



# Alternative Funding Sources Advisory Group Report to the President and VP & Provost

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**BUSINESS BOARD**

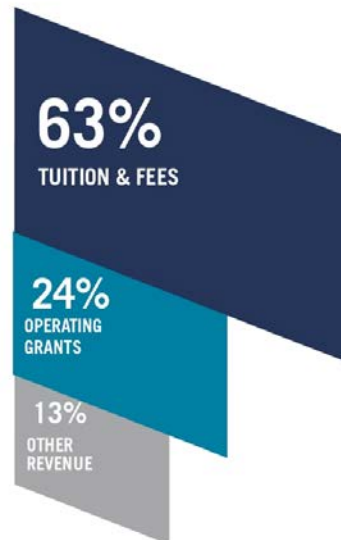
**JUNE 18, 2019**

# Context and process

- **AFS AG - one of 5 groups under Budget Model Review process**
- **Ensure the Budget Model continues to serve the University**
- **Other groups covered:**
  - **Strategic Mandate Agreement Implementation**
  - **Cost Efficiencies**
  - **Tri-Campus Budget Relationships**
  - **Inter-Divisional Teaching**

# What does the report cover?

- **Recommends options for UofT to consider to generate new revenue sources or expand on existing revenue sources in new and diversified ways**
- **Considers how UofT might reduce reliance on traditional tuition, student fees and operating grants (total revenue in 2017-18 was \$3.4b of which \$2.6b is operating fund)**



# The working group process

- **Sub-working groups each with specific focus:**
  - **Real estate**
  - **Research, innovation and entrepreneurship**
  - **Teaching and learning**
  - **Partnerships and international**
  - **Financial**
- **Consultation across University and with peer institutions**
- **Literature review and environmental scan**

# Guiding principles

- 1. Support core mission & align with UofT's strategic vision**
- 2. Protect rights of academic freedom**
- 3. Uphold financial aid commitment**
- 4. Retain student-centered approach**
- 5. Be sustainable & generate net revenue in due time**

# Foundations or “pre-existing conditions”

- 1. Leveraging U of T’s reputation**
- 2. Building pipelines of actionable ideas**
- 3. Creating financial capacity and flexibility**
- 4. Creating physical capacity**
- 5. Aligning incentives**

# Recommendations: Building on U of T's core strengths



**Knowledge**



Real estate & physical infrastructure



Financial resources

# Recommendation 1: Expand learning opportunities

- **Respond to needs of learners at all stages and ages**
- **Intensify continuing education and skills upgrading offerings**
- **Engage deeply with industry and community**
- **Expand online offerings**
- **Build on areas of success at UofT: SCS, Engineering, Rotman, OISE, Medicine, Law ...**





# Recommendations: Building on U of T's core strengths



Knowledge



**Real estate & physical infrastructure**



Financial resources

# Recommendations 10 & 11: Endorse and expand Four Corners real estate strategy

- **Four Corners strategy focusses on spaces for:**
  - **Housing for faculty, staff, and students**
  - **Promoting innovation and commercialization**
  - **Supporting civic engagement**
- **Double bottom line goal:**
  - **Facilitate amenity uses that support academic mission**
  - **Generate financial returns to direct toward operating fund → \$60M annually**
- **Strategy could be expanded as a template for all space**



# Recommendations: Building on U of T's Core Strengths



Knowledge



Real estate & physical infrastructure



**Financial resources**

# Recommendation: Create financial capacity and flexibility

- **Report contains two specific recommendations around financial resources**
- **This review provides a catalyst to revisit the very successful budget mode with a view to optimizing the budget model to the benefit of everyone:**
  - **Role of the centre**
  - **Creating cross-divisional capacity**
  - **Putting reserves to work**



## In Summary

- **UofT has enormous opportunity to build on our core strengths to generate new revenue sources or expand on existing revenue sources in new and diversified ways**
- **UofT should also consider actions that are not directly revenue-generating, yet essential to building a strong foundation for future new or expanded revenues**
- **UofT is already highly successful in developing initiatives that generate revenues in non-traditional ways – many initiatives across 3 campuses could be scaled up so that the “whole is greater than the sum of the parts”**

# Questions and discussion