

THE GOVERNING COUNCIL
REPORT NUMBER 107 OF
THE PLANNING AND BUDGET COMMITTEE

February 7, 2006

To the Academic Board,
University of Toronto.

Your Committee reports that it met on Tuesday, February 7, 2006, 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 J. Riggall, Vice-President,
Business Affairs
Professor Safwat Zaky, Vice-Provost,
Planning and Budget
Professor Philip H. Byer
Professor John Coleman

Miss Coralie D'Souza
Mr. Martin Hycza
Professor Glen A. Jones
Professor David Mock
Ms Carole Moore
Mr. Stephen C. Smith

Non-voting Assessors:

Mr. John Bisanti, Chief Capital Projects
Officer
Ms Elizabeth Sisam, Assistant Vice-
President, Space and Facilities
Planning

Regrets:

Professor James Barber
Mr. Ryan Matthew Campbell
Mr. P.C. Choo
Mr. Timothy Reid
Professor Robert Reisz
Professor Pekka Sinervo
Professor J. J. Berry Smith
Professor Ron Smyth

Secretariat:

Ms Cristina Oke, Secretary
Mr. Neil Dobbs

In attendance:

Mr. Brian Burchell, past-member, the Governing Council
Mr. Chris Caners, Sustainability Coordinator, Sustainability Office
Ms Rosanne Lopers-Sweetman, Director, Special Projects, Office of the Vice-President
and Provost
Professor George Luste, President, University of Toronto Faculty Association
Mr. Henry Mulhall, Special Projects Officer, Office of the Governing Council
Professor Jay Rosenfield, Associate Dean, Undergraduate Education, Faculty of Medicine
Professor Beth Savan, Director, Sustainability Office
Professor Catharine Whiteside, Dean of the Faculty of Medicine and Vice-Provost,
Relations with Health Care Institutions

ITEMS 5 AND 6 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL.

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

1. Report of the Previous Meeting

Report Number 106 (December 6, 2005) was approved.

2. Business Arising from the Report of the Previous Meeting

There was no business arising from Report Number 106.

3. Senior Assessor's Report

(a) Provincial Government Funding And Tuition-Fee Regulation

Professor Goel reported on several matters concerning Provincial funding for the University. The University and colleagues in the Council of Ontario Universities continued to work with officials in the Ministry of Training, Colleges and Universities with respect to implementation of the Ontario Budget measures concerning post-secondary education.

- **Operating funds for 2005-06.** The University had now received its allocation of operating funding for the 2005-06 fiscal year, including the University's share of the quality-enhancement funding. The Province had also elected to reimburse the universities for their unfunded enrolments. Because the University of Toronto had managed its enrolment well, it had received a relatively smaller share of that additional funding. In addition, the University took the view that the method used to calculate the apportionment of this funding had not been correct. The University had drawn this technical information to the attention of the Ministry and had requested rectification.
- **Funding for graduate enrolment growth.** The Ministry had not to date made allocations to fund graduate enrolment growth. It was, however, essential to move forward with the expansion of graduate enrolment beginning in 2006-07 in order to meet the Province's targets. The University was, therefore, moving forward, and some divisions had established enrolment expansion targets. Professor Zaky had developed a new format for the report on enrolment, which he would present to the next meeting. The Committee had previously received two separate reports: one dealing with actual enrolment in the current year and another dealing with projected enrolment for the subsequent year. Those reports had contained elements of overlap and they would, therefore, be combined beginning with the report to be presented on February 28, 2006.

3. Senior Assessor's Report (Cont'd)

(a) Provincial Government Funding And Tuition-Fee Regulation (Cont'd)

In response to a member's question about the allocation of new funding for graduate enrolment growth, Professor Goel said that an earlier document had signaled that the revenue would accrue to the divisions that expanded their enrolment. A proposal would be presented to a forthcoming meeting of the Principals and Deans. The allocation within the Faculties to their departments would vary, depending on each Faculty's budget priorities.

- **Operating funding for 2006-07 and future years.** Although the Provincial Budget made provision for future quality-enhancement funding, there had been no discussion of the next round of allocations. The Ministry had, however, made it clear that it would not be bound by the methods used previously and it would aim to ensure that the additional funding truly enhanced quality. Professor Goel thought that the adoption of that new approach would leave the University of Toronto in a good position, with its efforts having been focused so strongly on improving the student experience.
- **Tuition fees.** The Province had not yet announced a policy concerning the regulation of tuition fees to follow the conclusion of its two-year freeze. Professor Goel anticipated an announcement in the next few weeks, which would enable the universities to proceed with their budget planning. The Budget Report would have to be brought to the Committee at its meeting of March 28 and the Tuition Fee Schedule to the Business Board at its meeting of March 27 to enable approval by the Governing Council for the beginning of the 2006-07 fiscal year.

(b) Budget Model

Professor Goel reported that he had received from Professor Zaky a final report on the proposed new budget model. He planned to arrange an off-line session on the new budget model for members of the Committee and the Business Board to be held in the spring after the completion of work on the Budget Report for 2006-07.

