

Budget 2021-22

and Long Range Budget Guidelines
2021-22 to 2025-26



UNIVERSITY OF
TORONTO

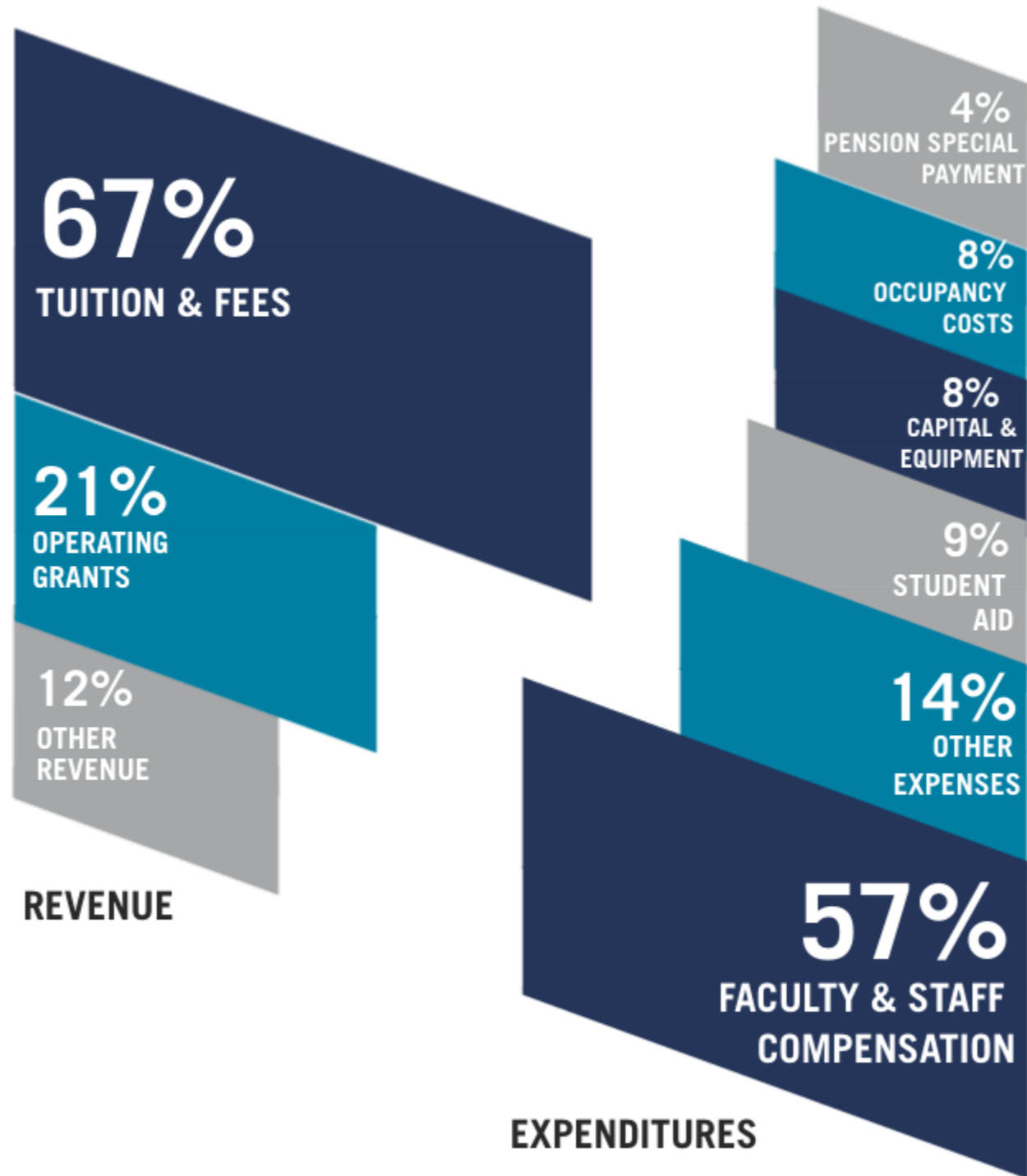
1 Budget Overview



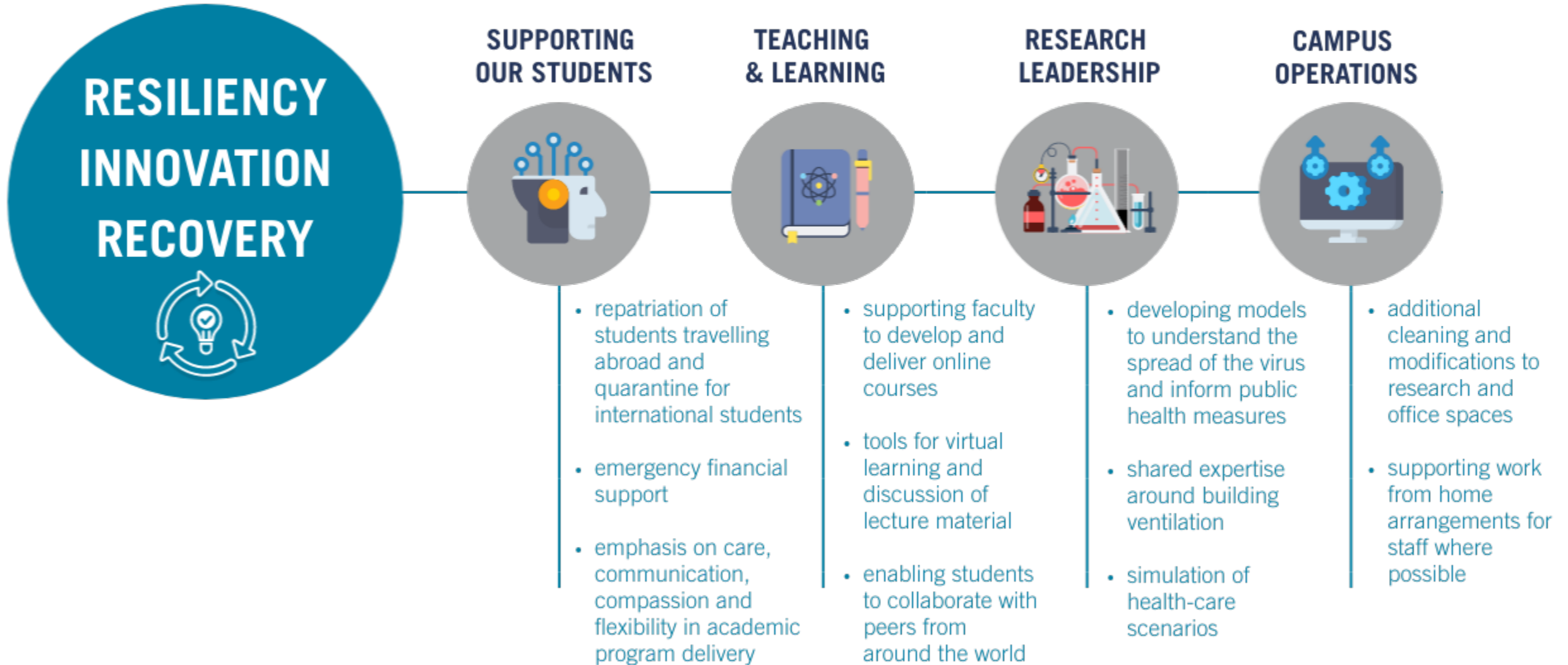
2021-2022

Balanced Budget

\$3.12 BILLION



RESPONDING TO THE COVID-19 PANDEMIC



IMPACTS OF COVID-19: THE OPERATING BUDGET



The university was able to deliver the vast majority of programs in alternate formats



Fall 2020 incoming undergraduate class was 0.2% larger than in Fall 2019



Fall 2020 international cohort was the largest in UofT's history



UNPLANNED EXPENDITURES



- emergency supports for students
- increased health and safety measures
- IT tools for online teaching and remote work

COST SAVINGS



- significant reduction in travel costs
- occupancy savings due to lower on campus activity
- salary restraint agreements with employee groups

INNOVATION & OPPORTUNITY



- online courses, tools, and teaching innovations
- IT platforms for the future of administrative work
- new opportunities for research and partnerships

IMPACTS OF COVID-19: ANCILLARY SERVICES



Ancillary Services are crucial to university life on campus for staff, students & faculty.



Decrease in on-campus activity led to reduced revenues for campus services.



