



University of Toronto TORONTO ONTARIO M5S 1A1

OFFICE OF PLANNING AND BUDGET

TO: Planning and Budget Committee

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DATE: March 6th 2003 for March 26th 2003

AGENDA ITEM: #4

ITEM IDENTIFICATION:

Budget Report 2003/04.

JURISDICTIONAL INFORMATION:

The Committee recommends approval of guidelines for the development of the University's Operating Budget for the planning period and recommends approval of the annual budget.

PREVIOUS ACTION TAKEN:

None

HIGHLIGHTS:

The Budget Report serves two purposes. First it updates, utilizing the most current information available, the assumptions in the *Long Range Budget Guidelines and Projections, 1998-2004*. Second, it presents for approval the budget for each division including those budgets determined pursuant to Contractual Obligations and Policy Commitments. It also indicates the funding available in the Operating Budget Special Funds. The budget for 2003-04 ensures that the University will exit the current six-year planning period in compliance with the budget guidelines: that is to say, the annual budget will be in balance by 2003-04 and the accumulated deficit will be within policy limits.

Projected revenues for 2003-04 have increased by \$9.3 million in 2003-04 over that previously forecast in the 2002-03 Budget Report, while expenditure requirements have grown by \$27.7 million, increasing the annual shortfall from \$3.8 million to \$22.2 million. If left uncorrected, this would result in an accumulated deficit of \$44.1 million as of April 30th, 2004. Eliminating this shortfall and containing the accumulated deficit to within policy limits requires a base budget reduction of 4.45% (\$22.2M) and an OTO

clawback of 1.46% (\$7.3M) in 2003-04. The principal components contributing to the increased shortfall are;

- not realizing the assumption of a 1% inflation increase in government operating grant funding in 2002-03 and removing the 2% assumption for 2003-04 (\$9.6M),
- not realizing the assumption that funding for the indirect cost of Federal research would increase from the current 20% to a level of 30% (\$7.6M),
- a reduction of \$2.4M in the base investment revenue projected from the Expendable Funds Investment Pool (EFIP) and an increase of \$4.4M in the amortization costs of previous investment losses.

A comprehensive Capital Budget is established which encompasses academic, non-academic and endowed capital infrastructure. It includes construction for academic and administrative divisions, residences, parking garages, student activities and the matching funds that are such an important part of growing our endowment capital infrastructure. Given the existence of a finite institutional borrowing capacity, the Capital Budget will enable decisions on appropriate levels of debt financing for individual capital projects to be informed by the total capital institutional debt. The Capital Budget includes capital projects currently approved by Governance and, in particular all that will require capital funding in 2003-04. It identifies the funding sources for debt service costs, one of which is the operating budget.

Other initiatives signaled in this report include;

- A fund of \$2.5M has been created to assist Divisions to adjust to a lower payout from endowment funds.
- An allocation of \$1.25M will be used to assist a limited number of divisions who are in transition in 2003-04. The provision of this funding to divisions will be dependent on attainment of performance objectives developed by agreement with the Provost.

RECOMMENDATION:

That the Planning and Budget Committee recommend the attached *Budget Report for 2003-04* to the Academic Board for approval.

UNIVERSITY OF TORONTO

BUDGET REPORT

2003-2004.

March 14th 2003

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UNIVERSITY OF TORONTO BUDGET REPORT, 2003-04.

1. INTRODUCTION.

The Budget Report, 2003-04 serves two purposes. First it updates, utilizing the most current information available, the assumptions in the *Long Range Budget Guidelines and Projections, 1998-2004* first approved by Governing Council in April 1998. Second, it presents for approval the budget for each division, including those budgets determined pursuant to Contractual Obligations and Policy Commitments. It also indicates the funding available in the Administrative and Academic Priority Funds, the Enrolment Growth Fund and the Canada Research Chairs Fund. The Budget Report, 2003-04 is the last budget in the planning period associated with the *Raising Our Sights* planning process.

2. FISCAL CONTEXT

As they entered the 1990's the University of Toronto and all other Ontario universities were experiencing a period of relative financial stability and recovery; government grants and tuition were increasing at rates slightly above the general inflation rate, and budget reductions were, relatively speaking, modest in scale. With the full onset of the economic recession in 1992 through 1994, operating grants were frozen and then reduced through the Social Contract (\$17.3 million) and the Expenditure Control Plan (\$5 million). Tuition fees increased by a range of 8 to 10 per cent annually to partially compensate for the loss of grant revenue. The Ontario Student Assistance Plan was modified by government from a combined grant/loan program to an all-loan program as a cost reduction measure.

In 1995 the new government fulfilled its election promise to further reduce operating grants to universities by \$280 million, a loss of \$53.9 million to the University of Toronto. Again as a partial offset to the loss of grant revenue, government permitted significant increases in tuition fee rates; 20 per cent in 1996-97 and 10 per cent on average in each subsequent year up to and including 1999-2000. Tuition fees were deregulated for international students, and for students in some professional and all graduate programs.

Government operating grants revenue reached a peak at approximately \$400 million in 1992-93, fell to \$339 million in 1997-98 and is projected to rise to \$413M in 2003-04 with the introduction of a number of new funding envelopes targeted to enrolment increases and performance indicators. However during the past decade, the system-wide *Government operating funding per BIU* has decreased in absolute terms by over 16% and in real terms by considerably more. At the same time, tuition revenue will increase from \$100 million in 1992-93 to a projected \$320 million in 2003-04, as a result of tuition fee rate and enrolment increases. Starting in 1996-97 the Government mandated that 10% of the revenue from tuition fee increases be spent on student aid; this was increased to 30% in 1997-98 and subsequent years.

The practical effect of the Government funding policy has been that the university has had to internally absorb a significant portion of cost increases for compensation, library acquisitions and utilities by way of budget reduction. The university's expenditure patterns have also changed significantly over this period: support for student aid has increased dramatically, from \$7.7 million in 1991 to a projected \$95.9 million in 2003-04. In effect the increase in expenditures on student financial aid is approximately 40% of the increase in tuition revenue making the University of Toronto one of the most accessible in the Country. Library acquisition costs have continued to increase sharply throughout the period, from \$9 million in 1991 to a projected \$22.2 million in 2003-04.

In 2000 the Government announced a cap on tuition fee increases for all regulated programs in each of the five years 2000-01 to 2004-05 at 2% per year, not compounded. The tuition fee schedule for 2003-04 that the Business Board will recommend to Governing Council for approval includes 5% fee increases for new and continuing domestic students in the deregulated programs with the exception of new students in programs in business (MBA), dentistry, computer science, engineering, information technology and law where the revenue from larger increases is being used to enhance quality in these programs.

3. UPDATED LONG RANGE BUDGET PROJECTIONS THROUGH 2003-04.

Table 1 presents the revised Long-Range Budget Projections, updated to reflect new information and changes in the *Guidelines*' assumptions. The last column shows the variance from the projections contained in the previous Budget Report, i.e. 2002-03. The following are the highlights of the updated projection.

Revenue

- Government operating grants are forecast to decrease by \$4.4 million from than previously budgeted due to the removal of the inflation provision for 2003-04 and the projected relief in 2002-03 of \$3.2 million, either through a special grant envelope or some relaxation in tuition regulation, partially offset by grant revenue from increased enrolment. The model now includes an assumption that we will receive full average operating funding for all undergraduate enrolment increase in 2003-04 (~ \$5.6M) but does not anticipate an increase in operating funding per student to meet inflationary cost increases.
- Tuition revenue is \$21.6 million higher than previously forecast, reflecting increased enrollment and higher tuition fee increases in programs in computer science, engineering, dentistry, law and business.
- The Federal budget contained an annual allocation of \$225 million for the indirect costs of federally funded research. The University's portion of these funds is assumed to be \$15.8 million in base in 2003-04 up from the \$14.6 million received OTO in 2001-02.
- Investment revenue has been reduced to \$11.3 million in 2003-04 some \$2.4M below the baseline level. The cost of amortization of investment losses has increased from \$5.6M to \$10.0M in 2003-04.

Expense

- The operating budget now includes funding of \$11.7M of debt service costs reflecting the central administration's contribution to the total debt service costs associated with the Capital Budget, (see Section 6). This charge subsumes the debt service costs already in the budget for the \$90M of loans which funded the University Infrastructure Investment Fund and the \$5M payment to the MARS project for a net increase of \$2.8M.
- The enrollment growth fund, representing revenue-sharing agreements for increased grant and fee revenue associated with enrolment increases, is \$15.9 million higher than previously budgeted.
- An allocation of \$1.25M will be used to assist a limited number of divisions who are in transition in 2003-04. The provision of this funding to divisions will be dependent on attainment of performance objectives developed by agreement with the Provost.

The Net Result

- Revenues have increased by \$9.3 million in 2003-04 over previous forecasts, while expenditure requirements have grown by \$27.7 million, increasing the annual shortfall from

\$3.8 million to \$22.2 million. If left uncorrected, this would result in an accumulated deficit of \$44.1 million as of April 30, 2004.

- Eliminating this shortfall and containing the accumulated deficit to within policy limits requires a base budget reduction of 4.45% (\$22.2M) and a OTO clawback of 1.46% (\$7.3M) in 2003-04.

Budget Strategy: Toward a New Budget Framework 2003-09

The budget for 2003-04 ensures that the University will exit the current six-year planning period in compliance with the budget guidelines; that is to say, that the annual budget will be in balance and that the accumulated deficit will be within policy limits. The Long Range Projections in the Budget Report for 2002-03 included a base budget cut of 1.5% in 2003-04 to achieve a balanced budget. Unfortunately the combination of not realizing increases in government operating revenues per student to cover increased costs and the projected increase in the rate at which the indirect cost of federal research would be assessed, together with reduced investment returns have required that the base cut be increased to 4.45% to produce a balanced budget. Also a 1.46% one time only (OTO) cut will be required to maintain the accumulated deficit below the maximum permitted, i.e. 1.5% of the operating budget.

There are a number of potential sources of increased revenue which if realized will, in the first instance, be used to reduce or eliminate this OTO cut. These include:

- The provision by the Provincial Government of full average funding for enrolment above the Enrolment Target Agreement (ETA) for 2002-03.
- A modest increase in the rate at which the indirect cost of federal research is assessed. The amount allocated in the Federal Budget was an increase of 12.5% over the OTO funding in 2000-01 while the projected increase in the funding realized by the University is only 8% reflecting the University's increased volume of federal research.
- The creation of a Double Cohort Quality Enhancement Fund currently being considered by the Provincial Government.
- Increased Accessibility Funding for graduate enrolment expansion to deal with issues arising from the undergraduate enrolment expansion.

The new budget framework for 2004-05 through 2008-09 will establish a new set of budget strategies and must necessarily deal with several significant structural issues in the budget including;

- the lack of recognition of inflationary costs in the provision of Government Operating funding,
- volatile returns on the University's investments,
- increased pension costs resulting from the dwindling surplus in the pension funds and a gap between projected earnings in a weaker investment climate and the University's pension liability,
- heavy demands for infrastructure funds,
- the cost of maintaining new space.

Table 1: Long Range Budget Projection

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Six Year Total Change	Previous Six Year Total	Variance
Projection of Operating Revenue									
Provincial Operating Grants	336.2	346.2	363.2	373.8	391.2	412.9	412.9	417.3	(4.4)
Tuition Fees	177.5	205.3	218.8	237.5	272.6	320.2	320.2	298.6	21.6
Total Grants plus Fees	513.6	551.5	582.0	611.3	663.8	733.1	733.1	716.0	17.1
Endowment Revenue for Chairs and Student Aid	23.5	26.3	29.7	34.1	34.6	28.7	28.7	40.8	(12.1)
Revenue from a New Endowment for Graduate Student Aid							0.0	0.0	0.0
Canada Research Chairs			6.8	14.3	21.0	29.3	29.3	29.3	0.1
Indirect Cost Recovery on Federal Research Grants				0.0	14.6	15.8	15.8	22.0	(6.2)
Stewardship and Investment Management Fees				6.9	7.3	7.6	7.6	7.6	0.0
Investment Income	12.1	11.8	12.7	20.4	13.7	11.3	11.3	13.7	(2.4)
Other Income	16.4	20.2	20.0	21.7	22.7	27.4	27.4	29.4	(2.0)
Divisional Income	84.6	97.7	101.8	104.1	109.6	124.4	124.4	109.6	14.8
								0.0	
Total Operating Revenue	\$650.2	\$707.5	\$752.9	\$812.7	\$887.3	\$977.6	\$977.6	\$968.3	\$9.3
Projection of Operating Expenditures									
Operating Expenditures, Beginning of Budget Process for the Year	639.0	665.6	708.2	758.3	823.2	904.3	639.0	639.0	0.0
Changes in Operating Expenditures, Year-Over-Year:							0.0	0.0	0.0
							0.0	0.0	0.0
Expenditures Funded by Endowment for Chairs and Student Aid	14.7	3.5	3.4	4.4	0.5	(5.9)	20.6	32.7	(12.1)
Partial Funding to Assist Divisions in Adjusting to Lower Endowment Payout							2.5	0.0	2.5
Expenditures Funded by Divisional Income		13.1	4.1	2.3	5.5	14.8	39.8	25.0	14.8
Contractual Obligations and Policy Commitments	2.1	4.1	2.0	9.1	8.6	11.6	37.5	31.8	5.7
OTO Changes in Contractual Obligations and Policy Commitmen	(1.2)	2.4	(1.1)	1.7	1.2	(1.6)	1.4	2.0	(0.6)
Cost of Compensation Settlements	12.1	13.6	20.5	16.6	23.7	20.6	107.1	111.3	(4.2)
Compensation Savings Due to Faculty Retirements	(2.8)	(2.6)	(2.0)	(2.6)	(3.0)	(3.2)	(16.2)	(16.3)	0.2
Enrolment Growth Fund	(0.0)	5.2	3.5	6.7	20.0	33.5	68.9	53.0	15.9
Student Aid Reinvestment	5.1	7.9	1.3	2.6	2.6	5.4	24.9	22.7	2.2
							0.0	0.0	0.0
New Graduate Student Aid Funds			2.8	2.2	5.1	2.8	12.8	12.8	0.0
							0.0	0.0	0.0
Canada Research Chair Fund (CRCF)	0.0		7.9	8.8	9.1	10.1	35.8	35.8	0.0
Salary Budget Transfers to Canada Research Chairs Fund			(2.2)	(2.4)	(2.2)	(2.6)	(9.4)	(9.4)	0.0
							0.0	0.0	0.0
Academic Priorities Funding (APF)							0.0	0.0	0.0
Funds Available through Reallocation	5.9	5.9	5.3	5.5	12.3	1.5	36.4	34.9	1.5
Quality Enhancement Funds from Tuition Revenue	4.4	2.6	4.0	2.8	1.6	3.0	18.3	19.1	(0.8)
Other			1.9	1.0	1.5	1.7	6.1	5.2	0.9
Allocation to Divisions from Federal Indirect Cost Recoveries					3.7	0.3	4.0	3.7	0.3
Administrative Priorities	0.9	0.6	1.8	1.8	1.4	0.7	7.2	8.0	(0.8)
Campaign Costs				9.9			9.9	9.9	0.0
Allocation to Rotman Under RCM, including MRA Fee Increases				0.0	9.4	6.1	15.5	14.4	1.1
Allocation to Scarborough Under RCM	1.9	2.5	1.7				6.1	6.1	0.0
Allocation of Revenue to OISE/UT	0.3	0.8	1.7	0.7	0.7	(0.4)	3.8	5.0	(1.1)
							0.0	0.0	0.0
Budget Reductions Remaining from Previous Plan	(16.9)	(16.9)	(0.4)				(34.2)	(34.2)	0.0
Performance Based Funding						1.3	1.3	0.0	1.3
New Reduction Requirement					(13.6)	(22.2)	(35.8)	(21.6)	(14.2)
Reallocation Requirement			(6.1)	(6.3)	(6.7)	(6.6)	(25.8)	(26.6)	0.8
Operating Expenditure Budget For the year	\$665.6	\$708.2	\$758.3	\$823.2	\$904.3	\$977.6	\$977.6	\$964.1	\$13.5
Operating Surplus/(Deficit) for the year	(\$15.4)	(\$0.8)	(\$5.4)	(\$10.4)	(\$17.0)	(\$0.0)	(\$0.0)	\$4.2	(\$4.2)

Table 1: Long Range Budget Projection (contd.)

	1998-99 Actual	1999-00 Actual	2000-01 Actual	2001-02 Actual	2002-03 Forecast	2003-04
Planned Annual Operating Surplus/(Deficit)	(15.1)	(0.8)	(5.4)	(10.4)	(17.0)	(0.0)
Current Service Pension Savings Available for Reallocation		16.8	17.7	18.6	19.8	21.2
Required Contribution to Pension Plan						(18.8)
Redirection of Pension Savings Previously Allocated to UIIF						19.7
	(15.1)	16.0	12.3	8.2	2.8	22.1
Transfer to Academic and Administrative Transitional funds		(2.5)	(3.6)	(1.8)		
Matching Fund Requirements					0.0	0.0
Amortization of Investment Losses				(9.0)	(7.2)	(10.0)
Transfer to Graduate Aid Endowment				(3.0)		
Transfer to Infrastructure Investment Fund		(14.3)	(14.1)	(14.8)		0.0
	(15.1)	(0.8)	(5.4)	(20.4)	(4.4)	12.1
One Time Only Deficit Control Measures	2.2	1.2	2.4	13.5	0.0	7.3
Budgeted Surplus/(Deficit) for the Year	(12.9)	0.4	(3.0)	(6.9)	(4.4)	19.4
Adjustment of Budget to Forecast Actual	5.2	0.7	(2.4)	(0.4)	(11.6)	
Accumulated Surplus/(Deficit), Beginning of Year	1.4	(6.3)	(5.3)	(10.7)	(18.1)	(34.0)
Accumulated Surplus/(Deficit), End of Year	(\$6.3)	(\$5.3)	(\$10.7)	(\$18.1)	(\$34.0)	(\$14.6)
Maximum Deficit Permissible by Policy	(\$9.4)	(\$10.1)	(\$11.3)	(\$12.2)	(\$13.3)	(\$14.7)

4. PROPOSED BUDGET FOR 2003-04

Table 2, Budget Summary, total University of Toronto (including RSM and OISE/UT)

	2002-2003 Budget	2003-2004 Budget	Changes from 2002-2003 Incr (Decr)
	\$	\$	\$
Income			
General University income:			
Provincial Government Operating Grants	391,231,603	412,916,077	21,684,474
Student Fees (B.I.U. eligible programs)	272,599,000	320,222,421	47,623,421
Total formula income	663,830,603	733,138,498	69,307,895
Endowment Income	34,600,000	28,651,972	(5,948,028)
Canada Research Chairs	21,000,000	29,250,000	8,250,000
Indirect Cost Recovery on Federal Research Grants	14,600,000	15,828,623	1,228,623
Stewardship & Investment Management Fees	7,300,000	7,607,250	307,250
Investment Income	13,700,000	11,304,000	(2,396,000)
Other Income	22,690,175	27,399,000	4,708,825
	777,720,778	853,179,343	75,458,565
Divisional income *	109,600,000	124,391,501	14,791,501
	887,320,778	977,570,844	90,250,066
Municipal taxes **	3,304,350	3,559,425	255,075
	890,625,128	981,130,269	90,505,141
Expense			
Total Academic Expense	570,204,296	626,718,987	56,514,691
Academic Services	60,730,637	62,079,245	1,348,608
Administration	63,042,069	65,908,060	2,865,991
Student Assistance	84,257,963	89,729,575	5,471,612
Campus & Student Services	14,900,689	16,164,320	1,263,631
Maintenance and Services	38,054,422	38,597,340	542,918
Utilities	35,896,969	36,295,369	398,400
General University Expense (incl salary incr provision)	37,209,185	42,077,948	4,868,763
Total expenses of operating fund	904,296,230	977,570,844	73,274,614
Municipal taxes **	3,304,350	3,559,425	255,075
	907,600,580	981,130,269	73,529,689
Surplus (Deficit)	(16,975,452)	0	16,975,452

* Increase in divisional income results in an offsetting increase in divisional expenditure budgets

** Municipal taxes income and expense are offsetting

5. THE OPERATING BUDGET SPECIAL FUNDS.

The operating budget special funds receive base or one time only (OTO) transfers from operating revenues. The Administration brings forward divisional allocations from these funds to the Planning and Budget Committee for approval. Allocations from the Academic and Administrative Priorities Funds and the Canada Research Chairs Fund are made in response to the Planning Process. Allocations from the Enrolment Growth Fund reflect divisions' enrolment plans and those from the University Infrastructure Investment Fund have been in support of approved Capital Projects, renovations and other infrastructure projects.

