

THE GOVERNING COUNCIL
REPORT NUMBER 100 OF
THE PLANNING AND BUDGET COMMITTEE

December 7, 2004

To the Academic Board,
University of Toronto.

Your Committee reports that it met on Tuesday, December 7, 2004, at 4:10 p.m. in the Council Chamber, Simcoe Hall, with the following members present

Professor Avrum Gotlieb (in the Chair)
Professor Miriam Diamond, Vice-Chair
Professor Vivek Goel, Vice-President and
Provost
Ms Catherine Riggall, Vice-President,
Business Affairs
Professor Safwat Zaky, Vice-Provost,
Planning and Budget
Professor Philip H. Byer
Mr. Bruce G. Cameron
Mr. P.C. Choo
Professor Donald Dewees
Professor Jane Gaskell
Ms Shaila Kibria
Professor Ian McDonald
Professor David Mock

Professor Anthony N. Sinclair
Professor Pekka Šinervo (via telephone
conference)
Professor J. J. Berry Smith
Professor Lisa Steele

Non-voting Assessors:

Mr. John Bisanti, Chief Capital Projects
Officer
Dr. John R.G. Challis, Vice-President,
Research and Associate Provost
Professor Ronald D. Venter, Vice-Provost,
Space and Facilities Planning

Regrets:

Professor Donald Brean
Mr. William R. J. Lumsden
Mr. Timothy Reid
Professor Robert Reisz
Mr. Stephen C. Smith

Secretariat:

Mr. Neil Dobbs
Ms Cristina Oke, Secretary

In attendance:

Ms Sheree Drummond, Assistant Provost
Professor Jonathan Freedman, Acting Vice-Dean, Graduate Education and Research,
Faculty of Arts and Science
Professor Lynn Hasher, Chair, Department of Psychology, Faculty of Arts and Science
Professor Jeremy Quastel, Acting Chair, Department of Mathematics, Faculty of Arts and
Science
Professor Ted Relph, Associate Principal, Campus Development, University of Toronto at
Scarborough
Ms Elisabeth Sisam, Director, Campus and Facilities Planning

THE COMMITTEE CONFIRMS ITS RECOMMENDATIONS OF ITEMS 5 AND 6 TO THE ACADEMIC BOARD.

ITEMS 4, 7, 8 AND 9 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL.

ALL OTHER ITEMS ARE REPORTED TO THE ACADEMIC BOARD FOR INFORMATION.

The Chair welcomed members to the meeting. On behalf of the Committee, he congratulated Ms Riggall on her recent appointment as Vice-President, Business Affairs.

1. Report of the Previous Meeting

Report Number 99 of November 10, 2004 was approved.

2. Business Arising from the Report of the Previous Meeting

There was no business arising.

3. Senior Assessor's Report

Professor Goel noted that several of the major initiatives with which his office was engaged were on the agenda of this meeting.

University of Toronto Submission to the Rae Review

Professor Goel informed members that the final town hall meeting sponsored by the Rae Review would be held on the St. George campus on December 8. The University was now focusing on advocacy efforts leading to the Province's 2005 budget.

4. Capital Plan: November 2004 to December 2010

The Chair reminded members that the Committee was responsible for reviewing and making recommendations to the Academic Board on Capital Plans.

Introduction

Using a Powerpoint presentation, Professor Goel introduced the Capital Plan, a copy of which is attached hereto as Appendix "A". He informed members that, in light of the increased pace of capital construction and the constraints on the University's borrowing capacity, now was an appropriate time to take stock of the current situation. In the past, the approach to capital planning had been to proceed with a project once all the resources were in hand. The provincial government had provided targeted funding for a substantial portion of the cost of capital projects. However, since that approach to funding for capital had been discontinued, the University's previous approach was no longer feasible. Since 1999, the Governing Council had approved 42 capital projects estimated at \$847 million. In order to fund these projects and previous commitments, the University has had to borrow a total of \$503 million.

