

**UNIVERSITY OF TORONTO MISSISSAUGA CAMPUS COUNCIL
REPORT NUMBER 10 OF THE CAMPUS AFFAIRS COMMITTEE**

MARCH 23, 2015

To the Campus Council,
University of Toronto Mississauga

Your Committee reports that it held a meeting on March 23, 2015 at 4:10 p.m. in the Council Chambers, William G. Davis Building, at which the following were present:

Dr. Joseph Leydon, Chair
Mr. Nykolaj Kuryluk, Vice-Chair
Professor Deep Saini, Vice-President &
Principal
Mr. Arthur Birkenbergs
Professor Jennifer Carlson
Mr. Jeff Collins
Mr. Dario Di Censo
Mr. Paul Donoghue, Chief Administrative
Officer
Dr. Giovanni Facciponte
Professor Hugh Gunz
Ms Megan Jamieson
Ms Simone Laughton
Mr. Leonard Lyn
Professor Amy Mullin, Vice-Principal Academic
and Dean
Mr. Mark Overton, Dean of Student Affairs
Ms Judith Poë
Ms Maria Rabbat
Mr. Andy Semine
Ms Amber Shoebridge
Professor Jumi Shin
Professor Steven Short

Dr. Gerhard Trippen

Regrets:

Ms Donna Coulson
Professor Philip Clark
Ms Melissa Holmes
Mr. Taeho Lee
Ms Minahil Minhas
Mr. Moe Qureshi
Ms Anya Todic
Professor Anthony Wensley

Non-Voting Assessors:

Ms Christine Capewell, Director, Business
Services
Mr. Dale Mulling, Assistant Dean, Students &
International Initiatives

In Attendance:

Ms Stepanka Elias, Assistant Director, Planning Design and Construction, Facilities, Management &
Planning
Ms Sally Garner, Executive Director, Planning and Budget Office
Professor Scott Mabury, Vice-President, University Operations

Secretariat:

Mr. Louis Charpentier, Secretary of the Governing Council
Ms Cindy Ferencz Hammond, Director of Governance, Assistant Secretary of the Governing Council
Ms Mariam Ali, Committee Secretary

1. Chair's Remarks

The Chair welcomed members to the meeting.

2. UTM Campus Operating Budget - Allocation of Funds: Professor Scott Mabury, Vice-President, University Operations and Ms Sally Garner, Executive Director, Planning and Budget Office

The Chair advised members that the item was presented to members for information. The Chair then invited Professor Scott Mabury, Vice-President, University Operations and Ms Sally Garner, Executive Director, Planning and Budget Office begin their presentation.¹ In providing context for the Budget Report 2015-2016, the following the following themes and their key points were highlighted:

Budget Context: 2015

- A variety of factors would be considered every year when planning the budget, and those for 2015 included interest and exchange rates, public sector wage restraint, the provincial deficit, change in technology, growth in entrepreneurship, a domestic tuition cap, internationalization and differentiation;
- It was noted that the Strategic Mandate Agreement of UofT corresponded with the President's priorities, which were to continue to be a globally recognized, research intensive institution with a leadership role in Ontario's post-secondary system;
- Additional funding was approved for graduate spaces, where previously graduate allocations were unknown.

Enrolment

- Enrolment counted for over 85 percent of the budget, and in 2014 there was a total enrolment of approximately 74,000 students; taking part-time students into account, the actual figure was approximately 80,000;
- There had been a decrease in applications for domestic undergraduate enrolment, however an increase in international students enrolment. Professor Mabury noted that for the first time UofT had surpassed enrolment targets for the doctoral pool, which had been a priority;
- He noted that relative to the Province, UofT was doing well with respect to enrollments targets;
- In reviewing the long term tri-campus undergraduate enrolment plans, it was noted that UTM had plans for continued growth, similar to UTSC; St. George planned on keeping enrolment growth flat;
- Approximately 17 percent of total undergraduate students were international in 2014 across the three campuses;
- In response to a member's question, Professor Mabury confirmed that since enrolment was staying flat at St. George and international student intake had increased, domestic enrolment had therefore decreased. It was further added that in the medium term, it was projected that the domestic applicant pool would increase within the next 3 to 5 years. He noted that efforts were being made to broaden the domestic applicant pool by attracting applicants from outside of the Greater Toronto Area, looking broadly throughout Ontario and the rest of Canada;
- Entering Averages for new intakes had continued to increase and were at close to 83% at UTM
- In comparison to our Association of American Universities (AAU) peers, UofT graduate enrolment was the highest in numbers, and slightly below the AAU mean due to overall student population size.

Revenue and Expense Projections

- Ms Garner provided a breakdown of the operating revenues and expenses, which demonstrated that the largest revenue was student fees at 57.3 percent, and that the largest expense was academic divisions at 59.7 percent;

¹ A copy of this presentation is attached as Attachment A.

- The revenue growth for 2019-20 was projected to decrease to 5.7 percent for UTM and 4.3 percent at the institutional level. These declines represent that UofT would have reached its enrolment targets for undergraduate enrolment, internationalization and graduate intensification;
- It was explained to members that the provincial grant was projected to decrease to 25 percent by 2019-20, while tuition had and would continue to increase;
- A breakdown of the tuition fee increases for 2015-16 was provided. It showed an increase of 3 percent for domestic general undergraduate studies, 5 percent for domestic professional and graduate students, and 5 to 10 percent for international students;
- In comparison to AAU peer institutions, UofT was above the mean in tuition fees. However, when compared to the remaining top 20 ranking universities worldwide (UofT being ranked as 16th), UofT tuition rates were less by \$11,000 on average;
- Professor Mabury reviewed updates on compensation, highlighting the USW agreement which was in place till June, 2017 and kept increases at 3.45 percent.

UTM Budget Planning

- UTM has not yet reached steady state and has continued through its cycle of enrolment growth, addition of new space, and hiring of faculty and staff;
- Ms Garner provided a breakdown of UTM sources of operating revenue for 2015-16, which totalled \$249 million²;
- The current challenge with increased enrolment at UTM had been the student faculty ratio, which would be offset somewhat with planned faculty hiring.

University Fund Allocations

- The 2015-16 University Fund was a \$10 million base with a \$4 million one-time only addition. The breakdown of allocations was presented to members;
- The allocations to UTM included 3 faculty positions and one staff position;
- In response to a question, Professor Mabury confirmed that UTM had contributed approximately \$19.5 million to the University Fund;
- The Vice-Principal Academic and Dean, Professor Mullin confirmed that for 2015-16 UTM had been allocated back \$600,000 from the above sum of \$19.5 million.
- Ms. Garner noted that University wide costs were 14 percent, University Fund contribution was 7 percent, Student Aid at 4 percent and UTM net revenue was 57 percent³.

Student Financial Support

- In 2013-14, UofT spent \$176 million in student aid;
- The average repayable OSAP debt of graduating students has decreased to \$19,651. Professor Mabury noted that this did not cover all graduating students, as approximately 50 percent of graduating students had no debt;
- In 2013-14, the financial support for graduate students totalled \$256 million;
- Professor Mabury provided a breakdown of the funded cohorts, the funding commitment and actual incomes by division for 2012-13 in the domestic PhD funded cohort.

Professor Mabury discussed the structural budget challenge and emphasized that if UofT maintained undergraduate enrolment rates at their current levels, the institution would need to decrease expenses by 1.5 percent every year.

² Secretariat Note: Subsequent to the meeting, UTM Gross Revenue was corrected to be \$252 million.