Administrative Priorities Fund

The 1.5% reallocation requirement will not be applied to the administrative divisions in 2003-04 and so the transfer from the operating fund is reduced to the \$0.7M identified in the budget guidelines to help meet the demands of the enrolment increase. The Administrative Priorities Fund will have zero carry-forward at year-end 2002-03.

Administrative Priorities Fund (\$Million)

	2002-03	2003-04
Balance at beginning of year	\$0.0	\$0.0
Transfer from Operating Fund	\$1.4	\$0.7
Allocations	(\$1.4)	(\$0.5)
Unallocated balance	\$0.0	\$0.2

Academic Priorities Fund

Allocations from the Academic Priorities Fund (APF) are made in support of divisional plans to sustain and enhance program quality and to provide for new initiatives emerging from divisional planning processes. There are two principal sources of funding for the APF indicated in the *Long-Range Guidelines for Planning and Budgeting, 1998-2004*;

- a reallocation of 1.5% of the divisions operating budget,
- 75% of the revenue from tuition fee increases greater than 5%, net of the 30% for student aid,

The table below shows the current status of the fund. The timing of the re-allocative transfers to the APF from the operating budget was accelerated to reflect the fact that the Divisions are hiring new faculty at a faster rate than originally planned in order to deal with increased enrolment.

Academic Priorities Fund (\$Million)

	2002-03	2003-04
Balance at Beginning of Year	(\$16.3)	(\$3.1)
Transfer from Operating Fund		
Reallocation Requirement	\$12.3	\$1.5
Quality Enhancement from Tuition Revenue	\$1.6	\$3.0
Other	\$1.5	\$1.7
Allocations	(\$2.2)	(\$3.0)
Balance at End of Year	(\$3.1)	\$0.0

Canada Research Chairs Fund

The funding from the Canada Research Chairs Program, net of a component for central indirect costs, together with funds released from the salary budget flows to the CRCF. This program is described in detail in the discussion paper, *A Framework for Allocating Canada Research Chairs at the University of Toronto*. The initial balance for 2003-04 reflects an allocation of \$4.6M in 2002-03 made up of \$2.6M for Chairs outside the Faculty of Medicine and \$2.0M for Chairs inside the Faculty of Medicine for 29 Chairs approved in the September and December 2001 CRC competitions.

	2002-03	2003-04
Balance at Beginning of Year	\$7.0	\$11.5
Transfer from Operating Fund	\$9.1	\$10.1
Allocations	(\$4.6)	
Balance at End of Year	\$11.5	\$21.6

Enrollment Growth Fund

A portion of the Tuition Fee and Government Operating Grant revenue associated with new program plans and approved enrolment growth, including that resulting from the double cohort and increased applicant pool, flows in accordance with the *Long-Range Budget Guidelines*, to the Enrolment Growth Fund for subsequent allocation to the respective academic divisions as enrolment targets are achieved. Funding for permanent expansion flows as OTO in year and as base the following year. The unallocated balance in this fund is zero at the end of each year.

University Infrastructure Investment Fund

A listing of the allocations approved from the UIIF and the current unallocated balance is shown in Table 5 of Section 6.

6. PROPOSED CAPITAL BUDGET, 2003-09.

Prior to 2001, academic capital projects were, in general, funded from a combination of campaign donations, federal and provincial government capital grant allocations and funds from the University's operating budget. Debt financing was restricted to resolving cash-flow shortfalls during construction of academic buildings but was routinely used to provide the majority of the cost of residence construction where the debt service costs were recovered from the room rental revenue. The University Infrastructure Investment Fund (UIIF) is currently the vehicle used to allocate operating budget funds to capital projects. Since 2001, the traditional sources of funding have been insufficient to meet the capital construction demands driven by research initiatives and the enrolment expansion associated first with the Access To Opportunities Program (ATOP) and now with the double cohort and demographic pressures.

The update to the *Long-Range Budget Guidelines* in the Spring of 2001 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. In addition, 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. It also argued for the evolution to a Capital Budget separate from the Operating Budget but where the Operating Budget would be one source of revenue for the debt service charges associated with the Capital Budget.

The Capital Budget proposed is a comprehensive one encompassing academic, non-academic and endowed capital infrastructure. It would include construction for academic and administrative divisions, residences, parking garages, student activities and the matching funds that are such an important part of growing our endowment capital infrastructure. Given the existence of a finite institutional borrowing capacity, the Capital Budget would enable decisions on appropriate levels of debt financing for individual capital projects to be informed by the total capital institutional debt.

A Capital Budget that includes capital projects currently approved by Governance and, in particular all that will require capital funding in 2003-04, is attached as Table 3. The majority of the expenditure allocations from the UIIF since the academic year 1999-2000 (\$109.7M out of \$133.2M), Tables 4 & 5, are transferred to the new budget, as is the \$5M equity in MARS and the \$3.3M negative balance in the Capital Renewal Fund. The \$14M of matching funds previously in the 2003-04 budget projections together with matching funding commitments through to 2008-09 are also transferred. The debt service costs associated with these transfers will require an added expense to the Operating Budget estimated at \$2.8M in 2003-04 rising to \$7.3M by 2008-09. This expense is in addition to the \$8.9M cost already in the budget projections for the \$90M loan to the UIIF and the \$5M equity in MARS.

It is important to note that the list of projects in Tables 3 & 4 include a number where the funding identified includes significant campaign donations that are still being sought. These projects will not go forward to the Business Board for approval to expend funds on design and construction until funding has been secured. In the meantime, since any shortfall in project funding is back-stopped by the division(s) sponsoring the project, the shortfall is categorized as *funded by divisional/ancillary budgets*. The sub-total in Table 3 of \$603.9M in the *approved projects* column cannot therefore be considered as the level of borrowing contemplated by the University for its capital construction plans. It is also possible that, if the University's budget situation were to deteriorate, it would be necessary to review the projects on the Capital Budget.

The Capital Budget is a living document and will be updated with each approval by Governance of a new capital project. It is expected that the next additions will be those associated with the current SuperBuild competition.

Table 3, Capital Budget

	Approved Projects	Incremental Capital Requirements							Total 2008-09
		2003-04	2004-05	2005-06	2006-07	2007-08	2008-09		
Capital Projects, Academic and Non-Academic	\$519,755,060	\$369,893,202	\$97,083,258	\$17,806,774	\$34,971,826	\$0	\$0	\$519,755,060	
Capital Projects, Ancillaries	\$329,121,695	\$303,721,695	\$25,400,000	\$0	\$0	\$0	\$0	\$329,121,695	
Matching Funds for endowment capital	\$44,000,000	\$14,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$44,000,000	
Total Capital Projects *	\$892,876,755	\$687,614,897	\$128,483,258	\$23,806,774	\$40,971,826	\$6,000,000	\$6,000,000	\$892,876,755	
Funding Sources									
Federal Government		\$21,767,198	\$14,686,721	\$1,067,881	\$0	\$0	\$0	\$37,521,800	
Provincial Government		\$135,142,303	\$6,593,644	\$1,085,484	\$0	\$0	\$0	\$142,821,430	
Campaign Donations		\$42,263,388	\$6,020,344	\$11,030,352	\$29,638,986	\$0	\$0	\$88,953,070	
University		\$5,641,325	\$1,148,522	\$166,974	\$327,930	\$0	\$0	\$7,284,750	
Other (Interest, Municipal, AFD etc.)		\$11,849,337	\$524,829	\$0	\$0	\$0	\$0	\$12,374,167	
Sub-Total	\$288,954,750	\$216,663,551	\$28,974,059	\$13,350,690	\$29,966,916	\$0	\$0	\$288,955,217	
Funded by the Central Operating Budget	\$176,323,605	\$126,843,338	\$21,179,800	\$6,000,000	\$10,300,000	\$6,000,000	\$6,000,000	\$176,323,138	
Funded by Academic Divisional Budgets	\$121,197,400	\$93,467,000	\$11,123,400	\$16,607,000	\$0	\$0	\$0	\$121,197,400	
Funded by Ancillaries Budgets and Student Levies	\$306,401,000	\$283,556,000	\$18,918,000	\$3,927,000	\$0	\$0	\$0	\$306,401,000	
Funded from other sources									
Sub-Total **	\$603,922,005	\$503,866,338	\$51,221,200	\$26,534,000	\$10,300,000	\$6,000,000	\$6,000,000	\$603,921,538	
Total Funding identified	\$892,876,755	\$720,829,889	\$80,195,259	\$39,884,690	\$40,266,916	\$6,000,000	\$6,000,000	\$892,876,755	
Total Funding surplus/(deficit)	\$0	\$32,914,992	(\$48,287,998)	\$16,077,916	(\$704,910)	\$0	\$0	(\$0)	
Annual Expense									
Debt Service Costs		\$46,476,514	\$4,724,632	\$2,447,490	\$950,070	\$553,439	\$553,439	\$55,705,582	
Total Annual Expense		\$46,476,514	\$4,724,632	\$2,447,490	\$950,070	\$553,439	\$553,439	\$55,705,582	
Annual Revenue									
Central Operating Budget		\$11,700,000	\$1,953,620	\$553,439	\$950,070	\$553,439	\$553,439	\$16,264,005	
Divisional Operating Budgets		\$8,621,374	\$1,026,020	\$1,531,826	\$0	\$0	\$0	\$11,179,220	
Ancillary Budgets & Student Levies		\$26,155,139	\$1,744,992	\$362,226	\$0	\$0	\$0	\$28,262,357	
Other									
Total Annual Revenue		\$46,476,514	\$4,724,632	\$2,447,490	\$950,070	\$553,439	\$553,439	\$55,705,582	
Annual Surplus (Deficit)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	

* All capital projects that have been approved by Governance have been incorporated in this Capital Budget including those where the approval to proceed is conditional on raising campaign donations. If the University's budget situation were to deteriorate, it may be necessary to review the projects on the Capital Budget.

** This funding is realized through a combination of internal and external borrowing with the source of the debt service costs identified. As indicated in the note above, the sub-total will be reduced by campaign donations before a number of projects can proceed. It does therefore overestimate the level of debt that will be required.

Table 4, Capital Budget, Details

	Project Cost	Sources of Funding			Total sources of Funding
		UIIF & Op. Budget	Divisional Debt	Other	
1 UTSC Phase 1 construction		\$0	\$28,980,000	\$0	\$28,980,000
1 ARC Academic Resource Centre	\$22,560,000			\$10,570,000	\$10,570,000
1 Management Building	\$15,530,000			\$1,160,000	\$1,160,000
1 Other small projects at UTSC	\$2,620,000			\$0	\$0
Sub-Total UTSC	\$40,710,000	\$0	\$28,980,000	\$11,730,000	\$40,710,000
2 UTM Phase 1 construction		\$0	\$26,100,000	\$0	\$26,100,000
2 CCIT at Mississauga	\$34,670,000	\$2,500,000		\$24,036,000	\$26,536,000
2 Kaneff Building	\$3,580,000			\$0	\$0
2 CABB Centre for Applied Bioscience and Biotechnology	\$3,394,500			\$2,080,000	\$2,080,000
2 Collegeway Access	\$2,500,000			\$0	\$0
2 Other small projects at UTM	\$10,571,500			\$0	\$0
Sub-Total UTM	\$54,716,000	\$2,500,000	\$26,100,000	\$26,116,000	\$54,716,000
3 C.C.B.R.	\$85,100,000	\$2,800,000	\$16,607,000	\$65,693,000	\$85,100,000
3 Pharmacy Building	\$69,000,000	\$6,200,000	\$12,360,000	\$50,440,000	\$69,000,000
3 Purchase of 500 University Ave.	\$15,817,668	\$15,817,668	\$0	\$0	\$15,817,668
3 Renovation of 500 University Ave.	\$11,123,400	\$0	\$11,123,400	\$0	\$11,123,400
3 TDSB Properties, Board of Education	\$17,000,000	\$17,000,000	\$0	\$0	\$17,000,000
4 BCIT	\$108,801,000	\$18,620,000	\$17,770,000	\$72,411,000	\$108,801,000
5 Sidney Smith Hall infill	\$3,075,000	\$2,000,000	\$875,000	\$200,000	\$3,075,000
6 Purchase of Canadiana Building [Building \$1.45 million plus moving expenses]	\$1,570,000	\$1,570,000	\$0	\$0	\$1,570,000
6 Gerstein Science Information Centre	\$15,190,000	\$8,830,000	\$0	\$6,360,000	\$15,190,000
6 Flavell House, Faculty of Law	\$2,140,000	\$600,000	\$850,000	\$690,000	\$2,140,000
7 King's College Road/Circle Precinct, Phase 1&2	\$4,600,000	\$2,700,000	\$0	\$1,900,000	\$4,600,000
7 Early Learning Centre, Childcare Facilities, St George Campus	\$4,300,000	\$4,300,000	\$0	\$0	\$4,300,000
7 Governing Council and Board Room renovations	\$1,593,000	\$1,593,000	\$0	\$0	\$1,593,000
7 Varsity Stadium demolition	\$1,700,000	\$1,700,000	\$0	\$0	\$1,700,000
7 South East Infrastructure	\$3,777,000	\$0	\$0	\$3,777,000	\$3,777,000
Purchase of Medical Arts Building	\$14,259,000	\$14,259,000	\$0	\$0	\$14,259,000
OISE/UT/JTS Renovations, 371 Bloor St W (approved by P&B October 18, 2000)	\$23,240,000	\$3,500,000	\$0	\$19,740,000	\$23,240,000
Economics Building expansion and renovation (approved by P&B Nov 13, 2001)	\$14,300,000	\$980,000	\$0	\$13,320,000	\$14,300,000
Growth Facility for Plant Research (approved by P&B June 27, 2001)	\$6,900,000	\$1,374,000	\$0	\$5,526,000	\$6,900,000
Completed Projects with ongoing loans (outstanding at April 30, 2002)	\$14,851,919	\$8,319,919	\$6,532,000	\$0	\$14,851,919
Small Capital Projects (listed below)	\$5,991,073	\$4,506,323	\$0	\$1,484,750	\$5,991,073
Sub-Total St George	\$424,329,060	\$116,689,910	\$66,117,400	\$241,541,750	\$424,329,060
Sub-Total, Non ancillaries	\$519,755,060	\$119,169,910	\$121,197,400	\$279,387,750	\$519,755,060
1 UTSC Residence Phase 4	\$16,250,000	\$0	\$16,250,000	\$0	\$16,250,000
1 Student Centre at UTSC	\$13,923,695	\$4,723,695	\$9,200,000	\$0	\$13,923,695
2 UTM Phase 7 Residence	\$15,320,000	\$0	\$15,320,000	\$0	\$15,320,000
2 UTM Wellness Centre	\$21,000,000	\$7,000,000	\$14,000,000	\$0	\$21,000,000
2 CCIT Parking	\$12,900,000	\$0	\$12,900,000	\$0	\$12,900,000
4 BCIT Parking	\$13,100,000	\$0	\$13,100,000	\$0	\$13,100,000
6 School of Continuing Studies	\$7,100,000	\$0	\$4,500,000	\$2,600,000	\$7,100,000
8 University College Residence	\$22,000,000	\$70,000	\$17,145,000	\$4,785,000	\$22,000,000
8 New College Residence (annual subsidy of \$352,000 provided from the APF for 8 years)	\$26,760,000	\$0	\$26,760,000	\$0	\$26,760,000
8 Woodsworth Residence (annual subsidy of \$1,204,000 provided from the APF for 8 years)	\$31,842,000	\$1,360,000	\$28,300,000	\$2,182,000	\$31,842,000
Purchase of 89 Chestnut Street Residence	\$72,000,000	\$0	\$72,000,000	\$0	\$72,000,000
Completed Projects with ongoing loans (outstanding at April 30, 2002)	\$76,926,000	\$0	\$76,926,000	\$0	\$76,926,000
Sub-Total Ancillaries	\$329,121,695	\$13,153,695	\$306,401,000	\$9,567,000	\$329,121,695
Total	\$848,876,755	\$132,323,605	\$427,598,400	\$288,954,750	\$848,876,755
	Total UIIF only	\$109,744,686			

Small Capital Projects included above

St Michael's College / Faculty of A & Sc. (approved by P&B Oct. 19, 1999)	\$1,300,000	\$875,000	\$0	\$425,000
Dentistry Student Laboratory (approved by P&B Oct. 19, 1999)	\$393,250	\$99,000	\$0	\$294,250
FALD Phase 3 (approved by P&B October 18, 2000)	\$690,000	\$345,000	\$0	\$345,000
Nursing Building renovations (approved by P&B March 20, 2001)	\$354,000	\$354,000	\$0	\$0
Department of Medicine renovations at UHN (approved by P&B May 25, 2001)	\$400,000	\$400,000	\$0	\$0
Accessibility Examination Centre, Robarts Library (approved by P&B Jan 9, 2002)	\$225,000	\$225,000	\$0	\$0
Vertical Expansion of Soil Storage Facility (approved by P&B Jan 9, 2002)	\$1,068,323	\$718,323	\$0	\$350,000
Upgrade 56 Spadina Ave., (approved by P&B Jan 9, 2002)	\$575,000	\$575,000	\$0	\$0
RCAT facility (approved by P&B March 19, 2002)	\$460,000	\$460,000	\$0	\$0
St Michael's College / A & Sc. Alumni Hall (approved by P&B March 19, 2002)	\$365,000	\$300,000	\$0	\$65,000
FIS Bissel Building Student Study Space (approved by P&B September 16, 2002)	\$40,500	\$35,000	\$0	\$5,500
Family & Community Medicine relocation to 256 McCaul (approved by P&B October 15, 2002)	\$120,000	\$120,000	\$0	\$0
Total	\$5,991,073	\$4,506,323	\$0	\$1,484,750

