year's Salary/Benefit Increase									
Adjustments: Contractual / Budget Model					(2,000,000)			321,385	40,000
ALL DIVISIONS-									
Transfers in									
Transfers out									(40,000)
Expense Offset by Additional Divisional Revenue									
(Increase) Decrease in Divisional Revenue									
TOTAL					(2,000,000)			321,385	
ONE-TIME-ONLY BUDGET CHANGES									
Adjustments: Contractual / Budget Model									
ONE-TIME-ONLY BUDGET CHANGE									
Net Budget for 2012-13	2,106,694	225,307	800,000	2,100,000		2,972,075	276,553	2,202,385	2,786,400
OTO Budget for 2012-13									
TOTAL NET BUDGET FOR 2012-13	2,106,694	225,307	800,000	2,100,000		2,972,075	276,553	2,202,385	2,786,400
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income									
External Income							500,000		
Internal Recoveries									
External Recoveries									
Negative Approp./Deficit Financing									
TOTAL DIV REVENUE (INCL. RECOVERIES)							500,000		
GROSS EXPENSE BUDGET FOR 2012-13	<u>2,106,694</u>	<u>225,307</u>	<u>800,000</u>	<u>2,100,000</u>		<u>2,972,075</u>	<u>776,553</u>	<u>2,202,385</u>	<u>2,786,400</u>

**Other Academic Costs (excl CRChairs Flowthrough
and Joint Programs)**

	Instructional Technology Innovation Fund (ITIF)	INFORMATION TECHNOLOGY INITIATIVES & UPGRADES	NON- DEPARTMENTAL PROFESSORS	OVERHEAD ON FEDERAL RESEARCH GRANTS	PROVOST'S RESERVE & CONTINGENCY	RESEARCH ALLOWANCE- EndCh/UnProf	RESEARCH ALLOWANCE- Canada Res Chairs	RESEARCH SUPPORT P.D.& D.
Net Budget for 2011-12	216,422	2,784,819	233,972	4,907,750	15,550,658	2,100,000	1,260,000	890,657
One-Time-Only Budget for 2011-12								
TOTAL NET BUDGET FOR 2011-12	216,422	2,784,819	233,972	4,907,750	15,550,658	2,100,000	1,260,000	890,657

BUDGET CHANGES

ACADEMIC DIVISIONS-

Adjusted Net Revenue

University Fund Allocation

SUBTOTAL

2012-13 Allocations from Central Funds

(83,500)

SHARED SERVICES DIVISIONS-

Cost Containment

Balance of Prior Year's Salary/Benefit Increase

Adjustments: Contractual / Budget Model

72,789

(4,907,750)

83,500

170,000

ALL DIVISIONS-

Transfers in

Transfers out

(72,789)

Expense Offset by Additional Divisional Revenue

(Increase) Decrease in Divisional Revenue

TOTAL

(4,907,750)

170,000

ONE-TIME-ONLY BUDGET CHANGES

Adjustments: Contractual / Budget Model

ONE-TIME-ONLY BUDGET CHANGE

Net Budget for 2012-13

216,422

2,784,819

233,972

15,550,658

2,100,000

1,260,000

1,060,657

OTO Budget for 2012-13

TOTAL NET BUDGET FOR 2012-13

216,422

2,784,819

233,972

15,550,658

2,100,000

1,260,000

1,060,657

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income

External Income

Internal Recoveries

External Recoveries

Negative Approp./Deficit Financing

TOTAL DIV REVENUE (INCL. RECOVERIES)

