

# Budget 2021-22

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

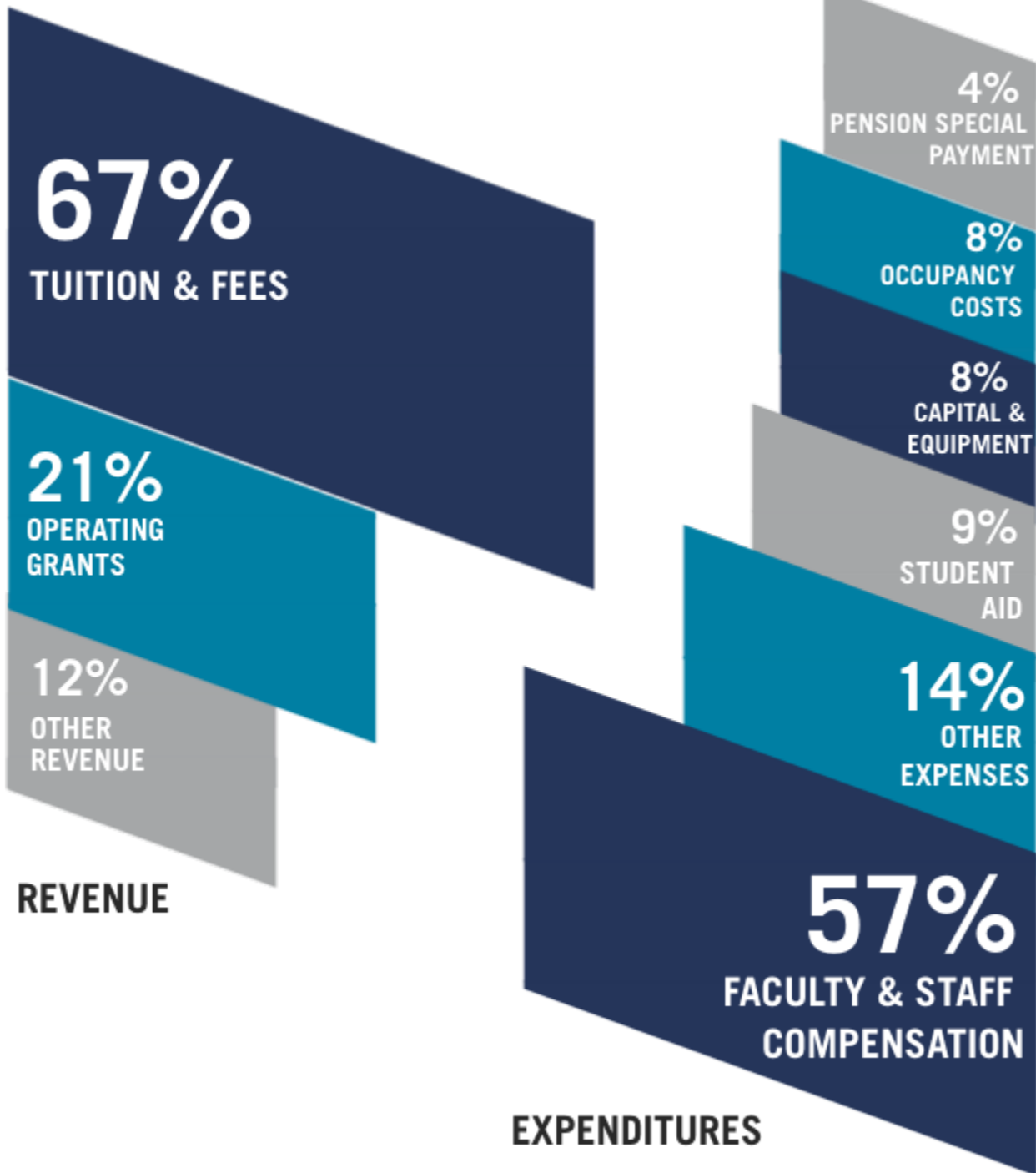


UNIVERSITY OF  
TORONTO

2021-2022

# Balanced Budget

\$3.12 BILLION



# 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.



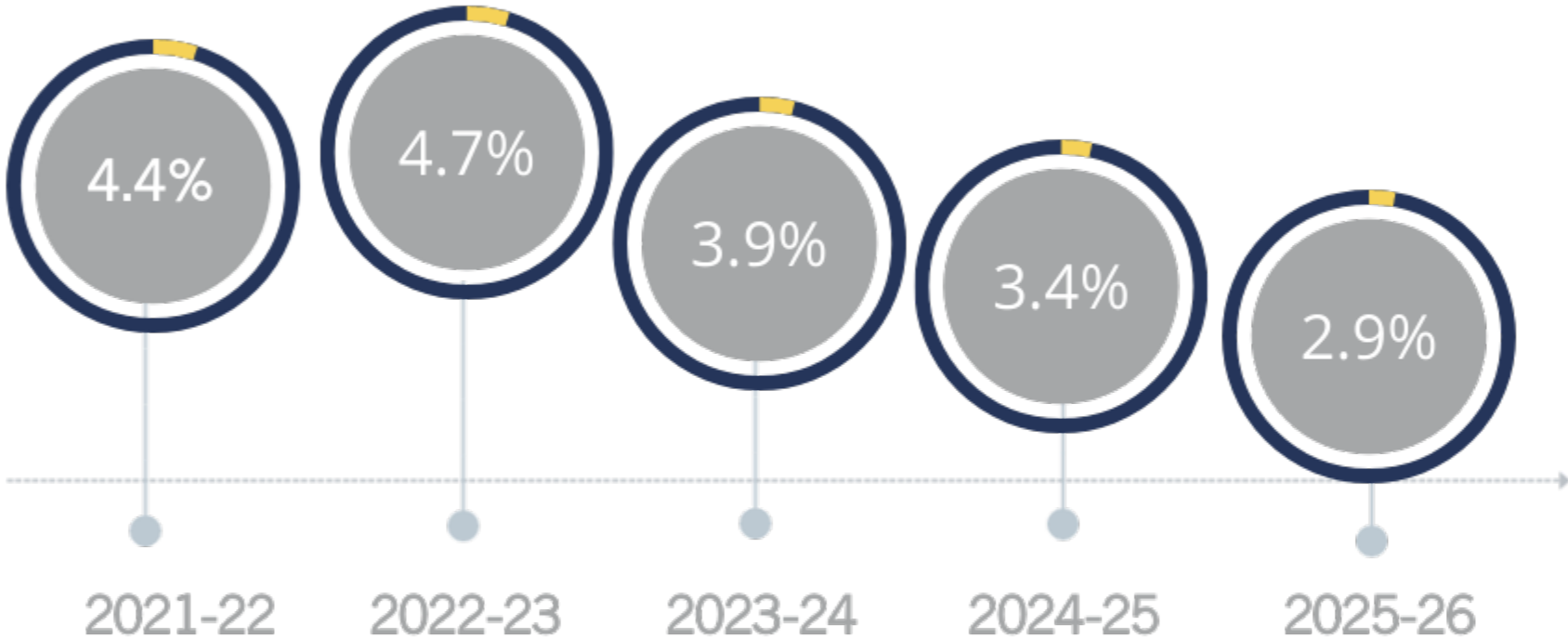
Despite cost containment measures, financial losses were unavoidable.