Allocations from UIIF not included above

Total allocations for 1999 and beyond approved by P&B prior to Oct. 1999	\$9,732,196
SLOWPOKE cost overrun (within 10%, approved by MGF)	\$210,000
Scarborough commitments under RCM (approved by P&B May 25, 2001)	\$1,153,550
Magellan Project (Funding may come from CF) (approved by P&B May 25, 2001)	\$2,070,000
Transfer of ROS infrastructure items from APF to UIIF	\$10,200,000
University College Residence, \$1.3M (approved by P&B April 16, 2002 but on hold)	
Decommissioning of SLOWPOKE reactor, supplemental (approved by P&B October 15, 2002)	\$72,273
Total	\$23,438,019
Total UIIF allocations and other projects funded from operating budget	\$155,761,624

Completed Projects with Pre-Existing loans

Non Ancillary Projects including MARS & \$3.3M negative balance in Capital Renewal Fund	\$14,851,919
Ancillary Projects	\$76,926,000

Table 5, University Infrastructure Investment Fund

		Balance
Balance as of April 30, 1999		\$15,274
Transfers to UIIF as approved in the <i>Long Range Budget Guidelines</i>		
May 1, 1999 net of contribution to UT Scarborough under RCM	\$13,436,280	\$13,451,554
May 1, 2000 net of contribution to UT Scarborough under RCM	\$13,248,360	\$26,699,914
May 1, 2001	\$14,800,000	\$41,499,914
May 1, 2002	\$0	\$41,499,914
May 1, 2003	\$0	\$41,499,914
Funding for May 1, 2001 included in 2001-02 Budget Report (Loan serviced from Op Budget)	\$30,000,000	\$71,499,914
Funding for May 1, 2003 included in 2002-03 Budget Report (Loan serviced from Op Budget)	\$30,000,000	\$101,499,914
Funding for May 1, 2002 included in 2002-03 Budget Report (Loan serviced from Op Budget)	\$30,000,000	\$131,499,914
Allocations:		\$131,499,914
Total allocations for 1999 and beyond approved by P&B prior to Oct. 1999	(\$9,732,196)	\$121,767,718
St Michael's College / Faculty of A & Sc. (approved by P&B Oct. 19, 1999)	(\$875,000)	\$120,892,718
Dentistry Student Laboratory (approved by P&B Oct. 19, 1999)	(\$99,000)	\$120,793,718
ATRF Research Projects (approved by P&B Oct. 19, 1999)	(\$2,673,000)	\$118,120,718
CIT, Quality Improvement (approved by P&B Oct. 19, 1999)	(\$10,000,000)	\$108,120,718
Flavell House, Faculty of Law (approved by P&B Dec 14, 1999)	(\$600,000)	\$107,520,718
Gerstein Science Information Centre (approved by P&B Dec 14, 1999)	(\$7,000,000)	\$100,520,718
King's College Road/Circle Precinct, Phase 2 (approved by P&B March 7, 2000)	(\$200,000)	\$100,320,718
King's College Road/Circle Precinct, Phase 1 (approved by P&B March 7, 2000)	(\$2,500,000)	\$97,820,718
FALD Phase 3 (approved by P&B October 18, 2000)	(\$345,000)	\$97,475,718
BCIT shelled in 6th floor (approved by P&B October 18, 2000)	(\$5,197,000)	\$92,278,718
OISE/UT/UTS Renovations, 371 Bloor St W (approved by P&B October 18, 2000)	(\$3,500,000)	\$88,778,718
CCBR (approved by P&B December 12, 2000)	(\$2,800,000)	\$85,978,718
Slowpoke cost overrun (within 10%, approved by MGF)	(\$210,000)	\$85,768,718
Purchase of Canadiana Building (approved by Business Board March 27, 2000)	(\$1,570,000)	\$84,198,718
Purchase of 500 University Ave. (approved by Business Board January 15, 2001)	(\$15,817,668)	\$68,381,050
Sidney Smith Hall infill (approved by P&B February 27, 2001)	(\$1,289,000)	\$67,092,050
BCIT/Koffler connection (approved by P&B March 13, 2001)	(\$750,000)	\$66,342,050
Nursing Building renovations (approved by P&B March 20, 2001)	(\$354,000)	\$65,988,050
(a) Basement of Woodsworth Residence, Shelled in (approved by P&B March 20, 2001)	(\$1,360,000)	\$64,628,050
Childcare Facilities, St George Campus (approved by P&B May 25, 2001)	(\$4,300,000)	\$60,328,050
Scarborough commitments under RCM (approved by P&B May 25, 2001)	(\$1,153,550)	\$59,174,500
Department of Medicine renovations at UHN (approved by P&B May 25, 2001)	(\$400,000)	\$58,774,500
(b) Renovation of 500 University Ave. (design) (approved by P&B May 25, 2001)	(\$700,000)	\$58,074,500
School of CCIT at Mississauga (approved by P&B May 25, 2001)	(\$2,500,000)	\$55,574,500
Gerstein Cost over-run (\$2.6M Donor provides 40%) (approved by P&B May 25, 2001)	(\$1,830,000)	\$53,744,500
Magellan Project (Funding may come from CFI) (approved by P&B May 25, 2001)	(\$2,070,000)	\$51,674,500
Growth Facility for Plant Research (approved by P&B June 27, 2001)	(\$374,000)	\$51,300,500
Projects (a) and (b) funded from Facilities Renewal Funding (approved August 8, 2001)	\$2,060,000	\$53,360,500
Pharmacy Building (approved by P&B Nov 13, 2001)	(\$7,200,000)	\$46,160,500
Renovation of 500 University Ave. (bridge financing) (approved by P&B Nov 13, 2001)	(\$10,423,400)	\$35,737,100
Economics Building expansion and renovation (approved by P&B Nov 13, 2001)	(\$980,000)	\$34,757,100
Student Centre at UTSc (approved by P&B Nov 13, 2001)	(\$4,723,695)	\$30,033,405
Accessibility Examination Centre, Roberts Library (approved by P&B Jan 9, 2002)	(\$225,000)	\$29,808,405
Vertical Expansion of Soil Storage Facility (approved by P&B Jan 9, 2002)	(\$718,323)	\$29,090,082
Upgrade 56 Spadina Ave., (approved by P&B Jan 9, 2002)	(\$575,000)	\$28,515,082
TDSB Properties (approved by Academic Board Jan 24, 2001)	(\$17,000,000)	\$11,515,082
Sidney Smith Hall infill revision (approved by P&B March 19, 2002)	(\$711,000)	\$10,804,082
RCAT facility (approved by P&B March 19, 2002)	(\$460,000)	\$10,344,082
Governing Council and board Room renovations (approved by P&B March 19, 2002)	(\$1,593,000)	\$8,751,082
St Michael's College / A & Sc. Alumni Hall (approved by P&B March 19, 2002)	(\$300,000)	\$8,451,082
Transfer of ROS infrastructure items from APF to UIIF	(\$10,200,000)	(\$1,748,918)
University College Residence, \$1.3M (approved by P&B April 16, 2002 but on hold)		(\$1,748,918)
UTM Wellness Centre, Match to Levy	(\$7,000,000)	(\$8,748,918)
Varsity Stadium demolition (approved at P&B June 4, 2002)	(\$1,700,000)	(\$10,448,918)
University College Residence (approved by P&B September 16, 2002)	(\$70,000)	(\$10,518,918)
FIS Bissel Building Student Study Space (approved by P&B September 16, 2002)	(\$35,000)	(\$10,553,918)
Decommissioning of SLOWPOKE reactor, supplemental (proposed to P&B October 15, 2002)	(\$72,273)	(\$10,626,191)
Family and Community Medicine relocation to 256 McCaul (proposed to P&B October 15, 2002)	(\$120,000)	(\$10,746,191)
		(\$10,746,191)
Recovery from Faculty of Medicine	\$11,123,400	\$377,209
Total UIIF Allocations net Faculty of Medicine recovery	\$133,182,705	
Other Projects funded from the Operating Budget		
Negative balance in Capital Renewal Fund to be funded from the operating budget	(\$3,319,919)	
MARS Equity (debt service already funded from operating budget)	(\$5,000,000)	
Purchase of Medical Arts Building, (from 2004-05 on debt service costs, net of rental revenue will be funded from the operating budget)	(\$14,259,000)	
Total UIIF Allocations net F of Med recovery plus Other Projects funded from the Operating Budget	\$155,761,624	

7. DIVISIONAL BUDGETS.

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UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
Total Academic Expense	770,661,714	244,933,572	525,728,142	61,223,918	2,610,102	58,613,816
Academic Services	72,028,721	14,618,119	57,410,602	646,865	0	646,865
Administration	79,043,522	18,428,863	60,614,659	2,007,664	0	2,007,664
Student Assistance	64,553,279	2,831,000	61,752,279	(8,678,388)	0	(8,678,388)
Campus & Student Services	14,836,640	14,096,180	750,460	6,053	0	6,053
Physical Plant						
Maintenance and Services	51,410,611	15,121,697	36,288,914	572,804	0	572,804
Utilities	42,364,367	11,625,946	30,738,421	398,400	0	398,400
Lease Cost of Off Campus Space	987,937	0	987,937	30,656	0	30,656
Accommodations & Facilities Directorate	732,799	0	732,799	(48,516)	0	(48,516)
General University Expense	46,246,348	9,798,793	36,457,555	4,883,906	622,869	4,261,037
	1,142,865,938	331,404,170	811,461,768	61,043,362	3,232,971	57,810,391
Municipal Taxes	3,559,425	0	3,559,425	255,075	0	255,075
TOTAL OPERATING BUDGET	1,146,425,363	331,404,170	815,021,193	61,298,437	3,232,971	58,065,466

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
ARTS and SCIENCE						
Arts and Science	184,661,304	33,081,923	151,579,381	8,287,243	1,451,549	6,835,694
University College	465,812	121,512	344,300	(110,729)	0	(110,729)
New College	0	0	0	0	0	0
Innis College	0	0	0	0	0	0
Federated Colleges Block Grant	6,933,338	0	6,933,338	(37,086)	0	(37,086)
Toronto School of Theology	1,860,975	0	1,860,975	(60,654)	0	(60,654)
Erindale - Academic	37,182,944	5,862,166	31,320,778	4,518,953	0	4,518,953
Scarborough - Academic	35,929,938	5,592,761	30,337,177	5,426,401	71,428	5,354,973
TOTAL ARTS AND SCIENCE	267,034,811	44,658,362	222,376,449	18,024,128	1,522,977	16,501,151
SCHOOLS and COLLEGES						
School of Continuing Studies	12,141,111	12,141,111	0	0	0	0
Munk Centre	254,758	0	254,758	(2,491)	0	(2,491)
School of Graduate Studies	4,188,601	609,000	3,579,301	18,577	0	18,577
Graduate Institutes and Centres	5,834,456	699,601	5,134,355	(34,444)	0	(34,444)
Transitional Year Programme	1,260,474	75,075	1,185,399	86,381	0	86,381
Woodsworth College	0	0	0	0	0	0
TOTAL, SCHOOLS and COLLEGES	23,679,400	13,524,787	10,154,513	68,023	0	68,023

UNIVERSITY OF TORONTO
 RECOMMENDED 2003 - 04 BUDGET
 (Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
HEALTH SCIENCES						
Dentistry	23,005,556	8,087,265	14,918,291	378,878	142,856	236,022
Medicine	118,445,149	53,739,223	64,705,926	2,682,139	0	2,682,139
Nursing	6,793,615	1,159,922	5,633,693	1,336,012	0	1,336,012
Pharmacy	7,972,240	936,923	7,035,317	1,264,578	0	1,264,578
Physical Education & Health (Curr. & Co_Curr.)	20,748,475	17,888,617	2,859,858	470,517	0	470,517
TOTAL, HEALTH SCIENCES	176,965,035	81,811,950	95,153,085	6,132,124	142,856	5,989,268

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
OTHER PROFESSIONAL FACULTIES						
Applied Science and Engineering	55,125,136	9,835,178	45,243,958	2,523,266	487,129	2,036,137
Architecture and Landscape Architecture	4,478,192	340,260	4,137,932	118,035	0	118,035
OISE/UT						
Inst. of Child Study	51,719,856	44,649,719	7,070,137	2,332,405	285,712	2,046,693
University of Toronto Schools	368,099	285,712	82,387	82,387	0	82,387
Additional Qualification	6,970,700	6,754,374	216,326	0	0	0
Forestry	0	0	0	0	0	0
Law	2,373,662	8,000	2,365,662	233,176	0	233,176
Law Book Fund	14,132,873	2,821,789	11,311,084	1,715,238	100,000	1,615,238
Information Studies	0	0	0	0	0	0
Management	4,082,907	1,117,560	2,965,347	379,977	0	379,977
Executive Program	40,002,998	17,470,402	22,532,596	7,065,897	0	7,065,897
Executive M.B.A. Program	6,357,570	6,357,570	0	0	0	0
Business Information Centre	4,520,700	4,520,700	0	0	0	0
Centre for International Business	835,217	540,850	294,367	0	0	0
International Centre for Tax Studies	0	0	0	0	0	0
Music	7,781,774	874,106	6,907,668	269,076	71,428	197,648
Social Work	5,013,139	773,752	4,239,387	867,529	0	867,529
TOTAL, OTHER PROFESSIONAL FACULTIES	203,766,823	96,389,972	107,366,851	15,586,986	944,269	14,642,717
OTHER ACADEMIC COSTS	99,215,645	8,538,501	90,677,144	21,412,657	0	21,412,657
TOTAL ACADEMIC EXPENSE	770,661,714	244,933,572	525,728,142	61,223,918	2,610,102	58,613,816

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
ACADEMIC SERVICES						
University of Toronto Computing	15,825,254	8,645,491	7,179,763	(219,533)	0	(219,533)
St. George Library - Operations - Central Book Fund	30,419,755 18,579,714 48,999,469	5,788,853 0 5,788,853	24,630,902 18,579,714 43,210,616	155,708 740,334 896,042	0 0 0	155,708 740,334 896,042
Erindale Library Scarborough Library	2,944,205 4,259,793 72,028,721	85,000 98,775 14,618,119	2,859,205 4,161,018 57,410,602	13,150 (42,794) 646,865	0 0 0	13,150 (42,794) 646,865
TOTAL, ACADEMIC SERVICES						

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
ADMINISTRATION						
Offices of the Governing Council and Ombudsperson	2,555,298	291,064	2,268,234	194,522	0	194,522
Office of the President	1,121,092	0	1,121,092	15,221	0	15,221
Other Institutional Cost	1,407,793	0	1,407,793	36,025	0	36,025
Office of the Vice-Pres. and Provost	2,781,615	312,422	2,469,193	85,019	0	85,019
Office of the Vice Provost Planning & Budget	2,043,217	109,400	1,933,817	43,952	0	43,952
Office of the Vice Provost: Students - Stud. Affrs & Othe	13,491,096	5,054,359	8,436,737	134,985	0	134,985
Office of the Vice Provost Space Planning	2,505,825	1,016,188	1,493,637	(37,834)	0	(37,834)
Office of the Vice-Pres.- Research & International Rel.	5,154,756	53,994	5,100,762	345,091	0	345,091
Office of the Vice-Pres.- Government & Institutional Rel	614,796	0	614,796	123,686	0	123,686
Office of the Vice-Pres. & Chief Advancement Officer	18,163,991	4,095,224	14,068,767	152,124	0	152,124
Office of the Vice-Pres. - Human Resources	7,224,038	1,253,925	5,970,113	389,829	0	389,829
Office of the Vice-Pres. - Business Affairs	13,875,375	3,927,626	9,951,749	462,798	0	462,798
TOTAL, ST. GEORGE CAMPUS	70,950,892	16,114,202	54,836,690	1,945,418	0	1,945,418
Erindale Administration	4,358,070	1,992,905	2,365,165	77,993	0	77,993
Scarborough Administration	3,734,560	321,756	3,412,804	(15,747)	0	(15,747)
TOTAL ADMINISTRATION	79,043,522	18,428,863	60,614,659	2,007,664	0	2,007,664

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET
(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
STUDENT ASSISTANCE (excl. Divisional Support)						
University Student Assistance	8,556,696	2,801,000	5,755,696	0	0	0
Graduate Fellowships	2,124,862	0	2,124,862	(2,473,000)	0	(2,473,000)
Graduate Student Aid	3,037,863	0	3,037,863	(6,787,000)	0	(6,787,000)
OGSST	2,600,000	0	2,600,000	0	0	0
Student Aid Reinvestment	23,620,517	0	23,620,517	5,429,640	0	5,429,640
Student Aid Funded from Restrictec Funds	18,376,216	0	18,376,216	(6,448,028)	0	(6,448,028)
Erindale	56,400	0	56,400	0	0	0
Scarborough	106,000	0	106,000	0	0	0
OISE/UT	6,074,725	0	6,074,725	1,600,000	0	1,600,000
TOTAL, STUDENT ASSISTANCE	64,553,279	2,801,000	61,752,279	(8,678,388)	0	(8,678,388)

UNIVERSITY OF TORONTO
 RECOMMENDED 2003 - 04 BUDGET
 (Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL. RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL. RECOVERIES)	NET EXPENSE
CAMPUS & STUDENT SERVICES						
St. George	7,833,120	7,833,120	0	0	0	0
Erindale	3,739,391	3,770,877	(31,486)	0	0	0
Scarborough	3,264,129	2,482,183	781,946	6,053	0	6,053
TOTAL CAMPUS & STUDENT SERVICES	14,836,640	14,086,180	750,460	6,053	0	6,053

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET

(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
FACILITIES AND SERVICES						
Maintenance and Services						
- St. George Campus	44,330,226	13,779,549	30,600,677	695,910	0	695,910
- Erindale Campus	2,831,252	277,176	2,554,076	(40,325)	0	(40,325)
- Scarborough Campus	4,199,133	1,064,972	3,134,161	(82,781)	0	(82,781)
TOTAL, MAINTENANCE and SERVICES	51,410,611	15,121,697	36,288,914	572,804	0	572,804
Utilities						
- St. George Campus	37,151,098	11,475,446	25,675,652	240,161	0	240,161
- Erindale Campus	2,687,637	150,500	2,537,137	(158,274)	0	(158,274)
- Scarborough Campus	2,525,632	0	2,525,632	316,513	0	316,513
TOTAL, UTILITIES	42,364,367	11,625,946	30,738,421	398,400	0	398,400
Lease Cost of Off Campus Space	987,937	0	987,937	30,656	0	30,656
Accommodations and Facilities (AFD)	732,799	0	732,799	(48,516)	0	(48,516)

UNIVERSITY OF TORONTO
 RECOMMENDED 2003 - 04 BUDGET
 (Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
GENERAL UNIVERSITY EXPENSE						
President	5,014,898	0	5,014,898	(1,047,654)	0	(1,047,654)
Governing Council	32,760	0	32,760	0	0	0
Vice-President - Business Affairs	1,143,886	2,717	1,141,169	(5,002)	0	(5,002)
Vice-President - Human Resources	3,756,870	0	3,756,870	665,272	0	665,272
General (including salary, wage and benefit commitments, and recoveries from ancillaries)	36,298,134	9,786,076	26,512,058	5,271,290	622,869	4,648,421
TOTAL, GENERAL UNIVERSITY EXPENSE	46,246,348	9,788,793	36,457,555	4,883,906	622,869	4,261,037
MUNICIPAL TAXES						
	3,559,425	0	3,559,425	255,075	0	255,075

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET
(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET		PROJECTED CHANGES FROM 2002-03			
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<u>ERINDALE</u>						
Academic						
Academic Services - Library	37,182,944	5,862,166	31,320,778	4,518,953	0	4,518,953
Administration, incl Campus and Student Services	2,944,205	85,000	2,859,205	13,150	0	13,150
Facilities & Services - Maintenance & Services - Utilities	8,097,461	5,763,782	2,333,679	77,993	0	77,993
	2,831,252	277,176	2,554,076	(40,325)	0	(40,325)
Student Assistance	2,687,637	150,500	2,537,137	(158,274)	0	(158,274)
	56,400	0	56,400	0	0	0
TOTAL, ERINDALE	53,799,899	12,138,624	41,661,275	4,411,497	0	4,411,497

THIS IS A SUMMARY OF THE ERINDALE BUDGETS WHICH ARE REPORTED IN THE PRECEDING FINANCIAL REPORT UNDER THE VARIOUS BUDGET GROUPS.