Professor Goel explained that the physical infrastructure of the University required renewal. Many of the buildings on the St. George campus were over one hundred years old and were designated historical sites. In addition, there were buildings on all three campuses that had been constructed in the 1960s, and were now in need of repair and

4. Capital Plan: November 2004 to December 2010 (cont'd)

Introduction (cont'd)

upgrading to meet current standards and legislated requirements in areas such as accessibility and occupational health and safety.

Context

Professor Goel highlighted some of the projects that had been completed in recent years. The University had added 165,000 gross square meters of space for academic programs, 2,679 new residence spaces, and new student activity space, including the Sidney Smith Hall in-fill, the Wellness Centre at the University of Toronto at Mississauga (UTM), and the Student Centre at the University of Toronto at Scarborough (UTSC). Enhancements to facilities and services included the Early Learning Centre, King’s College Road, the UTM Alumni Gates, University Arts Centre and the Doris McCarthy Gallery at UTSC.

Professor Goel noted that, in spite of the additional space created by these capital projects, the University’s space capacity, based on guidelines of the Council of Ontario Universities (COU), which represented the average amount of space required, continued to decline. For example, in 1986, UTSC had 90% space capacity based on COU guidelines; in 2001 the UTSC space capacity was 74%. In 2004/05, even with additional space that had been constructed as a result of enrolment expansion the space capacity at UTSC was projected to be 66%.¹ The mission of the University of Toronto was to rank among the best teaching and research universities in the world, and to carry out more research than average and, in the Provost’s view, it required more space than average.

Professor Goel explained that capital priorities had to be based on academic needs. An element of flexibility and opportunism was required to make maximum use of resources. For example, as space within a building became available for use due to the relocation of its occupants into newly constructed or renovated space, the unit best suited for the size and space configuration available had to be identified. That unit’s capital project might not be the next priority on the capital plan, but it was appropriate to move ahead with the project in the given circumstances.

Professor Goel observed that there were a number of constraints on capital plans. These constraints included campus master plans, open space plans, municipal zoning regulations, capital in hand, debt capacity, and the ability to service debt. There were 28 development sites in the St. George campus precinct, of which 23 were part of the University. The other sites included property occupied by the federated universities, the Royal Conservatory of Music, and the Royal Ontario Museum. Most of the University sites had been built upon, and limited site capacity remained. The University’s open space plan required that green space be retained. The University’s external borrowing capacity was defined as one-third of capital based on five year rolling average, with an outer limit of

1

Campus	Total Space in Net Assignable Square Metres (NASM) post construction, excluding residences	% COU Guidelines in projected steady state
St. George	526,600	88%
UTM	60,900	81%
UTSC	43,300	66%

4. Capital Plan: November 2004 to December 2010 (cont'd)

Context (cont'd)

40%.² In addition, a maximum of \$200 million of internal borrowing from the Expendable Funds Investment Pool (EFIP) cash float was available for long-term investment. The Business Board had approved in June 2004 that the maximum funds to be borrowed by the University, was \$787 million.

Capital Plan and Criteria

Professor Goel reviewed the Capital Plan that had been distributed to members. Projects had been divided into four categories:

- Current Capital Plan: projects with committed funding that had been approved by governance up to November 8, 2004;
- Short Term Capital Plan: identified priorities with complete project reports and cost estimates, but no committed funding;
- Long Term Capital Plan: identified projects with central agreement to proceed with preliminary planning, but no committed funding;
- All Other Projects: no approval and no funding commitments (these projects were not listed in the capital plan)

Professor Goel described the procedure by which decisions concerning capital projects would be made. In order for a capital project to be included on the long-term plan list, it was required to satisfy six criteria. Once the project was on the long-term list, it could be entered on to development priority lists and funding sources sought. To advance to the short-term plan list, a project had to satisfy three additional stringent criteria. In order to advance to approved status, the project funds had to be secured or fully specified, and the project had to proceed through the governance approval process. The Committee was being asked to recommend for approval the nine criteria that each capital project had to satisfy in order to proceed through the capital plan categories.