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%

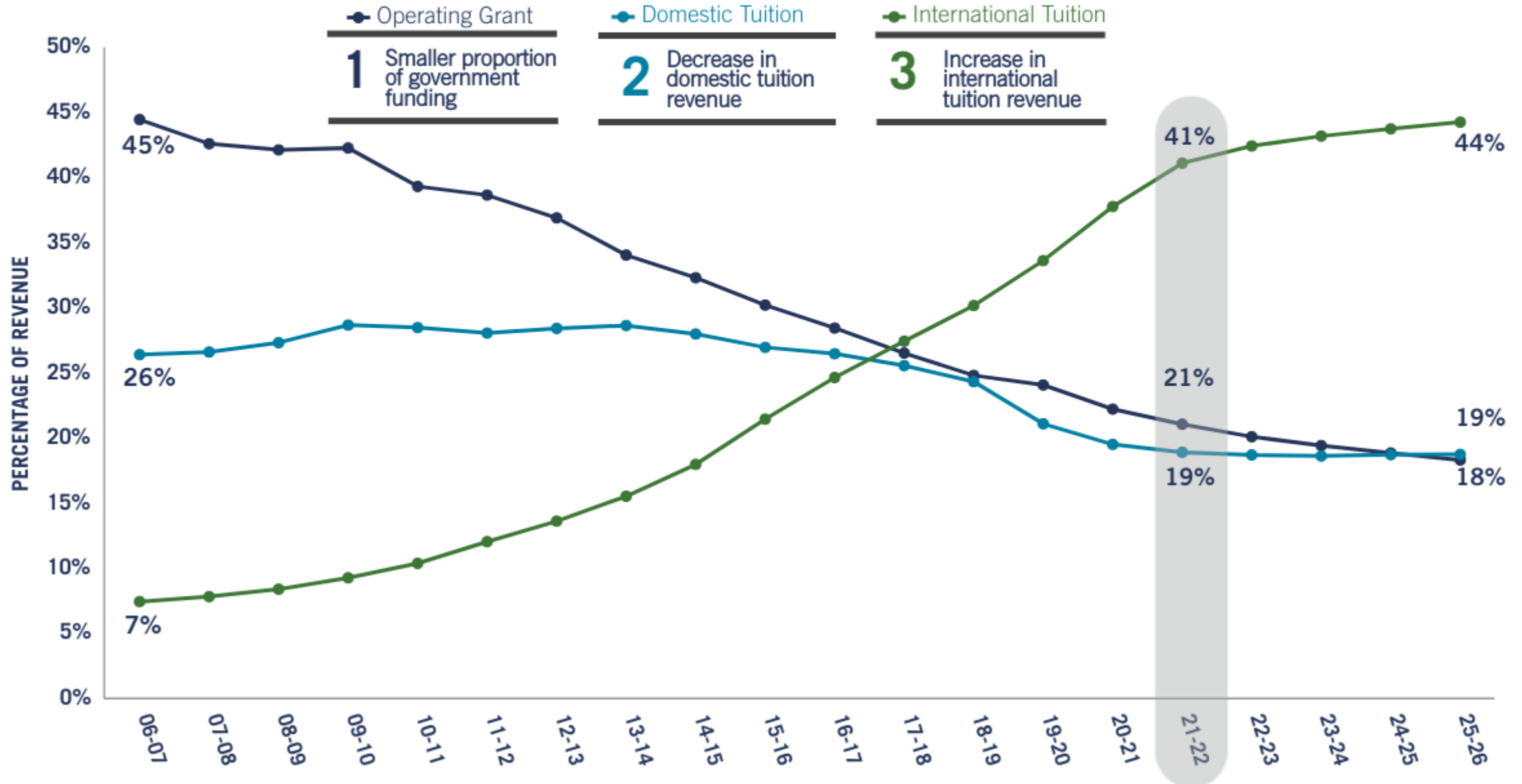
# PROVINCIAL TUITION FEE FRAMEWORK



## \*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.

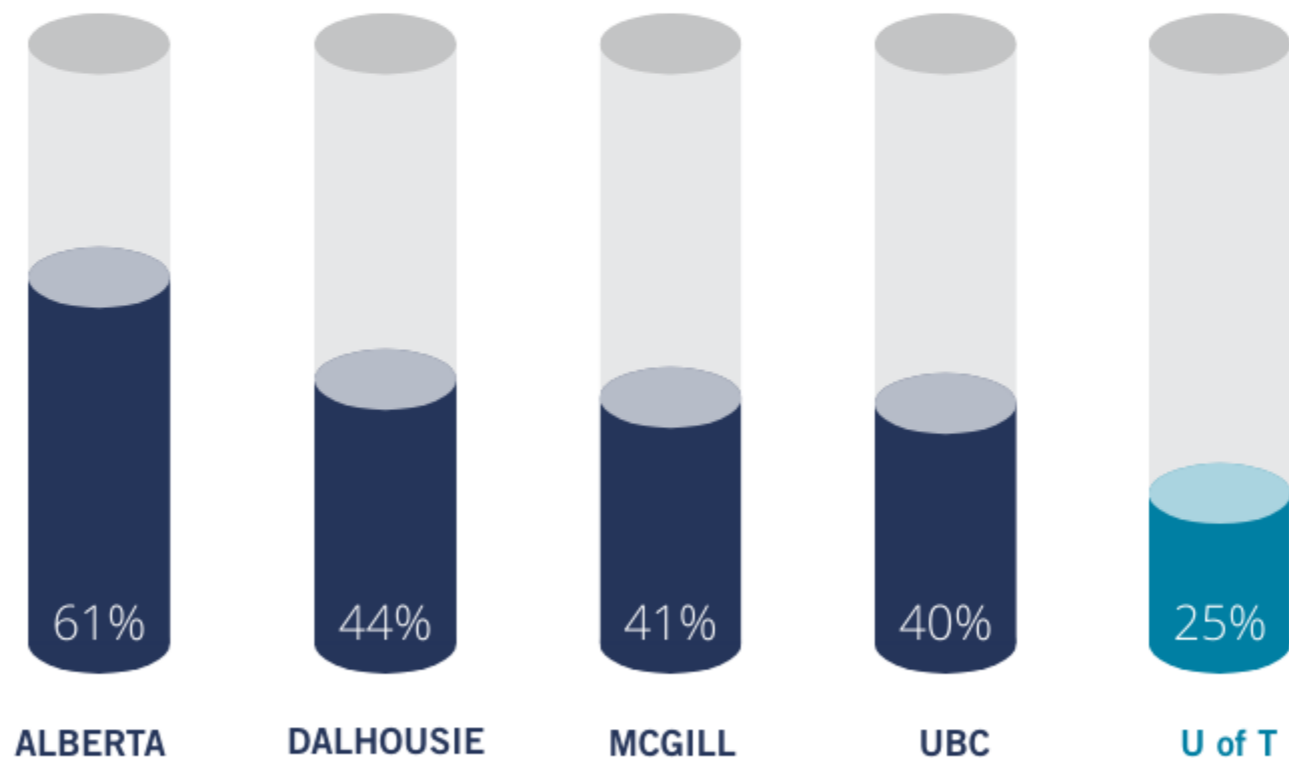
# CHANGE IN SOURCES OF REVENUE



# 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.



# 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**

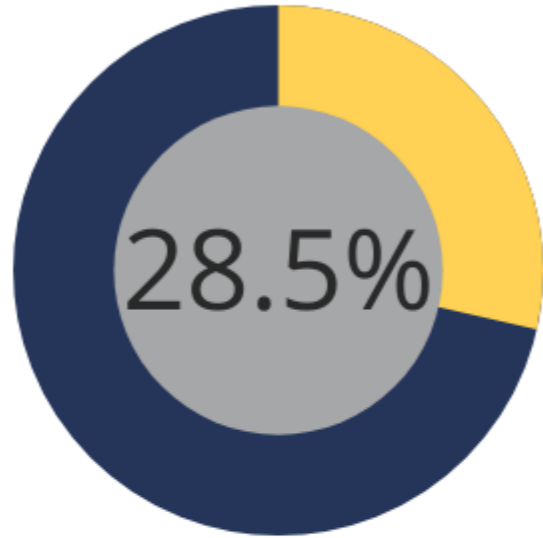


