

UNIVERSITY OF TORONTO

LONG RANGE BUDGET GUIDELINES

2007-08 to 2011-12

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University of Toronto

Long Range Budget Guidelines: 2007-08 to 2011-12

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Long Range Budget Guidelines

2007-08 to 2011-12

This report introduces the proposed Long-Range Budget Guidelines for the five-year budget cycle 2007-08 to 2011-12 and the detailed annual budget for fiscal year 2008. The Guidelines also constitute the framework in which the University's budget will be prepared for fiscal years 2009 to 2012.

Section I of the report describes the fiscal context in which the Guidelines have been prepared. The following section introduces the University's new budget model, which is being used for the first time in this report. The remainder of the report describes the budgetary assumptions, the budget guidelines for the next five years, the budget details for 2007-08 and the divisional allocations.

Under the budget model used in previous years, cost containment measures were implemented by introducing an across-the-board expense control measure for all academic and administrative divisions. There is no such provision under the new budget model. Section VI on Budget Impact describes the approach to cost containment according to the new methodology.

I. Fiscal Context

The primary sources of revenue for the University of Toronto are the Provincial government grant and tuition fees, both of which are a function of student enrolment. We have experienced a period of over ten years in which enrolments on the three campuses increased significantly. The concomitant increase in revenue has helped mitigate somewhat the impact of the lack of growth in per-student government funding relative to inflation during that period and of the government-imposed constraints on tuition fees.

Demographic projections anticipate a continuing rise in demand for university places, particularly in the GTA. However, no substantial increases in undergraduate enrolment are planned at the University of Toronto for the next five years. The University is planning to increase graduate enrolment by about 40%. These plans are a result of the academic planning process, the funding opportunities arising from the Province's *Reaching Higher* plan, and space constraints on the three campuses. However, it should be noted that while graduate expansion will increase revenue, it will also increase expenditures on financial support for students. Unlike undergraduate expansion, it does not necessarily increase the expendable funds available to the University.

Tuition and Provincial Grant

Historically, the provincial grant represented the largest portion of the University's revenue. As they entered the 1990's the University of Toronto and all other Ontario universities were experiencing a period of relative financial stability and recovery; government grants and tuition were increasing at rates slightly above the general inflation rate, and the need for expense reductions were, relatively speaking, modest in scale.

With the full onset of the economic recession in 1992 through 1994, operating grants were frozen and then reduced through the Social Contract (\$17.3 million) and the Expenditure Control Plan (\$5 million). Tuition fees increased by 8 to 10 per cent annually to partially compensate for the loss of grant revenue.

In 1995 the new government fulfilled its election promise to further reduce operating grants to universities by \$280 million — a loss of \$53.9 million to the University of Toronto. Again as a partial offset to the loss of grant revenue, government permitted significant increases in tuition fee rates; 20 per cent in 1996-97 and 10 per cent on average in each subsequent year up to and including 1999-2000. Tuition fees were deregulated for international students, and for students in some professional and all graduate programs.

The University's operating grant revenue reached a peak at approximately \$400 million in 1992-93 and fell to \$339 million in 1997-98. It has risen to \$563M in 2006-07, mostly as a result of the introduction of a number of new targeted funding envelopes to support enrolment increases and the double cohort. However, government operating funding per student, including the Quality funds introduced in recent years, has decreased in absolute terms by over 5% and in real terms by almost 30% relative to 1992-93.

The drop in the Provincial grant has dramatically altered the size and composition of the operating budget. Government grants now represent about 42 per cent of total University revenue, down from 70 per cent in 1991-92. Tuition revenue has doubled in proportional terms, from 16 per cent to 34 per cent of the total. The practical effect of the Government funding policy has been that the University has had to introduce expense containment measures to absorb a significant portion of cost increases for compensation, library acquisitions, graduate student funding, and utilities. Over the past ten years, cost containment measures have taken about \$200M out of the University's operating budget.

The Government of Ontario announced new funding for universities in its budget of March, 2007. Funding will be provided as one-time-only to relieve current cost pressures. The University of Toronto's share is about \$40M. In addition, some end-of-year funds will also be distributed. These funds are not reflected in the budget presented in this report as they are one-time-only funds and they have been announced after the University's budget has been prepared.

Student Aid

In 1996-97 the Government mandated that 10% of revenue from tuition fee increases be spent on student aid; this was increased to 30% in 1997-98 and subsequent years.

In 2006-07, the Government introduced a new tuition framework for tuition and student aid, which sets limits for annual tuition fee increases. The OSAP program was also modified, relieving some of the financial pressure on universities. The new framework does not mandate a specific amount to be set aside by universities for student aid. Instead, it requires universities to ensure accessibility, regardless of the students' financial means.

At the University of Toronto, student aid is guided by the University's policy on accessibility, which contains the following Statement of Principle:

“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.”