³ Secretariat Note: Subsequent to the meeting, UTM Net Revenue was corrected to be at 74 percent.

Professor Saini, Vice-President and Principal, commented that few divisions were expected to grow, however expenses were growing across the University, which would result in an ever increasing amount of revenues being diverted from divisions that would continue to grow, to those divisions which did not. Professor Mabury commented that the Provost's intention was to assign University Fund allocations where they would have the most impact. Professor Saini added that as enrolment grew, the expenses of those divisions would continue to increase accordingly.

A member commented on the student faculty ratio, and asked whether faculty that were hired would be research stream or lecturers. Professor Mabury noted that this was a decision that each division's senior administration would make.

Professor Mabury pointed to the growth in reserve balances and explained there were Principal Investigators which had largely unrestricted funds which were for faculty use. All divisions would now report reserves consistently across the university to provide more accurate information. In response to a member's question, Professor Mabury noted that there were divisions that kept large reserve balances and paid in full for capital expansion projects. It was noted that there were divisions with significant operating contingencies not planned for use.

In response to a member's question regarding new possibilities for sources of operating revenue, Professor Mabury stated that UofT was in need of better licensing and Intellectual Property and that it was a priority going forward to support growth in this area. Last year, revenues from licensing were approximately \$4 million and could be higher, and those funds were primarily forwarded to the students and faculty responsible. There had been growth in entrepreneurship within students and this would dovetail with increased Campus-Linked Accelerator (CLA) funding.

3. Capital Project Report (Level 1): Mr. Paul Donoghue, Chief Administrative Officer, UTM

The Chair invited Mr. Paul Donoghue, Chief Administrative Officer, UTM to provide an overview of Level 1 capital projects⁴. Mr. Donoghue reminded members that Level 1 capital projects were those under \$3 million, which were reviewed by the Space Planning and Management Committee (SPMC), and subsequently reported to the Campus Affairs Committee for information on annual basis. The types of projects were varied and ranged from new construction, to changes in use of indoor and outdoor space. Mr. Donoghue advised that there were approximately 65 projects in progress or completed during 2014. He highlighted several projects for members, including renovations to the Biology Teaching lab, research laboratories and the Colman Commons dining area, the installation of temporary Active Learning classrooms in the Davis building, heated bus shelters, roof repairs and the replacement of the cooling tower.

4. Capital Project Reports

The Chair reminded members that at the last meeting Mr. Donoghue advised members that the Committee would now receive status reports on ongoing capital projects, which would be included as regular standing items under the Consent Agenda. He invited Mr. Donoghue to briefly present⁵ the report to familiarize members with the format and contents of the report. Mr. Donoghue explained that the revised schedule for the Biology Teaching lab had been due to delays in the tendering process. He also highlighted to members

⁴ A copy of this presentation is attached as Attachment B.

⁵ A copy of this presentation is attached as Attachment C.

the deferral of the Parking Deck 2 project to the summer of 2016. Mr. Donoghue reminded members that when the Parking Deck expansion capital project was presented, it was explained that if the project did not have a guaranteed completion date by September 2015, it would be deferred to the following summer. He explained that if the parking deck expansion was not able to be completed by September, it would result in a loss of approximately 300 spaces in Parking Lot P8, which would significantly impact the campus. Mr. Donoghue advised members that when work had begun on the specifics or architectural design, it became evident that even though the schematic design was ready, it was highly unlikely that the pre-cast fabrication would be completed in time. As a result, the decision was made to defer the project completion date to the summer of 2016.

5. Assessor's Report

Assessors advised there was no new business to report.

CONSENT AGENDA

On motion duly moved, seconded, and carried

YOUR COMMITTEE APPROVED

THAT the consent agenda be adopted and that Item 6 - Report of the Previous Meeting, be approved.

6. Report of the Previous Meeting: Report 9 – February 12, 2015

7. Business Arising from the Report of the Previous Meeting

8. Date of Next Meeting – Monday, April 27, 2015, 4:10 p.m.

9. Other Business

There were no items of other business.

The meeting adjourned at 6:07 p.m.

Secretary
March 27, 2015

Chair

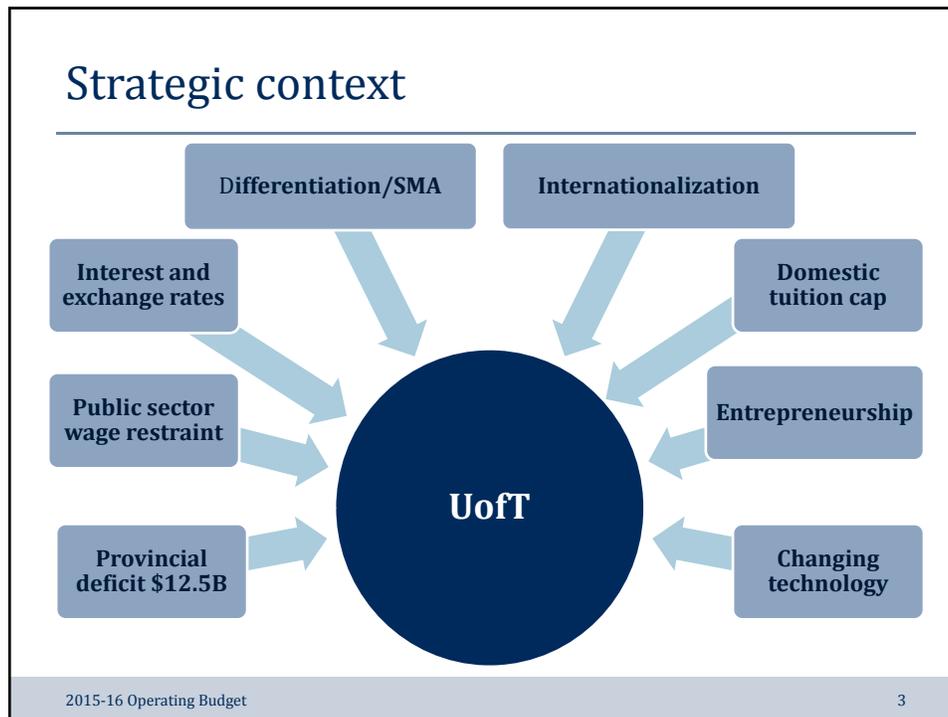
University of Toronto Budget 2015

UTM Campus Affairs Committee
March 23, 2015



Overview

- Budget context 2015
- Enrolment
- Revenue and expense
- UTM budget planning
- University fund allocations
- Student financial support
- Summary



Enrolment



UofT enrolment results for 2014-15

Total FTE	2013 Actual	2014 Actual	2014 Variance to Plan	% Variance
UG Domestic	48,818	48,452	(845)	(1.7%)
UG International	9,030	10,415	451	4.5%
Masters	8,910	9,411	(106)	(1.1%)
Doctoral	6,154	6,239	17	0.3%
TOTAL	72,912	74,517	(483)	(0.6%)

Long term tri-campus undergraduate enrolment plans

Total FTE	2014 Actual	2019 Plan	5 year Growth Plan	% Growth
UTM	10,942	13,044	2,102	20%
UTSC	10,088	11,511	1,423	14%
St George	37,836	37,928	92	0%
Total UG	58,866	62,483	3,617	6%

2015-16 Operating Budget

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Divisional undergraduate international plans (HC)

% Int'l	Intake		Total Enrolment	
	2014 Actual	2015 Plan	2014 Actual	2019 Plan
APSE	35%	32%	26%	27%
A&S	27%	31%	18%	25%
UTM	20%	18%	16%	16%
UTSC	20%	18%	15%	16%

