UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 171 OF THE PLANNING AND BUDGET COMMITTEE
March 2, 2016

To the Academic Board,
University of Toronto

Your Committee reports that it held a meeting on March 2, 2016 at 4:10 p.m. in the Council Chamber, Simcoe Hall, at which the following were present:

Professor Steven J. Thorpe (In the Chair)
Professor Ron Levi (Vice-Chair)
Professer Cheryl Reghr, Vice-President and Provost
Professor Scott Mabury, Vice-President, University Operations
Professor Suzanne Conklin Akbari
Professor Cristina Amon
Professor Carol Chin
Professor Maria Cristina Cuervo
Ms Sally Garner, Executive Director, Planning and Budget
Ms. Linda Gao
Professor Stephen Julian
Professor Linda Kohn
Professor Tiff Macklem
Professor Ernest Lam
Professor Elizabeth Smyth
Mr. Bruce Winter
Mr. Ning Yan

Non-voting Assessor
Ms Christine Burke, Director, Campus and Facilities Planning

Secretariat:
Mr. Anwar Kazimi, Secretary, Planning and Budget Committee

Regrets
Professor Heather Boon
Mr. P.C. Choo
Ms Sandra Hudson
Mr. John Paul Morgan
Mr. Riaz Sayani-Mulji

In Attendance:
Ms Elizabeth Cragg, Director, Office of the Vice-President, University Operations
Ms Archana Sridhar, Assistant Provost

ITEMS 2, 4, 5, 11, AND 12 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL. ALL OTHER ITEMS ARE REPORTED FOR INFORMATION. ITEMS 11 AND 12 WERE CONSIDERED *IN CAMERA.*

1. Senior Assessor's Report

The Chair noted that the Senior Assessor's Report would be deferred to the following meeting of the Committee on March 31, 2016.

2. Budget Report, 2016-2017

Professor Mabury, Professor Regehr and Ms Garner made a detailed presentation on the Budget Report for 2016-2017. A copy of the presentation is appended to this report.

In providing the context for the Budget Report 2016-2017, the following areas were highlighted:

- The process and planning in developing the Budget Report
- Student enrolment and divisional plans
- Expenses related to faculty and staff compensation; pension plan deficit payments
- Support for capital projects and university-wide shared services
- Student financial support
- University Fund allocations

Discussion

- Several members noted the divisional aspirations for growth in the number of graduate students and the final overall University target and sought further clarity in this matter.

- Professor Regehr said that professional graduate programs had been identified by divisions as primary areas for graduate growth – either through an increase in intake in the existing programs or through newly-approved programs such as the Master of Kinesiology degree. Doctoral student numbers included those admitted directly to PhD programs, and graduate students in the first year of research-based programs. The central administration continued to provide incentives for graduate expansion, and revenues flowed directly to departments for graduate student expansion. Departments were reminded to base their expansion aspirations on their academic mission and goals. In instances where divisions were unable to meet their targets, the government grants in the form of basic income units (BIUs) were redistributed to divisions that had exceeded their targets.

  Professor Regehr noted that the Provincial government had agreed to convert some unfilled domestic PhD spaces for international students. The University had received approval for 38 such places for a four-year period – these spaces were then distributed to divisions across the University.

2. Budget Report, 2016-2017 (continued)

International students remained outside the targeted growth projections for the academic division as they are not subject to government funding. The University continued to lobby the Provincial government for support for international graduate students. In the meantime, academic divisions continued to seek ways to fund international graduate students.

- A member asked how accurate the projections were – in particular the long-range guidelines over a five-year period.

  Ms Garner said that on the revenue side, the projections were quite accurate – usually within a one per cent variance for the following year or two. On the expense side, the most difficult area to predict precisely was faculty and staff compensation, especially during a year in which collective agreements were due to be renegotiated.

  Professor Mabury commented that the University of Toronto Scarborough and the University of Toronto Mississauga were expected to attain their enrolment targets. The growth in international student enrolment was expected to be at a steady state. The projections were based on a 3 to 5-year rolling average on yield and calibrated on those averages.

- A member referred to the ongoing discussions for a Jointly Sponsored Pension Plan (JSPP) and asked whether these discussions had factored in the uncertainty over the pension payment aspects of the operating budget.

  Professor Mabury replied that the University continued to plan for its pension obligations under the current pension plans. Any alterations to the existing pension plans would need to address current obligations and any ongoing growing concerns over its pension plans.

  On a motion duly moved, seconded and carried

  YOUR COMMITTEE RECOMMENDS

  Be It Recommended to the Academic Board:

  THAT the *Budget Report 2016-17 be approved*, and

  THAT the *Long Range Budget Guidelines 2016-17 to 2020-21* be approved in principle.

3. Enrolment Report, 2015-2016

The Enrolment Report, 2015-2016, was provided to the members with the Budget Report presentation.