UNIVERSITY OF TORONTO
RECOMMENDED 2003 - 04 BUDGET
(Financial Report)

BUDGET GROUP	RECOMMENDED 2003-04 BUDGET			PROJECTED CHANGES FROM 2002-03		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
SCARBOROUGH						
Academic						
Academic Services - Library	35,929,938	5,592,761	30,337,177	5,426,401	71,428	5,354,973
Administration, incl Campus and Student Services	4,259,793	98,775	4,161,018	(42,794)	0	(42,794)
Facilities & Services - Maintenance & Services	6,998,989	2,803,939	4,194,750	(9,694)	0	(9,694)
- Utilities	4,199,133	1,064,972	3,134,161	(82,781)	0	(82,781)
Student Assistance	2,525,932	0	2,525,932	316,513	0	316,513
	106,000	0	106,000	0	0	0
TOTAL, SCARBOROUGH	54,919,185	9,560,447	44,458,738	5,607,645	71,428	5,536,217

THIS IS A SUMMARY OF THE SCARBOROUGH BUDGETS WHICH ARE REPORTED IN THE PRECEDING FINANCIAL REPORT UNDER THE VARIOUS BUDGET GROUPS.

BUDGET GROUP I : ARTS & SCIENCE

DIVISIONAL BUDGET SCHEDULES

	ARTS & SCIENCE	UNIVERSITY COLLEGE	NEW COLLEGE	INNIS COLLEGE	ERINDALE ACADEMIC	SCARBOROUGH ACADEMIC	FEDERATED UNIVERSITIES BLOCK GRANT	TORONTO SCHOOL OF THEOLOGY	TOTAL GROUP I
Net Base Budget for 2002-03	144,028,703	435,029	0	0	26,745,304	24,951,025	6,670,924	1,921,629	204,772,614
One-Time-Only Budget for 2002-03	714,984	0	0	0	56,521	31,179	300,000	0	1,102,684
TOTAL NET BUDGET FOR 2002-03	144,743,687	435,029	0	0	26,801,825	24,982,204	6,970,924	1,921,629	205,875,298

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:									
Balance of Prior Year's Salary/Benefit Increase	5,736,532	15,187			1,070,174	1,289,747	0	0	8,111,640
Priorities Funds	0	0			0	0	0	0	0
Expense Offset by Additional Income	100,000	0			0	0	0	0	100,000
Transfers	11,822,276	0			5,472,063	5,872,910	0	0	23,167,259
Contract, Oblig. & Policy Commit.	3,152	0			0	0	13,147	(60,654)	73,955
REDUCTIONS FROM BASE:									
Budget Reduction	(8,504,233)	(27,547)			(1,655,021)	(1,592,590)	0	0	(11,779,351)
Academic PTR Recovery	(1,587,410)	0			(357,099)	(1,043)	0	0	(1,945,552)
Expense Recovery	0	0			0	0	0	0	0
Transfers	(736,673)	(98,369)			(14,381)	(258,163)	0	0	(1,107,586)
Contract, Oblig. & Policy Commit.	0	0			0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	(100,000)	0			0	0	0	0	(100,000)
RECOMMENDED BASE BUDGET CHANGE	6,733,644	(110,729)	0	0	4,515,736	5,310,861	131,457	(60,654)	16,520,315

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	102,050	0	0	0	3,217	44,112	0	0	149,379
Contract, Oblig. & Policy Commit. (Net Changes)	0	0			0	0	(168,543)	0	(168,543)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	102,050	0	0	0	3,217	44,112	(168,543)	0	(19,164)

Recommended Net Base Budget for 2003-04

Recommended Net Base Budget for 2003-04	150,762,347	344,300	0	0	31,261,040	30,261,886	6,802,381	1,860,975	221,292,929
Recommended OTO Budget for 2003-04	817,034	0	0	0	59,738	75,291	131,457	0	1,083,520
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	151,579,381	344,300	0	0	31,320,778	30,337,177	6,933,838	1,860,975	222,376,449

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	2,100,000	0			0	0	0	0	2,100,000
External Income :	4,156,343	46,512			3,074,831	2,186,771	0	0	9,464,457
Internal Recoveries :	20,441,336	75,000			2,583,469	3,405,990	0	0	26,505,795
External Recoveries :	2,652,983	0			203,866	0	0	0	2,856,849
Negative Approp. :	3,731,261	0			0	0	0	0	3,731,261
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	33,081,923	121,512	0	0	5,862,166	5,592,761	0	0	44,658,362

GROSS EXPENSE BUDGET FOR 2003-04

GROSS EXPENSE BUDGET FOR 2003-04	184,661,304	465,812	0	0	37,182,944	35,929,938	6,933,838	1,860,975	267,034,811
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BUDGET GROUP II : SCHOOLS AND COLLEGES

DIVISIONAL BUDGET SCHEDULES

WOODSWORTH COLLEGE	SCHOOL OF GRADUATE STUDIES	GRADUATE CENTRES & INSTITUTES	TRANSITIONAL YEAR PROGRAMME	SCHOOL OF CONTINUING STUDIES	MUNK CENTRE	TOTAL GROUP II
0	3,546,844	5,027,500	1,099,018		240,494	9,913,856
	14,180	141,799			16,755	172,734
0	3,561,024	5,169,299	1,099,018	0	257,249	10,086,590

Net Base Budget for 2002-03

One-Time-Only Budget for 2002-03

TOTAL NET BUDGET FOR 2002-03

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:

Balance of Prior Year's Salary/Benefit Increase

Priorities Funds

Expense Offset by Additional Income

Transfers

Contract. Oblig. & Policy Commit.

REDUCTIONS FROM BASE:

Budget Reduction

Academic PTR Recovery

Expense Recovery

Transfers

Contract. Oblig. & Policy Commit.

(INCREASE) DECREASE IN DIVISIONAL REVENUE

RECOMMENDED BASE BUDGET CHANGE

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)

Contract. Oblig. & Policy Commit. (Net Changes)

RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE

Recommended Net Base Budget for 2003-04

Recommended OTO Budget for 2003-04

TOTAL RECOMMENDED NET BUDGET FOR 2003-04

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :

External Income :

Internal Recoveries :

External Recoveries :

Negative Approp. :

TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)

GROSS EXPENSE BUDGET FOR 2003-04

157,071	183,013	56,306	7,011	403,401
0	0	0	0	0
0	0	0	0	0
78,477	54,031	98,817	10,000	241,325
	1,814			1,814
(220,383)	(307,425)	(68,742)	(14,727)	(611,277)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
15,165	(68,567)	86,381	2,284	35,263
0	3,412	34,123	0	(4,775)
0	3,412	34,123	0	(4,775)
3,562,009	4,958,933	1,185,399	242,778	9,949,119
17,592	175,922	0	11,980	205,494
3,579,601	5,134,855	1,185,399	254,758	10,154,613
0	0	0	0	0
477,000	51,000	45,000	11,861,111	12,434,111
132,000	89,912	30,075	0	531,987
	420,972			420,972
609,000	137,717	75,075	12,141,111	13,717
0	699,601	0	0	13,524,787
0	4,188,601	1,260,474	12,141,111	23,679,400

BUDGET GROUP III : HEALTH SCIENCES

DIVISIONAL BUDGET SCHEDULES

	DENTISTRY	MEDICINE	NURSING	PHARMACY	PHYSICAL EDUCATION & HEALTH	TOTAL GROUP III
Net Base Budget for 2002-03	14,334,904	60,777,975	4,287,675	5,733,285	2,387,781	87,521,620
One-Time-Only Budget for 2002-03	347,365	1,245,812	10,006	37,454	1,560	1,642,197
TOTAL NET BUDGET FOR 2002-03	14,682,269	62,023,787	4,297,681	5,770,739	2,389,341	89,163,817

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:						
Balance of Prior Year's Salary/Benefit Increase	637,542	2,341,229	228,107	234,309	99,788	3,540,975
Priorities Funds	0	0	0	0	0	0
Expense Offset by Additional Income	0	0	0	0	0	0
Transfers	765,921	4,468,016	1,384,029	1,367,075	497,008	8,482,049
Contract. Oblig. & Policy Commit.	240	0	0	0	0	240
REDUCTIONS FROM BASE:						
Budget Reduction	(890,517)	(3,567,474)	(268,689)	(355,072)	(131,603)	(5,213,355)
Academic PTR Recovery	0	(405,176)	0	(71,988)	0	(477,164)
Expense Recovery	0	0	0	0	0	0
Transfers	(81,531)	(44,000)	0	0	0	(125,531)
Contract. Oblig. & Policy Commit.	0	0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	0	0	0	0	0	0
RECOMMENDED BASE BUDGET CHANGE	431,655	2,792,595	1,343,447	1,174,324	465,193	6,207,214

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	(195,633)	(110,456)	(7,435)	90,254	5,324	(217,946)
Contract. Oblig. & Policy Commit. (Net Changes)	0	0	0	0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	(195,633)	(110,456)	(7,435)	90,254	5,324	(217,946)

Recommended Net Base Budget for 2003-04	14,766,559	63,570,570	5,631,122	6,907,609	2,852,974	93,728,834
Recommended OTO Budget for 2003-04	151,732	1,135,356	2,571	127,708	6,884	1,424,251
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	14,918,291	64,705,926	5,633,693	7,035,317	2,859,858	95,153,085

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	120,000	2,831,517	29,990	0	0	2,981,507
External Income :	4,304,675	14,642,337	408,800	779,067	11,246,893	31,381,772
Internal Recoveries :	3,243,116	3,463,003	404,315	157,856	6,621,409	13,889,699
External Recoveries :	419,474	32,802,366	316,817	0	20,315	33,558,972
Negative Approp. :	0	0	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	8,087,265	53,739,223	1,159,922	936,923	17,888,617	81,811,950
GROSS EXPENSE BUDGET FOR 2003-04	23,005,556	118,445,149	6,793,615	7,972,240	20,748,475	176,965,035

BUDGET GROUP IV : PROFESSIONAL FACULTIES

DIVISIONAL BUDGET SCHEDULES

	APPLIED SCIENCE & ENGINEERING	ARCHITECTURE, LANDSCAPE, & DESIGN	JOSEPH L. ROTMAN SCHOOL OF MANAGEMENT	INFORMATION STUDIES	LAW	FORESTRY	OISE/UT U.T.S.	OISE/UT	MUSIC	SOCIAL WORK	TOTAL GROUP IV
Net Base Budget for 2002-03	41,043,712	4,019,897	15,705,806	2,366,013	9,564,175	2,110,921	216,326	4,875,223	6,710,020	3,329,787	90,141,880
One-Time-Only Budget for 2002-03	2,164,109	0	55,260	19,357	131,671	21,565	0	148,221	0	42,071	2,582,254
TOTAL NET BUDGET FOR 2002-03	43,207,821	4,019,897	15,761,066	2,385,370	9,695,846	2,132,486	216,326	5,023,444	6,710,020	3,371,858	92,724,134
RECOMMENDED BUDGET CHANGES:											
ADDITIONS TO BASE:											
Balance of Prior Year's Salary/Benefit Increase	1,702,896	184,470	0	124,056	381,952	101,505	0	362,887	0	164,407	3,295,214
Priorities Funds	0	0	0	0	0	0	0	0	0	0	0
Expense Offset by Additional Income	0	0	0	0	0	0	0	0	0	0	0
Transfers	3,234,845	186,863	938,880	425,010	1,991,504	290,000	6,171,162	2,616,794	481,866	918,406	100,000
Contract, Oblig. & Policy Commit.	0	0	6,171,162	0	33,631	0	0	0	281	0	6,205,074
REDUCTIONS FROM BASE:											
Budget Reduction	(2,428,290)	(250,160)	0	(160,059)	(618,577)	(131,639)	0	(577,914)	(404,022)	(207,905)	(4,778,566)
Academic PTR Recovery	(347,573)	0	0	0	(85,570)	0	0	(43,226)	(171,715)	0	(648,084)
Expense Recovery	0	0	0	0	0	0	0	0	0	0	0
Transfers	(112,495)	(5,000)	0	0	(15,000)	0	0	(191,765)	18,197	0	(306,063)
Contract, Oblig. & Policy Commit.	0	0	0	0	0	0	0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	0	0	0	0	(100,000)	0	0	0	0	0	(100,000)
RECOMMENDED BASE BUDGET CHANGE	2,049,383	116,173	7,110,042	389,007	1,702,940	244,866	0	2,166,776	197,648	874,908	14,851,748
ONE-TIME-ONLY BUDGET CHANGES:											
Research Overhead (Net Changes)	(13,246)	1,857	(44,145)	(9,030)	(87,702)	(11,690)	0	(37,696)	0	(7,379)	(209,031)
Contract, Oblig. & Policy Commit (Net Changes)	0	0	0	0	0	0	0	0	0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	(13,246)	1,857	(44,145)	(9,030)	(87,702)	(11,690)	0	(37,696)	0	(7,379)	(209,031)
Recommended Net Base Budget for 2003-04	43,093,095	4,136,075	22,815,848	2,955,020	11,267,115	2,355,787	216,326	7,041,999	6,907,668	4,204,695	104,993,628
Recommended OTO Budget for 2003-04	2,150,863	1,857	11,115	10,327	43,969	9,875	0	110,525	0	34,692	2,373,223
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	45,243,958	4,137,932	22,826,963	2,965,347	11,311,084	2,365,662	216,326	7,152,524	6,907,668	4,239,387	107,366,851
DIVISIONAL REVENUE (INCL. RECOVERIES)											
Endowment Income :	500,000	0	1,666,240	0	300,000	0	540,000	416,493	0	323,732	3,746,465
External Income :	4,075,729	30,000	13,200,775	1,024,560	539,500	8,000	6,130,864	36,642,301	302,594	191,625	62,157,948
Internal Recoveries :	4,461,853	310,260	13,843,257	93,000	1,626,495	0	63,510	5,620,323	571,512	258,108	26,856,318
External Recoveries :	847,596	0	179,250	0	355,794	0	0	24,090	0	287	1,407,017
Negative Approp. :	0	0	0	0	0	0	0	2,232,224	0	0	2,232,224
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	9,885,178	340,260	28,889,522	1,117,560	2,821,789	8,000	6,734,374	44,935,431	874,106	773,752	96,399,972
GROSS EXPENSE BUDGET FOR 2003-04	55,129,136	4,478,192	51,716,485	4,082,907	14,132,873	2,373,662	6,970,700	52,087,955	7,781,774	5,013,139	203,766,823

Net Base Budget for 2002-03
 One-Time-Only Budget for 2002-03
TOTAL NET BUDGET FOR 2002-03

RECOMMENDED BUDGET CHANGES:
 ADDITIONS TO BASE:
 Balance of Prior Year's Salary/Benefit Increase
 Priorities Funds
 Expense Offset by Additional Income
 Transfers
 Contract, Oblig. & Policy Commit.
 REDUCTIONS FROM BASE:
 Budget Reduction
 Academic PTR Recovery
 Expense Recovery
 Transfers
 Contract, Oblig. & Policy Commit.
 (INCREASE) DECREASE IN DIVISIONAL REVENUE
RECOMMENDED BASE BUDGET CHANGE

ONE-TIME-ONLY BUDGET CHANGES:
 Research Overhead (Net Changes)
 Contract, Oblig. & Policy Commit (Net Changes)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE

Recommended Net Base Budget for 2003-04
 Recommended OTO Budget for 2003-04
TOTAL RECOMMENDED NET BUDGET FOR 2003-04

DIVISIONAL REVENUE (INCL. RECOVERIES)
 Endowment Income :
 External Income :
 Internal Recoveries :
 External Recoveries :
 Negative Approp. :
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)

GROSS EXPENSE BUDGET FOR 2003-04

BUDGET GROUP V : OTHER ACADEMIC COSTS

DIVISIONAL BUDGET SCHEDULES

	SHERIDAN FINE ARTS	PROVOSTS RESERVE & CONTINGENCY	FACULTY RECRUITMENT	RESERVE FOR RESEARCH OVERHEAD	BRIDGING FUND	PROVOSTS RESERVE	NON- DEPARTMENTAL PROFESSORS	RESEARCH SUPPORT P.D.& D.	ATOP/EGF
Net Base Budget for 2002-03	441,047	2,292,790	2,250,000	0	0	0	385,484	345,657	19,297,547
One-Time-Only Budget for 2002-03	441,047	2,292,790	2,250,000	1,937,320	0	0	385,484	345,657	19,297,547
TOTAL NET BUDGET FOR 2002-03									
RECOMMENDED BUDGET CHANGES:									
ADDITIONS TO BASE:									
Balance of Prior Year's Salary/Benefit Increase									
Priorities Funds									3,206
Expense Offset by Additional Income									
Transfers			1,250,000						
Contract, Oblig. & Policy Commit.	2,790,447	400,000							
REDUCTIONS FROM BASE:									
Budget Reduction		350,000							
Academic PTR Recovery		(106,281)		0					33,482,538
Expense Recovery									
Transfers									
Contract, Oblig. & Policy Commit.									(24,201,989)
(INCREASE) DECREASE IN DIVISIONAL REVENUE									
RECOMMENDED BASE BUDGET CHANGE	2,790,447	643,719	1,250,000	0	0	0	3,206	0	9,280,549
ONE-TIME-ONLY BUDGET CHANGES:									
Research Overhead (Net Changes)									
Contract, Oblig. & Policy Commit. (Net Changes)				(984,446)					
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	0	0	(984,446)	0	0	0	0	0
Recommended Net Base Budget for 2003-04	3,231,494	2,936,509	3,500,000	0	0	0	388,690	345,657	28,578,096
Recommended OTO Budget for 2003-04	0	0	0	952,874	0	0	0	0	0
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	3,231,494	2,936,509	3,500,000	952,874	0	0	388,690	345,657	28,578,096
DIVISIONAL REVENUE (INCL. RECOVERIES)									
Endowment Income :									
External Income :									
Internal Recoveries :				0			6,813		
External Recoveries :									
Negative Approp. :									
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	0	0	0	0	0	0	6,813	0	0
GROSS EXPENSE BUDGET FOR 2003-04	3,231,494	2,936,509	3,500,000	952,874	0	0	395,503	345,657	28,578,096