The initial six criteria would be applied in the first instance to determine whether a project should enter into the planning stage. All nine criteria would be reassessed when a project was recommended to move to the implementation stages. The criteria were:

1. **Mission Objectives:** how would the capital project advance the University's long-term academic goals and the priorities of the faculty, plan or unit?
2. **Policy Objectives & Legislative Requirements:** did the capital project conform to the University's stated policy objectives, and to legislation, particularly with respect to accessibility.
3. **Space Standards:** how would the space available to the unit and to the University as a result of the project compare with the space standards of COU?
4. **Strengthening Scholarship:** will the project further research or teaching goals, strengthen or broaden interdisciplinarity, strengthen the academic and architectural interconnectivity of existing buildings in a way consistent with the campus master plan, and/or serve as a recruitment magnet for faculty and students?

² Approved by Business Board on June 17, 2004. Documentation is available at <http://www.utoronto.ca/govcncl/bac/details/bb/2003-04/bba20040617-07c.pdf>

4. Capital Plan: November 2004 to December 2010 (cont'd)

Capital Plan and Criteria (cont'd)

5. **Providing Academic Leadership:** what were the consequences for research programs, teaching programs, and/or student experience for undertaking or not undertaking the project? What were the alternative courses of action? Did the project offer the opportunity to propel or maintain the field served into the top ranks internationally? If so, how long would this status be maintained by the project?
6. **Student Experience:** did the project incorporate elements that would create an enriched student experience inside or outside the classroom? Did the project create opportunities through the programs it supported for accessibility for under-represented groups?
7. **Economic Consistency:** what were the external revenue sources or other drivers to support both the capital project and the ongoing research and teaching activity projected to take place within the completed project? How did the proposed project incorporate flexibility with regard to the unit's planned academic and student complement? Did it allow for opportunities for growth?
8. **Resources:** was the proposed project both a demonstrated academic priority and fiscally feasible? Were the financing and operating costs in place, with a viable business plan, for ensuring the revenues to meet the costs of financing and operating? What external resources were available? Could they be reliably tapped and accumulated to support the project? What were the options?
9. **Deferred Maintenance:** how would the capital project address deferred maintenance of the University buildings and what was the degree of cost benefit energy conservation that could be realized with the project?

Professor Goel advised members that, if this Capital Plan were approved, projects would be presented to governance with the criteria identified and an explanation of how the project met the criteria.

Discussion

A member asked how funds borrowed from the Expendable Funds Investment Pool (EFIP) were repaid. Ms Riggall replied that repayments to EFIP were made in the same way as repayments to other sources of borrowing. The interest rate charged and repayment terms had to cover the loan's principal and interest. Payment was usually made over a twenty-year period.

A member observed that he found the criteria very general in nature, and asked how the administration would differentiate among proposed capital projects. Professor Goel replied that this matter had been debated at length within his office. He and his colleagues had concluded that a more specific system, such as a point system leading to a ranking would not work; rather each project proposed had to be judged qualitatively within the context of current circumstances. Under this plan, the Project Planning Reports coming forward to governance would be organized according to the criteria. It would be the responsibility of governance to satisfy itself that the criteria had been met by the proposed project.

4. Capital Plan: November 2004 to December 2010 (cont'd)

Discussion (cont'd)

The member suggested that, in light of the number of academic priorities within the University, it might be useful to articulate that projects demonstrating strength in several areas, or covering several criteria in a meaningful way, would have an improved chance of proceeding through the approval process. Professor Goel replied that it was his expectation that divisional priorities had been clearly identified in terms of the University's mission and the division's academic plan. The criteria would be applied more stringently as the project moved forward. The criteria were designed to provide flexibility to respond to changing circumstances and emerging opportunities.

The member asked for clarification of what was being superceded by approval of the criteria. Professor Goel replied that the Capital Plan that had been approved by the Governing Council in February 2002 was composed of a list of projects that had been approved, or were being considered for approval, at that time. No criteria had been included in the Capital Plan at that time.