## 2020 - 2025

PLANNED INTERNATIONAL SHARE  
OF TOTAL

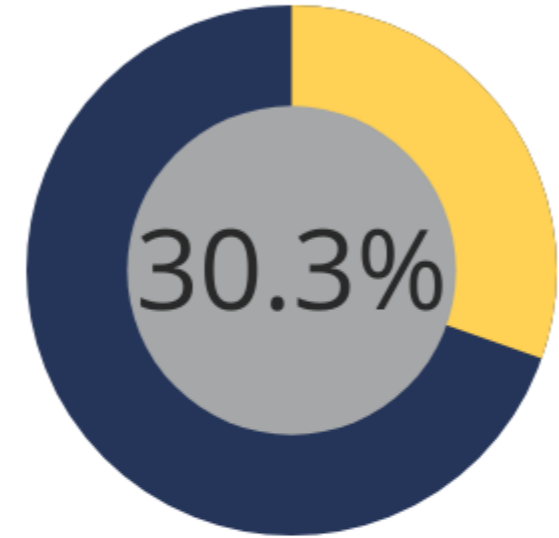
### UNDERGRADUATE

ENROLMENT



2020-21

Total international  
student FTE is  
**18,570**



2025-26

Planned international  
student FTE will  
increase to  
**20,631**

# PROVINCIAL FEE FRAMEWORK & OSAP CHANGES

1

## DECREASE IN STICKER PRICE

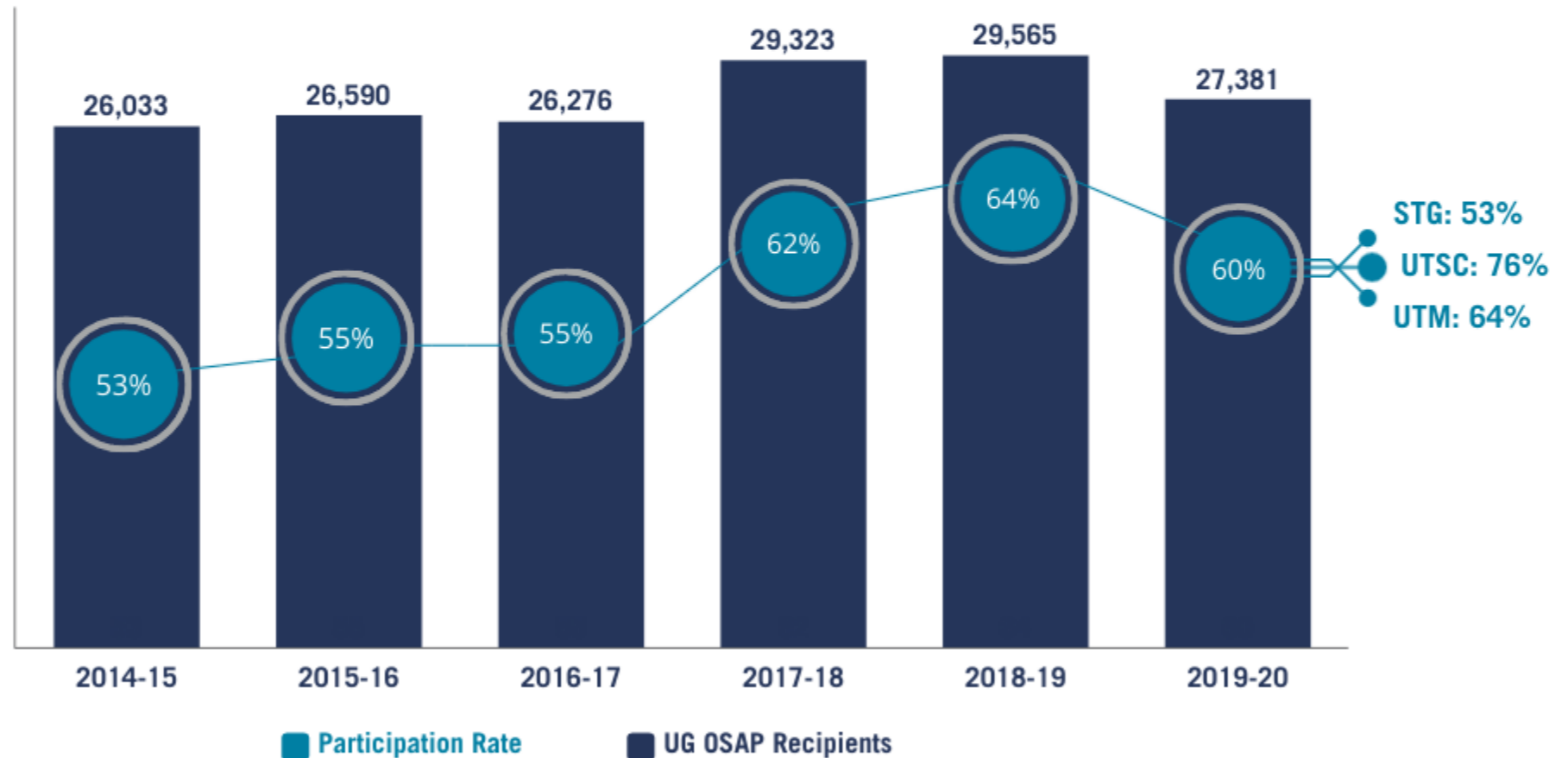
10% reduction to domestic tuition fees in all undergraduate and graduate programs