2014 total international UG students = 11,947 (17.4% of UG)

2015-16 Operating Budget

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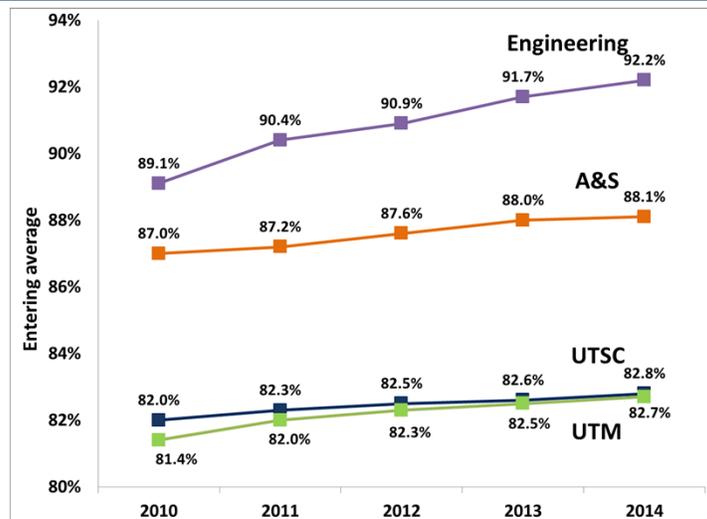
2014-15 UTM Undergraduate Enrolment

Area of Study	2014-15 FTE	% International
Arts & Humanities	2,678	13%
Social Sciences	4,201	18%
Management	953	31%
Life Sciences	1,164	4%
Other Sciences	1,733	18%
MD	213	16%
TOTAL	10,942	16%

2015-16 Operating Budget

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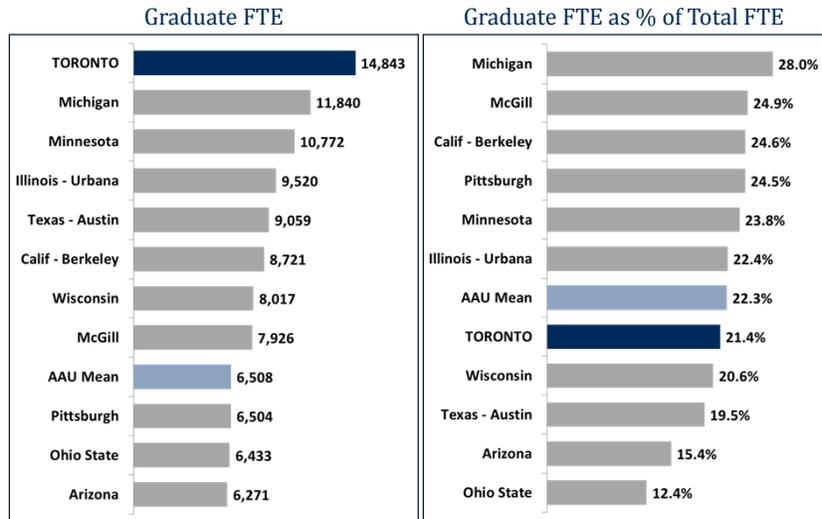
Entering averages are increasing



2015-16 Operating Budget

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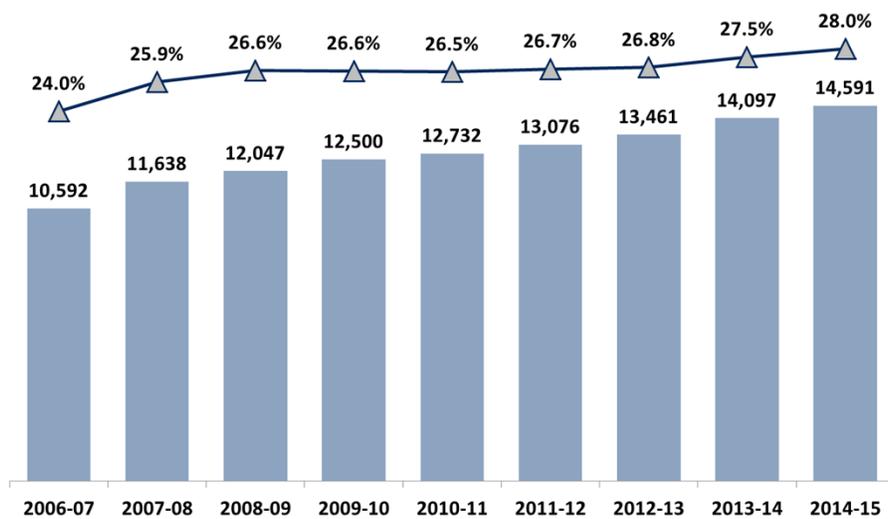
Graduate enrolment, Fall 2013 (selected AAU peers)



2015-16 Operating Budget

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Towards 2030: graduate intensification (St. George campus graduate FTE and % of total FTE)



2015-16 Operating Budget

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2014-15 UTM Graduate Enrolment

Program Type	2014-15 FTE	Projected 2019-20
Prof Masters	343	458
DS Masters UTM	0	0
DS Masters tri-campus *	62	n/a
PhD UTM	0	0
PhD tri-campus *	164	n/a
TOTAL	569	

* As per self-declared code in student system

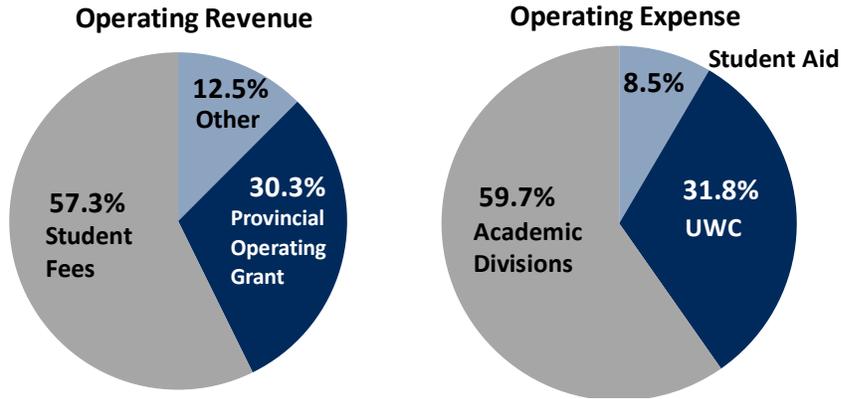
2015-16 Operating Budget

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Revenue and expense
projections



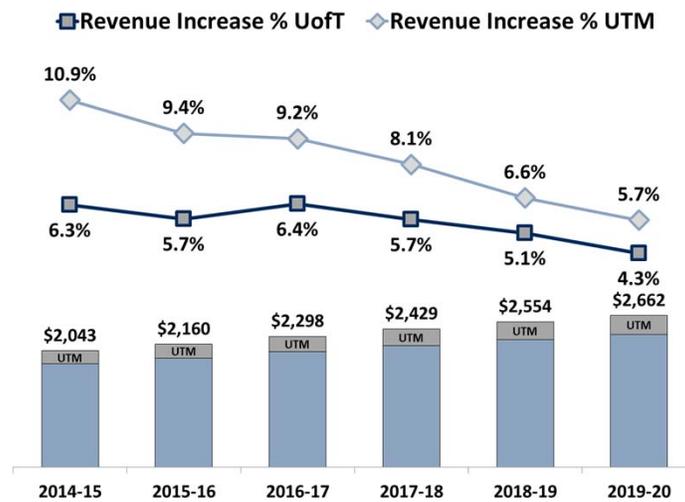
2015-16: a balanced budget at institutional level \$2.16B