(c) University of Toronto Innovations Foundation

Ms Riggall recalled that the University of Toronto Innovations Foundation had been incorporated in 1980 as a not-for-profit ancillary operation of the University. Over the past 25 years, there had been a variety of business models, which had met with varying degrees of success. The most recent model had been approved in 2002, calling for the Foundation to invest aggressively in the commercial development of new technologies in order to earn a good return. The University had provided a line of credit to carry the organization through the initial investment period. That plan had not been successful. In 2004, former Deputy Prime Minister, the Honourable John Manley, had been asked to head a team to review the operations of the Innovations Foundation and make recommendations for future operations. The recommendations had included, among

3. Senior Assessor's Report (Cont'd)

(c) University of Toronto Innovations Foundation (Cont'd)

other things: efforts to achieve a culture change within the University to encourage increased disclosure of inventions; closer relations between the Technology Transfer Group in the Office of the Vice-President, Research and the Innovations Foundation; and stable financing. Upon receipt of the Manley report, the senior administration of the University and the Board of the Foundation had initiated a review of the Foundation's operations.

Ms Riggall recalled that in the fall of 2004, the Executive Director of the Foundation had left the organization and had been replaced temporarily by an interim appointee. In July 2005, Professor Ronald D. Venter, the past-Vice-Provost, Space and Facilities Planning, had been appointed Interim Executive Director and had been charged with developing a strategy and plan for the operation. He had completed his six-month contract and a one-month extension, and he had prepared a strategic plan that had been endorsed by the Board of the Foundation. The plan was to transfer the operations of the Foundation to the University within the portfolio of the Vice President, Research by April 30, 2006. Moving the operations (including the Innovations Foundation's 22 employees) back into the University would permit closer relations with the academic divisions, more invention disclosures, and a clearer focus on the mission of knowledge transfer.

Ms Riggall would recommend approval of this proposal to the Business Board, and she hoped that the merger would be completed by the end of the academic year. The Innovations Foundation as a corporation would continue to exist for a period of time to enable the transfer of assets such as license agreements and shares of spin-off companies to the University.

Ms Riggall said that the assumption by the University of the Innovations Foundation's operations would cause an increase to the University's operating budget of between \$2.5-million and \$3-million per year, which would be brought forward as part of the proposed Budget Report for 2006-07. Previously, the Innovations Foundation's operating budget has been funded by the line of credit extended by the University. The current outstanding balance on the line of credit was \$11.0 million, which would be paid down by future revenues from licenses and the disposition of shares in start-up companies at an estimated rate of about \$1-million per year. That revenue would be returned to the University's operating fund. Ms Riggall stressed that there would be no effect on the University's overall financial position, as reflected in its financial statements, because the Foundation's results had always been consolidated into those of the University and the losses had therefore already been taken into account.

Ms Riggall reported that a search had been initiated for an Assistant Vice-President, Technology Transfer and Executive Director of the new Innovations unit within the portfolio of the Vice-President, Research. That position would combine two existing positions, saving the cost of one salary and bringing the two operations together.

3. Senior Assessor's Report (Cont'd)

(c) University of Toronto Innovations Foundation (Cont'd)

In response to a question, Ms Riggall said that the new operation would retain the Innovations Foundation's location in the MaRS Centre.

Among the matters that arose in questions and discussion were the following.

(a) Cost and benefits of the University's continuing its technology-transfer operations. A member asked what benefit the University would receive for the \$1.5-million to \$2-million net cost of continuing the functions of the Innovations Foundation. Professor Goel replied that the question was an entirely appropriate one for the Committee to ask and the precise reason for this briefing. It was important to ask whether assisting members of the faculty with technology-transfer was a part of the academic work of the University. It was, in fact, a part of the mission of the University, and a part of society's expectation of the universities, that the knowledge they produced would be protected and put to work to develop knowledge-based companies and to generate good jobs. That was the basis for the recent federal government's innovation agenda, its payment to the universities to cover the indirect costs of research, and of the Canada Research Chairs program. That having been understood, there was a broad spectrum of activities associated with technology-transfer: helping members of the faculty to identify ideas that might be developed for commercial purposes, assisting them to make those ideas ready for patent, assisting them to obtain patent protection, taking the patented ideas to market and commercializing them, and forming spin-off companies. That spectrum began at the academic side and ranged to the business side. The University's objective in spending about \$2.5-million per year, net of revenue, was to provide a bare-bones operation to assist at the academic end of the spectrum. Seeking to recover its costs, repay its line of credit and make money for the University, the Innovations Foundation had tried to provide all of the spectrum of activities but had concentrated on the business side, focusing its efforts on those few inventions most likely to produce financial success. With that focus, however, there had not been sufficient work with all of the faculty members involved in research that could have commercial potential, and the rate of disclosure of inventions at the University of Toronto had been lower than at peer institutions. The University would now focus its efforts more on the academic side of the spectrum, encouraging disclosures, assisting in making ideas ready for patent protection and obtaining that protection. Most of the business-related activities would best be left to others including other operations in the MaRS Centre. It might well be that some of the inventions coming out of the University would, like Gatorade, lead to exception financial gain, but the University should not rely on such developments.

(b) Achievement of culture change. A member observed that the activities on the academic side of the spectrum were those he would have expected from the University's technology-transfer operation, and it made sense to bring all of those efforts back into the University. Success would require a culture change on the part of the faculty, and he hoped that the new arrangements would assist faculty members to disclose and protect their intellectual property. Professor Goel replied that the primary recommendation of

3. Senior Assessor's Report (Cont'd)

(c) University of Toronto Innovations Foundation (Cont'd)

the Manley report was for efforts to achieve such a culture change. The new Innovations at University of Toronto (I.U.T.) operation would have two committees, one of which would consist primarily of academics, which would facilitate and ensure the necessary level of contact with, and service to, the faculty. A second business advisory committee would provide guidance with respect to the more commercial side of I.U.T. activities.