BUDGET GROUP V : OTHER ACADEMIC COSTS

	ACADEMIC ADMINISTRATORS MATCHING FUNDS	ENDOW CHAIRS/ UNIV. PROFS.	ACAD PRIORITY FUNDS	ACADEMIC SERVICE INITIATIVES	DIVISIONAL CAMPAIGN EXPENSES	CANADA RESEARCH CHAIRS	PERFORMANCE BASED FUNDING	FEDERAL RESEARCH GRANT	OVERHEAD ON RESEARCH	INDEMNITY AGAINST ENDOWMENT PAYOUT LOSSES	OTHER	TOTAL GROUP V
225,307	864,750	(1,257,000)	15,264,097	500,000	2,100,000	21,009,271	1,300,000	3,652,179	456,038	0	456,038	66,462,417
225,307	864,750	(1,257,000)	15,264,097	500,000	2,100,000	21,009,271	1,300,000	3,652,179	456,038	0	456,038	69,264,487

Net Base Budget for 2002-03
 One-Time-Only Budget for 2002-03
TOTAL NET BUDGET FOR 2002-03

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:												
Balance of Prior Year's Salary/Benefit Increase						200,000						203,206
Priorities Funds												0
Expense Offset by Additional Income												0
Transfers						974,493						0
Contract, Oblig. & Policy Commit.				500,000		7,442,999	1,300,000	307,116		2,500,000		2,624,493
REDUCTIONS FROM BASE:												54,000,242
Budget Reduction	0											
Academic PTR Recovery												(106,281)
Expense Recovery						(10,178,728)						0
Transfers												0
Contract, Oblig. & Policy Commit.												0
(INCREASE) DECREASE IN DIVISIONAL REVENUE												(34,380,717)
RECOMMENDED BASE BUDGET CHANGE	0	100,000	(4,851,626)	500,000	0	8,617,492	1,300,000	307,116	2,500,000	0	0	100,000

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	171,200	(215,040)	0	0	0	0	0	0	0	0	0	0
Contract, Oblig. & Policy Commit. (Net Changes)	171,200	(215,040)	0	0	0	0	0	0	0	0	0	(1,028,286)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	342,400	(430,080)	0	0	0	0	0	0	0	0	0	(1,028,286)
Recommended Net Base Budget for 2003-04	225,307	0	10,412,471	500,000	2,100,000	29,626,763	1,300,000	3,959,315	456,038	2,500,000	0	88,903,360
Recommended OTO Budget for 2003-04	171,200	649,710	0	0	0	0	0	0	0	0	0	1,773,784
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	396,507	649,710	10,412,471	500,000	2,100,000	29,626,763	1,300,000	3,959,315	456,038	2,500,000	0	90,677,144

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	1,257,000											1,257,000
External Income :	0					6,774,688						500,000
Internal Recoveries :												0
External Recoveries :												0
Negative Approp. :												0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	0	1,257,000	0	0	0	6,774,688	0	0	0	0	500,000	8,538,501
GROSS EXPENSE BUDGET FOR 2003-04	396,507	649,710	10,412,471	500,000	2,100,000	36,401,451	1,300,000	3,959,335	2,500,000	956,038	0	99,215,645

BUDGET GROUP VI : ACADEMIC SERVICES

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE LIBRARY OPERATIONS & INFO COMMONS	ST GEORGE LIBRARY BOOK FUND	OISE/UT LIBRARY	ERINDALE LIBRARY	SCARBOROUGH LIBRARY	UNIV. OF TORONTO COMPUTING	TOTAL GROUP VI
Net Base Budget for 2002-03	24,475,194	17,839,380	0	2,846,055	4,203,812	7,399,296	56,763,737
One-Time-Only Budget for 2002-03	0	0	0	0	0	0	0
TOTAL NET BUDGET FOR 2002-03	24,475,194	17,839,380	0	2,846,055	4,203,812	7,399,296	56,763,737

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:							
Balance of Prior Year's Salary/Benefit Increase	934,792	0	0	66,233	91,684	234,689	1,327,398
Priorities Funds				0	0	0	0
Expense Offset by Additional Income				0	0	0	0
Transfers	829,618	740,334	0	50,618	48,531	0	829,618
Contract. Oblig. & Policy Commit.	3,085						842,568
REDUCTIONS FROM BASE:							
Budget Reduction	(1,507,471)		0	(103,701)	(183,009)	(454,222)	(2,248,403)
Academic PTR Recovery	(104,316)			0	0	0	(104,316)
Expense Recovery				0	0	0	0
Transfers			0	0	0	0	0
Contract. Oblig. & Policy Commit.			0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE							
RECOMMENDED BASE BUDGET CHANGE	155,708	740,334	0	13,150	(42,794)	(219,533)	646,865

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	0			0	0	0	0
Contract. Oblig. & Policy Commit. (Net Changes)	0			0	0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	0	0	0	0	0	0

Recommended Net Base Budget for 2003-04	24,630,902	18,579,714	0	2,859,205	4,161,018	7,179,763	57,410,602
Recommended OTO Budget for 2003-04	0	0	0	0	0	0	0
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	24,630,902	18,579,714	0	2,859,205	4,161,018	7,179,763	57,410,602

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :				0	0	0	0
External Income :	2,967,004			50,000	37,800	1,613,839	4,668,643
Internal Recoveries :	1,366,572			35,000	60,975	6,994,652	8,457,199
External Recoveries :	1,455,277			0	0	0	1,455,277
Negative Approp. :				0	0	37,000	37,000
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	5,788,853	0	0	85,000	98,775	8,645,491	14,618,119

GROSS EXPENSE BUDGET FOR 2003-04

30,419,755	18,579,714	0	2,944,205	4,259,793	15,825,254	72,028,721
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BUDGET GROUP VII : CAMPUS & STUDENT SRVCS

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE CAMPUS & ST SRVCS	ERINDALE CAMPUS & ST SRVCS	SCARBOROUGH CAMPUS & ST SRVCS	TOTAL GROUP VII
Net Base Budget for 2002-03	0	(31,486)	775,893	744,407
One-Time-Only Budget for 2002-03	0	0	0	0
TOTAL NET BUDGET FOR 2002-03	0	(31,486)	775,893	744,407

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:				
Balance of Prior Year's Salary/Benefit Increase	0	0	6,053	0
Priorities Funds	0	0	0	6,053
Expense Offset by Additional Income	0	0	0	0
Transfers	0	0	0	0
Contract, Oblig. & Policy Commit.	0	0	0	0
REDUCTIONS FROM BASE:				
Budget Reduction	0	0	0	0
Academic PTR Recovery	0	0	0	0
Expense Recovery	0	0	0	0
Transfers	0	0	0	0
Contract, Oblig. & Policy Commit.	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	0	0	0	0
RECOMMENDED BASE BUDGET CHANGE	0	0	6,053	6,053

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	0	0	0	0
Contract, Oblig. & Policy Commit. (Net Changes)	0	0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	0	0	0

Recommended Net Base Budget for 2003-04

Recommended Net Base Budget for 2003-04	0	(31,486)	781,946	750,460
Recommended OTO Budget for 2003-04	0	0	0	0
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	0	(31,486)	781,946	750,460

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :	0	0	0	0
External Income :	7,225,630	3,322,101	2,110,768	12,658,499
Internal Recoveries :	606,790	404,790	371,415	1,382,995
External Recoveries :	700	43,986	0	44,686
Negative Approp. :	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	7,833,120	3,770,877	2,482,183	14,086,180

GROSS EXPENSE BUDGET FOR 2003-04

7,833,120	3,739,391	3,264,129	14,836,640
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BUDGET GROUP VIII : STUDENT ASSISTANCE

DIVISIONAL BUDGET SCHEDULES

	UNDERGRAD STUDENT ASSISTANCE	GRADUATE FELLOWSHIPS	GRADUATE STUDENT AID	OGS&T	REINVESTMENT	STUDENT AID FUNDED FROM		ERINDALE	SCARBOROUGH	OISE/UT	TOTAL GROUP VIII
						STUDENT AID	SUB TOTAL CENTRAL				
Net Base Budget for 2002-03	5,755,696	4,597,862	9,824,863	2,600,000	18,190,877	24,824,244	56,400	106,000	4,474,725	70,430,667	
One-Time-Only Budget for 2002-03	0	0	0	0	0	0	0	0	0	0	
TOTAL NET BUDGET FOR 2002-03	5,755,696	4,597,862	9,824,863	2,600,000	18,190,877	24,824,244	56,400	106,000	4,474,725	70,430,667	
RECOMMENDED BUDGET CHANGES:											
ADDITIONS TO BASE:											
Balance of Prior Year's Salary/Benefit Increase					0	0	0	0	0	0	
Priorities Funds											
Expense Offset by Additional Income											
Transfers		315,000									
Contract. Oblig. & Policy Commit.			2,800,000		5,429,640	(6,448,028)			1,600,000	1,915,000	
REDUCTIONS FROM BASE:											
Budget Reduction											
Academic PTR Recovery											
Expense Recovery											
Transfers											
Contract. Oblig. & Policy Commit.		(2,788,000)	(9,587,000)							(12,375,000)	
(INCREASE)/DECREASE IN DIVISIONAL REVENUE											
RECOMMENDED BASE BUDGET CHANGE	0	(2,473,000)	(6,787,000)	0	5,429,640	(6,448,028)	0	0	1,600,000	(8,578,388)	

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	0	0	0	0	0	0	0	0	0	0
Contract. Oblig. & Policy Commit. (Net Changes)	0	0	0	0	0	0	0	0	0	0
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	0	0	0	0	0	0	0	0	0	0

Recommended Net Base Budget for 2003-04

Recommended OTO Budget for 2003-04

TOTAL RECOMMENDED NET BUDGET FOR 2003-04

	5,755,696	2,124,862	3,037,863	2,600,000	23,620,517	18,376,216	55,515,154	36,400	106,000	6,074,725	61,752,279
	0	0	0	0	0	0	0	0	0	0	0
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	5,755,696	2,124,862	3,037,863	2,600,000	23,620,517	18,376,216	55,515,154	36,400	106,000	6,074,725	61,752,279

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :											
External Income :	2,801,000						2,801,000				2,801,000
Internal Recoveries :	0	0					0			0	0
External Recoveries :	0						0				0
Negative Approp. :											
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	2,801,000	0	0	0	0	0	2,801,000	0	0	0	2,801,000

GROSS EXPENSE BUDGET FOR 2003-04

	8,556,696	2,124,862	3,037,863	2,600,000	23,620,517	18,376,216	58,316,154	56,400	106,000	6,074,725	64,553,279
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BUDGET GROUP IX : FACILITIES AND SERVICES

DIVISIONAL BUDGET SCHEDULES

	ST GEORGE MAINTENANCE & SERVICES	PROPERTY MANAGEMENT DESIGN & CONSTRUCTION	ST GEORGE UTILITIES	ERINDALE MAINTENANCE & SERVICES	ERINDALE UTILITIES	SCARBOROUGH MAINTENANCE & SERVICES	SCARBOROUGH UTILITIES	TOTAL GROUP IX
Net Base Budget for 2002-03	29,850,767	0	25,435,491	2,594,401	2,695,411	3,216,942	2,209,119	66,002,131
One-Time-Only Budget for 2002-03	54,000	0	0	0	0	0	0	54,000
TOTAL NET BUDGET FOR 2002-03	29,904,767	0	25,435,491	2,594,401	2,695,411	3,216,942	2,209,119	66,056,131

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:								
Balance of Prior Year's Salary/Benefit Increase	829,470	0	0	59,356	0	62,038	0	950,864
Priorities Funds				0	0	0	0	0
Expense Offset by Additional Income	406,720	0	0	0	0	0	0	0
Transfers	846,996	0	240,161	37,252	0	44,987	0	488,959
Contract. Oblig. & Policy Commit.				0	(158,274)	0	316,513	1,245,396
REDUCTIONS FROM BASE:								
Budget Reduction	(1,255,235)			(136,933)	0	(189,806)	0	(1,581,974)
Academic PTR Recovery				0	0	0	0	0
Expense Recovery				0	0	0	0	0
Transfers	(83,041)			0	0	0	0	(83,041)
Contract. Oblig. & Policy Commit.				0	0	0	0	0
(INCREASE) DECREASE IN DIVISIONAL REVENUE	744,910	0	240,161	(40,325)	(158,274)	(82,781)	316,513	1,020,204
RECOMMENDED BASE BUDGET CHANGE								

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	(49,000)	0	0	0	0	0	0	0
Contract. Oblig. & Policy Commit. (Net Changes)	(49,000)	0	0	0	0	0	0	(49,000)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE								

Recommended Net Base Budget for 2003-04

Recommended Net Base Budget for 2003-04	30,595,677	0	25,675,652	2,554,076	2,537,137	3,134,161	2,525,632	67,022,335
Recommended OTO Budget for 2003-04	5,000	0	0	0	0	0	0	5,000
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	30,600,677	0	25,675,652	2,554,076	2,537,137	3,134,161	2,525,632	67,027,335

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income:								
External Income:	2,264,991	0	5,556,948	12,000	0	31,435	0	7,865,374
Internal Recoveries:	11,514,558	0	5,918,498	265,176	150,500	1,033,537	0	18,882,269
External Recoveries:				0	0	0	0	0
Negative Approp.:				0	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	13,779,549	0	11,475,446	277,176	150,500	1,064,972	0	26,747,643

GROSS EXPENSE BUDGET FOR 2003-04

GROSS EXPENSE BUDGET FOR 2003-04	44,380,226	0	37,151,098	2,831,252	2,687,637	4,199,133	2,525,632	93,774,978
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BUDGET GROUP XI: GENERAL UNIVERSITY EXPENSE & OTHERS

DIVISIONAL BUDGET SCHEDULES

	GENERAL UNIVERSITY EXPENSE	ACCOMMODATION & FACILITIES DIRECTORATE	LEASE COST OF OFF CAMPUS SPACE	MUNICIPAL TAXES	TOTAL GROUP XI
Net Base Budget for 2002-03	32,133,518	283,024	957,281	3,304,350	36,678,173
One-Time-Only Budget for 2002-03	63,000	498,291			561,291
TOTAL NET BUDGET FOR 2002-03	32,196,518	781,315	957,281	3,304,350	37,239,464

RECOMMENDED BUDGET CHANGES:

ADDITIONS TO BASE:					
Balance of Prior Year's Salary/Benefit Increase	(20,200,355)				(20,200,355)
Priorities Funds	0				0
Expense Offset by Additional Income	0				0
Transfers	2,108,048	4,434			2,112,482
Contract. Oblig. & Policy Commit.	28,152,158		30,656		28,182,814
REDUCTIONS FROM BASE:					
Budget Reduction	165,569	(16,840)			148,729
Academic PTR Recovery	0				0
Expense Recovery	(1,172,856)				(1,172,856)
Transfers	(4,628,527)				(4,628,527)
Contract. Oblig. & Policy Commit.	0			255,075	255,075
(INCREASE) DECREASE IN DIVISIONAL REVENUE	(100,000)				(100,000)
RECOMMENDED BASE BUDGET CHANGE	4,324,037	(12,406)	30,656	255,075	4,597,362

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead (Net Changes)	0	(36,110)	0	0	(36,110)
Contract. Oblig. & Policy Commit. (Net Changes)	(63,000)				(63,000)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	(63,000)	(36,110)	0	0	(99,110)

Recommended Net Base Budget for 2003-04

Recommended Net Base Budget for 2003-04	36,457,555	270,618	987,937	3,559,425	41,275,535
Recommended OTO Budget for 2003-04	0	462,181	0	0	462,181
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	36,457,555	732,799	987,937	3,559,425	41,737,716

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income:	0				0
External Income:	2,717				2,717
Internal Recoveries:	9,786,076				9,786,076
External Recoveries:	0				0
Negative Approp.:	0				0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	9,788,793	0	0	0	9,788,793

GROSS EXPENSE BUDGET FOR 2003-04

GROSS EXPENSE BUDGET FOR 2003-04	46,246,348	732,799	987,937	3,559,425	51,526,509
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EXPENSE SUMMARY