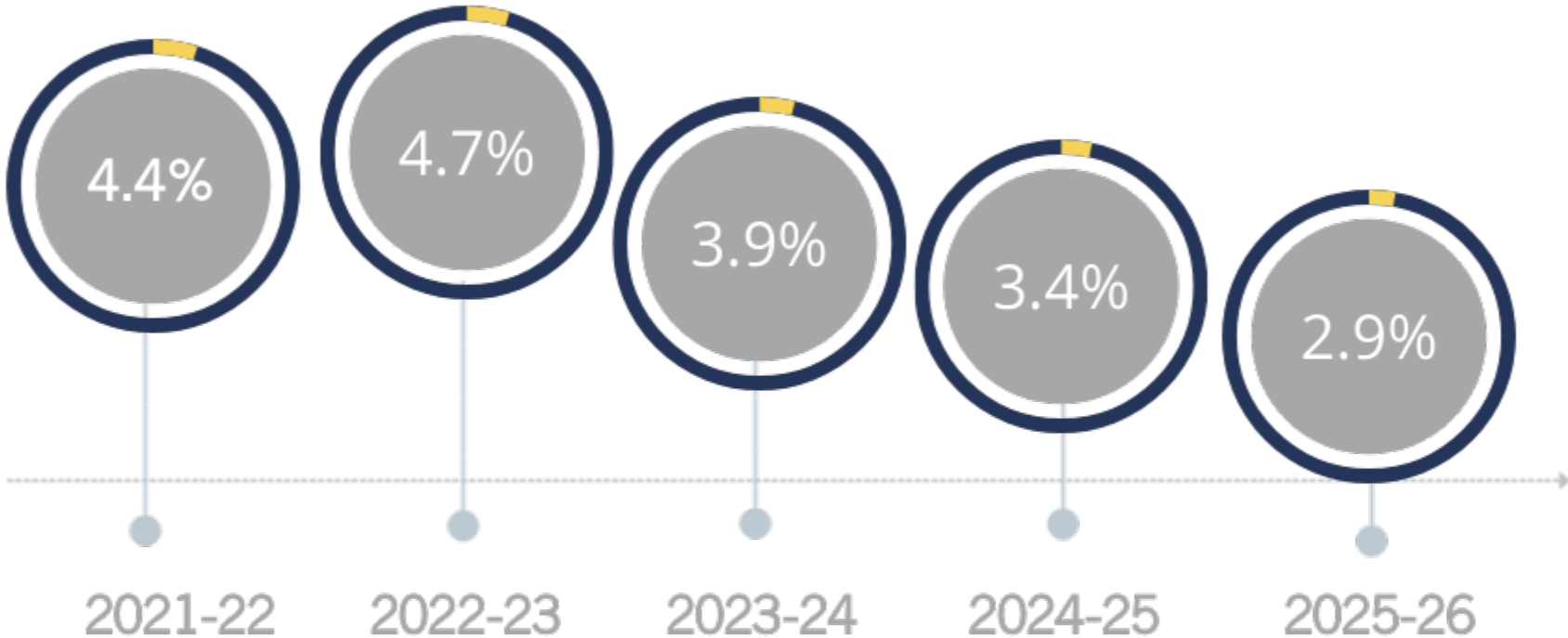
Despite cost containment measures, financial losses were unavoidable.



Ancillary services are normally self-sustaining, but may need financial support until fully recovered.

PROJECTED REVENUE GROWTH RATES

IS OUR REVENUE GROWTH COVERING OUR COSTS?



AVERAGE REVENUE INCREASE



4.4%

EVEN THOUGH THE AVERAGE GROWTH RATE IS 4.4%, THERE IS A WIDE RANGE IN BUDGET CHANGES BY DIVISION.



RANGE OF DIVISIONAL REVENUE GROWTH RATES

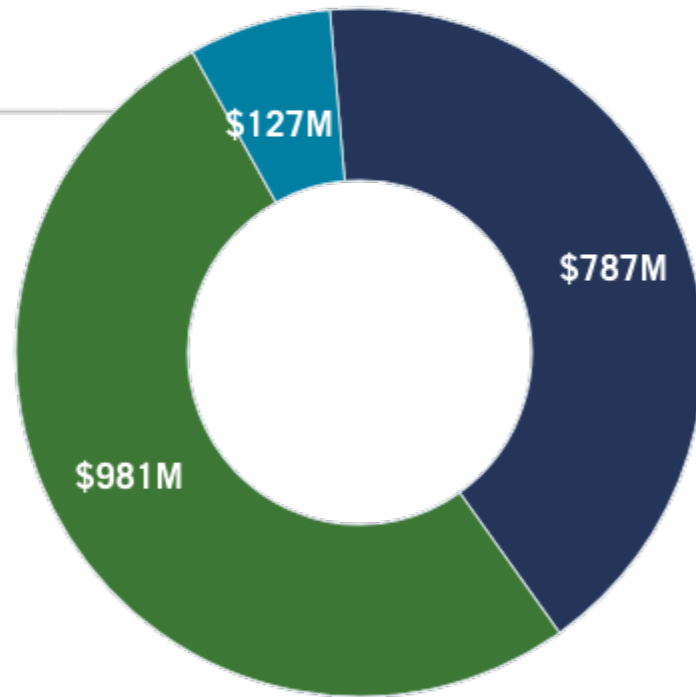
-2% ↔ **11%**

COMPENSATION

2021-22 Compensation Budget
\$1.89 BILLION (estimated)

ACADEMIC COMPENSATION

-  \$795 MILLION
FACULTY & LIBRARIANS
-  \$41 MILLION
SESSIONAL LECTURERS
-  \$78 MILLION
TEACHING ASSISTANTS
-  \$46 MILLION
TEACHING STIPENDS
-  \$21 MILLION
OTHER ACADEMIC



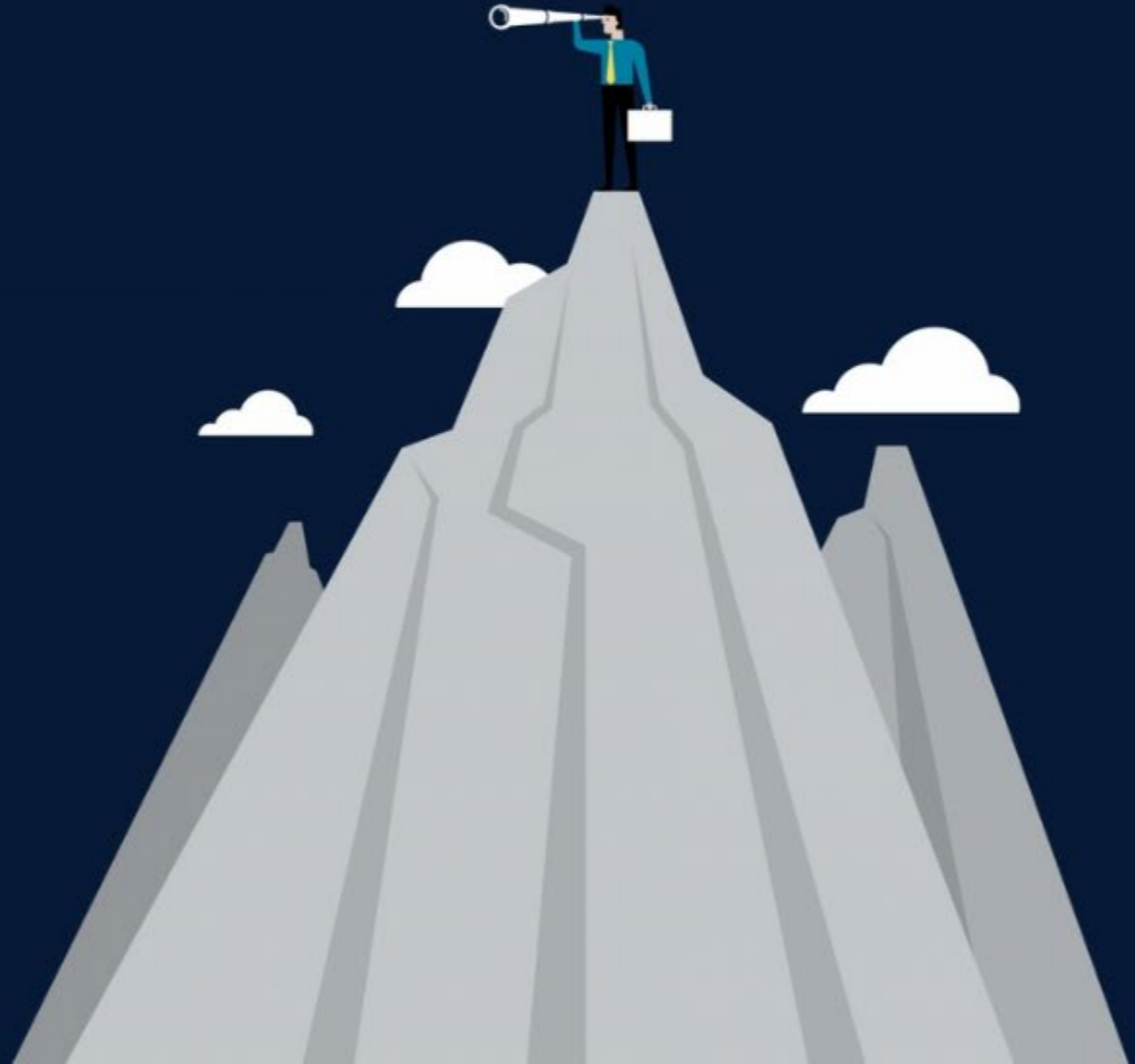
■ Staff Compensation \$787M ■ Academic Compensation \$981M
■ Pension Special Payment \$127M

2020-21
BUDGET
\$1.82 BILLION
+
2021-22
BUDGET INCREASE
\$75 MILLION

BILL 124

- Protecting a Sustainable Public Sector for Future Generations Act, 2019
- Imposes restraint on increases for a 3-year period.