2

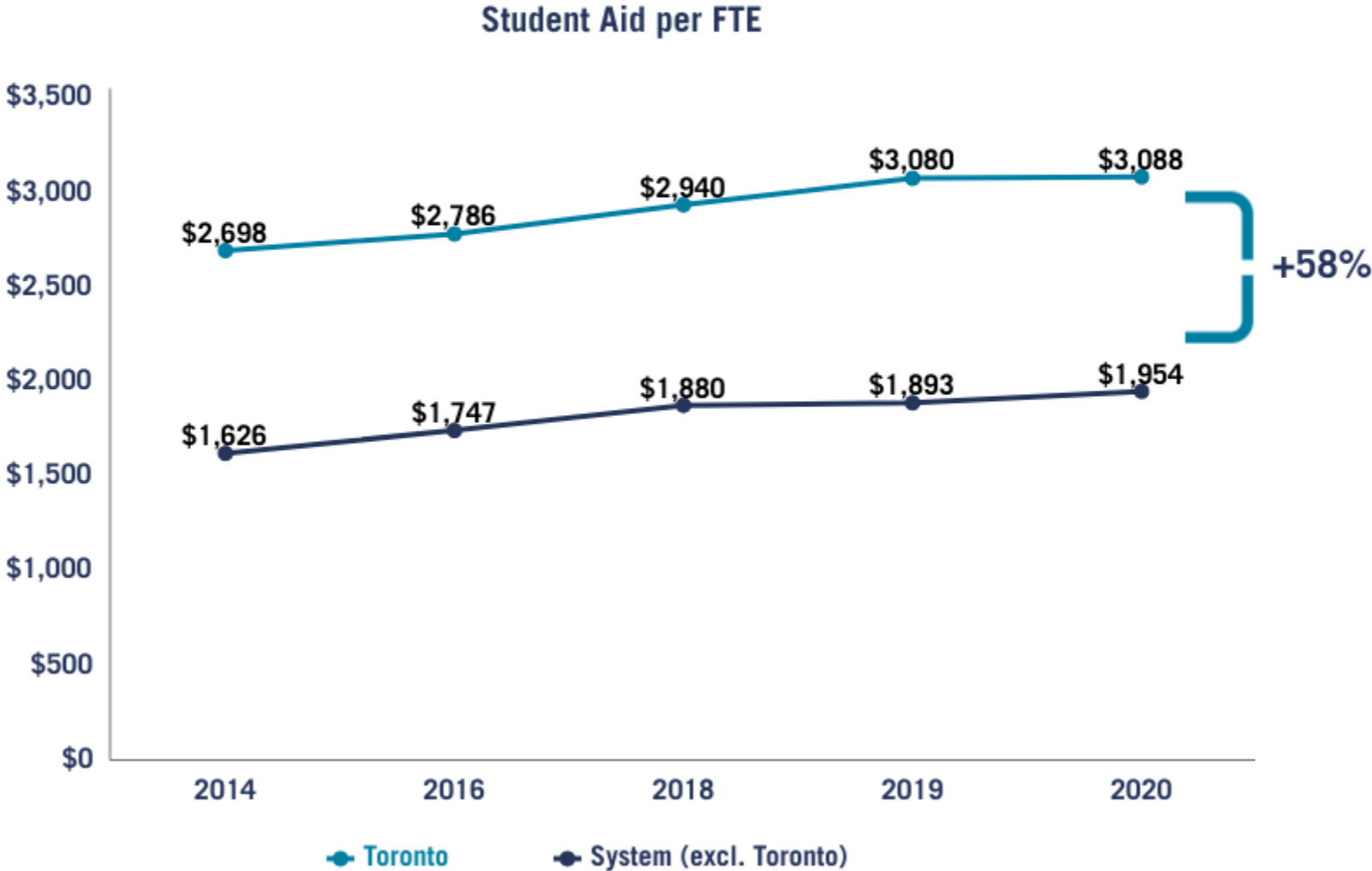
## CHANGES TO PROVINCIAL OSAP CRITERIA

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