(c) Future review of technology-transfer operations. A member asked how the University would know whether the new approach was working. Would there be a review of the combined operation? Professor Goel replied that, in the light of the proposed level of expense, there would be regular and frequent reviews.

(d) Arrangements for the transfer of licenses and shares. A member observed that it would be expensive to arrange for the transfer of the Innovations Foundation's rights with respect to technologies one by one. Had the University considered requesting legislation to achieve that end? Ms Riggall replied that the University had hoped to be able to arrange transfers in many cases by a single agreement between the Foundation and the University and to deal with other cases, where required, individually. The University had not considered requesting legislative intervention, but Ms Riggall would bear the idea in mind.

(e) Adequacy of resources to support the new operation. A member said that presentations by the Innovations Foundation had left the impression that it had not had adequate resources to provide a desirable level of support for technology transfer. It did not appear that the proposed new arrangements would enhance the resources available. Professor Goel and Ms Riggall replied that the proposal was to transfer the current level of expense from a line of credit to the operating budget, but there would also be some opportunity for synergies from the combination of the two operations and also some opportunity for cost savings arising from other factors. Certain of the activities of the Innovations Foundation would cease, leaving more time for its staff members to devote to its core University mandate. For example, the Foundation had been taking disclosures from members of the external community; the Foundation had, under the old arrangements, had a financial incentive to do so. Those efforts to seek out potentially profitable intellectual properties, however, had resulted in the Foundation' getting off track from its central University mission. The new Assistant Vice-President, Technology Transfer and Executive Director of I.U.T. would be able to assess the operation's ability to meet demand and could, if appropriate, make a case for enhanced funding.

(f) Revenue potential of the new operation. A member asked whether there was any possibility of an increase in the stream of royalties and other revenues to the University arising from the activities of the new I.U.T. operation. Ms Riggall replied that while revenues had been declining in recent years, it was possible that they might increase in the future. It was very difficult to predict which intellectual properties would be taken up by the private sector and would succeed. In recent years, the Innovations Foundation had

3. Senior Assessor's Report (Cont'd)

(c) University of Toronto Innovations Foundation (Cont'd)

participated in incubator projects to foster early-stage technologies. While that had brought about an increase in revenue, it had also required significant expense.

(g) Use of University expertise. A member noted that there was a great deal of expertise in the area of technology-transfer within the University, for example in the Rotman School of Management. Would the new I.U.T. operation take advantage of that expertise to promote its success? Professor Goel replied in the affirmative. For example, the current Chair of the Board of the Innovations Foundation was Professor Richard Owens, the Executive Director of the Centre for Innovation Law and Policy in the Faculty of Law, and the new I.U.T. committees would continue to draw on the expertise in the University's faculty.

(h) Dissolution rather than reform of the Innovations Foundation. A member suggested that there had presumably been logical reasons for establishing a separate corporation to assist with the protection and commercialization of intellectual property. Why had the University decided to dissolve that corporation rather than change it? Ms Riggall replied that the University had considered moving the technology-transfer group in the Vice-President's office to the Innovations Foundation. That would have had some advantages including a separate compensation structure for staff who could be given incentives for successful commercialization achievements. However, the critical problem that had to be addressed was achieving a better connection with the University's faculty and thereby encouraging more disclosures. There had also been a second problem: the Board of the Foundation, which consisted of outstanding individuals, had been distracted by the need to carry out corporate functions such as monitoring the Foundation's budget. That had reduced the Directors' time available for more valuable functions including the provision of advice on the evaluation of technologies and the arrangement of introductions that would assist in the development of those technologies. In the new structure, there would be no such distraction and there would be two committees, each of which could concentrate on their particular roles: (a) promoting connections with and service to the University's faculty, and (b) advising on and assisting with the development of intellectual properties.

(i) Plan for the new Innovations at the University of Toronto (I.U.T.) A member observed that the significant increase in the activity and budget of the Vice-President, Research and Associate Provost would bring about an element of greater risk. As the I.U.T.'s strategic plan was developed, it would be important for the University's governance to review that plan and its orientation to the University's own academic plan. Professor Goel replied that the Vice-President, Research and Associate Provost would bring a plan to governance for review. A broadly based academic group would help to steer this change. The plan would aim, by bringing the Innovations Foundation back into the University, to focus efforts from profitable commercialization to knowledge transfer. That objective would also have to be reflected in the review of the Inventions Policy,

3. Senior Assessor's Report (Cont'd)

(c) University of Toronto Innovations Foundation (Cont'd)

which was also underway. It might be that the plan would require further investment in this function; if so, that could be considered over time on the basis of the new plan.

4. Sustainability Office Annual Report

Ms Sisam said that the Sustainability Office had been established by the University's Environmental Protection Advisory Committee in 2004 and had since that time enjoyed great success in engaging students, faculty and staff and had established a strong presence on campus. Its activities had included all of the areas identified in the University's *Stepping UP* academic plan, including: enhancement of the student experience through highly successful student engagement; interdisciplinary collaboration involving faculty and students; linking teaching and research through applied research courses; promotion of scholarship and education in a highly relevant and timely field; and promotion of equity and diversity within a large work-study program. Over 100 students had been engaged in the first year of the Sustainability Office's operation, including engagement with special projects such as the Bike-Chain project and the Anti-Idle campaign. Seven students working with the Office had been given Energy Innovators awards by the Government of Canada at a ceremony in Ottawa in February 2005. More recently, an intern had been given the Healthy University Award for her initiation of the Bike-Chain project, and a part-time staff member had been given a student award by the Environmental Protection Advisory Committee. The Office had participated in a major research project on the change of electricity-consumption behaviour, and it had undertaken a comprehensive inventory of energy use and greenhouse gas emissions on campus. The Office was currently working with University staff on energy design standards.