A member asked if the University's debt was guaranteed by the provincial government, and if changes in interest rates affected the University's debt load. Ms Riggall replied that the University's debt was not guaranteed by the provincial government. She noted that the University's debt rating was actually higher than that of the province. With respect to interest rates of the debenture issues, she explained that the University had borrowed funds at a fixed rate for the 30 and 40-year terms, and was therefore not affected by changes in interest rates.

A member asked how the decision was made to borrow funds to complete a project rather than to wait until full funding had been assembled. Professor Goel explained that the financing for each project was reviewed with the Dean or Principal. Factors considered in allocating borrowing capacity included other opportunities to fund the project, ability to handle debt service; and the priority of the project according to the criteria in the proposed Capital Plan. From time to time, funding other than debt would become available from donations, research grants, or allocations from the Academic Initiatives Fund (AIF), like some being considered later in this meeting.

The member asked at what point the University would become facilities-rich and faculty-poor. He noted that although there were a number of new buildings on each campus, other buildings were in need of repair. He asked what the legacy of decisions taken at this time would be in twenty years. Professor Goel replied that the University's borrowing capacity was defined conservatively, and the University was nowhere near its maximum capacity. However, it was appropriate to ask whether the University was sacrificing academic quality for buildings. Several divisions were in fact saying that the most important way for them to improve quality was for them to receive debt relief.

A member asked what fraction of the University's budget was devoted to debt service. Professor Goel replied that less than 2% of the relevant divisional operating budgets overall was allocated to debt service and repayment. Professor Zaky added that the percentage varied among divisions.

A member asked what the costs to academic programs were of debt covered by divisional operating budgets. Professor Venter replied that the question was addressed by the criterion of Economic Consistency (number 7 above). Professor Goel added that, in future, the cover memorandum for project planning reports could include a report from the Dean or Principal about the impact of borrowing on the unit.

4. Capital Plan: November 2004 to December 2010 (cont'd)

Discussion (cont'd)

A member asked whether the University's submission to the Rae Review had included a reference to the past provincial funding for capital projects. Professor Goel replied that the University had pointed out in its submission that even generous SuperBuild grants for capital projects had been insufficient to meet the capital needs of the University's growing population, forcing it to rely on donations and increasingly on debt financing. As the provincial government had paid down its own debt, the broader public sector, including hospitals, colleges and universities, had had to assume debt instead.

A member asked how deferred maintenance was being addressed. Professor Goel replied that the University had a list of deferred maintenance needs and tried to align new work with those needs. Ms Riggall added that an annual deferred maintenance plan had been created, and was regularly revised to ensure maximum value. The member asked whether deferred maintenance work would be undertaken in divisions that did not have planned capital projects. Professor Goel replied that the list of deferred maintenance was separate from the list of capital projects. Deferred maintenance was included with capital projects whenever possible to minimize disruption and costs, but priority deferred maintenance was also being pursued alone when no capital projects were planned for in a building.

A member asked why an updated Capital Projects List would be tabled whenever approval was sought for a capital project. Professor Goel replied that each request would have an impact on the list, as projects moved from one category to another. He also observed that members of the Business Board had requested a prioritized list of capital projects before approving the execution of projects. The member asked whether the Provost would entertain making the revisions that had been suggested during the discussion of the Capital Plan. Professor Goel replied that the Policy on Capital Planning and Capital Projects, and the overall approval process, had to be examined before any changes were made.

A member asked why a portion of the debt disappeared in 2031. Ms Riggall replied that the first debenture came due in 2031 and had to be paid in full at that time. Professor Goel added that, while the principal on the debenture was due in 2031, individual projects paid both principal and interest on their mortgage-type loans, with money being accumulated in a sinking fund to pay off the principal of the debentures when they would come due.

A member asked whether the University would ask the province for funds for capital renewal if such funding was not recommended by the Rae Review. Professor Goel assured the member that part of the ongoing advocacy efforts of the University would be to ask the province for capital support.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

1. THAT the University of Toronto *Criteria for the Selection of Capital Projects* as defined in Section 2 of the attached Capital Plan be approved, superceding the Report entitled *December 2001 – Capital Plan for Buildings and Projects in Excess of \$2 million* approved by the Governing Council on February 14, 2002.
2. THAT an updated Capital Projects List as described in Section 4 of the attached Capital Plan be tabled at the appropriate Governing Council Board or

Committee meeting at which approval is sought, pursuant to the *Policy on Capital Planning and Capital Projects*, for a capital project.