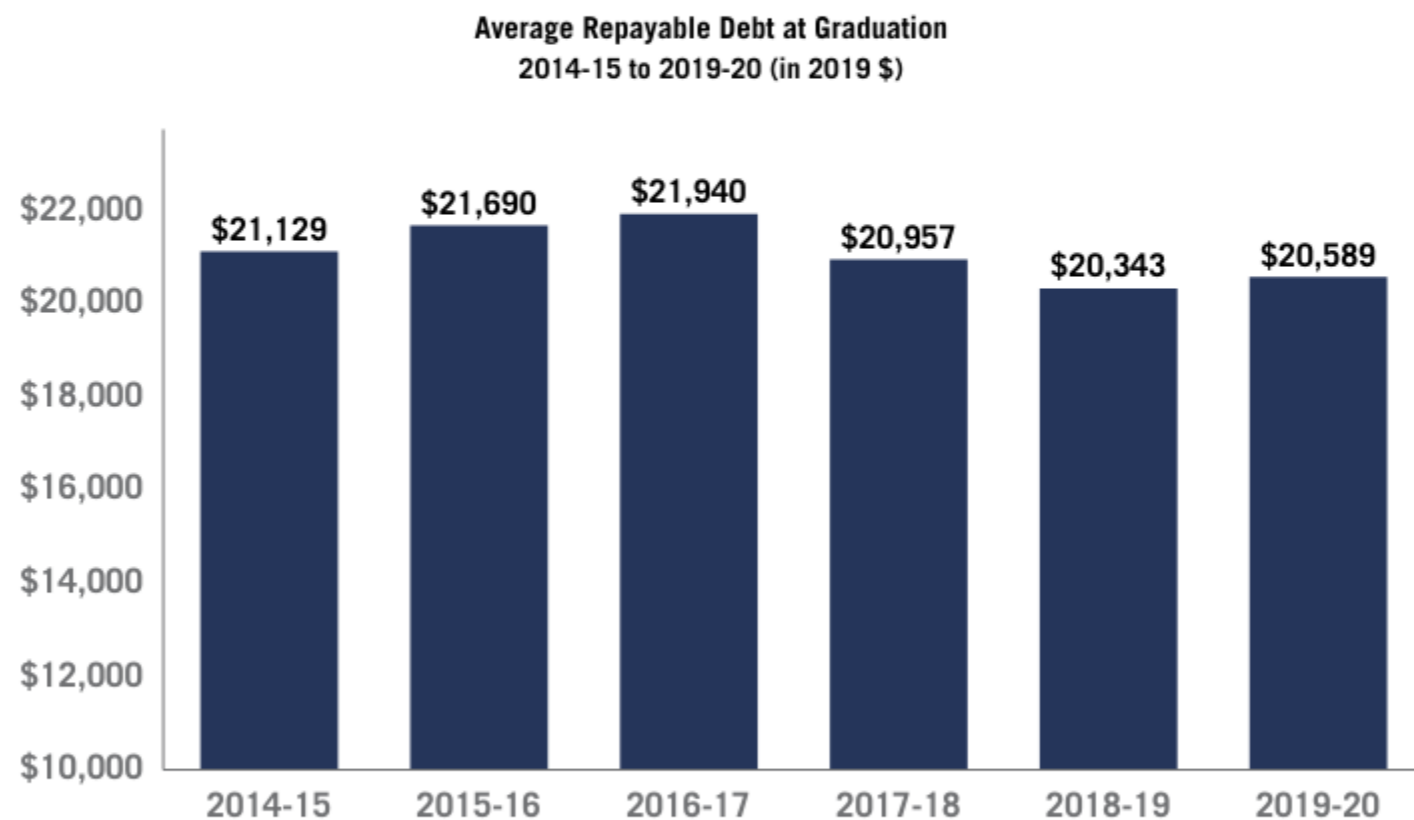
## UofT's COMMITMENT TO FINANCIAL AID REMAINS