Ms Sisam listed, and expressed gratitude to, the several external supporters of the work of the Office: the City of Toronto Atmospheric Fund, EcoAction, Natural Resources Canada, the Ontario Ministry of the Environment, the City of Toronto Better Buildings Partnership, Human Resources and Skills Development Canada, and the Toronto Dominion Friends of the Environment. She also expressed gratitude to numerous divisions of the University for their support: the Faculty of Arts and Science; the Faculty of Applied Science and Engineering; the Faculty of Medicine; the Centre for Environment; the Department of Facilities and Services; the Faculty of Forestry; the Office of the Vice-President and Provost; the Faculty of Architecture, Landscape, and Design; and the Students' Administrative Council. The Sustainability Office had also had significant partnerships with: Toronto Hydro, Tridel Corporation; the Clean Air Partnership, and Citizens' Environment Watch.

Ms Sisam said that in response to the mandate of the Toronto Atmospheric Fund, the Office had defined its short-term (three-year) mandate as a substantial reduction in the University's consumption of energy and other resources. The medium-term (four- to six-year) mandate was to develop and implement policies and programs to increase energy

4. Sustainability Office Annual Report (Cont'd)

conservation, improve green space, and reduce waste in all of the University's decisions, practices and procedures. The long-term (seven-year and longer) mandate was to establish a culture of sustainability at the University that would be reflected in its functions and operations, resulting in tangible environmental, economic and social benefits.

Ms D'Sousa, a member of the Committee who was a member of the Environmental Protection Advisory Committee and a participant in the work of the Sustainability Office, commented further on the report. She said that the work of the Office had been a very important factor in enhancing the experience of the students who were active in that work. It enriched their educational experience by bringing together students from many varied academic areas including the environmental sciences, public-policy students in Political Science, and ethics students in Philosophy. That facilitated the growth of student participants and the rounding of their educations. The Office had been of great assistance to students in facilitating their research projects and in encouraging their ideas and their creativity. The very successful Bike-Chain project and the Anti-Idling campaign had both originated with student ideas. The experience of students who volunteered had been highly influential in developing their leadership qualities. Ms D'Souza praised the Toronto Atmospheric Fund for its support of the initiative and Professor Beth Savan for her leadership. She noted that members of the Office were planning an open house on March 9 from 1:00 to 4:00 p.m. The Office was located in the Earth Sciences Centre. The student participants were very excited about the event, and Ms D'Souza warmly invited members to attend.

In the course of discussion, a member noted that he had followed the University's efforts to improve the environmental impact of its buildings and its operations since the approval of the University Environmental Protection Policy in 1994. The grant from the Toronto Atmospheric Fund and the establishment of the Sustainability Office had clearly enhanced those efforts, and the work of the Office had captured the imagination of many.

Invited to comment, Mr. Caners said that the work of the Office had gained a very high level of student interest. The most important aspect of the Office's work was its use of the University of Toronto as a laboratory to try out ideas. At the same time, the Office could help the University to improve its own operations and to save money by doing so. It would be very important that the momentum that had been built up be continued.

Professor Goel observed that the report contained very good news. The activities of the Sustainability Office had a clear link to the *Stepping UP* plan objectives.

Among the matters that arose in questions and discussion were the following.

(a) Bike-Chain project. Asked to describe the project, Professor Savan said that the project provided a self-help bicycle repair facility in the parking garage of the Ontario Institute for Studies in Education of the University of Toronto, and it provided workshops

4. Sustainability Office Annual Report (Cont'd)

in such matters as safety and winter cycling. Its objective was to assist members of the University who commuted to campus by bicycle and to encourage others to do so.

(b) Objectives and plans. A member observed that the Sustainability Office had achieved great success in its early phase. Were the Office's new objectives and targets realistic? Was there a strategic plan to achieve them? Professor Savan replied that the Office had completed an inventory of all St. George Campus buildings to determine the steps that would be necessary for those buildings to achieve the energy savings targets set out in the Kyoto protocol. The Office was working with the Facilities and Services Department, which was planning a set of projects, to seek to achieve that goal. Meeting the Kyoto goals would be a challenge, especially at the time when the University was growing so quickly and devoting its resources to constructing so many new buildings.

A member noted that the major grant from the Toronto Atmospheric Fund would run out at the end of the next year, and, with the change of government, Federal funding had become uncertain. Professor Savan replied that ideally the function of the Office should be an on-going one supported by the operating budget. The Office was, however, very active in applying for all available grant support. She noted that the temporary nature of the Office's funding did limit the focus of its activities.

Professor Goel said that this first report from the Sustainability Office had served to initiate discussion of the future of its activities, and he thanked everyone who had participated in its preparation and presentation. He was working with Ms Riggall to develop a more stable approach to the sustainability effort across all campuses. The major grant from the Toronto Atmospheric Fund had provided an opportunity to demonstrate what could be done. The Committee would receive at its March meeting a Project Report on renewal of the utilities infrastructure, which would demonstrate the very substantial positive impact of investments to reduce energy consumption. That proposal was the product of the University's new approach to sustainability.

