

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 175 OF THE PLANNING AND BUDGET COMMITTEE

January 11, 2017

To the Academic Board,
University of Toronto

Your Committee reports that it held a meeting on January 11, 2017, at 4:10 p.m. in the Council Chamber, Simcoe Hall, at which the following were present:

Professor Steven J. Thorpe (In the Chair)
Mr. Bruce Winter (Vice-Chair)*
Professor Cheryl Regehr, Vice-President and
Provost
Professor Scott Mabury, Vice-President,
University Operations
Professor Cristina H. Amon
Mr. Harvey Botting
Mr. Edvard Bruun
Professor Maria Cristina Cuervo
Professor Luc De Nil
Professor Joseph Desloges
Professor David Dubins
Ms Sally Garner, Executive Director, Planning
and Budget
Professor Ira Jacobs
Professor Linda M. Kohn
Professor Tiff Macklem
Mr. Jorge May
Professor James Stafford
Professor Njoki Wane

Non-voting-Assessor:

Mr. Gilbert Delgado, Chief, Planning,
Design and Construction
Ms Christine Burke, Director, Campus and
Facilities Planning

Secretariat:

Mr. Patrick F. McNeill, Secretary, Planning
and Budget Committee
Mr. Anwar Kazimi, Deputy Secretary of
the Governing Council

Regrets:

Professor Stephen R. Julian
Mr. Ben Liu
Mr. Sean McGowan

**via conference call (open session)*

In Attendance:

Professor Donald Ainslie, Principal, University College
Mr. Tad Brown, Finance and Development Counsel, Advancement
Ms Jessie Richards, Curriculum Developer, Office of the Vice-Provost, Innovations in
Undergraduate Education
Ms Archana Sridhar, Assistant Provost

ITEM 2 AND *IN CAMERA* ITEM 8 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL. ALL OTHER ITEMS ARE REPORTED FOR INFORMATION

OPEN SESSION

The Chair welcomed members and guests to the meeting. He informed the Committee that correspondence from CUPE Local 3261 dated January 4, 2017 had been received and tabled.

1. Senior Assessor's Report

i) Budget Process – An Overview

Professor Regehr and Ms Garner made a detailed presentation on the process involved in the development of the Budget Report which consisted of the following highlights:

- The budget process leading up to Governing Council approval of the budget for one year out (2017-18) and approval in principle for the subsequent 4 years (2018-19 to 2021-22, as a moving 5 year window, would be undertaken;
- The overall budget consists of four primary categories: operating, restricted, ancillary and capital, with the process and timeline leading to establishing the operating budget being the prime focus of the presentation;
- Approval of the operating budget was accompanied by Governing Council's approval of tuition fees which is the University's single largest source of operating revenue;
- Planning began in the divisions – this was the foundation of a decentralized budget model;
- Deans and their teams in faculties and departments look at their own revenue and expense budgets and make decisions locally – decisions were rolled up for subsequent review and approval by the administration and governance;
- As part of an annual Academic Budget Review, the Provost and VP University Operations met with the Dean of each academic division and their budget team to discuss a number of topics including enrolment and academic program, tuition fees, student aid, etc. – areas for opportunity and potential challenges in the year ahead were also identified;
- Additional reviews were undertaken by the Divisional (or Dean or Decanal) Advisory Committee followed by a review and approval in principle process by the senior leadership to prepare a draft budget;
- Extensive consultations on the draft budget would take place each year across the University;
- The Budget Report for 2017-18 would be communicated to divisions pending final approval by Governing Council;
- Tuition fees would be posted after Business Board approval, pending final Governing Council approval.

In response to members' comments and questions, the Professor Regehr and Ms Garner stated the following:

- The Strategic Mandate Agreement with the Province would be renegotiated in 2017;
- The Province would be moving forward with changes to the student aid application process as part of OSAP – applicants would be provided with upfront information about funding and an estimate of net billing for tuition;
- The University had been successful in forecasting admissions and meeting its enrolment targets and had the flexibility to make minor adjustments;
- Historically net average tuition fee increases had been at 3% for domestic students. There were no provincial restrictions regarding tuition fee increases for international students;
- Enrolment targets for international students was set by the university and not negotiated with the Province;
- The University of Toronto's Advance Planning for Students program (UTAPS) continues to be an important part of the University's commitment to student financial aid and success;
- As part of the Academic Budget Review process all increases to revenue based on increased enrolment flow directly to the divisions less university-wide costs;