“ *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



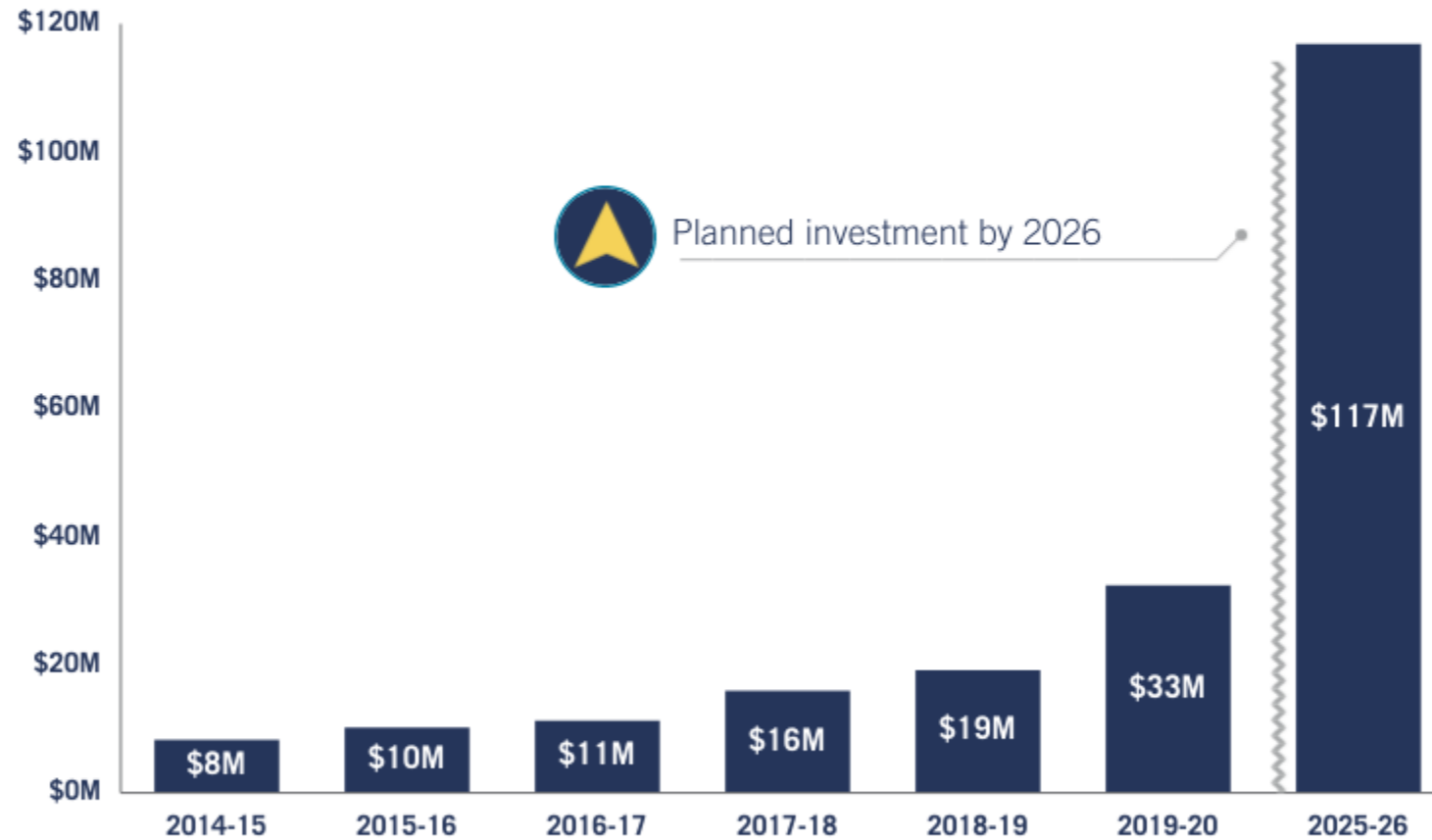
OF UG STUDENTS HAVE NO OSAP DEBT UPON GRADUATION.  
DIRECT ENTRY UNDERGRADUATE STUDENTS



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



**4th**

OUT OF ALL PUBLICLY  
FUNDED INSTITUTIONS  
GLOBALLY



**1st**

OUT OF ALL PUBLICLY  
FUNDED INSTITUTIONS  
IN NORTH AMERICA



\*based on Times Higher Education Rankings (2020)