In accordance with this commitment, expenditures on student aid have increased dramatically, from \$7.7 million in 1991 to \$113.1 million in 2006-07, making the University of Toronto one of the most accessible in the country.

Federal Funding

Funding from the Federal government is provided to universities primarily to support research and is not generally part of the university's operating budget. However, it interacts with the university's operating budget in three important areas; namely Canada Research Chairs, the indirect cost of research and graduate student support.

The Canada Research Chairs program introduced in 2000-01 provides salary and research support for outstanding university researchers on a competitive basis. A number of research chairs is awarded to each university based on its share of research funding by the Federal Granting Councils. This program is of tremendous value to the University of Toronto. It has helped us maintain faculty complement despite the expense containment measures introduced over the years.

Since the CRC program was introduced, inflation has reduced the effective value of Chair funding by over 20%. An appropriate adjustment to Chair funding is overdue.

The funds received from the Federal Granting Councils must be used exclusively to cover the direct costs of research, such as personnel and supplies. The indirect expenses incurred as a result of research activity are very significant and are borne by the universities' operating budgets. At the University of Toronto, they have been estimated to be well in excess of 50% of direct expenditures on research.

As a long-standing subject of government advocacy, universities have been requesting that the Federal Government recognize the indirect cost of research in its research funding policy, with a 40% rate as a minimum target. The government started to provide IDC funding in 2001-02. The effective rate for the University of Toronto is slightly less than 20%. This is currently contributing about \$18M to the University's operating budget, which, while helpful, continues to be considerably short of the actual indirect cost of research.

The Federal Government supports graduate students by providing fellowships directly to graduate students on a competitive basis. Although these funds do not flow through the University's budget, they provide direct budget relief to the academic divisions by freeing up funds that would otherwise have to be used for graduate student support. There are other forms of student support that the Federal Government provides, including student aid under the Canada Scholarship program.

Other Sources

There are several other sources of revenue at the University of Toronto, including endowment payout, interest income, application fees and divisionally-generated income.

The University of Toronto has been successful in its fund raising efforts, with a total endowment that is now well in excess of \$.1.6B. Endowment income is highly targeted. Most of this income is directed to student aid and to the support of Endowed Chairs. Endowment revenue, though important, is still a modest component of total University operating revenue, representing about 3%.

In addition to the long-term returns reflected in the endowment revenue, the University also receives interest on short- and medium-term investments. These tend to be rather small as a percentage of total operating revenue (about 1.5%), and fluctuate with market conditions.

Academic divisions also generate significant revenues from activities such as continuing education offerings or full cost-recovery programs that do not receive government support. This is a valuable source of revenue because of its flexibility.

Together, these sources now represent about 18 per cent of the revenue base. As a result, the University is much less dependent upon a single dominant source of revenue, but at the same time is exposed to a wider array of risks such as stock market performance.

II. New Budget Model

The University of Toronto adopted a new approach to budgetary allocations, which is being used for the first time for the 2007-08 fiscal year. The new approach and the reasons for its adoption have been recommended by a Provostial Task Force that was struck in April, 2004 and presented its final report in February, 2006, and have been the subject of extensive discussions and consultations across the University over the past three years. The report of the Task Force, the Provost's response and related material are available on the Provost's web page, at <http://www.provost.utoronto.ca/English>.

The final report of the Task Force states:

“The budget allocation process is a primary tool for the implementation of the university's academic plans and academic priorities.”

This has been the fundamental guiding principle underlying the development of the new budget model. To best support the university's academic priorities, the new model has three basic objectives:

- to provide a high degree of transparency, enabling all levels of university administration and governance to have a clear understanding of university revenues and expenses,
- to introduce broadly-based incentives to strengthen the financial health of the university by increasing revenues and reducing expenses, and
- to encourage a higher level of engagement of all senior levels of administration in budget planning for academic divisions and in recommending priorities and budgetary allocations for shared services.

The new model introduced a simple methodology for attributing revenues and the costs of shared services to all divisions. According to this model, a major portion of the

budgetary allocation to an academic division is its *Net Revenue*, which is equal to its share of the University's gross revenue less its share of expenses and its contribution to student aid and to a university-wide fund called the University Fund. A division's net revenue reflects its programs, student enrolments, fund raising activities, research, etc. Hence, divisions benefit as these activities bring more revenue. Divisions also benefit when, in cooperation with central service units, they are able to make more efficient use of the shared resources.

The remainder of the divisional budget is the allocation a division receives from the University Fund. This allocation is entirely non-formulaic, and is intended to provide funding in support of the university's academic plans. In part, it ensures that the total budget of a division is determined by the university's own priorities rather than by those of an external body. It also enables the university to recognize differences in the cost of delivery of various programs or to support particular activities that it considers to have high academic priority.