(c) Reporting. A member noted that information about the Sustainability Office's report would appear in the report of the Planning and Budget Committee, but he urged that it also be presented at other levels of governance, including the Academic Board. He noted that the Environmental Protection Advisory Committee made an annual report to the Business Board. He urged that that rather bureaucratic report include the report of the Sustainability Office. The Secretary undertook to convey the suggestion of a report to the Academic Board to that Board's Agenda Committee. Professor Goel also noted that members could obtain good information from the Office's excellent web site.

(d) Participation by the Mississauga and Scarborough Campuses. A member noted that the work of the Sustainability Office had been limited to the St. George Campus, excluding the federated Universities. He asked whether there would be opportunities for participation by the Mississauga and Scarborough Campuses.

4. Sustainability Office Annual Report (Cont'd)

With respect to the University of Toronto at Mississauga, Professor Savan reported that UTM had hired a coordinator and was providing operating budget support for sustainability initiatives. In that respect, UTM had gone beyond the St. George Campus. The Sustainability Office had been established with broad support but primarily on the basis of the grant from the City of Toronto Atmospheric Fund. Because UTM was located outside of the City, activities at UTM did not qualify for support from the grant. Representatives from the University of Toronto at Scarborough had been invited to participate in the work of the Office, but to date they had not been able to do so. Professor Savan stressed that there were limits to the work the Office could do. If, however, its grant was extended, it might be possible to expand its activities further.

5. School of Graduate Studies: Department of Health Policy, Management and Evaluation: Master of Management of Innovation Program

The Chair reminded members that the Planning and Budget Committee advised the Academic Board on the planning and resource implications of proposals to establish academic programs. The Committee on Academic Policy and Programs had considered the curricular aspects of the proposed Master of Management of Innovation program at its meeting on January 18, 2006 and recommended its approval.

Professor Zaky said that the proposed program was a professional Master's degree program to be offered at the University of Toronto at Mississauga (UTM). It would complement the current UTM Master's degree program in biotechnology. It was directed largely at the health-care sector, and it would be attractive to managers in companies such as research and development operations or innovative health-care management firms. The program would ultimately admit 24 students per year, although it would begin with a much smaller enrolment. The program would form a part of the University's graduate enrolment expansion, and it would therefore be eligible for the Government of Ontario's planned funding for that purpose. That additional government funding, along with tuition fees, would cover the full cost of the program, making it cost-neutral to the University's operating budget. The proposal fit well with UTM's *Stepping UP* plan to expand its offerings of professional Master's degree programs and with its emphasis on the biological sciences.

Among the matters that arose in discussion were the following.

(a) **Name of the degree.** Acknowledging that the matter was within the terms of reference of the Committee on Academic Policy and Programs, a member expressed concern that a program, primarily intended to train managers in the health-care industry, was being given a title with a much broader focus: management of innovation in general. The title might well mislead potential students. Other members suggested the possibility of adding a parenthetical modifier to the title of the program, such as Master of Management of Innovation (Health), or some entirely different title, making it clear that the program was focused on health-sector management. That greater specificity would be useful if other programs were developed such a Master of Management of Innovation

5. School of Graduate Studies: Department of Health Policy, Management and Evaluation: Master of Management of Innovation Program (Cont'd)

in Information Technology. Professor Goel replied that the question of the name of the program had been addressed by the Committee on Academic Policy and Programs. The program, although initially aimed at managers in the health area, was intended to be broadly applicable. It was a collaboration between the Department of Management at UTM and the Department of Health Policy, Management and Evaluation in the Faculty of Medicine and did include a broad range of non-health courses. The title was one that was being adopted at other institutions in North America. If other divisions proposed new master's programs in the management of innovation, Professor Goel hoped that they would develop in collaboration with those units. Moreover, there was no reason that those divisions could not also use the degree and program title if their programs met the same standard of quality and scope. The School of Graduate Studies monitored the use of the names of graduate degrees, and it could propose to differentiate the degree by a parenthetical modifier if appropriate. There had been some general consideration by the Committee on Academic Policy and Programs of the question of the proliferation of degree titles; there were currently about 100 different Master's degrees offered at the University of Toronto. It was, however, a trend across North America to use more descriptive degree names. A member noted that the new degree program was subject to review by the Ontario Council on Graduate Studies, where its title could again be considered.

(b) Tuition fees. A member observed that the full cost of the proposed program was to be recovered from government funding for graduate expansion and tuition fees. What was the amount of the proposed tuition fee? Professor Zaky said that the fee would be subject to the approval of the Business Board. He anticipated that the fee would be about \$19,000 for the twelve-month intensive program.

On motion duly moved and seconded,

YOUR COMMITTEE CONCURS WITH THE RECOMMENDATION
OF THE COMMITTEE ON ACADEMIC POLICY AND PROGRAMS

THAT the Master of Management of Innovation program, to be offered through the Department of Health Policy, Management and Evaluation, be approved, effective September 2006.

6. Faculty of Medicine and University of Toronto at Mississauga: New Medical Academy

The Chair reminded members that, again, the role of the Planning and Budget Committee was to advise the Academic Board on the planning and resource implications of this proposed academic program. The Committee on Academic Policy and Programs had considered this proposal at its meeting on January 18, 2006 and recommended it to the Academic Board for approval.