DIVISIONAL BUDGET SCHEDULES

	TOTAL GROUP I:	TOTAL GROUP II:	TOTAL GROUP III:	TOTAL GROUP IV:	TOTAL GROUP V:	SUBTOTAL GROUPS I-V:	TOTAL GROUP VI:	TOTAL GROUP VII:	TOTAL GROUP VIII:	TOTAL GROUP IX:	TOTAL GROUP X:	TOTAL GROUP XI:
	ARTS & SC.	SCHOOLS/COLLS	HLTH/SCI	PROF FACCS	OAC	ACADEMIC	AC SRVCS	C & S	ST ASSIST	FAC & SRVCS	ADM & GOV	GEN UNIV & OTH
Net Base Budget for 2002-03	204,772,614	9,913,856	87,521,620	90,141,880	66,462,417	458,817,387	56,763,737	74,407	70,430,667	66,002,131	58,606,995	36,678,173
One-Time-Only Budget for 2002-03	1,102,684	172,734	1,642,197	2,382,254	2,802,070	8,301,939	0	0	0	54,000	0	8,917,230
TOTAL NET BUDGET FOR 2002-03	205,875,298	10,086,590	89,163,817	92,724,134	69,264,487	467,114,326	56,763,737	74,407	70,430,667	66,056,131	58,606,995	37,239,464
RECOMMENDED BUDGET CHANGES:												
ADDITIONS TO BASE:												
Balance of Prior Year's Salary/Benefit Increase	8,111,640	403,401	3,540,975	3,295,214	203,206	15,554,436	1,327,398	6,053	0	950,864	2,361,604	0
Priorities Funds	0	0	0	0	0	0	0	0	0	0	0	0
Expense Offset by Additional Income	100,000	0	0	100,000	0	200,000	0	0	0	0	0	0
Transfers	23,167,249	241,325	8,482,049	11,084,173	2,624,493	45,599,289	829,618	0	1,915,000	488,959	2,157,194	200,000
Contract Oblig. & Policy Commit.	73,955	1,814	240	6,205,074	54,006,242	60,281,325	842,568	0	1,781,612	1,245,396	188,000	2,112,882
REDUCTIONS FROM BASE:												
Budget Reduction	(11,779,391)	(611,277)	(5,213,355)	(4,778,566)	(104,281)	(22,488,870)	(2,248,403)	0	0	(1,581,974)	(2,613,057)	148,729
Academic PTR Recovery	(1,945,552)	0	(477,164)	(648,084)	0	(3,070,800)	(104,316)	0	0	0	0	(3,175,116)
Expense Recovery	0	0	0	0	0	0	0	0	0	0	0	0
Transfers	(1,107,586)	0	(125,531)	(306,063)	(34,387,717)	(35,919,897)	0	0	(12,375,000)	(83,041)	(96,077)	(1,172,856)
Contract Oblig. & Policy Commit.	0	0	0	0	0	0	0	0	0	0	0	(4,628,527)
(INCREASE) DECREASE IN DIVISIONAL REVENUE	(100,000)	0	0	(100,000)	106,000	(100,000)	0	0	0	0	0	255,075
RECOMMENDED BASE BUDGET CHANGE	16,520,315	35,263	6,207,214	14,851,748	22,444,943	60,053,483	646,865	6,053	(8,678,388)	1,020,204	1,997,664	4,597,362
ONE-TIME-ONLY BUDGET CHANGES:												
Research Overhead (Net Changes)	149,379	32,760	(217,946)	(209,051)	0	(244,838)	0	0	0	0	0	(36,110)
Contract. Oblig. & Policy Commit. (Net Change)	(168,543)	0	0	(1,028,286)	(1,196,829)	(1,196,829)	0	0	0	(49,000)	10,000	(63,000)
RECOMMENDED ONE-TIME-ONLY BUDGET CHANGE	(19,164)	32,760	(217,946)	(209,031)	(1,028,286)	(1,441,667)	0	0	0	(49,000)	10,000	(99,110)
Recommended Net Base Budget for 2003-04	221,292,929	9,949,119	91,728,834	104,993,628	88,903,360	518,867,870	57,410,602	750,460	61,752,279	67,022,335	60,604,659	41,275,535
Recommended OTO Budget for 2003-04	1,083,320	205,494	1,424,251	2,373,223	1,773,784	6,860,272	0	0	0	5,000	10,000	462,181
TOTAL RECOMMENDED NET BUDGET FOR 2003-04	222,376,249	10,154,613	93,153,085	107,366,851	90,677,144	525,728,142	57,410,602	750,460	61,752,279	67,027,335	60,614,659	41,737,716
DIVISIONAL REVENUE (INCL. RECOVERIES)												
Endowment Income :	2,100,000	0	2,981,507	3,746,465	1,257,000	10,084,972	0	0	0	0	0	0
External Incomes :	9,464,457	12,434,111	31,381,772	62,157,948	50,000	115,938,288	4,668,643	12,658,499	2,801,000	7,865,374	8,048,762	2,717
Internal Recoveries :	26,505,795	531,987	13,889,999	26,856,318	6,781,501	74,565,300	8,467,199	1,382,995	0	18,882,269	10,374,101	9,786,076
External Recoveries :	2,856,849	420,972	33,558,972	1,407,017	0	38,243,810	1,455,277	44,686	0	0	6,000	0
Negative Approp. :	3,731,261	137,717	0	2,232,224	0	6,101,202	37,000	0	0	0	0	0
TOTAL DIVISIONAL REVENUE (INCL. RECOVERIES)	44,658,362	13,524,787	81,811,950	96,399,972	8,538,501	244,933,572	14,618,119	14,886,180	2,801,000	26,747,643	18,428,863	9,788,793
GROSS EXPENSE BUDGET FOR 2003-04	267,034,811	23,679,400	176,965,035	203,766,823	92,215,645	770,661,714	74,098,721	14,836,640	64,453,479	93,774,978	79,043,532	51,526,509
												1,146,425,363

8. APPENDICES.

Appendix A Updated Table of Assumptions from the Long Range Budget Guidelines for Planning and Budgeting, 1998-2004.

Appendix B Contractual Obligations and Policy Commitments (COPC) List.

These appendices were distributed for the March 18th Planning and Budget Committee Meeting (and its Agenda Planning Meeting).

APPENDIX A, LONG-RANGE BUDGET GUIDELINES AND PROJECTIONS 1998-2004, AN UPDATE, FEBRUARY 2003.

The *Long-Range Guidelines for Planning and Budgeting, 1998/99 through 2003/04* was approved by Governing Council in April 1998. The *Guidelines* describes the financial environment in which the *Raising Our Sights* planning exercise is placed. The *Guidelines* was followed by the *Budget Report, 1998-2000*; a two-year budget was possible because the Provincial Government had made a commitment on funding levels for both 1998/99 and 1999/2000 and a two-year tuition fee schedule was approved. Thus our principal revenues for the two-year period were identified. In taking forward the *Guidelines* and two-year budget for approval, the Administration undertook to provide annual updates. The updates approved to date are included in the following table of budget assumptions. The final column is the update of the budget assumptions and projections for 2003-04 and include the latest information on revenue and expense. These will inform the *Budget Report, 2003-04*. The Administration will bring forward a Planning Framework for 2004-09, continuing the practice of long range planning exercises established in 1990.

Long Range Budget Guidelines, Updated Budget Assumptions

#	Assumption	March, 1998	Update April, 1999	Update March 2000	Update February 2001	Update February 2002	Update February 2003
1.	Length of Budget Guidelines	1998/99 to 2003/04.					
2.	Omnibus Discount	<p>The practice of discounting the negative effect of the variance associated with not realizing budget assumptions will continue in the case of assumptions that entail a level of risk or uncertainty. The actual rate of discount will be re-evaluated each year.</p> <p>The positive variance on expense associated with ATB compensation assumptions less than CPI will be discounted by 50%.</p> <p>\$1.5M COPC expense restraint / revenue enhancement from sources other than tuition fees and Government Operating Grant.</p>	<p>The Food Ancillary is projected to provide \$250,000 of revenue in the steady state, \$150,000 has been generated this year.</p>	<p>The positive variance on expense associated with ATB compensation assumptions in 2002/03 and beyond that are less than CPI will be discounted by 50%.</p> <p>No further global expense restraint / revenue enhancement assumption is being made due to revenue enhancements realized in contributions from ancillaries and research overhead.</p>			

3.	General Rate of Inflation (CPI)	CPI assumed to be 2.0% annually.			Notwithstanding recent increases in CPI, principally due to energy pricing, the consensus position among economists is that inflation will remain at around 2% over the longer term.	The consensus position among economists is that inflation will still remain at around 2% over the longer term. CPI has been below 2% for the past 4 months.	CPI assumed to be 2% for 2003-04 based on recent long range forecasts. The Ontario CPI has varied from 0.8% to 3.8% over the past 12 months.
4.	Yield Rate on Investment	<p>Internally Managed Funds: CPI plus 2%.</p> <p>Externally Managed Funds: CPI plus 5.15%.</p> <p>Core portion of EFIP: \$75M.</p>	<p>Internally Managed Funds: 1999/2000 5.71%, other years CPI plus 2%.</p> <p>Externally Managed Funds: 1999/2000 6.24%, other years CPI plus 5.15%.</p> <p>Core portion of EFIP reduced to \$60M</p>	<p>Internally Managed Funds: 2000/01 5.52%, other years CPI plus 3.25%.</p> <p>Externally Managed Funds: 2000/01 6.31%, other years CPI plus 4.4%.</p> <p>Target increase in investment revenue due to new investment strategy, \$0.5M in 2001/02 and \$1M in 2002/03 and beyond.</p>	<p>The investment revenue flowing to General University Operating Funds is maintained at the previously projected level. The extra revenue from the more aggressive investment strategy adopted by UTAM and an increase in the EFIP funds invested in long-term investments will be used for graduate student aid. In the short-term it will be used to bridge finance the \$3M payout projected from the \$60M graduate aid endowment which is part of the Capital Campaign. The remainder will be directed to an endowment for graduate student aid. Increased revenue from administrative and stewardship charges to investment funds will be used to fund the development campaign and UTAM.</p>	<p>Investment revenue was significantly below projected levels in 2001-2 and is expected to be lower than projected in 2002-03. Losses against projections of \$21.8M are being amortized over a three-year period and the projection for 2003-04 is being reduced to the baseline level of \$13.7M. The model assumes that there will be no available investment revenue to transfer to graduate student aid. The funds needed to bridge the payout from the Capital Campaign Graduate Endowment will be obtained from General University Revenue.</p>	<p>Long Term Investments 0% Short Term Investments 2.6% Fixed Income Investments 4.5%</p> <p>Investment revenue available from the EFIP is expected to be lower than the projected level in 2002-3. These losses are being amortized over a five-year period. The projection for 2003-04 is being further reduced to \$11.3M from \$13.7M.</p>

5.	Domestic U/G Enrollment	<p>Enrollment agreements in place for Arts and Science, Applied Science and Engineering, and Erindale.</p> <p>Upper year retention/course loading will be based on multi-year average of actual experience.</p> <p>Divisions in future receive 65% of the additional tuition revenue, net of increases to student aid, attributable to approved enrollment increases over currently planned levels.</p>	<p>The Provincial Government has indicated a desire for enrolment increases to deal with the double cohort and demographic driven increases in the applicant pool.</p> <p>Divisions with agreements for revenue sharing on enrolment over currently planned levels must make up for any enrollment below planned levels in future years.</p>	<p>The University has developed a framework-planning document on enrollment expansion.</p> <p>The University's intake target for 2000/01 will be the same as 1999/2000 adjusted for the increase required under the Access To Opportunities Program plan. The ATOP steady state intake target will be reached in 2000/01 and will require an increase of 166 in the overall domestic undergraduate intake target over the 1999/2000 target</p>	<p>The University's intake target for 2001/02 will be essentially the same as 2000/01. There will be a further increase of 94 students admitted to the BEd program and the increase of 13 in the number of students admitted to the MD program in 2000/01 will be maintained. The ATOP steady state intake target was reached in 2000/01 and the flow through will produce a total enrolment increase of 1,540 over the 1997/98 level in computer science and engineering programs. Discussions are currently taking place on a possible enrolment increase in the 2nd entry, undergraduate Nursing and Pharmacy programs.</p>	<p>The University is proceeding with its enrolment expansion plan now that the Provincial Government has announced full average funding for first-entry and some second-entry undergraduate programs and an envelope for graduate and the remaining second-entry undergraduate programs. The second phase of the expansion at UTM and UTSC will be subject to satisfactory resolution of the need for additional capital funding. A detailed plan for the expansion and the funding that will be available to the divisions will be brought forward to a subsequent P&B committee meeting.</p>	<p>Enrollment Expansion Plans were approved by P&B in January for all three campuses. Expansion is to proceed in two Phases. The second Phase would only proceed after satisfactory resolution of current discussions on the means to fund the capital expansion needed to accommodate the Phase 2 enrolment increase. Revenue projections are based on the signed October 15th 2002 Enrolment Target Agreement with MTCU.</p> <p>In general, Divisions will receive 75% of the tuition fee revenue net of mandated student aid plus 75% of the operating grant revenue generated by the <u>approved</u> increased enrolment. Funding will not be allocated for enrolment increases already planned and funded nor those increases funded from another funding envelope.</p> <p>Enrolment projections will use upper year retention/course loading parameters based on rolling multi-year average of actual experience.</p>
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6.	International U/G Enrollment	<p>International enrollment will return to 1989 levels by the end of the Guidelines period. Divisions will in future receive 50% of the additional tuition revenue, net of increases to student support, attributable to increases in enrollment above current levels. International enrollment strategy to be reviewed and targets to be set as an integral part of new Divisional plans. Divisions must continue to meet domestic enrollment targets while increasing international enrollment.</p>	<p>International undergraduate and graduate enrollment increases on the St George and Scarborough campuses in 1998-99 are on a trajectory to meet the target of a return to 1989 levels by 2003/04.</p> <p>Revenue equivalent to that for domestic students under 5 above will be flowed to the divisions and the student aid budget, from the planned enrolment increase.</p> <p>Divisional international enrolments must not fall below 1997/98 actual levels if divisions are to benefit fully from the tuition fee revenue sharing arrangement in 5 above.</p>	<p>International undergraduate and graduate enrollment increases are above the trajectory needed to meet the target of a return to 1989 levels by 2003/04. This strategy appears to be sound</p>	<p>The program to return international enrolment to 1989 levels will continue.</p>	<p>Undergraduate and Graduate enrolments are at their highest levels in 8 years.</p>	<p>International enrollment will be maintained at least at the 2000-01 level. Divisions will receive 60% of the additional tuition revenue, attributable to <u>approved</u> increases in enrollment above 2000-01 levels. International enrollment strategy to be reviewed and targets to be set as an integral part of the new planning process.</p>
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7.	Graduate Enrollment and support	Domestic and international doctoral stream and professional masters enrollment targets and revenue sharing arrangements to be negotiated as part of new Divisional plans. International enrollment will return to 1989 levels by the end of the Guidelines period. For modeling purposes, 100% of the revenue attributable to increases in international enrollment above current levels will be required for recruitment, student support or enhancement of divisional programs.	<p>New \$1,000,000 OTO international student fee waivers program to be implemented commencing in 1999/2000.</p> <p>65% of the tuition revenue from increases in domestic or international student enrolment increase flows to the APF to be used to enhance graduate student financial support.</p> <p>Until graduate enrollment agreements are established in divisional plans, divisional graduate enrolments must at least meet 1997/98 actual levels if divisions are to benefit fully from the tuition fee revenue sharing arrangement in 5 above.</p>	<p>The first of four annual OTO installments was added to the Graduate Student Aid budget in 1999/2000, to be used to assist departments as they increase international graduate student enrolment. The allocation for 1999/2000 was \$250,000 and for 2000/01 will be \$500,000 increasing to \$1M in 2002/03. Funding is being added to the Graduate student aid budget to help meet the cost of recommendations in the report of the Task Force on Graduate Student Financial Support. The amount increases from \$2.7 in 2000/01 to \$9.4M in 2003/04. This includes \$3M in 2003/04 generated by a new \$60M endowment fund. The Task Force recommended that an endowment of \$200M is raised, the administration proposes \$100M as being an attainable goal, the budget report adopts a more prudent assumption of \$60M by 2003/04.</p>	<p>The funding to the graduate student aid budget is projected to increase by \$3.8M in 2001-02 and by a further \$8M in 2003-04 over the 2000-01 amount, this includes the funding described in 4 above and the Ontario Graduate Scholarships program (OGS). Effective the 2001/02 cycle, the OGS will be paid via the University and will have a 1 for 2 matching requirement.</p>	<p>Graduate student funding from the University operating budget (excluding TA funding) increased by \$4.6M in 2001-02. This is projected to increase by a further \$5.1M in 2002-03 and by \$2.8M in 2003-04.</p>	<p>The central subsidy of \$5,000 per OGS award ended as planned in 2002-03. The University's portion of the OGS award is replaced by the revenue generated from OGS campaign donations and, if necessary, other departmental graduate funding.</p> <p>Graduate enrolment planning is an extremely important component of the next planning cycle. The University is engaged with MTCU concerning the permanent funding arrangements for Graduate enrolment increases over 2000-01 levels.</p>
8.	Position Within Enrollment Corridor	<p>Below midpoint: strategy is to move upward to 1% above the mid-point of the corridor.</p>	<p>BIU enrolment increased in 1998/99. Moving average will continue to decrease for several more years as the effect of losing BIU eligibility for international students and Additional Qualification students works through the funding algorithm but is expected to stabilize close to the corridor mid-point.</p>	<p>BIU Enrollment five-year Moving Average will decrease for two more years but is expected to stabilize close to the funding corridor mid-point, see Figure 1.</p>	<p>BIU Enrollment five-year moving average will decrease for one more year and is projected to stabilize above the funding corridor mid-point, see Figure 1. The annual BIU count is currently at 3.6% above the corridor mid-point.</p>	<p>The University will receive BIU funding for the corridor mid-point plus the increase in BIUs associated with first-entry and some second-entry undergraduate programs over their 2000-01 levels. There will also be a funding envelope for the remaining second-entry and all graduate program enrolment increases. The distribution algorithm for the latter has yet to be determined.</p>	<p>The University will receive BIU funding for enrolment up to the corridor mid-point plus U/G enrolment beyond 2000-01 levels up to the level in the signed October 15th 2002 Enrolment Target Agreement. For graduate enrolment increase above 2000-01 levels, a fixed amount of funding will be allocated between Universities based on a set of graduate and research parameters.</p>