2 Changing Financial Landscape



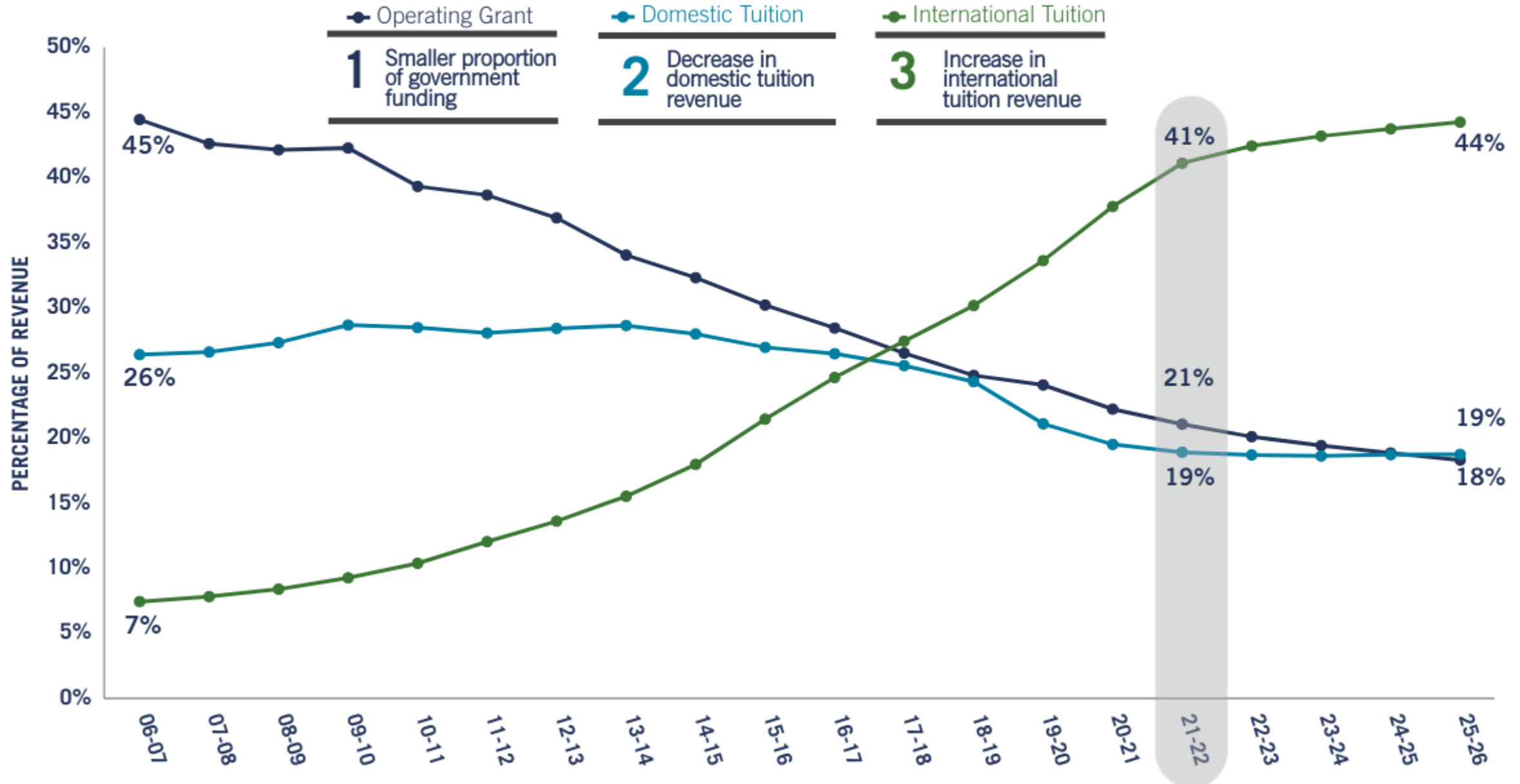
PROVINCIAL TUITION FEE FRAMEWORK



*2021-22 TUITION FEE FRAMEWORK NOT YET CONFIRMED

For the purposes of the budget, divisions have been asked to consider a scenario in which the tuition fee freeze continues for the upcoming 2021-22 year.

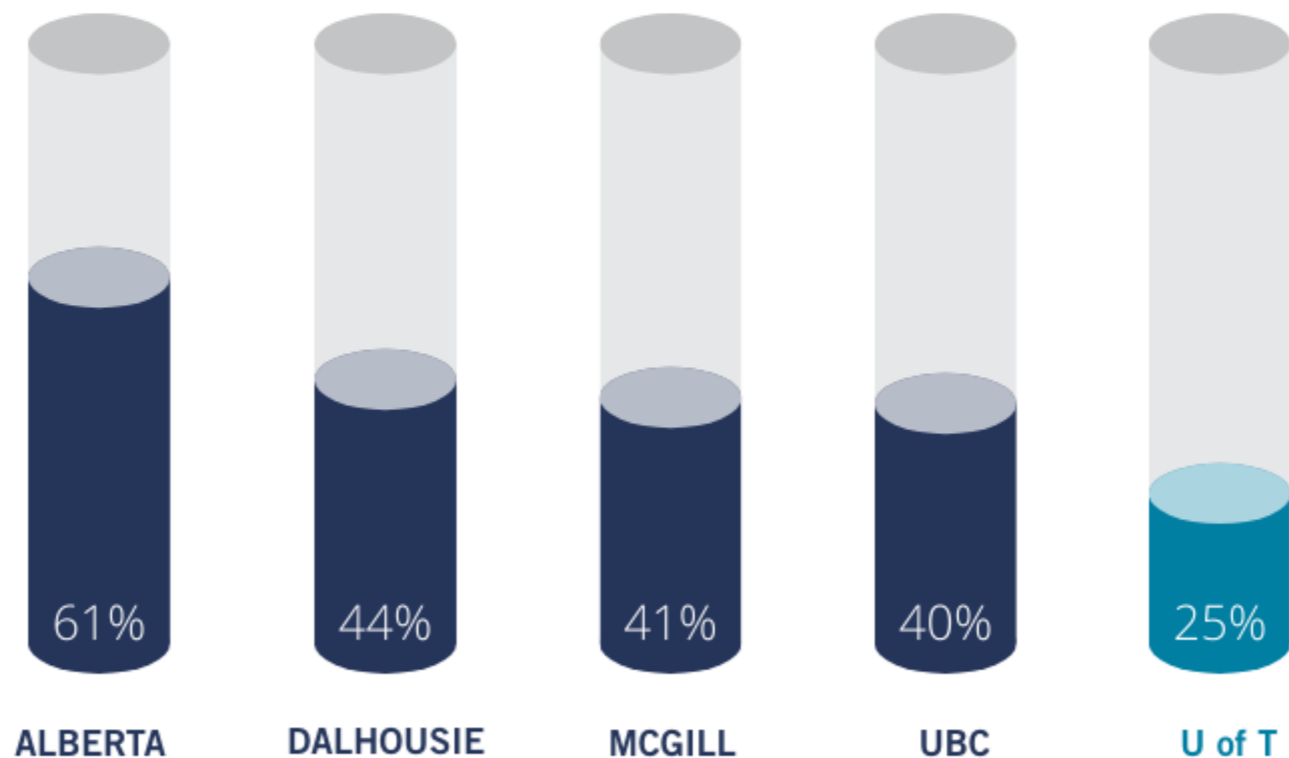
CHANGE IN SOURCES OF REVENUE



PROVINCIAL FUNDING PEER COMPARISON

U15 University Data Exchange, 2018-19

Provincial Operating Grant as a Proportion of Total Operating Revenue



The University of Toronto receives the lowest amount of per-student government funding among peers.

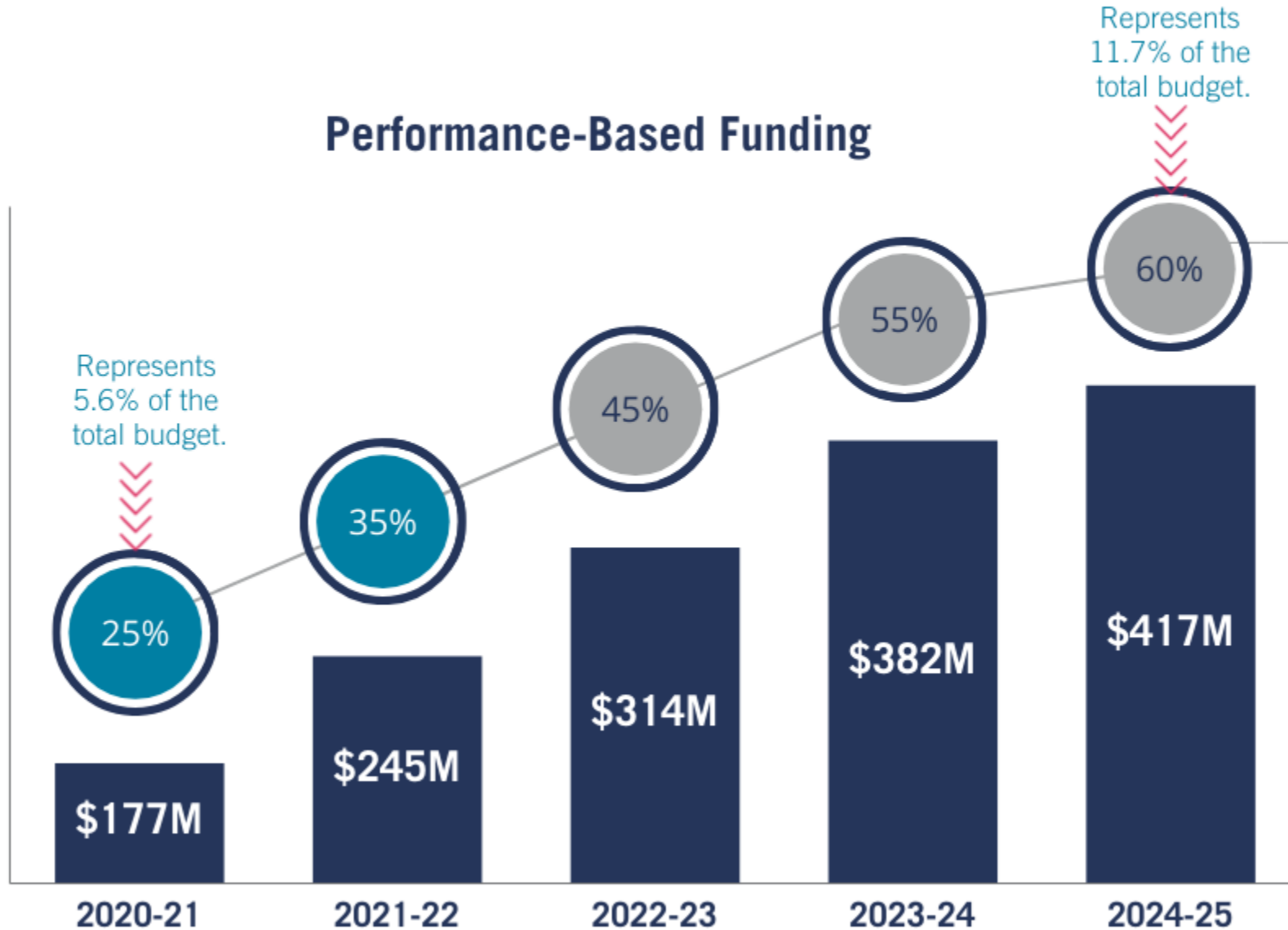
47%

**LESS FUNDING
PER STUDENT
THAN U of A.**

U of T received less operating grant support than the University of Alberta, despite enrolling twice as many students.