5. Capital Project: Centre for Biological Timing and Cognition – Project Planning Report

The Chair welcomed to the meeting Professor Lynn Hasher, Chair of the Department of Psychology, and Professor Jonathan Freedman, Acting Vice-Dean, Graduate Education and Research, Faculty of Arts and Science.

Professor Venter reminded members the interim Project Planning Report had been considered at the November meeting of the Committee. He drew the attention of members to the space layout on page 9 of the final report, a copy of which is attached hereto as Appendix “B”, and noted that the report included a summary of the challenges of the project. There were a number of difficulties with the site, but it was the most suitable site available for the project. Professor Venter acknowledged the work on the project of Ms Elizabeth Sisam, Director of Campus and Facilities Planning, and the Dean of the Faculty of Arts and Science and his colleagues.

Professor Goel informed members that, in response to the concerns raised at the November meeting of the Committee, representatives from the Department of Zoology had been added to the Project Committee. A member expressed his thanks for the addition of representatives from that Department, and said that members of the Department were now more comfortable with the project. Another member expressed her thanks at the addition of a graduate student representative to the Committee.

A member noted that the project cost had increased slightly from that in the interim report, and that the contribution from the Faculty of Arts and Science had increased from \$1,500,000 to \$2,466,725, while the contributions from the Canada Foundation for Innovation, the Ontario Innovation Trust and the Ministry of Economic Development and Trade had decreased from \$5,750,000 to 5,347,137.50. Professor Venter confirmed that the revised project construction cost was \$13,161,000, an increase of \$161,000 as compared to the interim Project Planning Report. The reallocation of contributing sources of funding to the construction phase of the project was not significant. The Business Board had approved the expenditure of \$1.5 million for initial work on the project, subject to the Governing Council approval of the Project Planning Report. The final Project Planning Report reflected the anticipated contributions from all sources to complete the project. Professor Goel added that \$2.4 million was the original commitment of the Faculty of Arts and Science to the project.

On motion duly moved and seconded

YOUR COMMITTEE CONFIRMS ITS RECOMMENDATION OF
NOVEMBER 10, 2004

1. THAT the Project Planning Report for the Centre for Biological Timing and Cognition at the University of Toronto be approved in principle.
2. THAT the project scope as identified in the Project Planning Report which requires the construction of additional floors on the south section of the Ramsay Wright Building be approved at a revised cost of \$13,161,000 from the following funding sources, with the following revised amounts:
 - i) A cash contribution in the amount of \$2,466,725 from the Faculty of Arts & Science,
 - ii) A contribution in the amount of \$5,347,137.50 awarded by the Canada Foundation for Innovation, and

iii) A contribution in the amount of \$5,347,137.50 awarded by the Ontario Innovation Trust and the Ministry of Economic Development and Trade.

6. Capital Project: Department of Mathematics, Phase 1 – Project Planning Report

The Chair welcomed to the meeting Professor Jeremy Quastel, Acting Chair of the Department of Mathematics and Professor Craig Boutilier, Chair of the Department of Computer Science.

Professor Venter recalled that the interim Project Planning Report had been considered at the November meeting of the Committee. He drew the attention of members to the nominal space allocation on page 9 and the floor plan on page 21 of the Report, a copy of which is attached hereto as Appendix “C”. He noted that there had been additional consultation with the Department of Computer Science following the November meeting of the Planning and Budget Committee. It was proposed that the Mathematics library be located on the sixth floor of the Bahen Centre, as this would be the best use of the available space. Phase II of the project would be brought forward in due course, and might well include the Department of Statistics.

At the invitation of the Chair, Professor Quastel informed members that a review of the Department by the Ontario Council on Graduate Studies (OCGS) had been completed a few days prior to the meeting, and the reviewers had been encouraged by the plans to address the space needs of the Department, as the space needs of the graduate students had been identified as a concern in previous reviews.