GROSS EXPENSE BUDGET FOR 2012-13

216,422

2,784,819

233,972

15,550,658

2,100,000

1,260,000

1,060,657

**Other Academic Costs (excl CRChairs Flowthrough
and Joint Programs)**

	OPERATING FUND				CANADA RESEARCH CHAIRS	UNDERGRADUATE COURSE DEVELOPMENT FUND	TOTAL
	RESERVE FOR RESEARCH OVERHEAD	SUPPORT FOR CAPITAL BUDGET	SEARCH COMMITTEES	TRANSITIONAL FUNDING			
Net Budget for 2011-12	8,200,000	1,860,000	250,152	4,657,177	22,100,000	1,500,000	81,659,636
One-Time-Only Budget for 2011-12							
TOTAL NET BUDGET FOR 2011-12	8,200,000	1,860,000	250,152	4,657,177	22,100,000	1,500,000	81,659,636
BUDGET CHANGES							
ACADEMIC DIVISIONS-							
Adjusted Net Revenue							
University Fund Allocation							
SUBTOTAL							
2012-13 Allocations from Central Funds				(220,144)			(303,644)
SHARED SERVICES DIVISIONS-							
Cost Containment							
Balance of Prior Year's Salary/Benefit Increase							
Adjustments: Contractual / Budget Model	800,000	(1,200,000)		136,166	(500,000)		(6,983,910)
ALL DIVISIONS-							
Transfers in							
Transfers out							(112,789)
Expense Offset by Additional Divisional Revenue							
(Increase) Decrease in Divisional Revenue							
TOTAL	800,000	(1,200,000)		(83,978)	(500,000)		(7,400,343)
ONE-TIME-ONLY BUDGET CHANGES							
Adjustments: Contractual / Budget Model		4,300,000					4,300,000
ONE-TIME-ONLY BUDGET CHANGE		4,300,000					4,300,000
Net Budget for 2012-13	9,000,000	660,000	250,152	4,573,199	21,600,000	1,500,000	74,259,293
OTO Budget for 2012-13		4,300,000					4,300,000
TOTAL NET BUDGET FOR 2012-13	9,000,000	4,960,000	250,152	4,573,199	21,600,000	1,500,000	78,559,293
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income							
External Income							500,000
Internal Recoveries							
External Recoveries							
Negative Approp./Deficit Financing							
TOTAL DIV REVENUE (INCL. RECOVERIES)							500,000
GROSS EXPENSE BUDGET FOR 2012-13	9,000,000	4,960,000	250,152	4,573,199	21,600,000	1,500,000	79,059,293

Central Library

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE LIBRARY OPERATIONS	INFORMATION COMMONS	ST GEORGE LIBRARY ACQUISITIONS	Central Library TOTAL
Net Budget for 2011-12	28,714,999	1,842,640	24,117,515	54,675,154
One-Time-Only Budget for 2011-12	400,000			400,000
TOTAL NET BUDGET FOR 2011-12	29,114,999	1,842,640	24,117,515	55,075,154
BUDGET CHANGES				
ACADEMIC DIVISIONS-				
Adjusted Net Revenue				
University Fund Allocation				
SUBTOTAL				
2012-13 Allocations from Central Funds			(75,143)	(75,143)
SHARED SERVICES DIVISIONS-				
Cost Containment	(583,517)	(36,853)		(620,370)
Balance of Prior Year's Salary/Benefit Increase	523,690	37,202		560,892
Adjustments: Contractual / Budget Model	616,000		480,000	1,096,000
ALL DIVISIONS-				
Transfers in				
Transfers out				
Expense Offset by Additional Divisional Revenue				
(Increase) Decrease in Divisional Revenue				
TOTAL	556,173	349	404,857	961,379
ONE-TIME-ONLY BUDGET CHANGES				
Adjustments: Contractual / Budget Model	729,000		480,000	1,209,000
ONE-TIME-ONLY BUDGET CHANGE	729,000		480,000	1,209,000
Net Budget for 2012-13	29,271,172	1,842,989	24,522,372	55,636,533
OTO Budget for 2012-13	1,129,000		480,000	1,609,000
TOTAL NET BUDGET FOR 2012-13	30,400,172	1,842,989	25,002,372	57,245,533
DIVISIONAL REVENUE (INCL. RECOVERIES)				
Endowment Income	144,000			144,000
External Income	2,043,410			2,043,410
Internal Recoveries	2,116,008			2,116,008
External Recoveries	2,194,766			2,194,766
Negative Approp./Deficit Financing				
TOTAL DIV REVENUE (INCL. RECOVERIES)	6,498,184			6,498,184
GROSS EXPENSE BUDGET FOR 2012-13	36,898,356	1,842,989	25,002,372	63,743,717