2015-16 Operating Budget

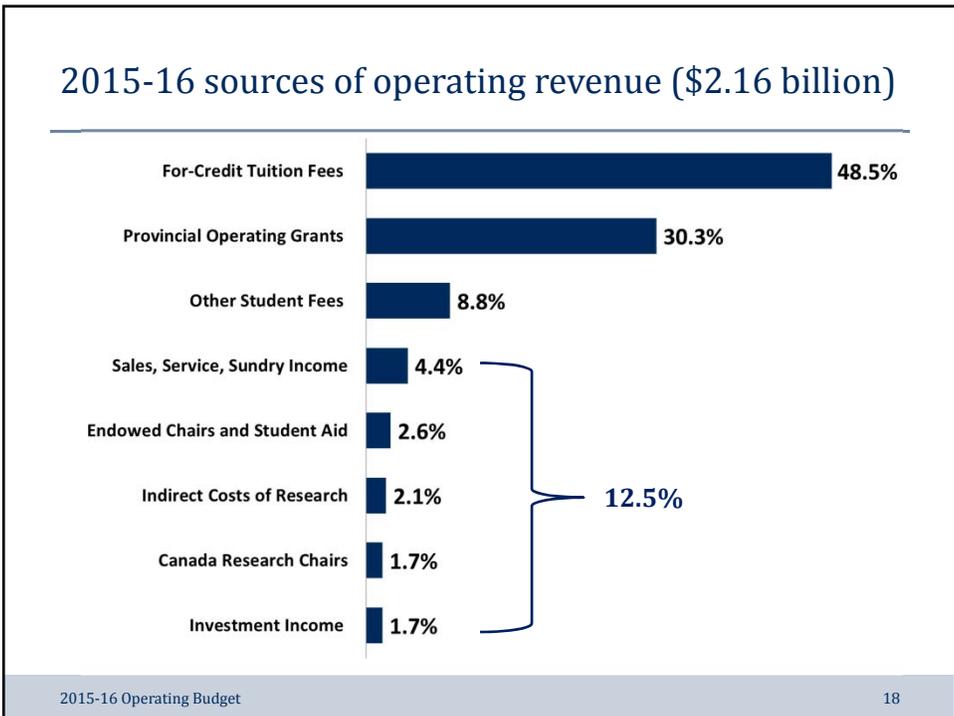
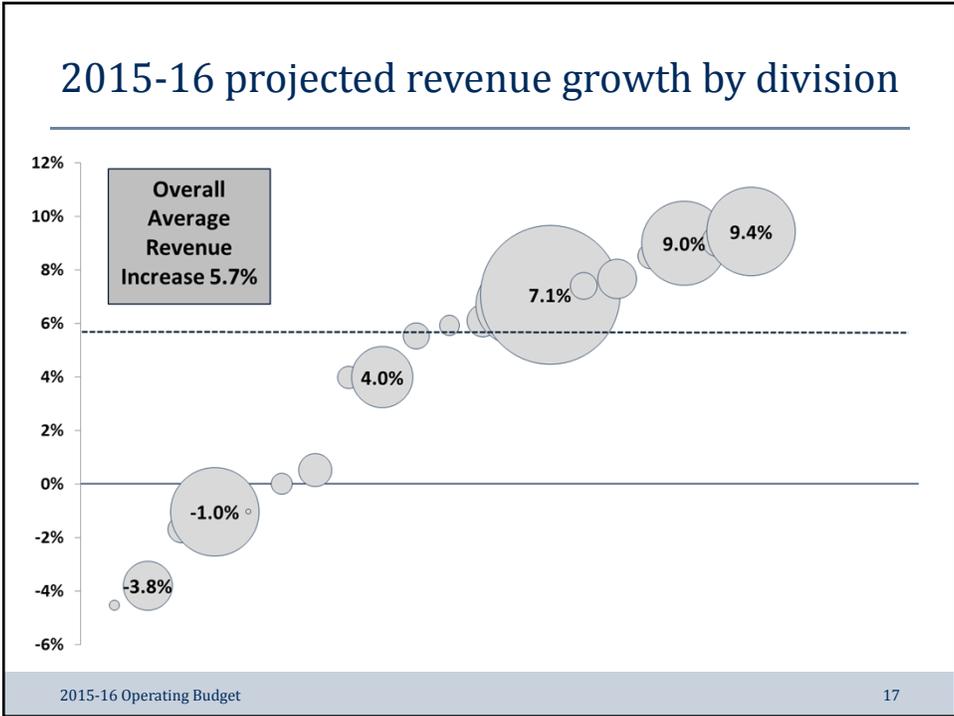
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Projected institutional and UTM revenue growth

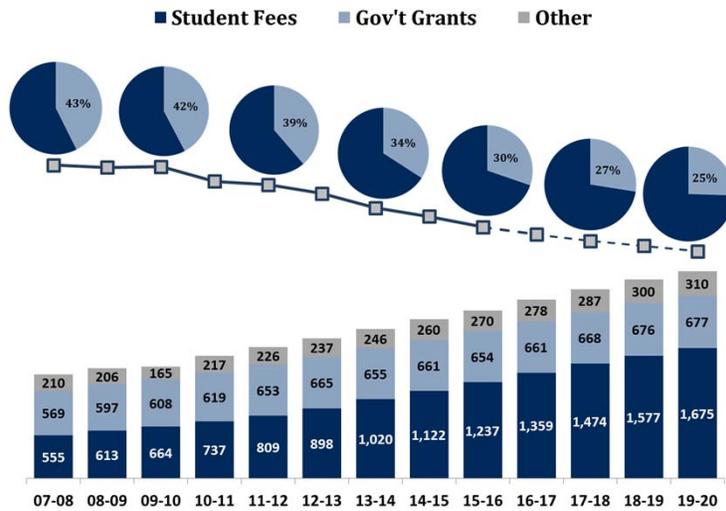


2015-16 Operating Budget

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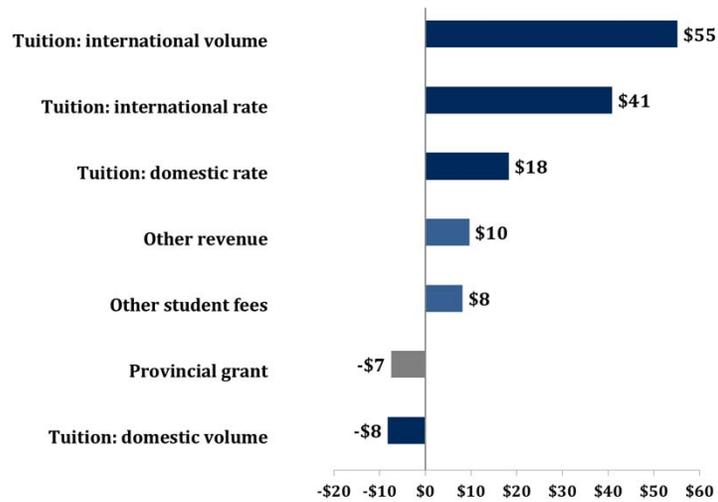
Declining provincial grant (% share of revenue)