A member asked whether there were student members of the Project Planning Committee. Professor Venter explained that students were usually included in the membership of Project Planning Committees. However, there was no student member in the current membership of this Committee. The Committee had already been working for a long period of time, and it would not be appropriate to add a new member at this point.

A member asked why Phase II of the project had not been included on the list of Capital Projects that had been included with the documentation for agenda item 4 , Capital Plan: November 2004 to December 2010. Professor Venter replied that the Capital Projects included on the list considered under agenda item 4 were those as of November 8, 2004. Additional projects would be added when appropriate.

On motion duly moved and seconded

YOUR COMMITTEE CONFIRMS ITS RECOMMENDATION OF
NOVEMBER 10, 2004

1. THAT the Project Planning Report for the Department of Mathematics, Phase I at the University of Toronto be approved in principle.
2. THAT the project scope as identified in the Project Planning Report which requires the outfitting of the entire sixth floor of the Bahen Centre for Information Technology be approved at a revised cost of \$5,680,000, with full funding for this project provided from the operating budget within the Faculty of Arts and Science.

7. Capital Project: University of Toronto at Scarborough - Electrical & Mechanical Upgrades Phase 3: Cooling Towers: Project Planning Report

The Chair welcomed to the meeting Professor Ted Relph, Associate Principal, Campus Development, University of Toronto at Scarborough (UTSC).

7. Capital Project: University of Toronto at Scarborough - Electrical & Mechanical Upgrades Phase 3: Cooling Towers: Project Planning Report (cont'd)

Professor Venter explained that the project planning report, a copy of which is attached hereto as Appendix “D”, outlined the \$17 million plan to improve the infrastructure at UTSC. Over the last eighteen months, several projects in Phases 1 and 2 had been approved by the Accommodation and Facilities Directorate (AFD), since the cost of each project had been less than \$ 2 million. These approvals had been reported to governance in the 2003-04 report of the AFD. The upgrading of the cooling towers provided an opportunity to bring all the aspects of the infrastructure upgrades together.

A member asked if the architectural impact of the cooling towers had been considered. Professor Venter replied that the Design Review Committee had reviewed the architectural plans for the project, and had suggested some revisions to the proposed design.

A member asked whether the possibility of retrofitting the buildings to reduce heating and cooling demands had been considered as an alternative to upgrading the equipment. Professor Venter replied that, in every project, such alternatives were examined. Professor Goel added that incentives for infrastructure improvements should in future be aligned with the budget process, since, in some cases, the unit that oversaw the improvements would not benefit from the resulting savings.

At the invitation of the Chair, Professor Relph observed that it might be easier to address the cost and benefits of infrastructure improvements at UTSC, because of its compact size. Every available cost saving was sought in planning for capital renewal.

The member suggested that lifecycle cost analysis could be initiated by the University. Ms Riggall replied that the possibility of incorporating lifecycle costing was being examined. One possibility under such a project might be that projects that resulted in a positive return to the operating budget might be given priority in the future.

A member suggested the establishment of a ‘green’ fund, similar to a capital fund. The member asked whether the cost of infrastructure improvements had been considered when planning for expansion at UTSC. Professor Venter replied that the need for infrastructure improvements resulted from a combination of expansion needs and the ages of the buildings at UTSC. Professor Goel added that SuperBuild had stringent project restrictions that had not allowed for funding of all needed infrastructure. The University had done a good job in anticipating costs, but new costs sometimes arose after work had begun on capital projects.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

1. THAT the Project Planning Report for the Electrical and Mechanical Infrastructure Upgrades at the University of Toronto at Scarborough, Phase 3 - Mechanical: Cooling Towers, be approved in principle.
2. THAT the project scope, consisting of the replacement of the existing cooling towers by new units and appropriately designed screens, be approved at an estimated total project cost of \$2,515,000 to be funded from the following sources:

7. Capital Project: University of Toronto at Scarborough - Electrical & Mechanical Upgrades Phase 3: Cooling Towers: Project Planning Report (cont'd)

- i) A cash contribution in the amount of \$1,218,166 from the 2004/05 operating budget of the UTSC.
- ii) A cash contribution in the amount of \$500,000 from the 2005/06 operating budget of the UTSC.
- iii) Deferred Maintenance Funds allocation to UTSC in 2005-06 in the amount of \$596,834.
- iv) Facilities Renewal Program allocation 2005-06 in the amount of \$200,000.