9.	Tuition Fee Rates: Domestic.	<p>Fees in regulated programs to be increased an average of 10% on the 1997/8 rates (5% to improve the quality and 5% for additional educational program improvements) in each of 1998/9 and 1999/2000. Academic divisions will receive 65% of the fee revenue, net of the increase to student aid, from the second 5% fee increase.</p> <p>There will be a broad range of fee changes in the deregulated programs. Increases that enhance program quality may be developed in the planning process.</p> <p>In the case of doctoral stream programs, fees will increase by 10% in 1998/9 and 1999/2000. Professional program fees will have, on average, doubled over 1995/6 levels by 1999/2000. The funding which will flow to the Academic Divisions will be determined in the planning process. For modeling purposes the academic divisions will receive 65% of the fee revenue, net of the increase to student aid, resulting from fee increases in excess of 5% in 1998/9 and 1999/2000.</p> <p>The combined revenue from Government Operating Grants and Tuition Fees shall increase by CPI + 2% annually from 2000/1 to 2003/4. Of this 75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes.</p>	<p>A two-year Tuition Fee Schedule was approved in May 1998 for all programs except engineering. With the acceptance of the University's Access to Opportunity Plan the fee for undergraduate engineering programs will be increased in 1999/2000 beyond the regulated maximum increase of 10%. Fees for incoming students will be set at \$5,000; fees for continuing students will be increased by 20%.</p> <p>Sixty-five percent of the revenue from the tuition fee increases above 5%, net of the 30% directed to student aid, was flowed to the Academic Priorities Fund (APF). Allocations totaling \$15.8M have been made to the divisions from the APF for program improvement and quality enhancement.</p> <p>A fee of \$1,950 was introduced for Postgraduate Medical Trainees entering in 1999/2000. 25% of the increased tuition revenue, net of 30% for student aid, will flow to the APF to be used to improve the educational experience for Postgraduate Medical Trainees. The funding for student aid will provide interest remission on student loans for Postgraduate Medical Trainees.</p> <p>Increased revenue may also result from plans to deal with the Double Cohort.</p>	<p>The University will increase tuition fees in Arts and Science, Music and PE&H Programs to the maximum permissible fee of \$3,951 in 2000/01 and to \$4,029, \$4,107 and \$4,185 in 2001/02, 2002/03 and 2003/04 respectively. The remaining regulated tuition fees will increase by 2% annually, not compounded.</p> <p>Tuition fees in the deregulated programs for continuing students will increase by 5% in 2000/01. Tuition fees in the deregulated programs for new students will also increase by 5% in 2000/01 with the exception of fees for programs in Computer Science, Commerce, Business, Law, Medicine, Dentistry, Management and Pharmacy. Revenue is modeled with 5% increases in all deregulated programs in subsequent years. Sixty-five percent of the revenue from the tuition fee increases in excess of the percentage fee increase for the regulated programs, net of the required 30% directed to student aid, will flow to the APF to be allocated for program improvement and quality enhancement and to the Faculty Retention Fund.</p> <p>Tuition fee revenue from Postgraduate Medical Trainees is modeled on a tuition fee of \$1,950. It is assumed that any revenue loss, as a result of recommendations from the Task Force chaired by the Dean of Medicine, will be offset by increased revenue from other sources or in reduced expenses.</p>	<p>Tuition fees in the deregulated programs for continuing students will increase by 5% in 2001/02. Tuition fees in the deregulated programs for new students will also increase by 5% in 2001/02 with the exception of fees for the MBA program in Management and the LLB program in Law as described in note 1. Fee revenue is modeled with 5% increases in all other deregulated programs in subsequent years.</p> <p>The recommendation of the Task Force that a tuition fee of zero be assigned to Postgraduate Medical Trainees was implemented in 2000-01.</p>	<p>Tuition fees in the regulated programs will increase by 1.94%.</p> <p>Tuition fees in the deregulated programs for continuing students will increase by 5% in 2002/03. Tuition fees in the deregulated programs for new students will also increase by 5% in 2002/03 with the exception of fees for the MBA program in Management, the LLB program in Law, the DDS program in Dentistry and undergraduate programs in Commerce, Business Administration, Computer Science, CCIT at UTM and Engineering. Fee revenue is modeled with 5% increases in all other deregulated programs in 2003-04.</p> <p>More complete details on tuition fee rates can be found in the <i>Tuition Fee Schedule for Publicly Funded Programs, 2002-03</i>.</p>	<p>Tuition fees in regulated programs to be increased by 2% of the 1999-2000 fee in 2003-04 as currently mandated by the Provincial Government. Tuition fees in the deregulated programs for all new and continuing students will increase by 5% in 2003-04 with the exception of new students in undergraduate programs in Law, Computer Science and Engineering, the MBA and programs in Dentistry. In all but Dentistry the larger increases had been signaled in the 2002-03 Tuition Fee Schedule.</p>
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10.	Tuition Fee Rates: International.	Undergraduate and Graduate International Fees will increase by the same \$ amount as the corresponding domestic fees. Academic divisions will receive the same \$ amount as they would from corresponding domestic fee revenue increase.	The tuition fees for international engineering students will increase by the same \$ amount as the corresponding domestic fees. Revenue from international tuition fee increases, equivalent to that for domestic students under 9 above, will be flowed to the APF. For undergraduate international students, revenue from tuition fee increases, equivalent to that for domestic undergraduate students under 9 above, will be flowed to the student aid budget.	Undergraduate and Graduate International Fees, except for those in Computer Science, Commerce, Business and Management will increase by the same \$ amount as the corresponding domestic fees, see note 7.	Undergraduate and Graduate International Fees, except for those in MBA and LLB programs will increase by the same \$ amount as the corresponding domestic fees, see note 1.	The University has, for a number of years, maintained a constant \$ differential over time between domestic and international fees by increasing the international fee by the same dollar amount as those for domestic students in the same program. It now proposes to set that differential, in general, at a level where the international fee will generate the same revenue as that generated by a domestic student from both fees and Government funding. This produces additional increases in a number of programs, see the <i>Tuition Fee Schedule for Publicly Funded Programs, 2002-03</i> for more details.	In general, undergraduate and graduate international fees will increase by the same \$ amount as the corresponding domestic fees.
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11.	Government Operating Grants.	<p>1998/9; zero increase, possible loss of \$1.8M in pay equity grants. 1999/2000; increase of 1%.</p> <p>Current policy objective is to shift \$72 million from base grants envelope to research infrastructure envelope. This would represent an improvement of approximately \$10 million to U of T. This assumption is NOT included in the projection.</p> <p>The combined revenue from Government Operating Grants and Tuition Fees shall increase by CPI + 2% in 2000/01. Of this 75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes.</p> <p>The combined revenue from Government Operating Grants and Tuition Fees shall increase by CPI + 2% annually from 2001/2 to 2003/4. Of this 75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes.</p>	<p>Revenue in 1999/2000 from enrolment increases related to ATOP and BEd expansion, less 25% for institutional overhead as per the ATOP plans, flows to the Enrolment Growth Fund for expenses related to these initiatives. In light of the uncertainty that still exists on the magnitude of the ATOP and BEd enrollment increases in 2000/2001 and beyond, no specific assumption is made on the level of ATOP and BEd Government Grant funding for 2000/01. In light of the uncertainty that still exists on the magnitude of the ATOP and BEd enrollment increases in 2000/2001 and beyond, no specific assumption is made on the level of ATOP and BEd Government Grant funding. Rather it is contained within the assumption made previously that "75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes". A loss of \$0.6M in pay equity grants will be realized. New Provincial funding of \$1.7M over 10 years for OGSST. The SGS graduate financial assistance budget increased by \$2.6M Increased revenue may also result from plans to deal with the Double Cohort.</p>	<p>For 2000/01, consistent with <i>A Framework for Enrolment Expansion at the University of Toronto</i>, the University will elect not to participate in the Provincial Government's Accessibility Fund. It is assumed that the University will however, receive \$2.7M from the Performance Fund in 2000/01. Government operating grant revenue is assumed to increase by 2% annually in 2001/02 through 2003/04. The revenue in 2000/01 and beyond will be reduced by \$1.6M as a result of folding the pay equity grant into the base operating grant.</p> <p>Provincial Government operating revenue for the approved enrollment increases under ATOP and in the BEd Program, the latter for the four years 1999-2003, is included in the projections. The revenue, less 23% for institutional overhead as per the ATOP plans, flows to the Enrolment Growth Fund for expenses related to these initiatives.</p> <p>The Graduate Student Aid Budget of the OGSST Divisions has increased by \$2.6M</p>	<p>In the absence of information from the Provincial Government on operating funding, it is assumed that operating grant revenue will increase by 2% annually in 2001/02 through 2003/04 and that the University will also receive \$3.4M from the Performance Fund. The MTCU has, in consultation with the COU, modified the base on which the Performance Fund is calculated to include graduate enrolment as well as undergraduate. As a result the University's share increases from \$2.7M to \$3.4M.</p> <p>Provincial Government operating revenue for the approved enrollment increases under ATOP and in the MD and BEd Programs is included in the projections. The revenue, less 23% for institutional overhead, flows to the Enrolment Growth Fund for expenses related to these initiatives.</p> <p>Ontario Graduate Scholarship funding of some \$7M, with its \$3.5M match, will now be distributed by the University</p>	<p>The University did not receive the assumed 2% increase in operating grant funding to cover increased costs in 2001-02. For 2002-03 the budget model assumes that additional revenue, equal to 1% of the operating grant funding, will be received either in the form of an increase in operating grant revenue or from a relaxation of the 2% cap on tuition fees in the regulated programs. In 2003-04 it is assumed that the operating grant revenue will increase by 2% to cover increased costs.</p>	<p>The assumption that additional revenue, equal to 1% of the operating grant funding, would be received either in the form of an increase in operating grant revenue or from a relaxation of the 2% cap on tuition fees in the regulated in programs was not realized in 2002-03.</p> <p>The University will receive full average funding for U/G enrolment increases up to the level defined in the ETA and it is assumed that the algorithm used to distribute funding from the Graduate Enrolment Expansion Pool will yield an allocation to the University of Toronto approximately proportional to our current share of enrolment in these programs.</p> <p>It is assumed that there will be no increase in the operating grant revenue per student to cover increased costs in 2003-04.</p> <p>The results of the COU initiative directed at obtaining operating grant increases for program quality enhancement is still uncertain. No assumption of such increased revenue is being built into the budget for 2003-04.</p>
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11a	Canada Research Chairs Program			Projected revenue from the Federal Government's Canada Research Chairs Program, together with funds released from the salary budget, is flowed to the Canada Research Chairs Fund (CRCF). A component is retained for central indirect expense and the remainder will be allocated to the Divisions in accordance with Divisional Plans and the Program requirements.	A refining of the input data on research funding has produced an increase of 20 in the number of Canada Research Chairs allocated to the University.		
12.	Government Operating Grants and Tuition Fee Rates, 2000/1 to 2003/4.	This has been merged into rows 9 and 11.	This has been merged into rows 9 and 11.	This has been merged into rows 9 and 11.	This has been merged into rows 9 and 11.		
13.	Overhead Charges to Self-Funded Academic Programs	Recently approved or proposed Self-Funded Programs: <ul style="list-style-type: none"> • M Eng (Telecommunications) • M Sc (Mathematics for Finance) • B Sc (Radiation Sciences). • Certificate (Case Management) 	Recently approved or proposed Self-Funded Programs: <ul style="list-style-type: none"> • Qualifying Program (Dentistry) 	Recently approved or proposed Self-Funded Programs: <ul style="list-style-type: none"> • Global Executive MBA • Joint MEng degree in Design and Manufacturing • Diploma Program in Professional Pilot and Aviation Management 			

14.	Research Overhead and Royalties	All increases in the general university portion of research overhead and royalties income will be used to finance the technology transfer plan initiative through to the year 2000. A decision concerning revenue beyond that point is required.	<p>The current arrangement of using increased overhead revenues to fund the Tech Transfer Strategy will be reviewed in 1999/2000 and a decision taken on future disbursement of any increase in the General University portion of overhead and royalty revenue. Overhead revenue will be one source of funding for the operating cost of new space.</p> <p>Substantial new overhead revenue was realized including overhead from Provincial Centers of Excellence, CFI/ORDCF research projects and related industrial contracts.</p>	<p>Substantial new overhead revenue was realized principally from CFI/ORDCF research projects and related industrial contracts.</p>	<p>There continues to be a modest increase in research overhead revenue.</p>	<p>The Federal Government introduced a fund of \$200M for the indirect costs of Federally supported research in 2001-02. The University's share, excluding the affiliated teaching hospitals, is projected at \$14.6M. This is a first step in a program where the level of indirect costs is expected to double to 40% over time. The budget model assumes that the university's share will remain at \$14.6M in 2002-03 and increase to \$21.9M in 2003-04.</p>	<p>The Federal Government announced in the February budget that \$225M would be available annually for the indirect costs of Federally supported research. The University of Toronto's portion of that funding is assumed to be \$15.8M.</p>
14a	Research Performance Fund			<p>The recent Provincial Budget included the creation of a \$30M Ontario Research Performance Fund to cover indirect costs associated with Ontario-funded research. Distribution to Universities and Colleges is based on an Institution's share of Ontario research funding. The University's share of the funding is estimated at \$12.5M.</p>	<p>It is assumed that the University's share of the Ontario Research Performance Fund will continue to be \$12.5M annually.</p>	<p>The \$12.5M share from the Ontario Research Performance Fund received in 2000-01 included \$3.7M for hospital based research leaving the University with a net of \$8.8M. This dropped to \$5.4M in 2001-02 and is projected to be \$6.9M in 2002-03 and 2003-04. The reduction is the result of a drop in the University's share of Ontario research funding used in the allocation algorithm.</p>	<p>The University is projected to receive \$5.7M from the Ontario Research Performance Fund in 2003-04.</p>

15.	Matching Strategy for Endowed Chairs	Current strategy calls for 75 matched chairs to be achieved by 1999/2000, for increased leverage on General University Income of \$1.9 million. To date, 52 chair agreements have been completed, and 7 are in progress.	To date, 77 EAF matched chair agreements have been completed. New, simplified matched chair program approved which is neutral to the budget bottom line but does not provide leverage on General University Income. A total of \$1.3M has been realized from chair agreements under the former strategy.	To date, 98 EAF matched chair agreements have been completed.	To date, 118 EAF matched chair agreements have been completed.	A total of 164 endowed chairs, including approved proposals, have been raised in the Campaign bringing the total number of endowed chairs at the University to 178. Of the 164, a total of 143 were matched chairs with the remaining 21 being fully endowed.	The Matching Chair Program using University funds as an endowed match has ended. The number of endowed chairs at the University excluding CRC matched chairs noted below, has increased to 170 and there are 9 approved proposals for matched chairs. Two matching chairs programs still exist; <ul style="list-style-type: none"> • campaign contributions may be matched with Canada Research Chairs to produce a named Canada Research Chair (3 have been created), and • the payout from an endowed contribution may be matched using an existing vacant position.
16.	Revenue Contribution from Ancillary Operations	No new strategies at present. Income potential from Food Service Ancillary and possible creation of Real Estate Ancillary.	Food Service Ancillary contributing \$250,000 in steady state. Ancillaries will contribute \$2.7M to General University and particular Divisional Income in 1999/2000.	The Parking Ancillary contribution to general university income is projected to decrease as underground parking garages replaces surface parking lots. The ancillaries are budgeted to contribute \$2.3M to general university income in 2000/01 reducing to \$1.7M in 2003/04.	There will be a further loss of revenue from the Parking Ancillary of \$0.8M when parking is eliminated from King's College Circle	The land rent contribution from the Parking Ancillary is projected at \$1.1M in 2002-03 and \$1.2M in 2003-04. It is projected that the Food Service Ancillary will no longer contribute to general university income, a loss of \$0.25M.	The land rent contribution from the Parking Ancillary is projected at \$0.9M in 2003-04.
17.	Student Aid	30% of all revenue from domestic and international tuition fee increases will be directed to student aid 1998/9 and 1999/2000.	The total student aid budget for 1998/99 was \$43M. It will increase to \$57M in 1999/2000 and \$65M in the steady state as all of the OSOTF and redirected tuition fee revenue becomes available.	The total student aid budget for 1999/2000 was \$58.9M. It is projected to increase to \$67.8M in 2000/01 and \$82.8M in the steady state as all of the OSOTF, OGSST, redirected tuition fee revenue and new graduate student aid becomes available.	The total student aid budget for 2000/01 was \$74.5M. It is projected to increase to \$84.1M in 2001/02 and \$101.7M in the steady state as all of the OSOTF, OGSST, OGS, redirected tuition fee revenue and new graduate student aid becomes available.	The total student support budget for 2001/02 was \$84.8M. It is projected to increase to \$92.9M in 2002/03.	The total student support budget is projected to increase to \$95.9M in 2003/04 despite a reduction of \$6.7M in student aid investment income.