6. Faculty of Medicine and University of Toronto at Mississauga: New Medical Academy (Cont'd)

Professor Zaky recalled that in its 2005 Budget, the Government of Ontario had provided funding to increase the number of places in the medical doctor (M.D.) programs in Ontario universities. It was proposed that the enrolment increase be accommodated at a new Faculty of Medicine Academy to be located at the University of Toronto at Mississauga (UTM). The proposal would be an extension of the Faculty's program of enrolling its students in Academies associated with a hospital or group of hospitals. The proposed new Academy would work with hospitals in Mississauga and its surrounding area. The total intake of the new Academy would be 36 students per year, including 26 new spaces and ten spaces redistributed from the current Academies, leading to a steady state enrolment of 144 students. The University had already expanded its enrolment in the M.D. program by admitting a further six students in 2005-06 who were being accommodated temporarily in the existing Academies. All medical students would continue to receive one part of their instruction in the Medical Sciences Building on the St. George Campus - their training in Anatomy. Appropriate facilities would be constructed on the Mississauga campus for the remainder of their classroom training. It was expected that the operations of the new Academy would be fully funded by new operating grants from the Province, amounting to \$49,000 per student per year, plus tuition fees. [On February 9, 2005, the Province of Ontario announced funding for this expansion.] In addition, the Province would provide funding for construction of the additional facilities to house the new Academy. The proposal was being brought forward to governance pending this announcement of funding in order to ensure a September 2007 start date could be met.

The following matters arose in questions and discussion.

(a) The appropriateness of expanding Faculty of Medicine enrolment at UTM rather than at the St. George Campus. A member asked whether the expansion of the M.D. program could not be more cost-effectively achieved by expanding enrolment on the St. George Campus, taking advantage of economies of scale. The member's concern was indeed a broader one – the risk that both the Mississauga and Scarborough campuses would seek to mirror the St. George Campus, adding professional programs that could be offered more cost-effectively on only one campus. The matter of cost-effectiveness was a particularly important one at a time when the University was being forced to implement a 5% across-the-board base-budget reduction. In such circumstances, it was necessary to make hard decisions. It was dismaying that the University planned to spend \$20-million to provide facilities for the new Medical Academy at UTM for a relatively small number of students who may be accommodated elsewhere, and it planned to engage new faculty to teach them. There was no analysis to justify that spending. And, there was no comparison of the cost of serving the additional enrolment by establishing a new Academy at UTM rather than by expanding the existing program at the St. George Campus. There was particular need for such analysis given that the additional spending might well force budget reductions and limit facilities development elsewhere.

Professor Goel replied that the decision to recommend expansion at UTM was taken for academic reasons based on the plans of the Faculty of Medicine and UTM. A key need in Ontario was for physicians with a community focus: primary-care physicians as well as community-focused specialists. Traditional medical education had been based in the fully affiliated teaching hospitals, which were becoming more and more the sites of highly specialized procedures. The result was that M.D. training based in those hospitals was leaving physicians without some of the skills they should have for community-based practice. The new Academy would, therefore, provide training that was highly complementary to that provided by the Academies centred in the teaching hospitals around the St. George Campus. UTM was the natural site for the expansion, with its constellation of hospitals and other health-care facilities, which were set to expand to serve the fastest growing population in Canada. Those hospitals and other facilities were currently not well connected with educational institutions. The proposal therefore provided a natural fit, meeting the needs of the University's enrolment expansion and the needs of Peel Region for expanded medical services. UTM had in recent years developed several programs in the health area. The expansion was entirely consistent with the University's academic plan. A large issue in academic planning was the development of a long-term vision for UTM and for the University of Toronto at Scarborough (UTSC). The Academic Board and the Governing Council had approved a number of professional master's degree programs to be located at UTM or UTSC, and over time further proposals would be forthcoming. There was no plan to replicate all of the activities taking place on the St. George Campus, but the visions for the campuses included continued expansion into graduate and professional programs in particular areas. That was an important part of the growth of those campuses. In particular, the undergraduate experience would be enhanced through the links to graduate and professional programs.

Invited to comment, Professor Rosenfield said that the Faculty of Medicine was in general seeking to develop broader links with community-based hospitals and other community health facilities in areas such as Scarborough and York Region. The Faculty already had 300 agencies in its network. The development of the UTM-based Academy represented a very good opportunity for continuing that process, and Professor Rosenfield foresaw the possibility of students in the other Academies taking advantage of the connections developed by the UTM Academy.

A member noted that the proposed Academy's programs, and the presence of medical students on campus, would also be a very positive development for UTM and for students in its science programs.

In response to further discussion, Professor Goel stressed that the greater Toronto area, with its population of about three and a half million people, was the largest urban area served by only a single medical school. For example, in the Boston area, there were four medical schools, each with smaller classes. When, about ten years ago, the Province had encouraged the universities to cut back their medical-school enrolments, the University of

6. Faculty of Medicine and University of Toronto at Mississauga: New Medical Academy (Cont'd)

Toronto at St. George had agreed to accept all of the enrolment reduction because of its view that its very large size was impeding its providing the best possible medical education. It had at the time also established the academies to provide decentralization and to improve the student experience. While it was true that there were economies of scale, there were also diseconomies, and providing medical education above a certain class size would become inefficient, particularly with the small-group, problem-based learning method adopted at the University of Toronto. There were, moreover, other benefits to the model. The Faculty of Medicine teaching staff for the UTM Academy would teach courses in UTM programs, and faculty at UTM departments would teach certain courses to medical students. The interaction among the faculty and students would be highly beneficial.