# 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

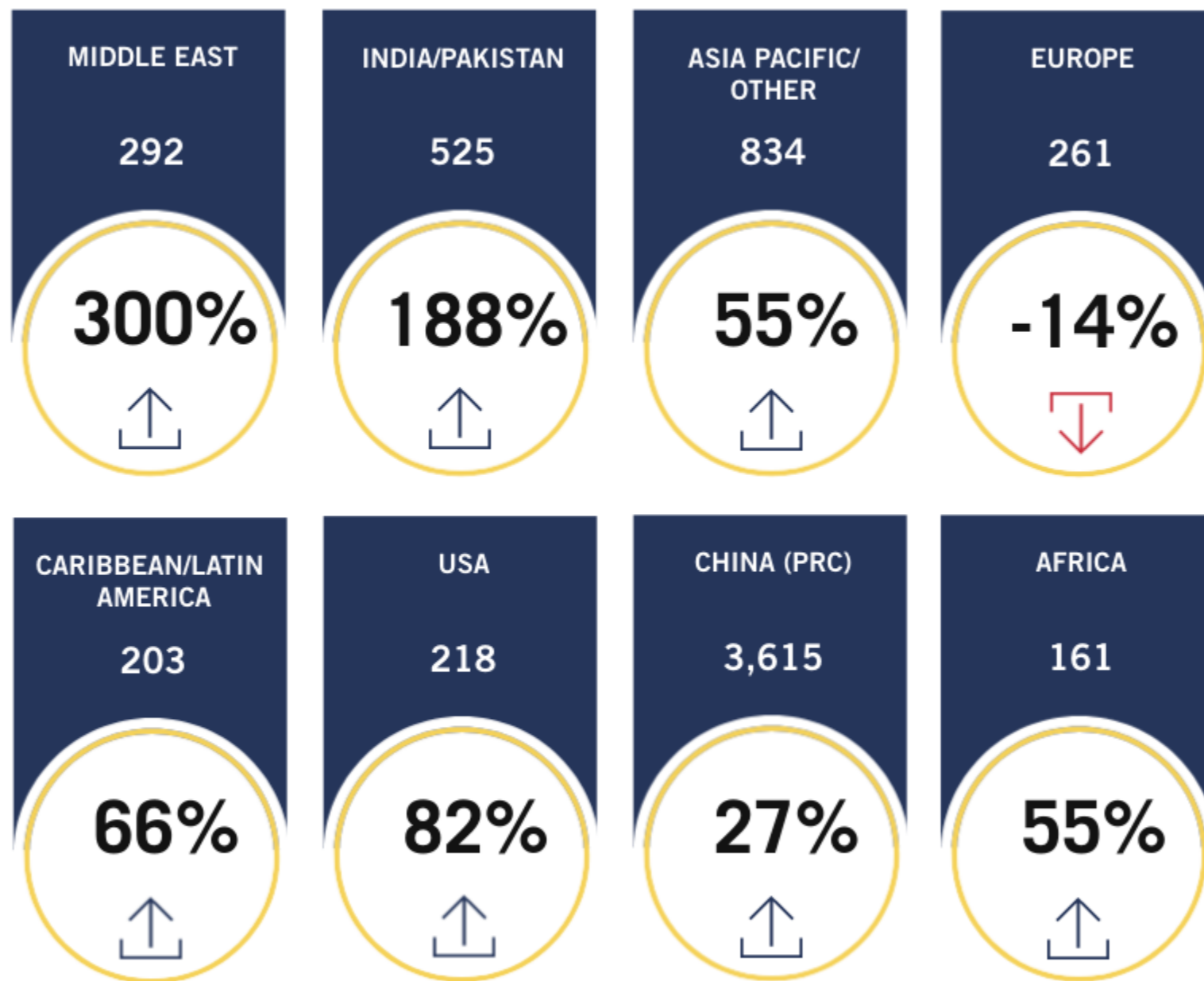
# Risk



# INTERNATIONAL UG ENROLMENT INTAKE (NEW ADMITS)

## BY SOURCE REGION

% increase  
FALL 2020 vs FALL 2016





# 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

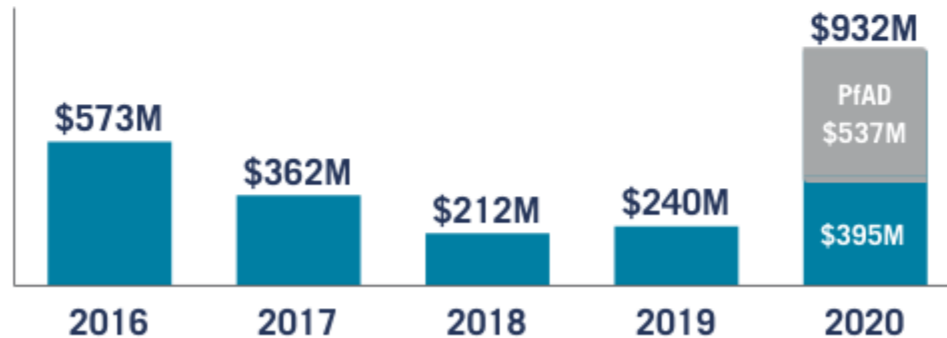


Sensitivity: changing the going concern discount rate by  $\pm 0.25\%$  could increase the deficit by \$212M or decrease it by \$40M

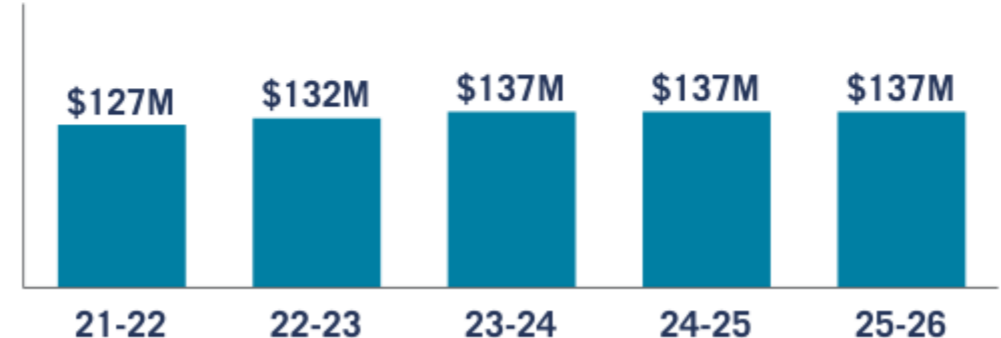


Deficit will be based on actuarial valuation of assets and liabilities. Pension special payments budget assumes increase to \$137 million by 2023-24 as placeholder.