STRATEGIC MANDATE AGREEMENT

Performance-Based Funding



Represents 5.6% of the total budget.

Represents 11.7% of the total budget.

Represents % of total provincial funding. The SMA3 will phase in the proportion of funding tied to metrics throughout the term of the agreement.



IMPACT OF COVID-19

Funding will not be at risk until at least 2022-23. Metrics will be re-evaluated annually to assess potential impacts of COVID on performance outcomes.

3 Students: Affordability, Access & Outcomes



UNDERGRADUATE ENROLMENT RESULTS



FALL 2020

39,455 ● — ST. GEORGE — ● 40,318

13,175 ● — UTM — ● 13,351

11,484 ● — UTSC — ● 11,578

TOTAL ENROLMENT
2020-21

65,246

Total undergraduate enrolment including both domestic and international students.

VARIANCE TO PLAN

+ 1,132



UNDERGRADUATE ENROLMENT RESULTS

2020-21

DOMESTIC ENROLMENT VARIANCE TO PLAN



ST GEORGE



UTM



UTSC

OVERALL VARIANCE OF

0.7%

IN DOMESTIC
ENROLMENT TO
PLAN

INTERNATIONAL ENROLMENT VARIANCE TO PLAN



ST GEORGE



UTM



UTSC

OVERALL VARIANCE OF

4.7%

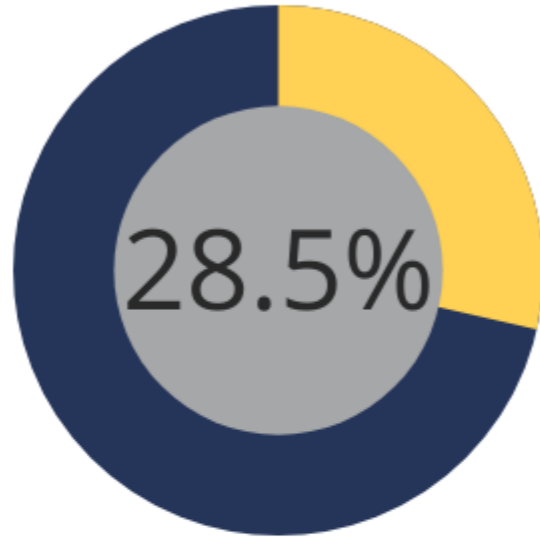
IN INTERNATIONAL
ENROLMENT TO PLAN

2020 - 2025

PLANNED INTERNATIONAL SHARE
OF TOTAL

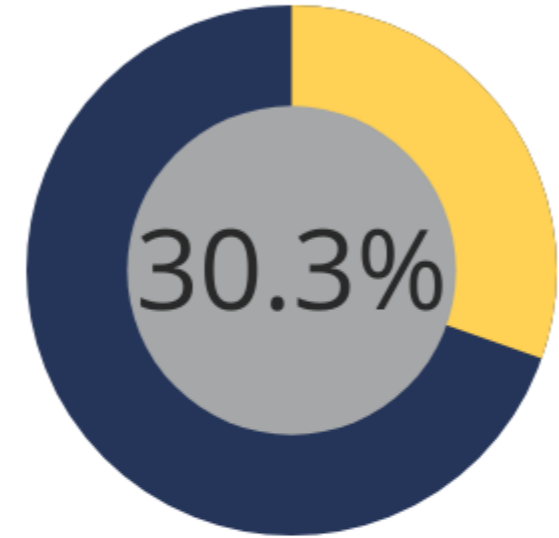
UNDERGRADUATE

ENROLMENT



2020-21

Total international
student FTE is
18,570

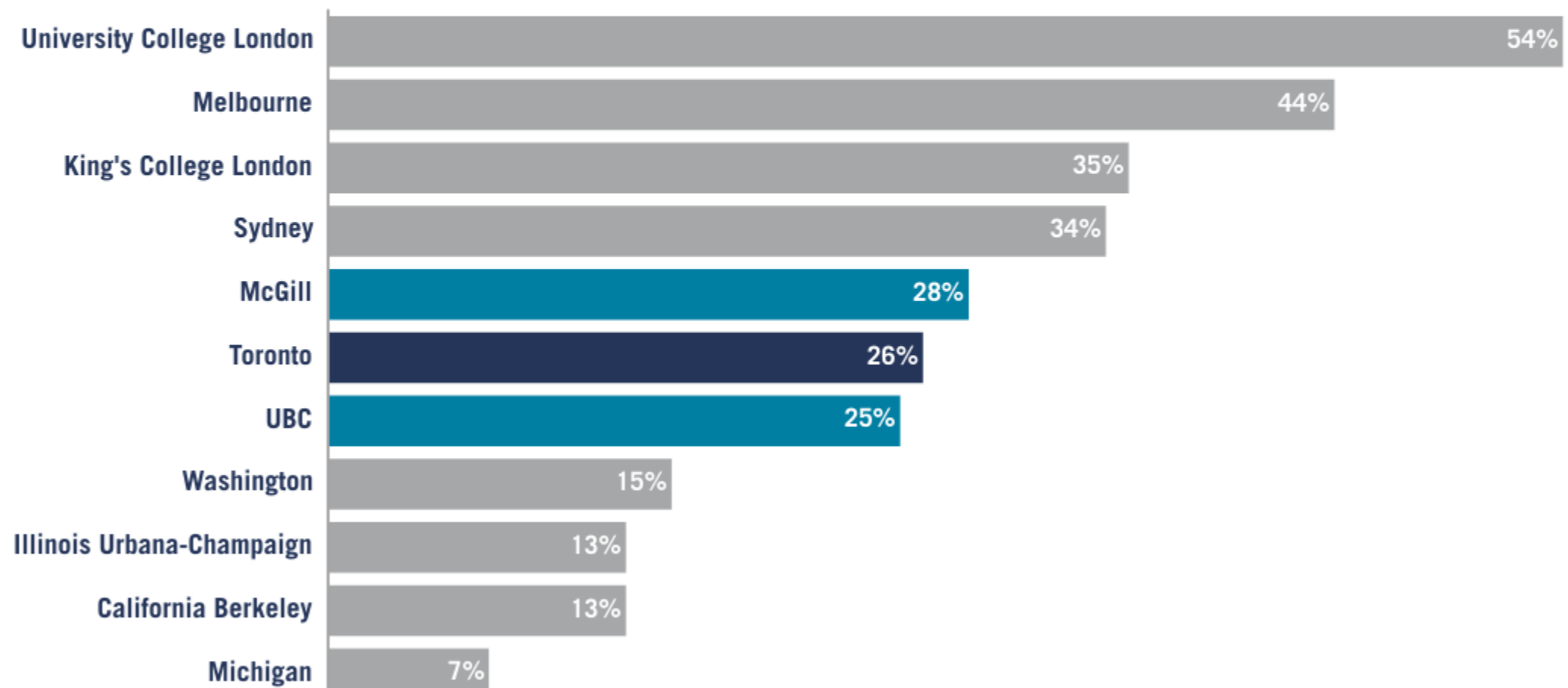


2025-26

Planned international
student FTE will
increase to
20,631

International Undergraduate Enrolment - Fall 2019

International Percentage of Total Enrolment - Fall 2019
International & Canadian Peer Institutions