8. Academic Initiatives Fund: Allocations

The Chair reminded members that the Committee was responsible for recommending to the Academic Board the allocation of general University Funds established in the Operating Budget.

Stepping UP Synthesis

Professor Goel reviewed the documentation for this item, a copy of which is attached hereto as Appendix “E”. Members had received a synthesis of Stepping UP. This document identified the major themes that had emerged from the consultations with the University community and from the Divisional plans that had been submitted. The synthesis document focused on initiatives that cut across divisional boundaries, and on which the University and its Divisions could engage in collectively. Members were informed that the synthesis document would be updated on an annual basis, and would identify areas where more work needed to be done.

Academic Initiatives Fund (AIF)

Professor Goel reminded members that the Academic Initiatives Fund (AIF) had been established in the Long-Range Budget Guidelines to assist in the implementation of initiatives arising from the academic planning process. The AIF consisted of a total of \$30 million in base funding, with \$5 million available in each of the next six years. It was intended that more one-time-only (OTO) allocations would be made in the first few years of the budget period, and more base allocations would be made later in the long-range budget period. That would allow more time for the planning and dialogue required for innovative new initiatives.

Allocations

Professor Goel explained that requests for AIF funding had been submitted by the Dean on behalf of a Faculty. Fifty-two proposals from thirteen divisions had been received, with requests totalling \$2.7 million in base funding and \$42 million of OTO support. The allocation decisions were based on advice from a Review Committee, chaired by the Vice-President and Provost, and composed of the Deans of the Faculty of Music, the Faculty of Social Work, and the School of Graduate Studies; the Vice-President, Research, and Associate Provost; the Vice-President and Principal, University of Toronto at Mississauga (UTM); and the Vice-Provosts Academic, Students, Space and Facilities Planning, and Planning and Budget.

8. Academic Initiatives Fund: Allocations (cont'd)

Allocations (cont'd)

Professor Goel pointed out that the allocations represented budgetary proposals. Creation of units and/or approval of capital projects described in the proposals would come forward to the appropriate governance body for approval. Detailed budgets and deliverables for each proposal would be reviewed by the Provost's Office. For multi-year projects, annual benchmarks and deliverables would be used to monitor funding for subsequent years.

Discussion

A member asked whether student groups could apply for AIF funding. Professor Goel replied that student groups should discuss ideas for initiatives with the Vice-Provost, Students.

A member expressed his concern about two allocations that involved debt reduction: capital support to reduce the debt on the Communication, Culture and Information Technology (CCIT) building and on the Centre for Applied Bioscience and Biotechnology (CABB) at UTM, and assistance to the Leslie Dan Faculty of Pharmacy to pay its portion of the mortgage on the Donnelly Centre for Cellular and Biomedical Research (CCBR). The written proposal summary indicated that the AIF allocation would free up funds for program enhancement within the division. The member asked why the funds were not directed towards program enhancements, rather than towards the capital project. Professor Goel replied that there had been significant discussion about the proposals. It had been the decision of the division to ask for capital support rather than for program support. The use of OTO funds to pay down debt would result in increased borrowing room for other projects on all three campuses. In the case of the Leslie Dan Faculty of Pharmacy, the increased mortgage had resulted from the Donnelly donation that had allowed the completion of the CCBR. This additional expense had not been anticipated, and had resulted in debt remission becoming a priority of the Faculty. The member pointed out that the capital projects had been approved with a specified amount of funding from identified sources. In his view, the use of AIF allocations for debt remission could be seen as a way for the divisions to escape a previous commitment. Professor Goel noted that, in the Pharmacy and UTM submissions, this was the case, but circumstances had changed substantially since the original commitments, due to issues outside the Division's control. In the case of the Medicine project, funds for this very high academic priority had not been identified.