Professor Goel also stressed that it was a fundamental part of the tri-campus plan that the quality of the experience should be at the same high level at all three campuses. It would be utterly inappropriate to have one campus with a broad array of programs and two others limited only to Arts and Science. There was therefore to be some graduate and professional-school teaching and research on all of the campuses.

Professor Whiteside stressed that the fully affiliated teaching hospitals were becoming increasingly quaternary-level hospitals, carrying out only highly specialized treatment procedures. The Hospital for Sick Children, for example, was becoming increasingly a resource for all of Canada rather than a general pediatric hospital, and general pediatric treatment was now being provided in hospitals across Metropolitan Toronto. There was need for over half of medical graduates to focus their practice on the community – primary care physicians as well as general surgeons and internists. That made it critical for the University to have partnerships with excellent teachers practicing in hospitals other than the current fully affiliated teaching hospitals. The Ministry of Health and Long-Term Care had recognized that need, and (for example) the University of Western Ontario was now training students in facilities in Windsor, and Queen's University was doing so in Peterborough.

A member stressed that the proposed Academy was to be funded by new, specifically directed funds. Its establishment and operation would not disadvantage any other division or program. Professor Whiteside confirmed that the agreement with the Province was specifically to fund this proposal. The new funding was to be used, and would be used, only for training additional students in the M.D. program. It was not available for any other purpose. The University would, in accordance with usual practice, receive a part of the funding to cover overhead costs. In that way, other divisions would benefit in that they would have to bear a slightly lower share of the general University overhead costs.

6. Faculty of Medicine and University of Toronto at Mississauga: New Medical Academy (Cont'd)

(b) Opportunities for the University of Toronto at Scarborough. A member observed that there were a number of hospitals nearby the UTSC campus, as well as a significant area to the north and east of the campus with hospitals that were not affiliated with any medical school. Was there a possibility of a Medical Academy being established at UTSC? Professor Whiteside replied that the Faculty had just recently established an affiliation agreement with the Rouge Valley Hospital and had agreements in place with a number of other hospitals in the area. She did indeed plan to consider the possibility of expanding the teaching of the health professions to UTSC, and she had initiated discussions with the Vice-President and Principal about the matter. While that expansion would not likely include a new Academy to train medical doctors, it could well include expansion of the training in areas such as nursing, rehabilitation, and medical radiation science. UTSC had the advantage of being located in an area of broad cultural diversity, which would present unique opportunities for training community-focused health professionals as well as professionals in international health-care delivery.

(c) Transportation needs. A member observed that students in the new Academy would have need to commute to the St. George Campus for at least a part of their training and they would also have to commute to the local hospitals and other health-care institutions. The existing intercampus shuttle bus service was expensive and might be inadequate to serve the increased enrolment, and the public transit service in Mississauga did not provide good links to the hospitals. Professor Rosenfield assured the Committee that transportation needs had been identified in the planning process and provision had been made within the budget. The need for transportation would include not only that for students but also for other staff such as non-physician tutors. In addition, the Faculty would seek to arrange class schedules to minimize the need for inter-campus commuting. Many of the Academy's students would be living on the UTM Campus, in designated residence spaces.

(d) Planning: consultation with medical students. In response to a member's question, Professor Rosenfield said that the President of the Medical Society had been on the main steering committee to plan the proposed new Academy, and students were represented on all other committees connected with the proposal.

In the course of discussion, a member stated his strong support for the proposal. The University of Toronto had been criticized for its lack of community exposure; the proposal would contribute to the University's service and links to the community.

6. Faculty of Medicine and University of Toronto at Mississauga: New Medical Academy (Cont'd)

On motion duly moved and seconded,

YOUR COMMITTEE CONCURS WITH THE RECOMMENDATION
OF THE COMMITTEE ON ACADEMIC POLICY AND PROGRAMS

THAT a new Academy of the Faculty of Medicine, based at the University of Toronto at Mississauga, in partnership with the Mississauga community-affiliated hospitals, be approved as submitted, contingent on a government decision and announcement.

7. Capital Project: Faculty of Medicine and University of Toronto at Mississauga: New Medical Academy - Project Planning Committee: Membership and Terms of Reference

The Committee received for information the membership and terms of reference for the Project Planning Committee for the facilities for the proposed new Medical Academy to be located at the University of Toronto at Mississauga (UTM).

Two matters arose in discussion.

(a) "Ownership" of the facility. A member noted that the facility would presumably provide specialized facilities for training medical students, but it would be located at UTM and the use of the building would be shared between the Faculty of Medicine's Academy and the UTM Arts and Science programs. Which division would own/control the building? How would operating costs be allocated? Professor Goel replied that formal ownership would reside with the University of Toronto. UTM would be responsible for its operation. The revenue arising from the enrolment increase and the costs to train the medical students, including the operating costs of the new facility, would be shared. Professor Goel stressed that the new Medical Academy was a part of the vision to expand science programs at UTM, the new program was associated with the UTM science program, and the new facility was clearly a UTM facility. Professor Pfeiffer added that many University buildings had multiple users, with the costs of the buildings being attributed to the various users. The Chair noted that it was not intended that the proposed new facility would contain specialized facilities; rather it would include such facilities as classrooms and student lockers.

(b) Borrowing for the facility. A member noted that the Government of Ontario would provide a total of \$14.5-million over twenty years. Professor Goel explained that the University would be expected to borrow the cost of the facility, with the Ontario Government providing funding to service the loan. The member expressed concern that the arrangement would put the University at risk because a change in government could lead to a failure to provide the promised payments. In addition, it would presumably be more costly for the University to borrow the money than for the Province to do so.