PROVINCIAL FEE FRAMEWORK & OSAP CHANGES

1

DECREASE IN STICKER PRICE

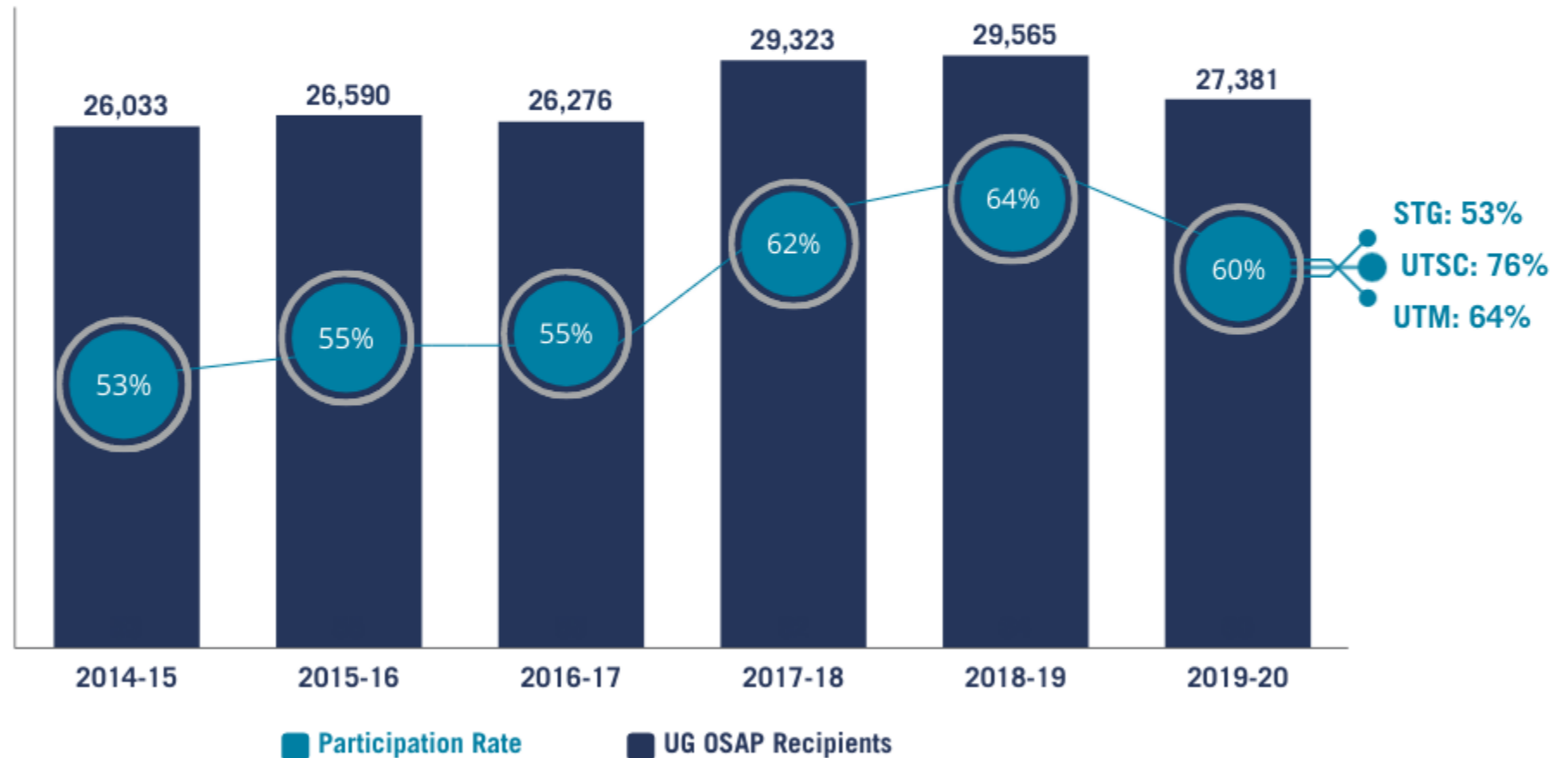
10% reduction to domestic tuition fees in all undergraduate and graduate programs

2

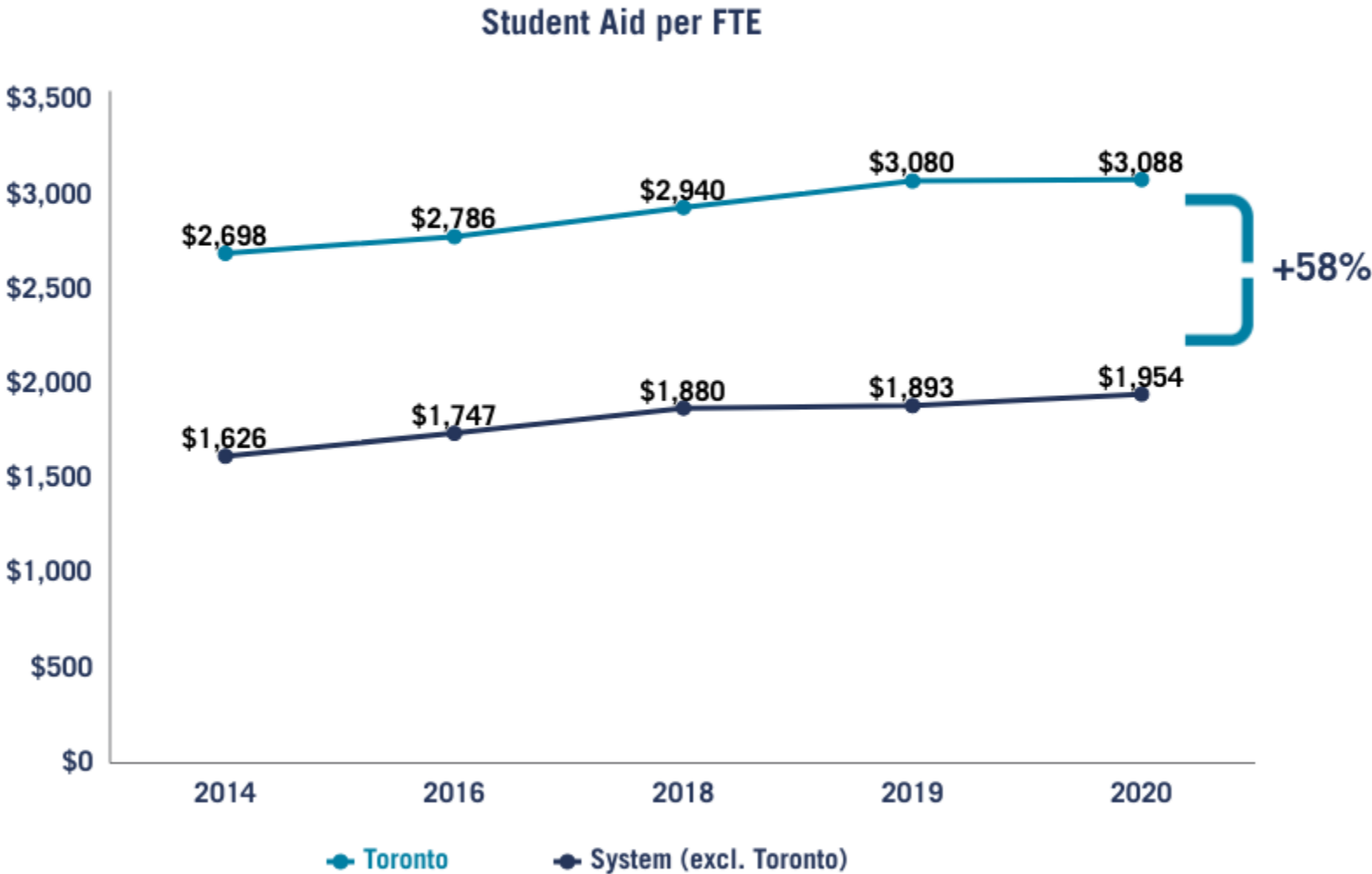
CHANGES TO PROVINCIAL OSAP CRITERIA

Requires a larger contribution from parents with a maximum household income of \$140K.

Undergraduate OSAP Participation Rates
University of Toronto



STUDENT AID EXPENDITURES



**\$291
MILLION**

Financial Aid Budget
2021-22

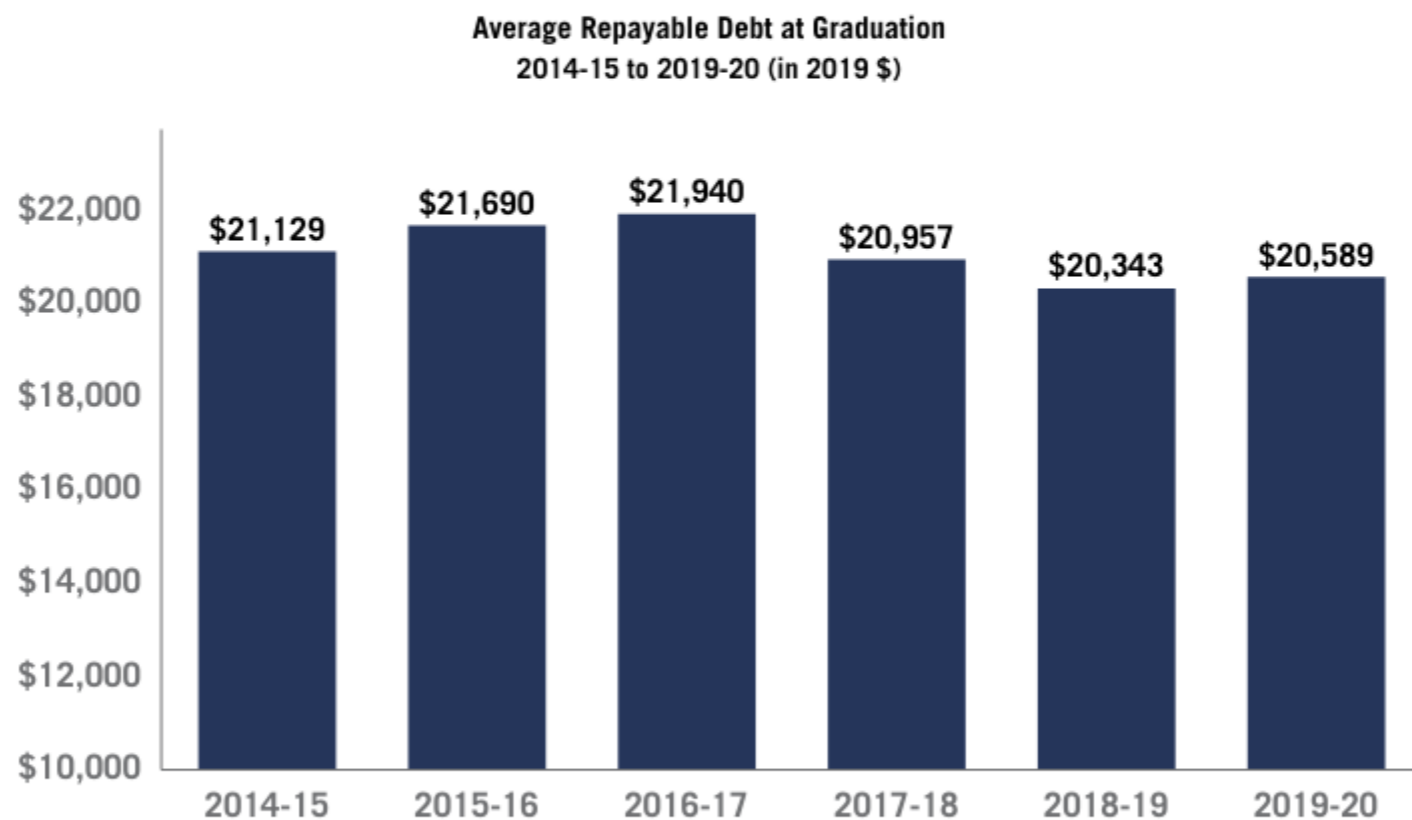
UofT's COMMITMENT TO FINANCIAL AID REMAINS

“ *No student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means.* ”

*University of Toronto
Policy on Student
Financial Support (1998)*

STUDENT DEBT LOAD 2014 - 2020

(OF THOSE WITH OSAP DEBT)



DID YOU KNOW...



