

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 176 OF THE PLANNING AND BUDGET COMMITTEE

March 1, 2017

To the Academic Board,
University of Toronto

Your Committee reports that it held a meeting on March 1, 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)
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 Luc De Nil

Professor Joseph Desloges

Professor David Dubins

Ms Sally Garner, Executive Director, Planning
and Budget

Professor Ira Jacobs

Mr. Ben Liu*

Mr. Jorge May

Professor James Stafford

Non-voting-Assessor:

Ms Christine Burke, Director, Campus and
Facilities Planning

Secretariat:

Mr. Patrick F. McNeill, Secretary

Regrets:

Professor Maria Cristina Cuervo

Professor Stephen R. Julian

Professor Linda M. Kohn

Professor Tiff Macklem

Mr. Sean McGowan

Professor Njoki Wane

Mr. Bruce Winter

**via conference call (open session)*

In Attendance:

Ms Elizabeth Cragg, Director, Office of the Vice-President, University Operations

Ms Archana Sridhar, Assistant Provost

Mr. Zhicheng Xu, Governor-Elect

ITEM 3 IS RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL. ALL
OTHER ITEMS ARE REPORTED FOR INFORMATION.

OPEN SESSION

1. Chair's Remarks

The Chair welcomed members and guests to the meeting.

2. Senior Assessor's Report

Strategic Mandate Agreement (SMA)

Professor Regehr provided an update on the pending renewal of the three year Strategic Mandate Agreement (SMA) with the Ministry of Training, Colleges and Universities (now Ministry of Advanced Education and Skills Development (MAESD)), which the University had originally signed in the spring 2014. The Provost reported that a second SMA (SMA2) would be entered into with MAESD in 2017 and that negotiations were underway. A third SMA (SMA3) would follow.

Professor Regehr highlighted some of the key features expected of the SMA2:

- builds on SMA1;
- continues differentiation policy of the Province;
- “operationalizes” the revised funding formula features (establishes funded corridor level and defines differentiation envelope);
- includes discussion of enrolment plans (growth and declines) and international strategies (i.e. international PhD funding); and
- starts discussion on metrics and targets, to be refined and implemented further in SMA3.

In response to members' questions and comments, Professor Regehr explained that the new funding formula included the establishment of an enrolment corridor mechanism to support funding predictability/stability objectives for Ontario Universities. A new differentiation funding envelope with a performance proportion linked to metrics would also be created.

The Provost stated that the differentiated excellence of the University, particularly in graduate education and research-intensive undergraduate education, and the metrics used to assess excellence would continue to place the University in a strong position. The University would focus its efforts on measuring its success in the five priority areas identified by the Province:

- student experience;
- innovation in teaching and learning excellence;
- access and equity;
- research excellence and impact; and
- innovation, economic development and community engagement.

A copy of the SMA presentation is available [here](#).

3. Budget Report, 2017-2018

Professor Mabury, Professor Regehr and Ms Garner made a detailed presentation on the *Budget Report for 2017-2018*. A copy of the budget presentation is available [here](#).

Professor Regehr stated that the budget was balanced and represented the culmination of many months of planning and the decisions of many academic and administrative units. The Provost referred to the pre-budget presentation at the last Committee meeting noting that the budget-setting process at the University of Toronto was very much a bottom-up process, whereby Deans and their teams in academic divisions and departments looked at their own revenue and expense budgets and made decisions locally.

Item 3 - Budget Report, 2017-2018 (continued)

The Provost added that decisions were rolled up for review and approval, informed by relevant economic factors, risk assessments, collective agreements, Provincial and University policies and then approved by administration and governance.

In providing the context for the *Budget Report 2017-2018*, the following areas were highlighted by Professor Mabury, Professor Regehr and Ms Garner:

- student enrolment and divisional plans;
- expenses related to faculty and staff compensation, including pension plan deficit payments;
- support for capital projects and University-wide shared services;
- student financial support; and
- University Fund allocations for 2017-18.

Discussion

Members commended the administration for the in-depth and cohesive budget presentation.

As part of the discussion the following matters were addressed:

- the University was involved in on-going discussions, both internally (employee groups) and externally (Council of Ontario Universities and MAESD) regarding a Jointly Sponsored Pension Plan (JSPP), which could address some of the solvency issues of the University of Toronto Pension Plan;
- the administration continued to work with divisions as part of the academic budget planning process to develop strategies to address financial risks and challenges;
- a Vice-President International position was created in 2016 with one of its goals to broaden international student enrolment, particularly to increase application activity from India, USA and other countries;
- despite the volatility in the economy, enrolment had remained strong and the University had continued on its upward trajectory of attracting excellent domestic and international students;
- research impact would be a primary metric as part of the SMA2; the University performs well in this area;
- the University would closely monitor changes associated with student financial aid application process (i.e. timing of applications for OSAP and registration), and the recent Provincial requirement to move to net tuition billing;

The Chair thanked Professors Regehr and Mabury, and Ms Garner for their presentation and responses to members' comments and questions.

On a motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDS

THAT the *Budget Report 2017-18* be approved, and

THAT the *Long Range Budget Guidelines 2017-18 to 2021-22* be approved in principle.

4. Enrolment Report, 2016-2017

The *Enrolment Report, 2016-2017*, was provided to the members with the Budget Report presentation.

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

Professor Mabury commented on the level of construction activity across all three campuses – there were 166 projects underway including capital projects, renovation projects and others.

Ms Burke presented an overview of the broad scope of projects that had been approved by the Executive Committee of the Capital Project and Space Allocation Committee (CaPS) and examples across all three campuses of projects that have been executed. A copy of the presentation is available [here](#).

The Chair thanked Ms Burke for putting together an excellent overview of projects that complemented the work of capital projects approved by Planning and Budget.

6. Report of the Previous Meeting

Report Number 175 (January 11, 2017) was approved.

7. Business Arising from the Report of the Previous Meeting

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

8. Date of Next Meeting

The Chair reminded members that the next meeting was scheduled for Wednesday, March 30, 2017.

9. Other business

There were no items of other business.

The meeting adjourned at 6:03 p.m.

Secretary

Chair

March 3, 2017