Facilities and Services

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE MAINTENANCE & SERVICES	DEFERRED MAINTENANCE FUNDING	ST GEORGE UTILITIES	St George TOTAL
Net Budget for 2011-12	47,427,756	11,586,973	43,159,181	102,173,910
One-Time-Only Budget for 2011-12	900,000		750,000	1,650,000
TOTAL NET BUDGET FOR 2011-12	48,327,756	11,586,973	43,909,181	103,823,910
BUDGET CHANGES				
ACADEMIC DIVISIONS-				
Adjusted Net Revenue				
University Fund Allocation				
SUBTOTAL				
2012-13 Allocations from Central Funds				
SHARED SERVICES DIVISIONS-				
Cost Containment	(971,385)			(971,385)
Balance of Prior Year's Salary/Benefit Increase	1,141,496			1,141,496
Adjustments: Contractual / Budget Model	1,613,525	750,000	782,853	3,146,378
ALL DIVISIONS-				
Transfers in				
Transfers out				
Expense Offset by Additional Divisional Revenue				
(Increase) Decrease in Divisional Revenue				
TOTAL	1,783,636	750,000	782,853	3,316,489
ONE-TIME-ONLY BUDGET CHANGES				
Adjustments: Contractual / Budget Model	1,228,325			1,228,325
ONE-TIME-ONLY BUDGET CHANGE	1,228,325			1,228,325
Net Budget for 2012-13	49,211,392	12,336,973	43,942,034	105,490,399
OTO Budget for 2012-13	2,128,325		750,000	2,878,325
TOTAL NET BUDGET FOR 2012-13	51,339,717	12,336,973	44,692,034	108,368,724
DIVISIONAL REVENUE (INCL. RECOVERIES)				
Endowment Income				
External Income	1,178,388		4,041,090	5,219,478
Internal Recoveries	19,482,806		6,027,731	25,510,537
External Recoveries				
Negative Approp./Deficit Financing				
TOTAL DIV REVENUE (INCL. RECOVERIES)	20,661,194		10,068,821	30,730,015
GROSS EXPENSE BUDGET FOR 2012-13	72,000,911	12,336,973	54,760,855	139,098,739

Governance and Administration

DIVISIONAL BUDGET SCHEDULES

	GOVERNING COUNCIL, FIPPA, OMBUDSPERSON, & INTERNAL AUDIT	OFFICE OF THE PRESIDENT	OTHER INSTITUTIONAL COSTS (incl Convocation)	CHIEF FINANCIAL OFFICER	OFFICE OF VICE-PRESIDENT & PROVOST	VICE-PROVOST ACADEMIC PROGRAMS	VICE-PROVOST FACULTY & ACADEMIC LIFE	VICE-PROVOST - STUDENTS	
								VICE-PROVOST STUDENTS	VICE-PROVOST STUDENTS OTHER
Net Budget for 2011-12	3,693,629	1,278,060	964,500	6,189,528	1,469,375	535,278	953,188	1,178,515	8,450,010
One-Time-Only Budget for 2011-12							80,000	200,000	300,000
TOTAL NET BUDGET FOR 2011-12	3,693,629	1,278,060	964,500	6,189,528	1,469,375	535,278	1,033,188	1,378,515	8,750,010
BUDGET CHANGES									
ACADEMIC DIVISIONS-									
Adjusted Net Revenue									
University Fund Allocation									
SUBTOTAL									
2012-13 Allocations from Central Funds									
SHARED SERVICES DIVISIONS-									
Cost Containment	(72,420)	(26,221)	(17,410)	(126,382)	(30,120)	(10,749)	(19,901)	(23,891)	(134,302)
Balance of Prior Year's Salary/Benefit Increase	85,145	33,000	6,011	129,558	36,614	2,157	41,877	16,040	153,419
Adjustments: Contractual / Budget Model	25,000			126,000		52,000		522,000	
ALL DIVISIONS-									
Transfers in									49,000
Transfers out						(49,000)			
Expense Offset by Additional Divisional Revenue									
(Increase) Decrease in Divisional Revenue									
TOTAL	37,725	6,779	(11,399)	129,176	6,494	(5,592)	21,976	514,149	68,117
ONE-TIME-ONLY BUDGET CHANGES									
Adjustments: Contractual / Budget Model	137,000						(80,000)	150,000	(300,000)
ONE-TIME-ONLY BUDGET CHANGE	137,000						(80,000)	150,000	(300,000)
Net Budget for 2012-13	3,731,354	1,284,839	953,101	6,318,704	1,475,869	529,686	975,164	1,692,664	8,518,127
OTO Budget for 2012-13	137,000							350,000	
TOTAL NET BUDGET FOR 2012-13	3,868,354	1,284,839	953,101	6,318,704	1,475,869	529,686	975,164	2,042,664	8,518,127
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income									
External Income	243,600			182,317				5,249,670	43,000
Internal Recoveries	31,094			5,383				476,766	1,869,367
External Recoveries	31,612			73,890					
Negative Approp./Deficit Financing									
TOTAL DIV REVENUE (INCL. RECOVERIES)	306,306			261,590				5,726,436	1,912,367
GROSS EXPENSE BUDGET FOR 2012-13	<u>4,174,660</u>	<u>1,284,839</u>	<u>953,101</u>	<u>6,580,294</u>	<u>1,475,869</u>	<u>529,686</u>	<u>975,164</u>	<u>7,769,100</u>	<u>10,430,494</u>