2019-20 AVERAGE REPAYABLE DEBT HAS DECLINED 2.6% IN REAL TERMS SINCE 2014-15
REPAYABLE AVERAGE DEBT AT GRADUATION



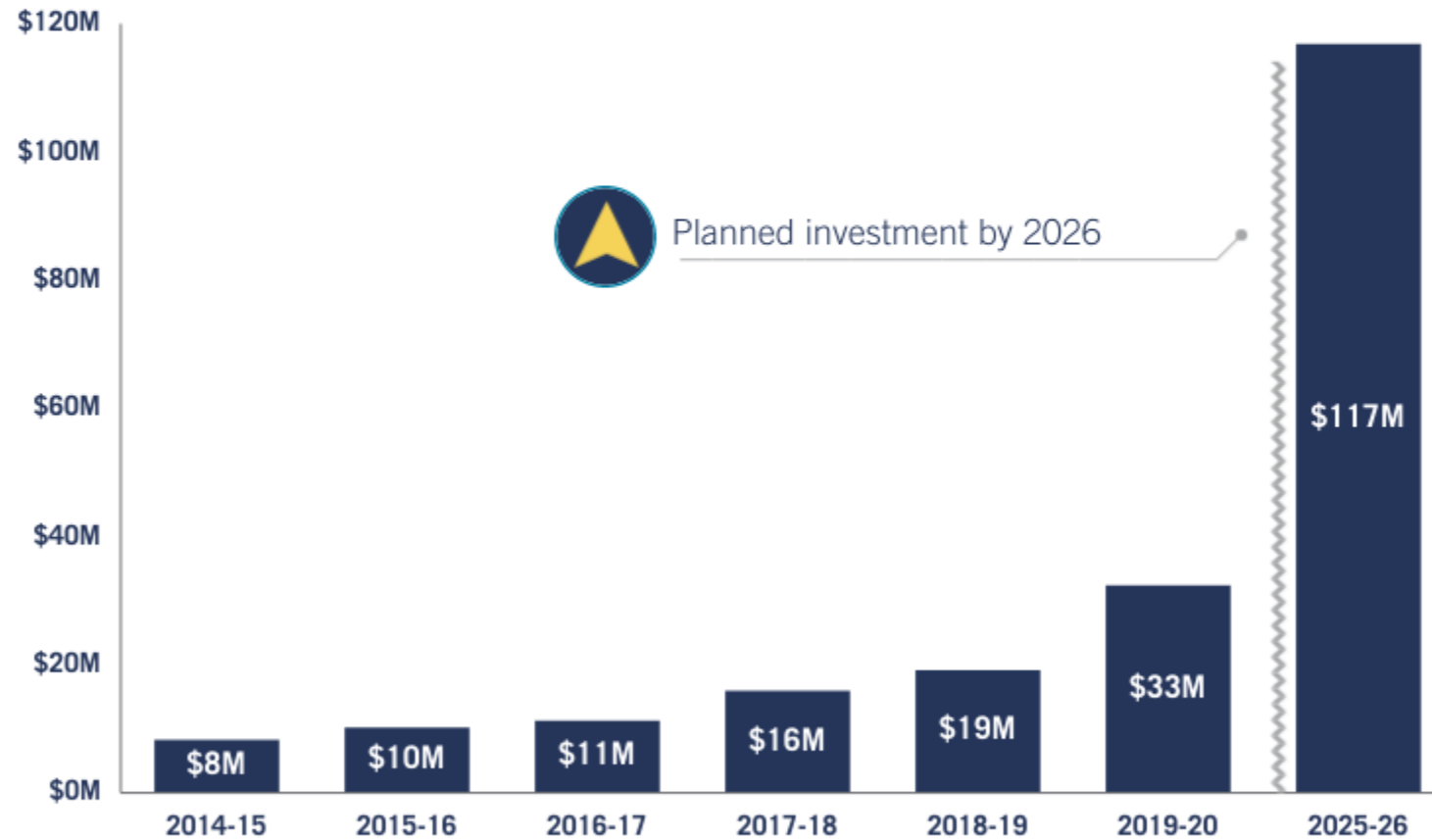
OF UG STUDENTS HAVE NO OSAP DEBT UPON GRADUATION.
DIRECT ENTRY UNDERGRADUATE STUDENTS



RATE OF DEFAULT ON OSAP LOANS
VERSUS 3.2% FOR OTHER ONTARIO UNIVERSITIES

INTERNATIONAL SCHOLARSHIP PROGRAMS

International Student Scholarship Funding



**+\$84
MILLION**

Total increase in scholarships
funded from re-investment of
international fee revenue.

GLOBAL RANKINGS - GRADUATE EMPLOYABILITY



8th

OVERALL IN THE
WORLD

**This is an increase of 7
positions from last year**



4th

OUT OF ALL PUBLICLY
FUNDED INSTITUTIONS
GLOBALLY

**This is an increase of 1
position from last year**



1st

OUT OF ALL PUBLICLY
FUNDED INSTITUTIONS
IN NORTH AMERICA

**UofT maintains top
ranking for 2020**

*based on Times Higher Education Rankings (2020)

4 Strategic Priorities



BUDGET PRIORITY: STUDENTS

MENTAL HEALTH



Mental health service redesign, expanded counselling options, mental health literacy and education, research focus on youth mental health. Successful advocacy for Provincial funding to increase mental health services for post-secondary students.

ENRICHING LEARNING



Experiential learning, work-integrated learning, and research experiences; academic advising and student success initiatives; support for outbound global experiences; financial framework for inter-divisional teaching.

BUILT ENVIRONMENT



Renewal of classroom infrastructure, improvements to IT infrastructure to facilitate remote and on-campus learning, upgrading facilities for AODA compliance, and creating non-academic and co-curricular spaces for student use.

STUDENT SUPPORTS



Investments in undergraduate financial aid and graduate student funding packages; innovation in online student service delivery; expanding access to academic advising; focus on retention and student academic success.

UNIVERSITY FUND ALLOCATION

\$4.5M

Inclusive Excellence



- Post Docs for under-represented groups
- Academic Diversity Hires
- Access & Outreach Programs
- Addressing Systemic Barriers - Supporting Students to Thrive

\$4.2M

Enriching Learning



- Opportunity to accelerate re-invention of UG education
- Teaching Innovation (LEAF & faculty training)
- Undergraduate IDT
- Graduate IDT

\$9.1M

Investing in Divisional Priorities



- Support for divisional priorities in light of continued domestic fee freeze and other budget pressures.

\$1.7M

Advancing our Priorities



- Major gift officers in divisions (OTO)

\$7.6M

Research Support



- Research support staff in divisions (27 positions)
- Lab infrastructure renewal

BUDGET PRIORITIES: ACADEMIC DIVISIONS



DIVERSITY

- Scholarship programs for international students from diverse global regions
- Diversity & inclusion initiatives



LEARNING TECHNOLOGY

- Increase IT tools & infrastructure for learning support



PROGRAM DEVELOPMENT

- Experiential learning & research opportunities
- New degree programs



FACULTY HIRING

- Hiring of up to 60 incremental faculty positions

BUDGET PRIORITIES: SHARED SERVICES



ENHANCING SERVICE CAPACITY

- Staff support for financial aid, recruitment, registrar & convocation services
- Research administration to support growing number of grants and partnerships
- Staffing for advancement and communications to support brand building and fundraising initiatives



TECHNOLOGY

- IT tools & infrastructure for learning support (Academic Toolbox)
- Upgrades to NGSIS system and IT enhancements for network & infrastructure
- Upgrades to modernize administrative systems (SAP)
- Investment in resources & technology for libraries



INFRASTRUCTURE

- Addressing deferred maintenance and AODA compliance



EQUITY & DIVERSITY

- Support for Equity, Diversity & Inclusion initiatives in all aspects of the University community

CAPITAL PROJECTS & PLANNED INVESTMENTS

(5 YEAR PROJECTION)