2015-16 Operating Budget

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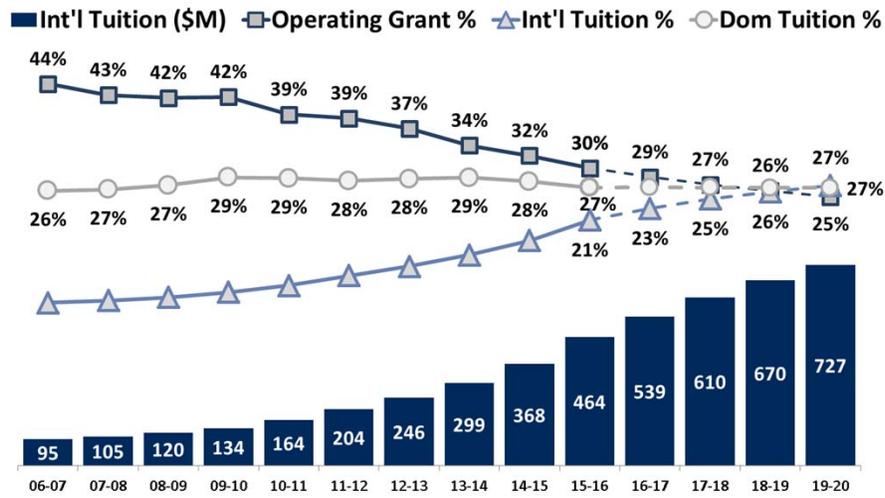
Sources of incremental revenue 2015-16 (\$117M)



2015-16 Operating Budget

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International tuition as % of revenue



2015-16 Operating Budget

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Tuition fee increases for 2015-16

(Domestic overall cap = 3%)*	Incoming Students	Continuing Students
Domestic General UG	3%	3%
Domestic Prof and Graduate**	5%	5%
International ***	5-10%	5%

* Budget assumes extension of provincial framework beyond 2016-17

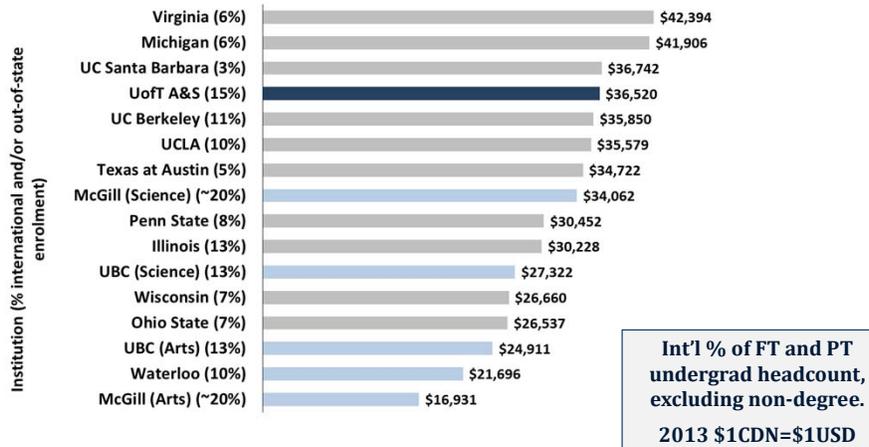
** The SGS domestic fee will be reduced by \$55 to remain within overall 3% cap

*** Weighted average international fee increase 6.2%

2015-16 Operating Budget

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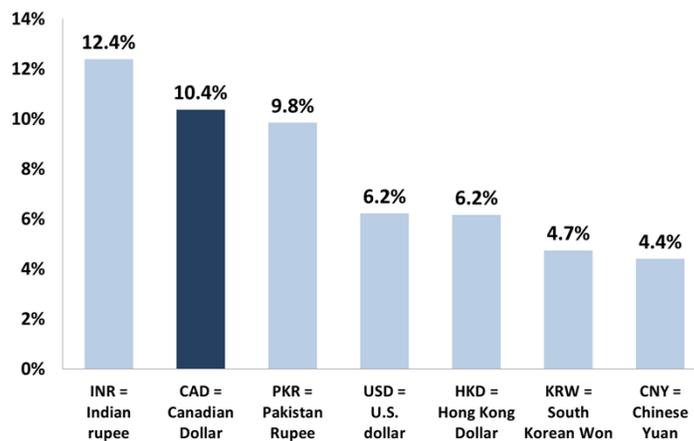
A&S international tuition compared to AAU non-resident, McGill, UBC (2013-14)



2015-16 Operating Budget

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Impact of foreign exchange on international fees (Exchange-Adjusted Compound Average Fee Increases, 2010-2015)



2015-16 Operating Budget

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Other key revenue assumptions

- **Operating grant**
 - Reductions due to change in teacher education funding and increase in international student recovery
- **Enrolment growth**
 - Full funding for all undergraduate growth
 - Graduate funded to our estimated SMA allocation
- **Endowment income**
 - Payout increased by 2% to \$7.71 and flat thereafter
- **Indirect Costs of Research**
 - Federal tri-council rate slight increase from 17.2% to 17.5%
 - Slight decline in near term and then growth for ICR on private-sector sponsored and MRI research funds

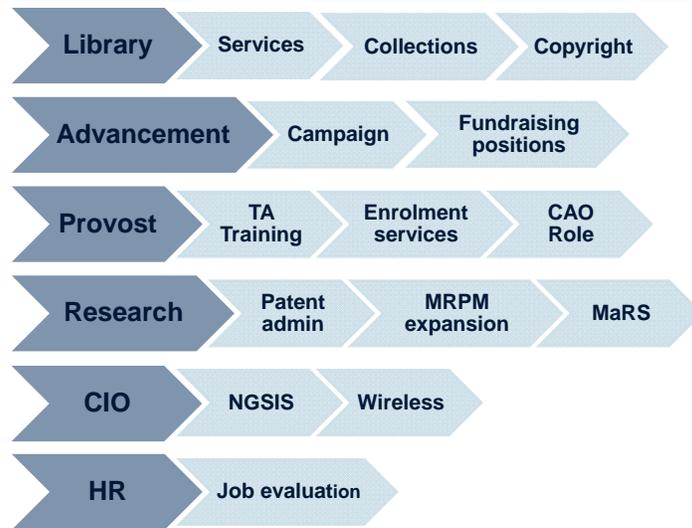
Compensation update

- Context of provincial wage restraint
- Negotiations ongoing with UTFA
- Agreement with CUPE 3902 Unit 3 (sessional instructors) ratified
- USW agreement in place July 1, 2014 - June 30, 2017: 3-year average all-in cost of settlement = 3.45%

Pension special payments and other related costs

	Annual \$M	Cumulative \$M
Up to 2010-11	27	27
2011-12	30	57
2012-13	20	77
2013-14	10	87
2014-15	5	92
2015-16	5	97
2016-17	5	102
2017-18	5	107
2018-19	5	112
2019-20	0	112