### Going Concern Deficit 2016-2020



### Pension Special Payment Assumptions 2021-2025

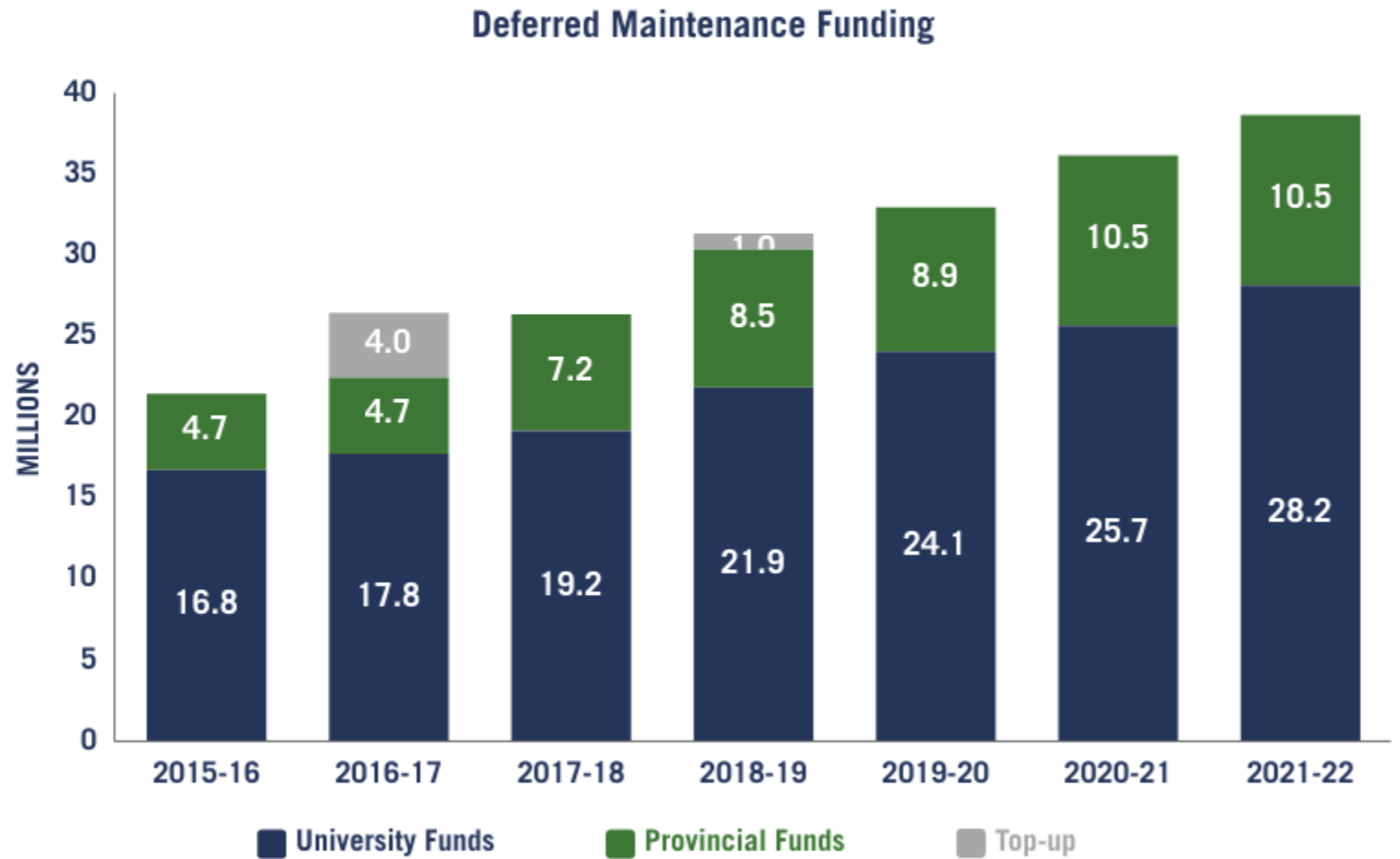


# DEFERRED MAINTENANCE FUNDING TRI-CAMPUS

**+\$2.5M**  UNIVERSITY INVESTMENT  
FOR 2021-22

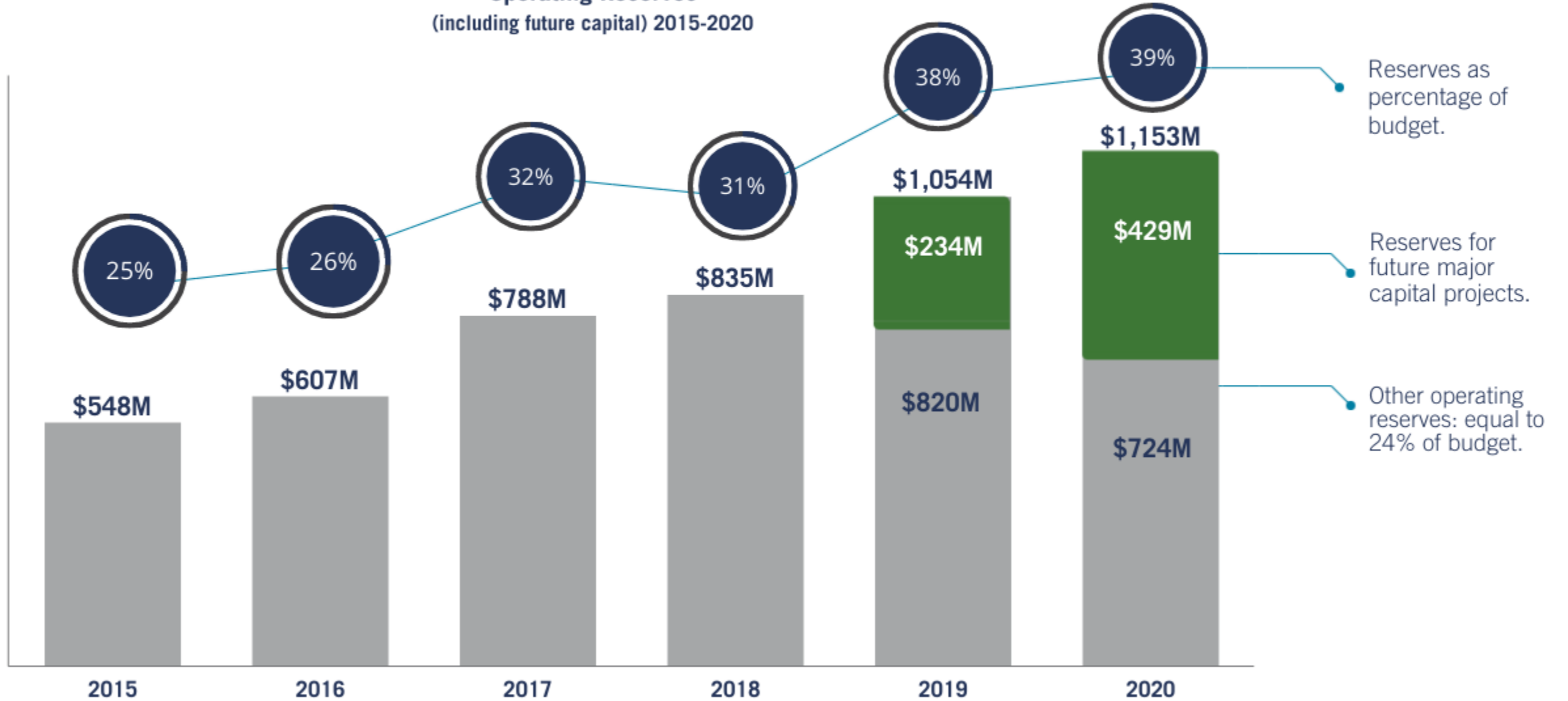
**+\$40M** TO MEET PROVINCIAL  
PER YEAR AVERAGE

**\$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