32

PROJECTS



\$4.1B

TOTAL SPEND



ACADEMIC

CAPITAL PROJECTS

29

PROJECTS

\$3.1 B

TOTAL SPEND

FOUR CORNERS

CAPITAL PROJECTS

3

PROJECTS

\$1.0 B

TOTAL SPEND

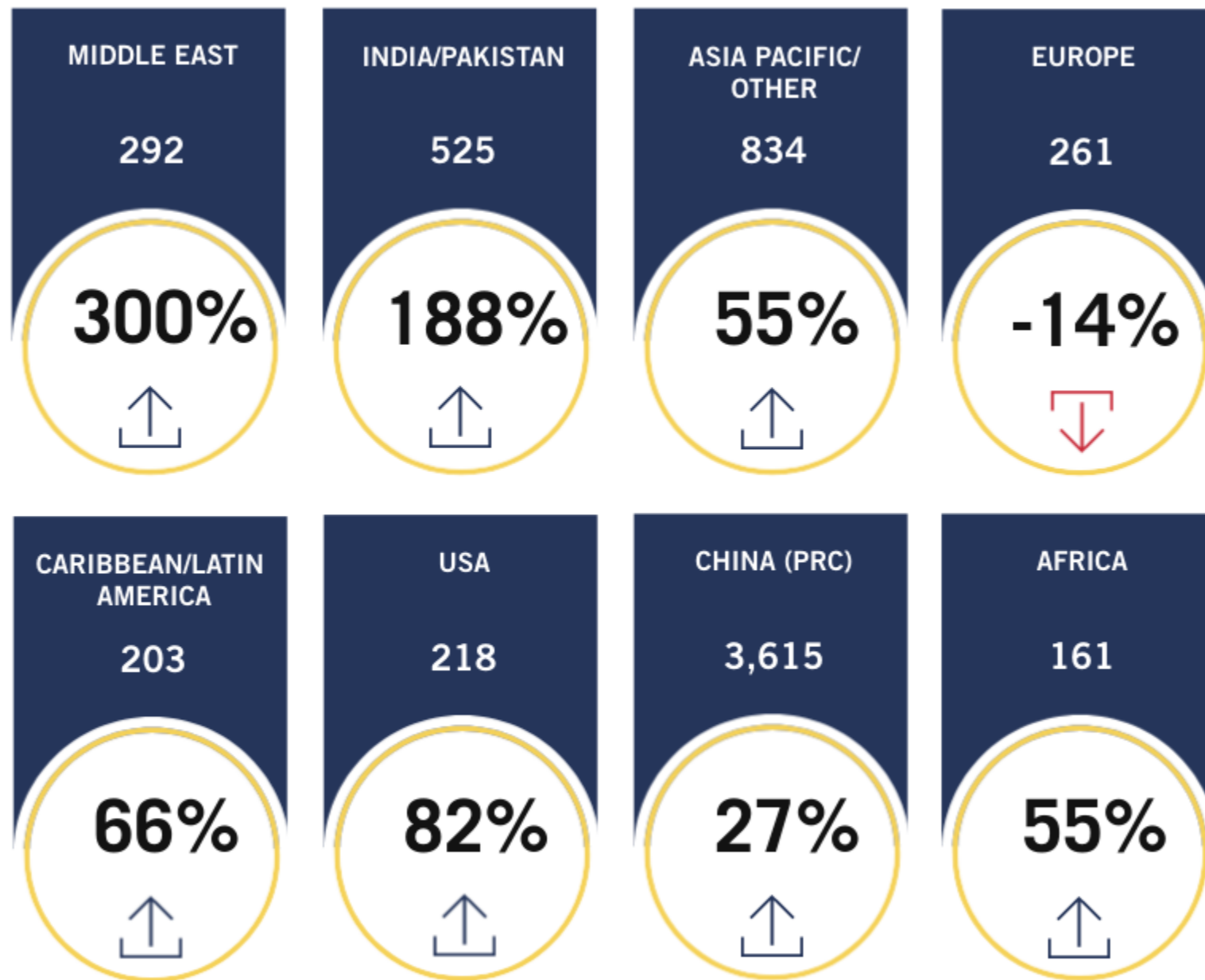
5 Risk



INTERNATIONAL UG ENROLMENT INTAKE (NEW ADMITS)

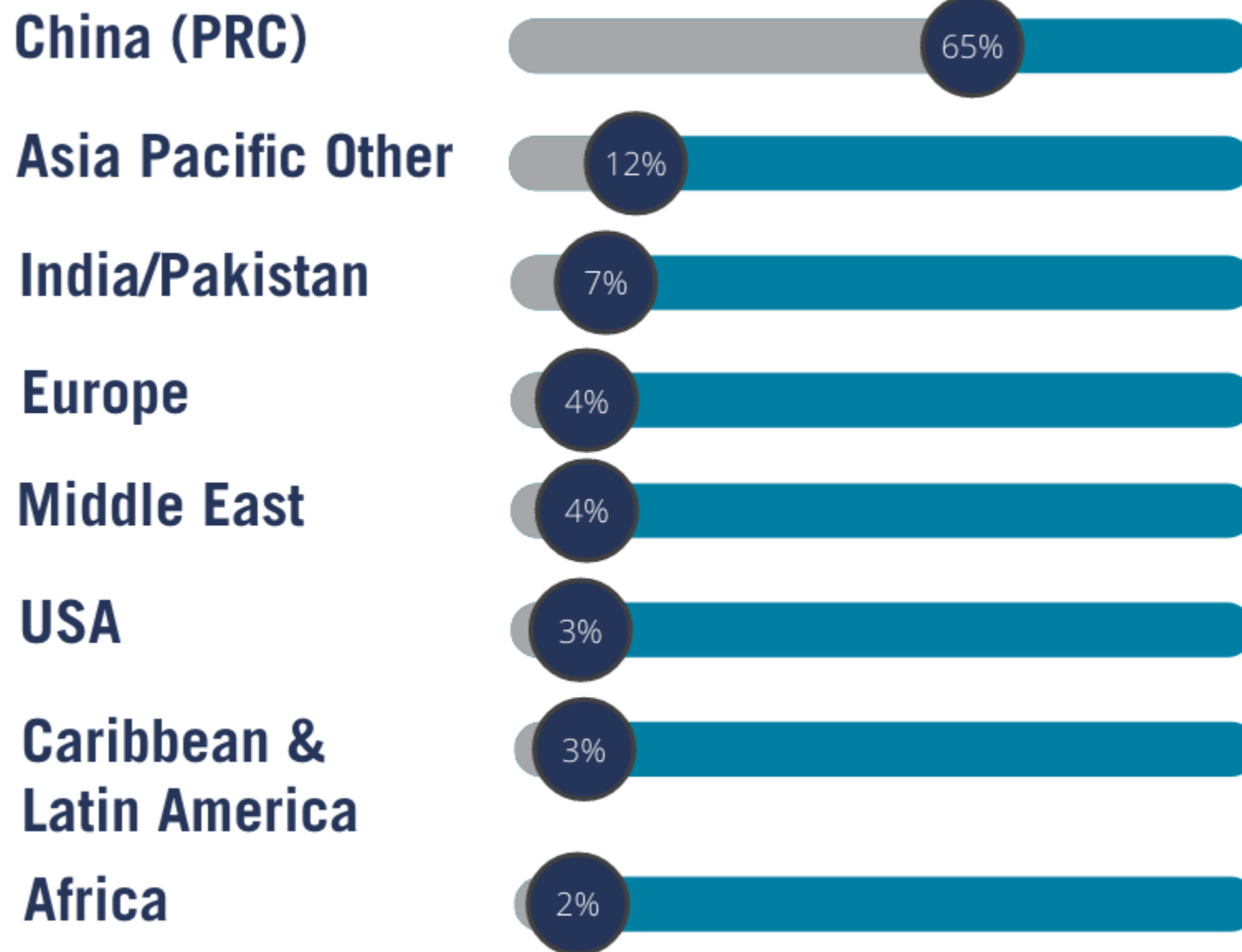
BY SOURCE REGION

% increase
FALL 2020 vs FALL 2016



International Students by Geographic Region

FALL 2020
TOTAL ENROLMENT



PENSION PLAN DEFICIT



Transfer to the new University Pension Plan Ontario on July 1, 2021. UofT will be required to fund initial deficit over a period of 15 years

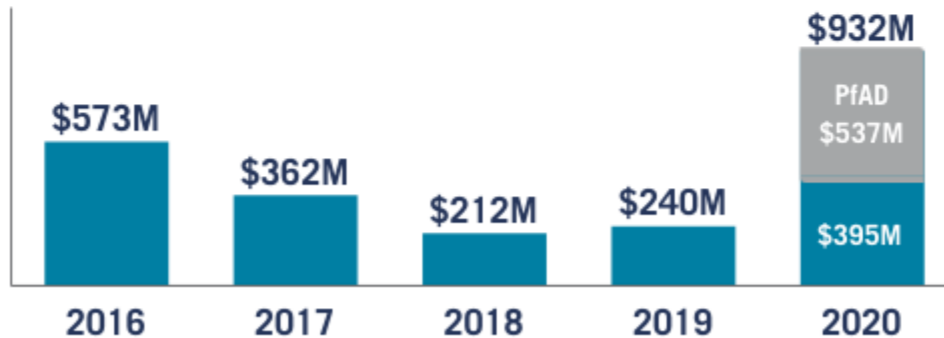


Sensitivity: changing the going concern discount rate by $\pm 0.25\%$ could increase the deficit by \$212M or decrease it by \$40M

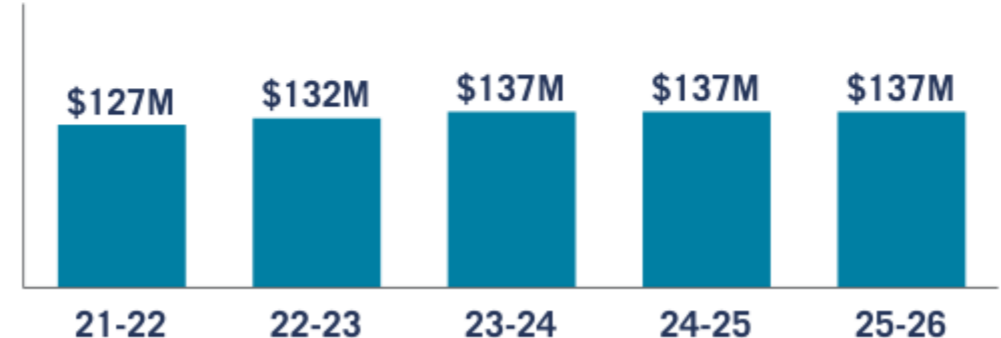


Deficit will be based on actuarial valuation of assets and liabilities. Pension special payments budget assumes increase to \$137 million by 2023-24 as placeholder.