7. Capital Project: Faculty of Medicine and University of Toronto at Mississauga: New Medical Academy - Project Planning Committee: Membership and Terms of Reference (Cont'd)

Professor Goel and Ms Riggall replied that the Ontario Government had established a new financing authority - the Ontario Strategic Infrastructure Financing Authority or OSIFA - which would provide loans for the Provincial funds for university and municipal infrastructure facilities. While OSIFA would be a desirable source of borrowing for smaller municipalities and universities, the University of Toronto might well decide to make its own borrowing arrangements. A proposal would be taken to the Business Board. The University had already established a credit rating which was in fact marginally higher than the Province's, and it would be able to borrow independently at as good a rate of interest or better than from the Provincial agency. In addition, the University was able to issue debentures for the necessary borrowing without special covenants. Loans through the new Ontario financing authority would include more restrictions.

(c) The new Academy and the tri-campus planning process. A member asked whether UTM and UTSC had submitted academic plans. Was the medical academy a part of the UTM academic plan? How were priorities established for capital projects among the campuses? How were trade-offs made with other projects?

Professor Goel replied that the proposal for the Medical Academy had emerged from the UTM academic planning process. That process had been conducted in consultation with the Faculty of Medicine. Mississauga had been named by the World Health Organization as a Healthy City, and UTM was engaged in many health-related areas, such as a regional training centre for aging and health. The University and its two divisions had worked with the Province to create that opportunity.

The member said that a number of people in the University were concerned about tri-campus planning decisions. It was difficult to know how decisions were made and priorities established and how trade-offs were made for the use of limited resources. The member asked for greater clarity with respect to the planning process. Although it was understood that there would be need from time to time to alter plans to take advantage of opportunities, it was important that plans be broadly understood across the University.

8. Capital Project: Rotman School of Management: Expansion - Project Planning Committee: Membership and Terms of Reference

The Committee received for information the membership and terms of reference for the Project Planning Committee for the proposed expansion of the facilities for the Rotman School of Management.

8. Capital Project: Rotman School of Management: Expansion - Project Planning Committee: Membership and Terms of Reference (Cont'd)

The following matters arose in discussion.

(a) Borrowing capacity: availability. A member asked whether the University had further borrowing capacity available for capital projects. Professor Goel replied that at the present time, all available borrowing capacity had been assigned on a notional basis to projects. He was, however, working with the Vice-President, Business Affairs and the Chief Financial Officer on a proposal to the Business Board to permit further borrowing. Maximum borrowing capacity had been defined in the Borrowing Strategy as 40% of the University's five-year average capital or net assets. That latter amount had increased. Therefore, it was reasonable to recommend an increase in authorized borrowing. There was likely to be a complication with respect to borrowing. As noted above, future Provincial funding for capital projects to fund Faculty of Medicine and graduate expansion was likely to be provided not in the form of grants but rather in the form of a stream of payments to service debt to be incurred to construct the facilities. The administration was considering how best to handle that new situation. In terms of debt capacity, it seemed reasonable to consider the debt to be serviced by the Province separately from the debt that would be serviced by the University from its own funds.

(b) Borrowing capacity: allocation. A member noted that the proposal to expand the facilities of the Rotman School was intended to accommodate graduate enrolment expansion. Would this proposal affect the line-up for funds for other facilities for graduate enrolment expansion? Professor Goel recalled that the use of the existing borrowing capacity had been outlined in the Capital Plan that had been presented to the Committee in the fall of 2004. Notional use of borrowing capacity had been allocated to projects in the appropriate category in that Plan. It had been made clear to the divisions that in the absence of further borrowing capacity, their projects would be able to proceed only with full funding. If new borrowing capacity was to be approved, it would not be allocated on a "first out of the gate" basis. Rather, there would be consultation and a process for allocating that capacity through a review of the Capital Plan, which would be brought back to the Planning and Budget Committee.

9. Date of Next Meeting

The Chair reminded members that the next regular meeting of the Committee was scheduled for Tuesday, February 28, 2006 at 4:10 p.m. in the Council Chamber.

10. Other Business

Capital Project: Faculty of Law Preliminary Project Planning Report

A member recalled that the Governing Council had in the spring of 2005 approved a Preliminary Project Planning Report for the relocation of the Faculty of Law to site 12, on the west side of Devonshire Place, south of Bloor Street, including 315 Bloor Street West (current location of the Office of Admissions and Awards). The approval was

10. Other Business (Cont'd)

Capital Project: Faculty of Law Preliminary Project Planning Report
(Cont'd)

subject to the identification of full funding. Professor Goel recalled that the approval was a preliminary one designed to enable the Faculty of Law to determine in the next twelve months whether it would be able to raise the necessary funds. With the departure of the then-Dean, the process had been put in abeyance. The new Dean would initiate a process to determine the Faculty's current view about the desirability of the proposed relocation compared to the new possibility of development on the Faculty's current site. At the time of the earlier proposal, it appeared highly unlikely that the University would be able to obtain rezoning for the current site, but the recent withdrawn proposal from the Royal Ontario Museum for a very tall tower on its adjacent site made it appropriate to reexamine the possibility of requesting rezoning to allow a much more modest development on the Faculty of Law site. The Faculty was examining various possibilities.

The meeting adjourned at 6:00 p.m.

Secretary

Chair

February 22, 2006