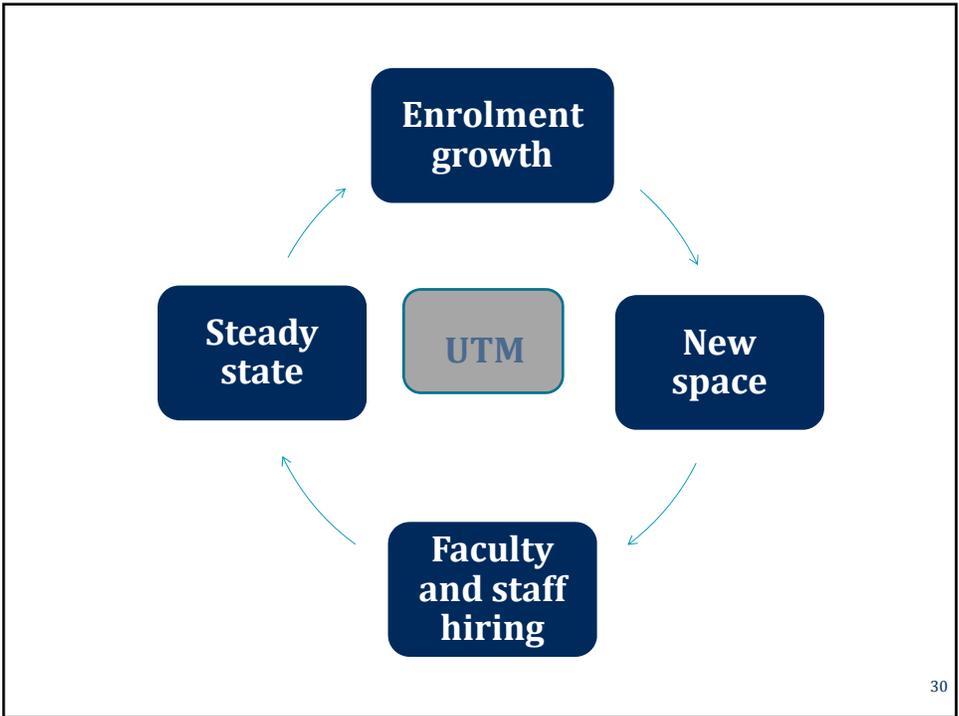
Highlights of shared services allocations



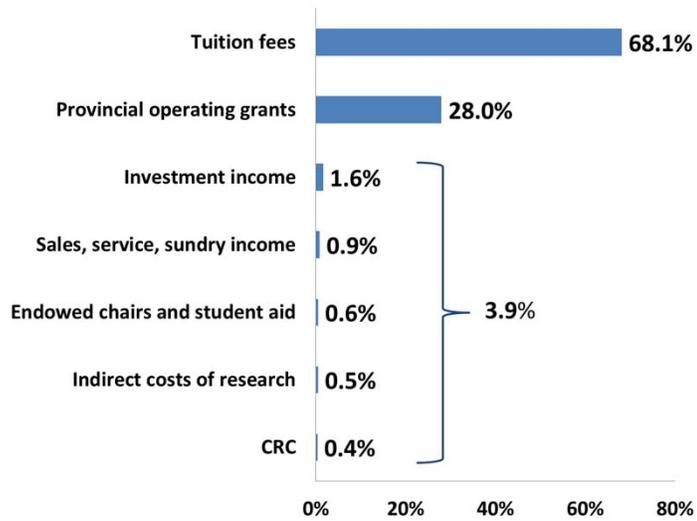
UTM Budget Planning



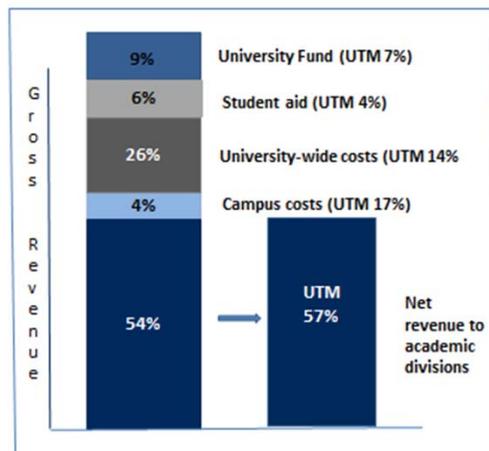
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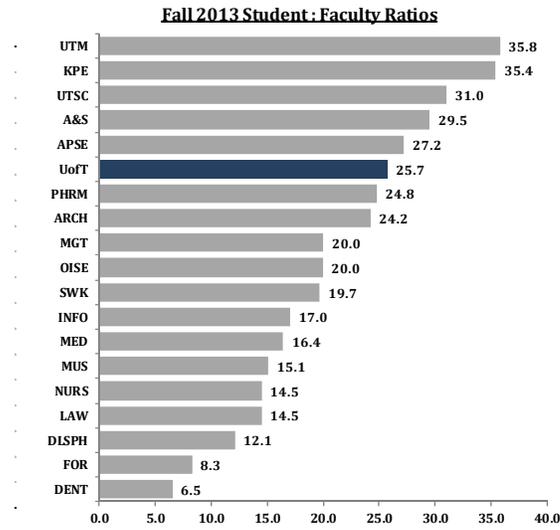
2015-16 UTM sources of operating revenue (\$249 million)



The university budget model applied to UTM



UTM student faculty ratio is a challenge during growth phase



2015-16 Operating Budget

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University Fund Allocations



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2015-16 University Fund: \$10M base + \$4M OTO

Theme 1: Teaching Excellence

Faculty FTE (address student-faculty ratios and PhD enrolment growth)*	\$3.3M
OISE restructuring (OTO)	\$1.0M
SCS capital funding (OTO)	\$1.0M
Interdivisional teaching	\$2.0M
UG teaching innovation	\$500K

*** 3 faculty positions for UTM**

2015-16 University Fund: \$10M base + \$4M OTO

Theme 2: Research Excellence

Top-up to doctoral recruitment fund (PhDEIF)	\$2.0M
Medicine research space operating costs	\$1.0M
Entrepreneurship CLA Mgmt. Committee (OTO)	\$500K
IHPME integration	\$150K

Theme 3: Internationalization

International student services in divisions *	\$750K
UG international experience opportunities	\$500K

Theme 4: Structural Budget Support

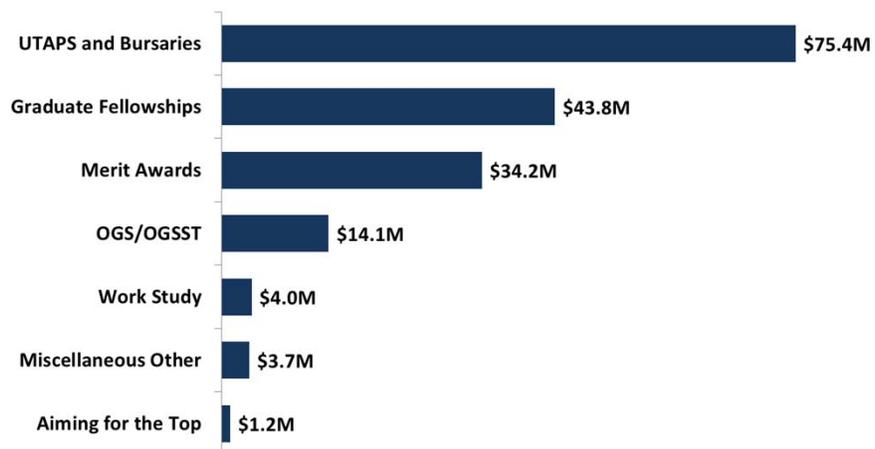
Structural budget support	\$2.0M
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*** 1 staff position for UTM**