Going Concern Deficit 2016-2020



Pension Special Payment Assumptions 2021-2025

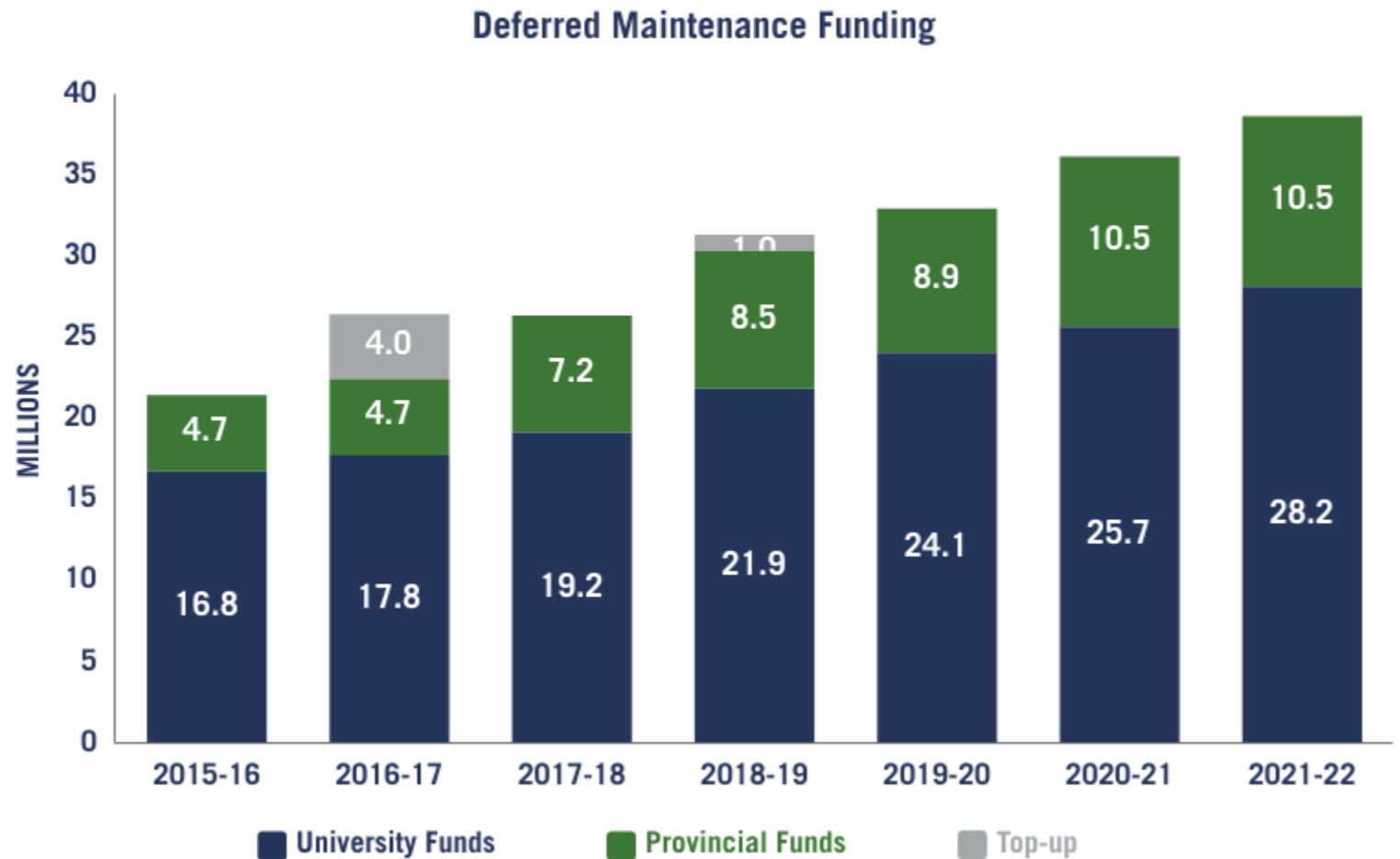


DEFERRED MAINTENANCE FUNDING TRI-CAMPUS

+\$2.5M  UNIVERSITY INVESTMENT
FOR 2021-22

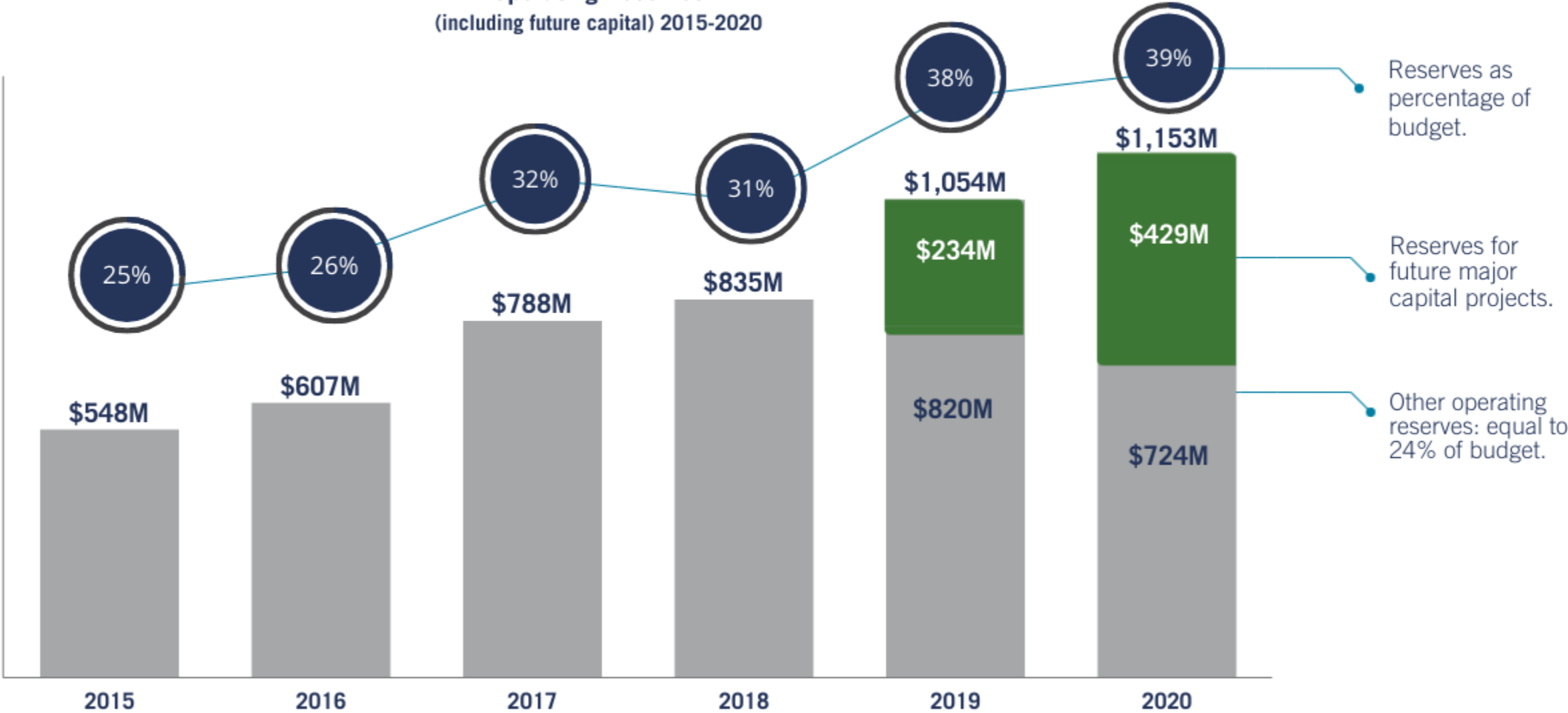
+\$40M TO MEET PROVINCIAL
PER YEAR AVERAGE

\$794M LIABILITY
OVERALL



OPERATING RESERVES

Operating Reserves
(including future capital) 2015-2020



BUDGET SUMMARY



ENROLMENT

Domestic enrolment stable within fixed enrolment corridor. Modest increase in international enrolment based on successes of Fall 2020.



TUITION

No Provincial framework in place. Budget scenario assumes constraint resulting from domestic freeze; international fees increase 2.3% average.



FINANCIAL AID

Cuts to OSAP limit grant eligibility for those with incomes >\$140k. University's financial aid commitment remains. Planned increase in int'l student scholarships.



IMPACT OF COVID-19

Increased spending on financial aid, teaching & research operations, and loss of ancillary revenues. Enrolment demand remains strong.



COMPENSATION

Compensation restraint imposed by Bill 124. Planned incremental faculty and staff hires in future years within constrained revenue growth.



INSTITUTIONAL PRIORITIES

Diversity and inclusion initiatives, student supports, innovation in teaching and learning, support for research funding opportunities and philanthropy.

Budget 2021-22



UNIVERSITY OF
TORONTO