Governance and Administration

	VICE-PRESIDENT UNIVERSITY OPERATIONS									TOTAL Governance Administration
	VICE PRESIDENT ADVANCEMENT	VICE PRESIDENT HUMAN RESOURCES & EQUITY	VICE PRESIDENT RESEARCH	VICE PRESIDENT UNIVERSITY OPERATIONS	REAL ESTATE OPERATIONS	CAMPUS & FACILITIES PLANNING	CHIEF INFORMATION OFFICER	PLANNING & BUDGET	VICE PRESIDENT UNIVERSITY RELATIONS	
Net Budget for 2011-12	16,835,320	10,310,295	9,355,944	1,202,608	809,791	2,945,504	18,041,578	1,838,127	5,234,509	91,285,759
One-Time-Only Budget for 2011-12	3,900,000	280,000	2,270,000				6,982,000		926,000	14,938,000
TOTAL NET BUDGET FOR 2011-12	20,735,320	10,590,295	11,625,944	1,202,608	809,791	2,945,504	25,023,578	1,838,127	6,160,509	106,223,759
BUDGET CHANGES										
ACADEMIC DIVISIONS-										
Adjusted Net Revenue										
University Fund Allocation										
SUBTOTAL										
2012-13 Allocations from Central Funds										
SHARED SERVICES DIVISIONS-										
Cost Containment	(186,286)	(200,095)	(191,398)	(17,216)	(16,361)	(61,139)	(300,826)	(38,176)	(106,630)	(1,579,523)
Balance of Prior Year's Salary/Benefit Increase	279,014	242,257	213,961	23,627	8,261	64,236	396,329	41,216	97,015	1,869,737
Adjustments: Contractual / Budget Model	404,637	638,492	100,000			356,000	405,828	90,000		2,719,957
ALL DIVISIONS-										
Transfers in				11,000	508,739		73,089	92,910		734,738
Transfers out				(92,910)	(508,739)	(2,000)	(8,000)	(1,300)		(661,949)
Expense Offset by Additional Divisional Revenue										
(Increase) Decrease in Divisional Revenue										
TOTAL	497,365	680,654	122,563	(75,499)	(8,100)	357,097	566,420	184,650	(9,615)	3,082,960
ONE-TIME-ONLY BUDGET CHANGES										
Adjustments: Contractual / Budget Model	701,561	(109,372)	(770,000)				(6,787,000)		(926,000)	(7,983,811)
ONE-TIME-ONLY BUDGET CHANGE	701,561	(109,372)	(770,000)				(6,787,000)		(926,000)	(7,983,811)
Net Budget for 2012-13	17,332,685	10,990,949	9,478,507	1,127,109	801,691	3,302,601	18,607,998	2,022,777	5,224,894	94,368,719
OTO Budget for 2012-13	4,601,561	170,628	1,500,000				195,000			6,954,189
TOTAL NET BUDGET FOR 2012-13	21,934,246	11,161,577	10,978,507	1,127,109	801,691	3,302,601	18,802,998	2,022,777	5,224,894	101,322,908
DIVISIONAL REVENUE (INCL. RECOVERIES)										
Endowment Income										
External Income	2,808,554	2,664,417	200,000		1,440,432	734,000	1,360,207		8,000	14,934,197
Internal Recoveries	507,801	4,767,024		1,288,247	5,029,961	1,032,597	3,263,515	73,976		18,345,731
External Recoveries	45,744						272,163			423,409
Negative Approp./Deficit Financing										
TOTAL DIV REVENUE (INCL. RECOVERIES)	3,362,099	7,431,441	200,000	1,288,247	6,470,393	1,766,597	4,895,885	73,976	8,000	33,703,337
GROSS EXPENSE BUDGET FOR 2012-13	<u>25,296,345</u>	<u>18,593,018</u>	<u>11,178,507</u>	<u>2,415,356</u>	<u>7,272,084</u>	<u>5,069,198</u>	<u>23,698,883</u>	<u>2,096,753</u>	<u>5,232,894</u>	<u>135,026,245</u>