2. Capital Project: Report of the Project Planning Committee for the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) - Additional Project Scope & Revised Total Project Costs

Professor Mabury stated that approval was being sought for additional project scope and revised total project costs for the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) capital project. This project had been presented to the Committee on two previous occasions, but with the proposed changes there was a requirement under the *Policy on Capital Planning and Capital Projects* to bring the item back for consideration. He noted that the *Policy* was under review and revisions would be presented to the Committee in a later governance cycle.

Professor Mabury commented that the proposed changes to the project scope represented an excellent opportunity to address a number of critical issues with the current building, provide synergy with the original project scope, and respond to new sources of funding.

Ms Christine Burke presented a detailed overview of the proposed changes and additional scope for the project. These included the following highlights:

- a) Renovation and restoration of two classrooms (UC179 & UC179A);
- b) Upgrade to a full service elevator from a proposed limited-use, limited-access lift (LULA) elevator;
- c) Construction of the Third Floor Café and lounge between the East and West Halls;
- d) Design resolution of secondary effects related to these changes in project scope and deferred maintenance upgrades.

Professor Donald Ainslie remarked that the capital project for the University College revitalization project was guided by four general principles: recognition of the College's special role at the University and its mission; continued commitment to an open, non-sectarian education with a focus on the undergraduate student experience; commitment to accessibility as a core value; and, respect and cherishment of its historical heritage in the city. He stated that it was an exciting moment for the College and that student spaces could now be improved with the support of the students through the University College Literary & Athletic Society Special Project Levy.

Members commended the Principal and the administration for a high quality project which paid particular attention to historic preservation and improved accessibility.

In the discussion that followed, the following matters were addressed:

- A portion of the funding would flow from the Deferred Maintenance Budget as a one-time only transfer – this included some funds that had been received from the Province;
- The foundation of the elevator would stand on its own with glazed connections to existing portals in the building – the University had worked closely with the city to obtain heritage approval for the elevator;
- The College had worked closely with students as part of the project planning process. A Memorandum of Understanding would be signed to address shared costing and how funds would be transferred from the special student levy, as well as address the option for students to operate the café space;

- The project construction schedule would be relatively short (12 months), but some disruption to access parts of the building were to be expected;
- Access to the historic building will be greatly improved with the construction of a new accessible front entrance.

The Chair thanked Professors Mabury and Ainslie, and Ms Burke for the comprehensive presentation and response to members' questions.

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDS

- i. THAT the Project Planning Committee Report for the University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2): Additional Project Scope, dated November 11, 2016, be approved in principle; and,
- ii. THAT the Additional Project Scope totalling 408 net assignable square metres (nasm) (551 gross square metres (gsm)) for a total of 1,393 nasm (1,817 gsm) be approved in principle, to be funded by UC Boundless Capital Campaign Funds, Provost's Central Funds, University College Operating Funds, Faculty of Arts and Science Capital Funds, Facilities and Services Funds and University College Literary & Athletic Society Special Project Levy.

3. Annual Report: Approved Endowed and Limited Term Chairs, Professorships, Distinguished Scholars and Program Initiatives, 2015-2016

The Committee received the *Annual Report: Approved Endowed and Limited Term Chairs, Professorships, Distinguished Scholars and Program Initiatives, 2015-2016* for information.

There were no questions from members.

4. Report of the Previous Meeting - Report No. 174, November 2, 2016

Report Number 174 (November 2, 2016) was approved.

5. Business Arising from the Report of the Previous Meeting

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

6. Date of Next Meeting – Wednesday, March 1, 2017

The Chair reminded members that the next meeting was scheduled for March 1, 2017.

7. Other business

There were no items of other business.

The Committee moved *In Camera*

8. Capital Project: University College Revitalization (Revised Phase 1) and Croft Chapter House (Phase 2) – Revised Total Project Costs and Sources of Funding

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDS

THAT the Vice President, University Operations' recommendation, as outlined in the memorandum dated November 25, 2016, be approved.

The Committee returned to open session.

The meeting adjourned at 5:50 p.m.

Secretary

Chair

January 16, 2017