18.	Contractual Obligations to Affiliated Institutions	<p>New agreement with Sheridan College included in long-range projection.</p> <p>Memorandum of Agreement with Federated Universities is being re-negotiated. For modeling purposes it is assumed that changes will be neutral to the budget.</p>	<p>Memorandum of Agreement with Federated Universities has been signed; the increased cost to the budget is estimated at \$260,000 (4.6%).</p> <p>Memorandum of Agreement with TST under review. Block Grant flat-lined to 2003/04 pending outcome of review.</p>	<p>Enrollment levels at the Toronto School of Theology (TST) have been below target in recent years and the new Director has been asked to submit an enrollment plan. Funding to TST will be flat lined pending the receipt of the plan.</p>	<p>The BIU eligible enrolment at TST appears to have stabilized at ~575 BIUs, substantially below their corridor mid-point of 717. A new mid-point of 585 has been proposed and funding reduced accordingly with the reduction phased over 3 years. There will be a saving to the budget of \$0.125M in 2001/02 growing to \$0.375M in 2003/04.</p>	<p>The TST Theology Grant will be reduced by \$0.04M in 2002-03 and a further \$0.09 in 2003-04 as a result of the new corridor mid-point agreement. There was a reduction of \$0.014 in 2001-02.</p>	<p>New agreements with Sheridan College, Centennial College and the Michener Institute are included in the projections.</p>
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19.	Compensation	<p>Agreements in place with UTSA and SMG through to 1999/2000. Agreement in place with UTFA and the unions to 1998/9.</p> <p>Assumptions: UTSA: 1.5% ATB plus merit annually from 2000/1 to 2003/4. SMG: 0% ATB, 3% merit annually from 2000/1 to 2003/4. UTFA: 1.5% plus PTR annually from 1999/2000 to 2003/4. Unions: 1.5% ATB annually from 1999/2000 to 2003/4.</p> <p>Introduction of differential replacement salary provision for different disciplinary groups, rather than a single institution-wide replacement value, e.g., a constant PTR recovery.</p> <p>Academic salary anomaly and retention fund: \$500,000 annually. Administrative Salary Anomalies: \$80,000 annually.</p>	<p>First contract negotiations are under way with the United Steelworkers of America (USWA). Memorandum of Agreement negotiations are also underway with UTFA.</p> <p>The PTR recovery will be set at \$65,000 plus benefits in 2000/01 and will be indexed in subsequent years by the ATB salary increases. Divisions requiring starting salaries greater than \$65,000 should make the case in their response to <i>Raising Our Sights</i>. The cost will be met from the APF.</p> <p>Academic salary anomaly and retention fund increased to \$900,000 annually beginning 2000/2001. Administrative Salary Anomaly budget reduced to \$40,000 annually.</p>	<p>Agreements in place with UTFA, USWA, CUPE 1230, CUPE 3261 OPSU 578 and University Workers Local 1 through to 2001/02 and most other unions to 2000/01.</p> <p>Assumptions: UTFA: 1.5% plus PTR annually in 2002/03 and 2003/4. SMG: 0% ATB, 4% merit in 2000/01 and 0% ATB, 3.5% merit annually 2001/02 through 2003/4. Other Managers and Confidentials: 2% plus merit in 2000/01 and 1.5% plus merit annually 2001/02 to 2003/04. Unions: 1.5% ATB annually in those years beyond their current contract.</p> <p>These assumptions are for modeling purposes only and do not represent a strategy for salary negotiations.</p> <p>The Faculty Retention Fund will be set at \$1.5M in 2000/01, \$1.3M in 2001/02 and \$1.0M in 2002/03 and 2003/04.</p>	<p>Agreements in place with UTFA, USWA, CUPE 1230, CUPE 3261 OPSU 578 and University Workers Local 1 through to 2001/02.</p> <p>Assumptions: UTFA: 2% plus PTR annually in 2002/03 and 2003/4. SMG: 0% ATB, 4% merit annually 2002/03 and 2003/4. Other Managers and Confidentials: 2% plus merit annually 2002/03 and 2003/04. Unions: 2% ATB annually in those years beyond their current contract.</p> <p>These assumptions are for modeling purposes only and do not represent a strategy for salary negotiations. If compensation agreements result in ATB increases in excess of 2%, additional base budget cuts will be required. Each increase of 0.1% beyond the assumed value in either of 2002/03 or 2003/04 will result in an additional base budget cut of ~0.09%</p>	<p>Agreements are in place with CUPE 3902 (TA union) to April 2005 and with the unions representing the trades to 2003/04,</p> <p>Assumptions for the total cost of compensation increases, including costs associated with benefits improvements, for the remaining employee groups are: UTFA: 3% plus cost of PTR annually in 2002/03 and 2003/04. Other employees 3% annually 2002/03 and 2003/04.</p> <p>These assumptions are for modeling purposes only and do not represent a strategy for salary negotiations.</p>	<p>Agreements are in place with all bargaining units for 2003-04 with the exception of UTFA.</p> <p>The total cost of compensation increases, including costs associated with benefits improvements, in 2003-04 for UTFA is projected at 3% plus cost of PTR.</p> <p>This projection is for modeling purposes only and does not represent a strategy for salary negotiations.</p> <p>The Faculty Retention Fund will be decreased to \$0.7M in 2003/04.</p>
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20.	Employer Benefits Costs	<p>Proposed introduction of standard benefit cost rate: 18.25% for appointed staff, 8.25% for non-appointed staff. Substantial increase in CPP premiums anticipated which would be partially offset by a decrease in UI premiums. Current service cost of pension reduced effective 1997/8. Current service cost of SRA included in pension contribution budget. Current service costs of the main registered pension plan are assumed to be available until 2001/2, (to be reviewed annually). Funds to be redirected to finance the SRA with balance transferred to the University Infrastructure Investment Fund and Transitional Funds. The operating grant portion of the LTD insurance plan rebate will be transferred to the University Infrastructure Investment Fund and Transitional Funds.</p>	<p>A contingency of \$2.2M will be provided for the benefits budget in 1999/2000. The standard benefit rates will be reviewed for 2000/01 and adjusted, if necessary, to better reflect actual experience.</p> <p>The review of the strategy on funding the University pension plans has determined that the funds available for transfer to the UIIF in 1999-2000, 2000-01 and 2001-02 can be increased by \$4.3M, \$4.3M and \$5.0M respectively.</p>	<p>The standard benefit cost rate will increase to 18.75% for appointed staff and 9.5% for non-appointed staff. The Benefits budget will increase by \$6.6M in 2000/01 over the revised 1999/2000 budget, this is \$3.3M more than the increase projected previously for this year. The revised 1999/2000 budget was approved in April 1999 and included a \$2.2M addition.</p> <p>The balance of funds available from the current service pension cost provision in the operating budget for transfer to the University Infrastructure Investment Fund (UIIF) and the Transitional Funds in 2000/01 is \$17.7M and in 2001/02 is \$18.6M. The balance in 2002/03 (\$19.4M) will be used for approved matching endowment programs and in 2003/04 (\$16.3M) will be transferred to the UIIF.</p>	<p>The Benefits budget is projected to increase by \$4.2M in 2001/02, with further increases of \$4.4M and \$4.0M in 2002/03 and 2003/04 respectively.</p> <p>The balance of funds available from the current service pension cost provision in the operating budget for transfer to the University Infrastructure Investment Fund (UIIF) and the Transition Funds in 2001/02 is \$18.6M. The balance in 2002/03 (\$19.8M) will be used for approved matching endowment programs and in 2003/04 (\$21.2M) will be transferred to the UIIF.</p>	<p>The increase in the benefits budget for 2002/03 is projected to be \$2.8M over the 2001-02 budget, a reduction of \$1.6M from the \$4.4M signaled last year. The 2001-02 actual expenditures were \$2.2M under budget. The budget for 2003-04 is projected to be a further \$5.0M larger than in 2002-03. The standard benefit rates will remain at 19.5% for appointed employees and at 9.5% for non-appointed employees. The Vice-Presidents Business Affairs and Human Relations will review benefits costs with the aim of reducing the magnitude of the continuing cost escalation.</p> <p>In 2003-04, \$14M of the balance of funds available from the current service pension cost provision in the operating budget will be used for approved matching endowment programs. The remainder of the funds in 2003-04 and all the funds in 2002-03 will be used to offset the need for OTO deficit reduction control measures.</p>	<p>A contribution of 18.8M is being made to the regular pension plan. Funds budgeted for the current service pension cost provision in the operating budget in future will no longer assumed to be available for other uses.</p>
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21.	Utilities Costs	Utility costs assumed to increase at CPI plus 0.5% per annum beyond 1998/9.	Cost increase of \$600,000 predicted in 1999/2000, principally because of increased gas prices.	An increase of \$2.0M in base is projected for 2000/01, of which \$1.1M is from rate increases and \$0.5M results from the negative variance in the current year. Increasing costs for natural gas contributes \$0.8M to the increase.	Based on current estimates of gas and steam prices, the 2000/01 actual energy expense will be some \$3M above budget. The budget for 2001/02 projects an increase of \$5M, or approximately 24%, over the 2000/01 budget.	Rate increases of 33.8% (including an 11.8% <i>debt surcharge</i>) for electricity, 20.3% for steam and water and reductions of 18.2% for natural gas and 9.1% for oil are projected in 2001/02. The result of these rate changes together with the commissioning of the BCIT, the purchase of 500 University Ave etc. is projected to produce utilities cost increases of \$4.6M in 2002-03 and a further \$ 2.0M in 2003-04.	Utility costs are projected to be \$1.4M over budget in 2002-03. The major negative variances result from higher than expected gas costs, problems with the heat recovery project and emergency repairs to the cogeneration project Utility costs for 2003-04 are projected to be \$0.4M over last year's budgeted level.
22.	Operating cost of New or Newly Renovated Space	These additional costs will be the responsibility of the Division occupying the space. Funds may be requested from the Academic Priorities Fund, (or the Administrative Priorities Fund, as appropriate).	The Centre for Information Technology is expected to be the first new building where this policy will apply.	With the acquisition of the OISE Building from the Ontario Realty Corporation, the University will assume full responsibility for maintenance and operating costs for the building, \$0.5M will be added to Facilities and Services budget in 2001/02 with partial funding in 2000/2001. There will also be a reduction of \$2.2M in revenue and an offsetting reduction in lease expense.			
23.	Cost of Leased Space	Cost forecast to decline from \$962,000 in 1997/8 to approximately \$200,000 in 2003/4. Savings are being used on an OTO basis to fund moving and renovation costs.	Costs of leased space now predicted to decrease to \$325,000 due to pressure for space on campus.	Costs of leased space now predicted to decrease to \$556,000 in 2003/04 due to pressure for space on campus, particularly transition space during new construction.	Costs of leased space now predicted to be \$795,417 in 2003/04. The increase is principally due to the space requirements of the Research & International Relations and Development portfolios.	Costs of leased space now predicted to be \$951,216 in 2003/04. A small group under the direction of the Vice-Provost Space and Facilities Planning is reviewing the need for leased space in light of recent property acquisitions.	Costs of leased space now predicted to be \$0.99M in 2003/04.

24.	Library Acquisitions	Policy to be reviewed during 1999/2000. Current policy is producing annual increases of just over 4%.	Original assumption retained pending outcome of review to be conducted in 1999/2000.	The assumption currently in the budget model of a 4.2% annual increase in the Library Acquisition Budget will be retained. The policy on the provision of inflation protection for the library's acquisition budget is being reviewed; the algorithm for determining annual changes to the budget is also being examined.	The assumption currently in the budget model of a 4.2% annual increase in the Library Acquisition Budget will be retained pending the outcome of the review of the policy on the provision of inflation protection for the library's acquisition budget and the algorithm for determining annual changes to the budget.		
25.	Priorities Funds	Annual provision of 1.5% in base to provide for both academic and administrative priorities in years 2000/1 to 2003/4.	The APF will be augmented by \$5.0M in the years 2000/1 to 2003/4 as revenue from the 1998/99 and 1999/2000 tuition fee increases reaches steady state.	Some \$10.3M of additional revenue from tuition fee increases in excess of the percentage increase for the regulated programs will be available in the APF for program improvement and quality enhancement. Analysis of the Business Plans for new student residences indicate that, in the absence of a significant down-payment, a subsidy will be required to maintain room rates at an affordable level. \$1.7M will be added to the APF to provide assistance to Colleges undertaking new residence construction.	Some \$1.8M of additional revenue from tuition fee increases in excess of the percentage increase for the regulated programs will be available in the APF for program improvement and quality enhancement.	Some \$2.2M of additional revenue from tuition fee increases in excess of 5% will be available in the APF in 2002-03 and a further \$3.8M in 2003-04 for program improvement and quality enhancement. 0.5M in base is allocated to the Administrative Priorities Fund in each of 2002-04 and 2003-04.	\$0.5M in base will be made available to provide increased resources to enable the Academic Services to meet the increased demand resulting from enrolment expansion. An additional \$0.2M in base will be made available to provide increased resources to enable the Administrative Services to meet the increased demand resulting from enrolment expansion.
25a.	Provost's Contingency Fund						A base component of \$350,000 renewable each year will be established in 2003-04. The existing contingency fund, which can be used OTO each year, will be reduced by \$350,000.

26.	Transitional Funds	Requirement for transitional funding will diminish with the revised funding approach to benefit costs. Funding will be provided through transfer of available pension current service cost funds and the LTD rebate.		The balance of funds available from the current service pension cost provision in the operating budget for transfer to the Transition Funds in 2000/01 is \$3.6M, and in 20001/02 is \$3.8M.			
27.	Infrastructure Funds	Funding will be provided through transfer of available pension current service cost funds and the LTD rebate. Majority of funds will be deployed to meet matching requirements of Federal and Provincial deferred maintenance and research infrastructure funding programs and other critical deferred maintenance needs. Any positive variance against budget to be added to the UIIF annually.	The review of the strategy on funding the University pension plans has determined that the funds available for transfer to the UIIF in 1999-2000, 2000-01 and 2001-02 can be increased by a total of \$13.6M, see note 20.	The balance of funds available from the current service pension cost provision in the operating budget for transfer to the UIIF in 2000/01 is \$14.1M, in 20001/02 is \$14.8M and in 2003/04 is \$16.3M. All future Capital Project budgets will identify 1% of the project cost to be used for adjacent open space improvements. In addition, funding at a level of 2% of project cost will be identified to be used to further the Open Space Plan. For Academic Capital Projects the allocation will be from the UIIF or the Capital Renewal Fund.	The balance of funds available from the current service pension cost provision in the operating budget for transfer to the UIIF is \$16.8M in 2001/02 and \$21.2M in 2003/04. In addition, \$30M is being borrowed with a 20 year term and added to the UIIF budget to meet current capital commitments within the planning period. Principal and interest payments will be a charge to the University operating budget.	A further \$30M is being borrowed in 2002-03 and \$30M in 2003-04, each with a 25 year term, for the UIIF budget to meet current capital commitments within the planning period. Principal and interest payments will be a charge to the University operating budget.	A separate Capital Budget is proposed which will encompass construction for academic and administrative divisions, residences, parking garages, student activities and the matching funds that are such an important part of growing our endowment capital infrastructure. The portion of the debt service cost to be funded from the operating budget in 2003-04 is estimated at \$11.7M including all debt service costs currently included in the operating budget.
28.	Performance Based Funding						\$1.25M will be allocated to provide performance based funding in 2003-04. This fund will be used to assist a limited number of divisions who are in transition. The provision of funding will be dependent on attainment of performance objectives developed by agreement with the Provost

C.O.P.C. LIST

	←-----Base----->					
2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET	

1. CONTRACTUAL OBLIGATIONS TO AFFILIATED INSTITUTIONS

Federated Colleges block grant (incl PIMS)	6,670,924	131,457		131,457	131,457	6,933,838
TST Theology Grant	1,921,629	(60,654)		(60,654)		1,860,975
Transfer Payments re Joint Programs with Colleges	441,047	9,079	2,781,368	2,790,447		3,231,494
TOTAL-CONTRACTUAL OBLIGATIONS TO AFFILIATED INSTITUTIONS	9,033,600	79,882	2,781,368	2,861,250	131,457	12,026,307

2. OTHER CONTRACTUAL OBLIGATIONS

Lease Cost of Off-Campus Space	957,281	30,656		30,656		987,937
TOTAL- OTHER CONTRACTUAL OBLIGATIONS	957,281	30,656	-	30,656	-	987,937

* SEE COPC CONTINGENCY

C.O.P.C. LIST

	-----Base----->					
2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET	
3. INSTITUTIONAL STATUTORY COMMITMENTS						
Membership fees :						
-A.U.C.C.	163,797	5,307	5,307		169,104	
-COU Subscriptions	631,684	6,317	6,317		638,001	
-Total Other Membership	66,860	17,339	17,339		84,199	
Subtotal- Membership Fees	862,341	28,963	-	28,963	891,304	
Negotiating Expenses (a) UTFA	75,037	-	-	-	75,037	
Negotiating Expenses (b) USWA	15,000			-	15,000	
Negotiating Expenses (c) TA	19,694	-		-	19,694	
TA/ TATP		-	50,000	50,000	50,000	
Job Accommodation Fund/ Program	25,000		-	-	25,000	
Legal Fees *	2,368,222		423,778	423,778	2,792,000	
Pension Consulting	50,000		-	-	50,000	
Radioactive & Chemical Waste Disposal *	370,000		100,000	100,000	470,000	
Biomedical Waste Disposal (F&S)	-		41,712	41,712	41,712	
Environmental Health & Safety Fund			38,000	38,000	48,000	
Drinking Water Regulation Testing - F&S.	5,000	-	-	-	5,000	
Environmental Health & Safety - Certification Training & transfer from USWA	32,000		-	-	32,000	
TOTAL- INSTITUTIONAL STATUTORY COMMITMENTS	3,822,294	28,963	653,490	682,453	10,000	4,514,747

* SEE COPC CONTINGENCY

C.O.P.C. LIST

	-----Base----->					
2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET	
4. UTILITIES						
Utilities: St George	26,580,397	745,516	(1,786,781)	(1,041,265)		25,539,132
Energy Management Fund	250,000		(50,000)	(50,000)		200,000
Relamping Project	(338,467)		175,000	175,000		(163,467)
Co-Generation Savings	(1,230,000)		937,520	937,520		(292,480)
Flue Heat Recovery Project	173,561		218,906	218,906		392,467
Sub total - St George Utilities	25,435,491	745,516	(505,355)	240,161	-	25,675,652
Utilities : Scarborough	2,183,659	316,513		316,513		2,500,172
Utilities : Erindale	2,695,411	(158,274)	-	(158,274)		2,537,137
TOTAL - UTILITIES	30,314,561	903,755	(505,355)	398,400	-	30,712,961
5. ADDITIONAL COST OF NEW SPACE						
Southwest Chiller Plant	-			-		-
Gerstein Addition - 3/12's	39,330		33,896	33,896		73,226
Earth Science Greenhouse - 2/12's	13,035		69,235	69,235		82,270
Haultain Bldg Conversion	19,363		6,455	6,455		25,818
Canadiana Building	40,295		35,309	35,309		75,604
Sid Smith Infill - 4/12's	13,103		13,039	13,039		26,142
New Daycare Centre (10/12)	-		64,525	64,525	5,000	69,525
500 University (12/12)	-		519,834	519,834		519,834
Medical Arts (12/12)	-		45,041	45,041		45,041
Board of Ed - 155 College (8/12)	-		488,065	488,065		488,065
Board of Ed - 255 McCaul (8/12)	-		225,587	225,587		225,587
Board of Ed - 263 McCaul (8/12)	-		105,268	105,268		105,268
Recovery from Divisions			(800,970)	(800,970)		(800,970)
TOTAL - ADDITIONAL COST OF NEW SPACE	125,126	-	805,284	805,284	5,000	935,410

C.O.P.C. LIST

	-----Base----->					
2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET	
6. PAID LEAVE COMMITMENTS						
Administrative leaves :						
- University Administration	-		-	649,710	649,710	
- Federated & Constituent Colleges	-		-	-	-	
Subtotal Administrative Leaves	-	-	-	649,710	649,710	
UTFA Released Time	163,040	38,227	-	38,227	201,267	
USWA Released Time	172,443	-	-	-	172,443	
CUPE 3261 Released Time	20,000	18,403	-	18,403	38,403	
CUPE 1230 Released Time	-	24,388	-	24,388	24,388	
TOTAL- PAID LEAVE COMMITMENTS	355,483	81,018	-	81,018	649,710	
					1,086,211	

* SEE COPC CONTINGENCY

C.O.P.C. LIST

	-----Base----->					
2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET	
7. LIBRARY ACQUISITIONS COMMITMENTS						
Library acquisitions						
St George (excl. binding)						
-Books *	5,733,139	237,925	237,925		5,971,064	
-Periodicals *	8,318,100	345,201	345,201		8,663,301	
-Automation	3,788,138	157,208	157,208		3,945,346	
	17,839,377	740,334	-	740,334	-	18,579,711
Scarborough						
-Books *	1,169,414	48,531	48,531		1,217,945	
-Periodicals *	-	-	-		-	
-Automation	-	-	-		-	
	1,169,414	48,531	-	48,531	-	1,217,945
Erindale						
-Books *	282,200	11,711	11,711		293,911	
-Periodicals *	733,328	30,433	30,433		763,761	
-Automation	204,190	8,474	8,474		212,664	
	1,219,718	50,618	-	50,618	-	1,270,336
Law						
-Books *	133,372	5,535	5,535		138,907	
-Periodicals *	533,489	22,140	22,140		555,629	
-Automation	143,514	5,956	5,956		149,470	
	810,375	33,631	-	33,631	-	844,006
Graduate Institutes & Centres	43,713	1,814	1,814		45,527	
Audio Visual Library	74,335	3,085	3,085		77,420	
Dentistry	5,779	240	240		6,019	
Innis College	10,042	417	417		10,459	
Management	53,495	-	-		53,495	
Music	6,781	281	281		7,062	
New College	18,086	751	751		18,837	
Fine Arts	40,273	1,671	1,671		41,944	
University College	7,533	313	313		7,846	
TOTAL - LIBRARY ACQUISITIONS	21,298,921	881,685	-	881,685	-	22,180,606

C.O.P.C. LIST

	-----Base----->					
2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET	
8. OTHER POLICY COMMITMENTS						
Expenses Funded from Overhead on Contract Research (note 1)	-		-	6,370,086	6,370,086	
Expenses Funded from Overhead on Federal Research Grant	3,652,179	-	307,156		3,959,335	
Overhead on University Student Assistance	871,960	-	-		871,960	
Insurance *	860,208	-	-		860,208	
Governing Council Elections *	32,760	-	-		32,760	
OCGS Periodic Appraisal Costs	-		-	171,200	171,200	
* SEE COPC CONTINGENCY						
TOTAL- OTHER POLICY COMMITMENTS	5,417,107	-	307,156	6,541,286	12,265,549	
(Note 1: OTO Budget in 2001-02 \$7,635,480)						
9. OPERATING FUND TRANSFER TO CAPITAL						
Transfer for Capital Budget debt service costs	6,073,416	-	5,676,584	5,676,584	11,750,000	
10. COPC CONTINGENCY	3,691,542	-	179,208	-	3,870,750	
TOTAL - ITEMS 1 TO 10	81,089,331	2,005,959	9,897,735	11,903,694	7,337,453	100,330,478

C.O.P.C. LIST

<-----Base----->					
2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET

CONTINGENCY ITEMS	LOW	HIGH	RANGE	BASE	OTO
Library books (currency fluctuations)	-	4,500,000	4,500,000	4,500,000	
Legal Fees	-	500,000	500,000	500,000	
UTFA Negotiation Expense	-	50,000	50,000	50,000	
Hazardous Waste Disposal Costs	470,000	545,000	75,000	75,000	
Environmental Health & Education Fund	-	25,000	25,000	25,000	
Governing Council Elections	-	11,000	11,000	11,000	
Insurance	-	100,000	100,000	100,000	
		-	-	-	
TOTAL	470,000	5,631,000	5,161,000	-	5,161,000
CONTINGENCY COVERAGE OF RISK 2003-04 @ 75%			3,870,750	<u><u>3,870,750</u></u>	-