Student financial support

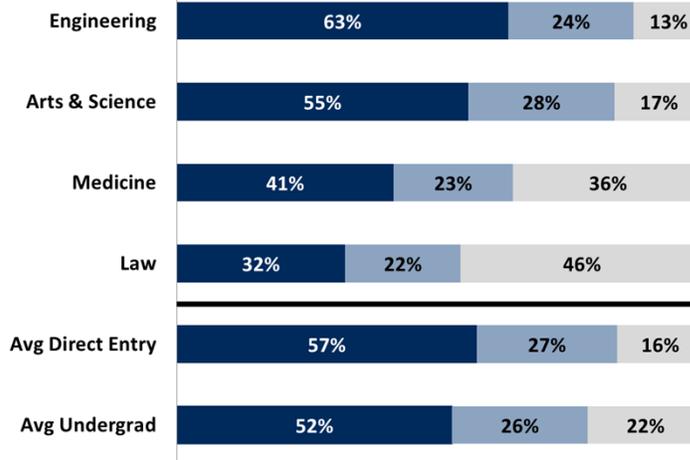


\$176M spent on student aid in 2013-14



Undergraduate net tuition including tax credits (OSAP eligible students)

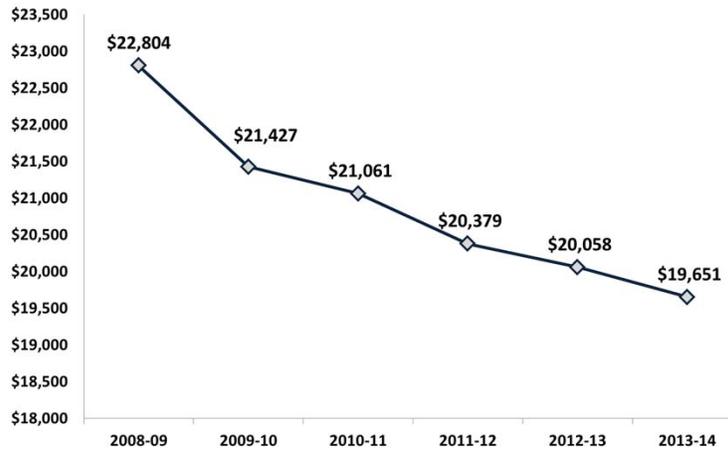
■ Tuition funded by UofT/OSAP grant ■ Fed/Ont Tax Credits ■ Tuition paid by student



2015-16 Operating Budget

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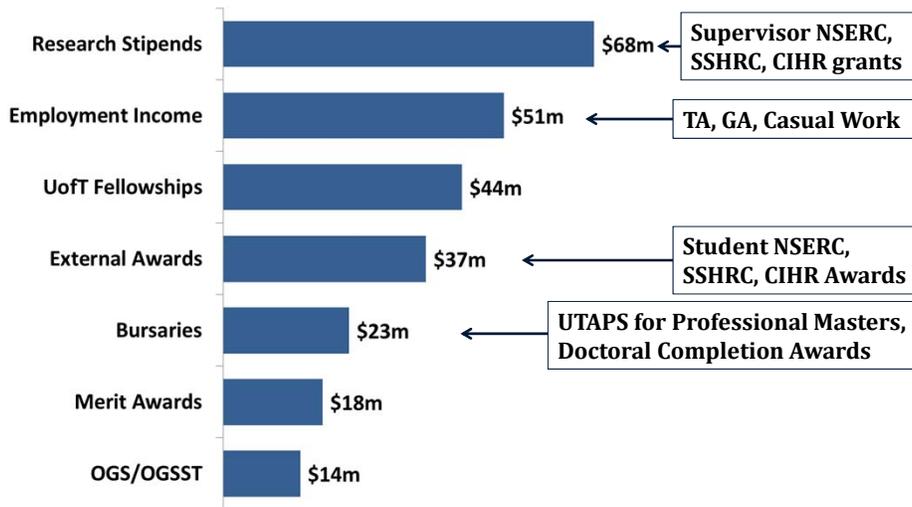
Average repayable OSAP debt of graduating students (2013\$), Direct Entry Programs (excludes students with no debt)



2015-16 Operating Budget

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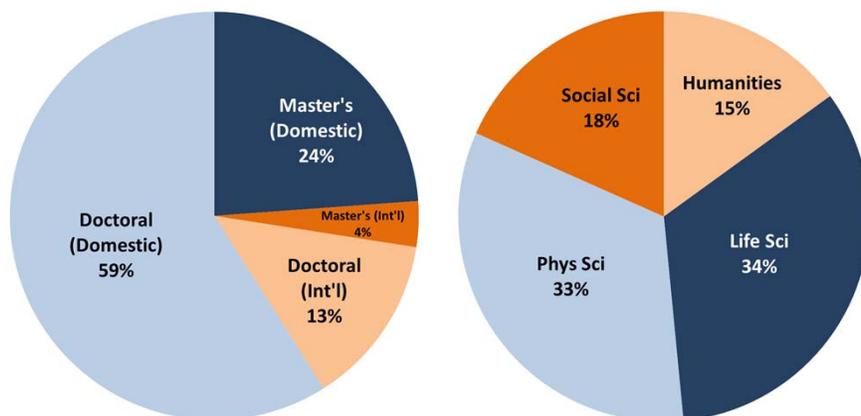
2013-14 financial support for graduate students = \$256 million



2015-16 Operating Budget

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Who are the Funded Cohort?



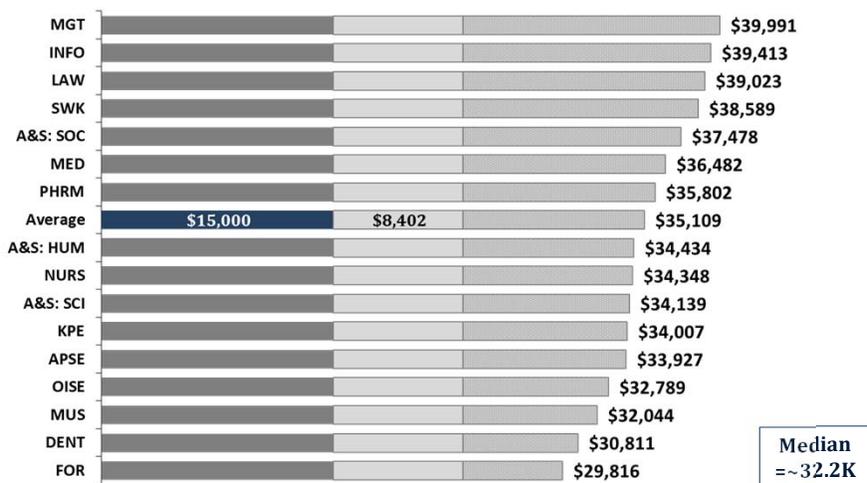
2015-16 Operating Budget

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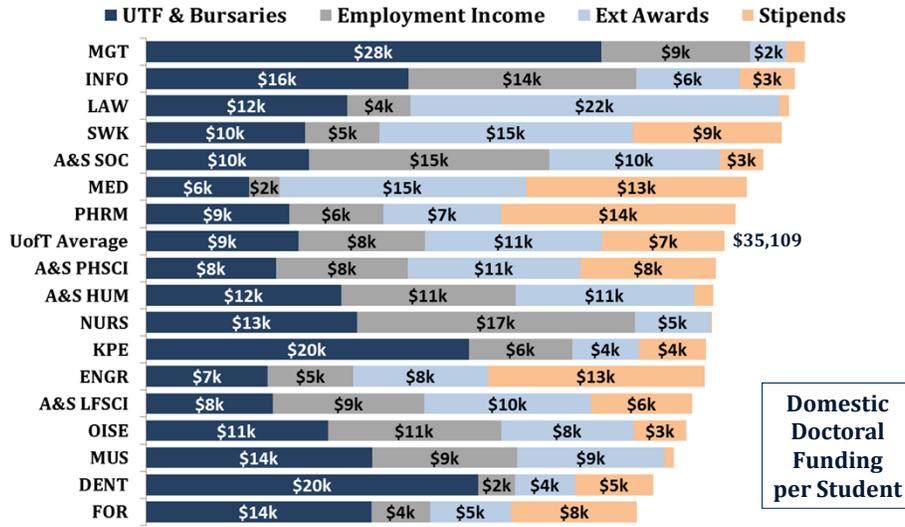
Defining the Funding Commitment