4. Capital Project: Report of the Project Planning Committee for the 167 College Street Communications House and Swing Space Conversion

Ms Christine Burke presented an overview of the memorandum dated February 2016 from Professor Mabury highlighting the report of the Project Planning Committee for the 167 College Street Communications House and Swing Space Conversion.

Discussion

- A member noted that 167 College Street was not barrier-free and enquired how this would meet the intended swing space requirements?

  Given the building's layout and configuration, the proposed work/renovation of the site does not meet the necessary definition of "extensive renovation" specified by the *Accessibility for Ontarians with Disabilities Act (*AODA*)* standards as requiring barrier free access. Throughout deliberations, the University continued to prioritize its goals of meeting the AODA's built environment standards. Professor Mabury repeated that this is a temporary use building that would ultimately be demolished as part of a new building development. Costs to implement upgrades and changes in adherence to AODA requirements in other, long term facilities across campus were also considered, as were the prospective tenants of the list of sites (residents, students, staff and faculty, etc.); as always, the University has prioritized its AODA-related work based on these factors as well as available budget. If required, alternate space allocations that meet the needs of departments with barrier-free swing space requirements are available, including next door (256 McCaul Street) and directly across the street at 255 McCaul Street.

- A member asked about the future development plans for the 167 College Street site.

  Professor Mabury said it was expected that the proposed renovations at 167 College Street would suffice for a period of five to ten years. The long-term development plans for the site included an eight to ten floor building with purpose-built space. It was hoped that the site would provide impetus for inter divisional collaborations to address the academic missions and growth aspirations.

  On a motion duly moved, seconded and carried

  YOUR COMMITTEE RECOMMENDS

  1. THAT the Project Planning Committee Report for the 167 College Street Communications House and Swing Space Conversion, dated January 15, 2016, be approved in principle; and,

  2. THAT the project scope for the renovation totaling 906 net assignable square metres (nasm) (1438 gross square metres (gsm)) be approved in principle, to be funded by Central Reserve Funds.

5. Capital Project: Revised Report of the Project Planning Committee for the school of Graduate Studies, Macdonald-Mowat House, 63 St. George Street Renovation & Restoration

Professor Mabury presented an overview of the memorandum dated February 2016 highlighting the revised report of the Project Planning Committee for the School of Graduate Studies, Macdonald-Mowat House, 63 St. George Street Renovation & Restoration. Professor Mabury noted that depreciation of the Canadian dollar since June 2015, amongst other factors, had resulted in increases to the cost of the project. It had been noted in the original project planning report that the windows were to be replaced as a separate project. However, since that time heritage permits had been received sooner than expected, allowing for the windows to be included in the revised project scope. This would result in significant cost saving to the School of Graduate Studies.

A member asked whether, in general, an acute drop in the Canadian dollar exchange rate had an impact on the bids received for capital projects. Professor Mabury replied that the exchange rate had an impact on the cost of capital projects in that it had a causal effect even for goods manufactured in Canada. The drop in the value of the Canadian dollar made the U.S. market more attractive to Canadian manufacturers with an increase in exports; and this led to an increase in prices for the Canadian buyers of such products.

On a motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDS

1. THAT the Revised Project Planning Committee Report for the School of Graduate Studies, Macdonald-Mowat House, 63 St. George Renovation and Restoration, dated February 26, 2016 be approved in principle; and,

2. THAT the revised project scope of 63 St. George Street Renovation and Restoration totaling 715 net assignable square metres (nasm) (1070 gross square metres (gsm)) be approved in principle, to be funded by the School of Graduate Studies Operating Funds.

CONSENT AGENDA

On motion duly moved, seconded, and carried,

The consent agenda was adopted and that the items on it were approved.

6. Annual Report for the Executive Committee of the Capital Project and Space Allocation Committee (CaPS)

7. Report of the Previous Meeting (January 13, 2016)

Report Number 170 (January 13, 2016) was approved.

8. Business Arising from the Report of the Previous Meeting

There was no business arising from the report of the previous meeting.

9. Date of Next Meeting

The Chair reminded members that the next meeting was scheduled for Thursday, March 31, 2016 at 4:10 p.m.

10. Other business

There were no items of other business.

The Committee moved *in camera.*

11. Capital Project: Report of the Project Planning Committee for the 167 College Street Communications House and Swing Space Conversion – Total Project Cost and Sources of Funding

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDS

THAT the report of the Project Planning Committee, as outlined in the February 17, 2016 memorandum by Professor Scott Mabury, Vice-President University Operations, be approved.

12. Capital Project: Report of the Project Planning Committee for the School of Graduate Studies, Macdonald-Mowat House, 63 St. George Street Renovation & Restoration – Total Project Cost and Sources of Funding

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDS

THAT the report of the Project Planning Committee for the School of Graduate Studies, as outlined in the February 17, 2016 memorandum by Professor Scott Mabury, Vice-President University Operations, be approved.

The Committee returned to Open Session.

The meeting adjourned at 6:05 p.m.

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Secretary Chair

March 3, 2016