A member asked why allocations for each of the thematic areas identified in *Stepping UP* were not coming forward at this time. Professor Goel replied that proposals in some areas would take longer to develop than those in other areas.

A member expressed his concern in the disparity between the allocations to UTM and to UTSC. Professor Goel explained that a balance across the three campuses would emerge over the next six years. UTSC had elected to submit a number of small proposals in this first round as there had been a transition in leadership at UTSC, with a new Vice-President and Principal and a new Dean taking office in the past year.

A member asked whether proposals for staff development would be considered in the future. Professor Goel replied that such proposals would be considered if submitted, since one of the goals of the University was to be an employer of choice in the Greater Toronto Area.

8. Academic Initiatives Fund: Allocations (cont'd)

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

THAT the First Round of Academic Initiative Funds be allocated as per the table (Appendices 3 & 4) attached to the Memorandum from the Vice-President and Provost dated November 30 for December 7, 2004, a copy of which is attached hereto as Appendix "E".

9. Canada Research Chairs Fund: Allocations

Professor Goel informed members that allocations from the Canada Research Chairs' (CRC) Fund, a copy of which is attached hereto as Appendix "F", was a routine annual item. He noted that this would be the last time that the allocation would come before the Committee in this way, as the Provost's Office was working with divisions on a new proposal for allocations from the CRC Fund.

On motion duly moved and seconded

YOUR COMMITTEE RECOMMENDS

That \$3.8m be allocated from the Canada Research Chair Fund to cover salaries, benefits, research allowances and cluster support for the nineteen Chairholders approved during the 2003 competitions.

That \$1.24m (\$1.4m less \$.16m indirect cost of 16% of salaries and benefits) be allocated to the Faculty of Medicine in support of nine campus based Chairholders that were awarded in 2004.

That \$1.627m (\$1.7m less \$72,857 indirect cost of 6% of salaries and benefits) be allocated to the Faculty of Medicine in support of the twelve Chairholders based in Hospital and Research Institutes that were awarded in 2004.

10. School of Graduate Studies: Proposal for an In-Program Master of Philosophy Degree (M.Phil.): Resource Implications

The Chair reminded members that the Committee had responsibility for advising the Academic Board on the planning and resource implications of plans and proposals to establish academic programs. The Committee on Academic Policy and Programs would consider the curricular aspects of this proposal at its meeting on Wednesday, December 8.

Members received for information the memorandum from Professor Zaky dated November 30, 2004, which indicated that the modest ongoing costs associated with the awarding of the degree would be absorbed by the units involved.

There were no questions.

11. Capital Project: Assessment of the Central Administration Space Requirements: Project Planning Committee, Terms of Reference and Membership

Members received for information the memorandum from Professor Venter, dated November 30, 2004, which outlined the terms of reference and the membership of the Project Planning Committee for the Assessment of the Central Administration Space Requirements.

There were no questions.

12. Capital Project: King’s College Precinct, Phase II and the Renovation of Convocation Hall: Project Planning Committee, Terms of Reference and Membership

Members received for information the memorandum from Professor Venter, dated November 23, 2004, which outlined the terms of reference and the membership of the Project Planning Committee for King’s College Precinct, Phase II and the Renovation of Convocation Hall.

There were no questions.

13. Capital Project: Philosopher’s Walk Preservation: Project Planning Committee, Terms of Reference and Membership

Members received for information the memorandum from Professor Venter, dated November 23, 2004, which outlined the terms of reference and the membership of the Project Planning Committee for Philosopher’s Walk Preservation.

There were no questions.

14. Date of the Next Meeting:

Members were reminded that the next meeting of the Committee was scheduled for Tuesday, January 25, 2005, beginning at 4:10 p.m. in the Council Chamber.

15. Other Business

There was no other business.

The meeting adjourned at 6:25 p.m.

Secretary

Chair

January 17, 2005