- Minimum annual funding commitment made to each student in the funded cohort
 - A combination of fellowships, stipends from research grants, external scholarships, bursaries, and up to 205 hours of TA work (less in some depts)
- Amount varies by department, but is at least \$15k plus tuition and fees:
 - \$23,400 domestic
 - \$33,100 international

Actual Incomes by Division, 2012-13 Domestic PhD Funded Cohort



Average Per Student Funding by Source



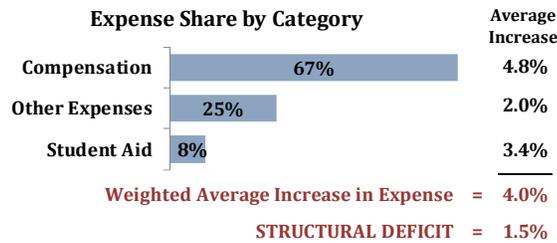
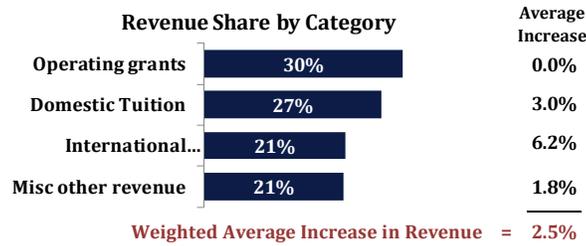
2015-16 Operating Budget

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In Summary



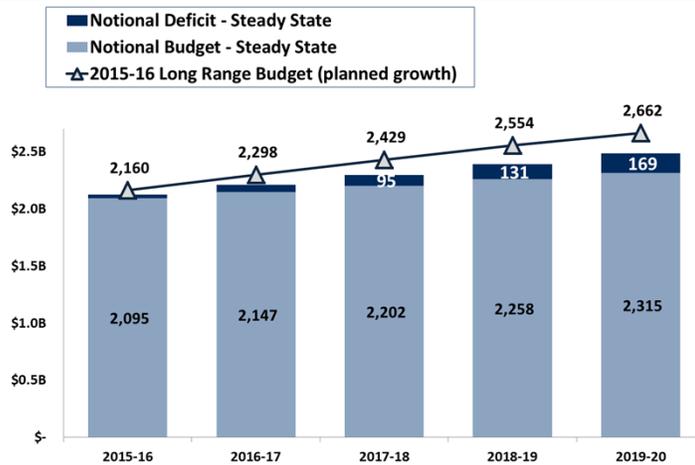
Structural budget challenge: scenario if we were to freeze all growth in students, faculty and staff



2015-16 Operating Budget

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Notional Deficit Projection at Steady State (\$M)

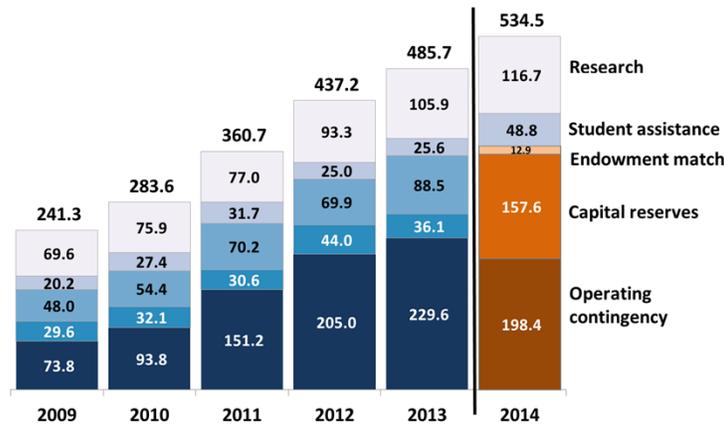


2015-16 Operating Budget

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Reserve balances

Note: change of reporting categories in 2014



2015-16 Operating Budget

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Summary

- Provincial Grant continues to decline as overall source of revenue
- International enrolment growth is very strong
- Source of revenues generally more dynamic and risky – divisions prioritizing OTO investments
- Incoming undergraduate entering averages continue to rise
- Good progress on graduate student intensification as per 2030 plan
- UofT provides competitive support for graduate students
- Continue to face a structural budget challenge but some improvement on the expense side
- More attention to alternative revenues – growing the non-student portion of the pie
- As always...decisions matter

2015-16 Operating Budget

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LEVEL 1 CAPITAL PROJECTS

UTM CAMPUS AFFAIRS COMMITTEE
(For Information)

LEVEL 1 CAPITAL PROJECTS

- ▶ Less than \$3m
- ▶ New construction; renovations; change in use of space; outdoor space
- ▶ Reviewed & Approved by Space and Planning Management Committee (SPMC)
- ▶ Reported to CAC annually, for information

LEVEL 1 CAPITAL PROJECTS 2014

- ▶ Approved prior to Jan 1st, 2014; completed in 2014 (N = 10) \$3.2m
 - ▶ Approved during 2014; (N = 23) \$10.5m
- Also Included in this 2014 Report**
- ▶ Infrastructure in progress or completed in 2014; (N = 12) \$7.7m
 - ▶ Deferred/Regular Maintenance 2014; (N = 20) \$8.2m

3



Biology Research Lab Renovation DV2016

Almost doubled research space;
every inch used within two weeks
of opening.



4



Colman Commons (OPH)



Davis Temporary Classrooms



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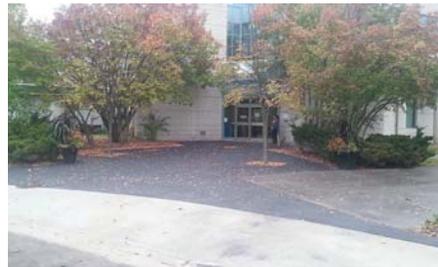
Active Learning Classroom – Prototype



8

Heated Bus Shelters

MiWay Transit Stop: Inner Circle Road



9

Vivarium Roof Repairs

The CCT/DV courtyard will be restored during the Summer of 2015.



10

Cooling Tower



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Grounds Building Addition



Heating for main building
Offices
Change rooms
Lunch room



CAPITAL PROJECTS UPDATE



UTM CAMPUS AFFAIRS COMMITTEE (For Information)

	FINAL GOVERNANCE APPROVAL		
	DATE	TPC BUDGET (\$ M)	COMMENTS/STATUS
PROJECTS OCCUPIED: 2014			
Innovation Complex	June 25, 2012	\$35.0	Finished on-schedule (22 months) Under-budget estimate (\$1.9m)
Deerfield Hall	February 16, 2012	\$58.4	Finished on-schedule (28 months) Under-budget estimate (\$2.3m)
UNDER CONSTRUCTION			
Biology Teaching Lab	March 27, 2014	\$4.47	Revised Schedule: Sept. 2014 – Apr. 2015 Delayed Tendering On Budget
APPROVED 2014/15			
Research Greenhouse	March 27, 2014	In Camera	1 st tenders received
Parking Deck # 2	March 25, 2015 Pending Confirmation	In Camera	Awaiting final approval Project deferred one year to Summer, 2016