The process of attributing revenues and costs to divisions has been designed to minimize administrative costs. For example, no transaction accounting is used to attribute the cost of a particular service. Instead, revenues and costs are attributed using simple, readily available and verifiable parameters that provide a reasonable basis for the distribution of revenue or a suitable measure of the extent to which a division uses a particular resource or service. These measures are referred to as revenue drivers and cost drivers. They include such parameters as number of students, number of faculty, space area occupied, etc.

A detailed description of the methodology used in the new budget model and the revenue and cost drivers used in the attribution process can be found on the Provost's web page mentioned above.

An essential component of the new budget model, and possibly one of its most valuable innovations, is the development of a new process for budgetary reviews for both academic and service divisions. This process is still under development and has only been partially implemented for the 2007-08 budget. It is expected to be fully operational for the 2008-09 budget. The process as it is currently envisioned is described briefly below.

A broadly-representative advisory committee structure is being developed for conducting budget reviews. Academic divisions will prepare multi-year budget plans based on the university's Long-Range Budget Guidelines and their own academic plans, including enrolment projections, new program offerings, etc. These plans will be reviewed by an appropriate committee that will make recommendations on the allocation of the University Fund.

Similarly, service divisions will prepare multi-year budgets based on plans for their service offerings. These plans will be reviewed for the purpose of ensuring alignment between service offerings, the needs of the academic enterprise, costs and budgetary pressures. Recommendations for funding allocations to the service divisions will be prepared based on these reviews.

The review processes, whether for academic or for administrative divisions, will lead to a much higher level of engagement by all members of the senior University administration. In particular, reviews will promote a better alignment of the services provided and the needs of the academic divisions. Given the difficult budgetary environment of the University, a higher level of engagement will also increase everyone's understanding of the nature of the University's expenses and where and how savings may be realized.

Transition to the New Model

The new budget model differs significantly from the model that has been in use for budgetary allocations at the university in recent years. Hence, it was essential to develop a smooth transition process from the old model to the new model. Two important criteria guided this process:

- that no division experiences a sudden change in its budget as a result of the transition, and
- that historical integrity is maintained.

The latter of these guidelines meant that funding allocation decisions made in previous years should not be changed simply as a result of the transition to the new budget model.

The transition process that was adopted and used was based on the preparation of a "Shadow Budget" for fiscal year 2006-07 based on the new model. The actual budget for that year was presented to and approved by Governing Council in the spring of 2006 based on the old budget model. The Shadow Budget was prepared in such a way as to yield exactly the same budgetary allocation to each division as that division has received under the old model. This was possible because of the flexibility afforded by the University Fund. Each division received a University Fund allocation in the Shadow Budget that brought its net expense budget in 2006-07 to the same level as its actual budget.

A summary of the Shadow Budget is given in Appendix A. In effect, the University Fund allocation made in the Shadow Budget has captured the aggregated history of budgetary allocations to each division, represented in the language of the new budget model. To maintain historical integrity, it will be used as a reference in making future University Fund allocations, and as such, has been dubbed the University Fund Reference Level. Barring extraordinary circumstances, no division will receive a University Fund allocation in future years that is lower than its Reference Level.

The Shadow Budget played a very important role in the transition process. Not only did it provide a mechanism for maintaining historical integrity, it also was a vehicle personnel training and for verifying and testing all the provisions, processes, and data sources of the new budget model.

III. Long Range Budget Guidelines

The University's current budget cycle, according to previously approved Long-Range Budget Guidelines, ends in 2009-10. A new five-year budget cycle is proposed, covering the period 2007-08 to 2011-12. It is appropriate to begin a new cycle in 2007-08 for several reasons.

The main reason is that the new budget model described above is being used for the first time for the 2007-08 fiscal year. A significant component of the new approach is the preparation of multi-year budget plans and the implementation of budgetary reviews for both administrative and academic divisions. These plans need to be informed by revenue and cost projections based on the new approach. A new five-year budget cycle is being proposed to provide the framework needed.

It is anticipated that the University will shift to a model of a rolling five-year budget cycle, with projections extended one more year each year. A proposal for this change will be brought forward to Governing Council prior to or together with the 2008-09 budget report.

A second advantage for starting a new budget cycle is that the University is entering a period of limited enrolment increases. Also, no increases in Provincial operating grants have been announced to date. This, combined with the continued regulation of tuition fees, the potential loss of revenue from Canada Research Chairs, and the University's strong and on-going commitment to funding student aid, imposes considerable constraints on our ability to cope with rising costs. A new budget cycle will enable the University to better plan for these altered financial circumstances.

Another important consideration is that the University is entering the 2007-08 fiscal year with a projected accumulated deficit of approximately \$80 million. Governing Council guidelines require the accumulated deficit to be paid down to 1.5% of the University's gross revenue by the end of the budget cycle. If the budget cycle ends in 2009-10, the required payment would be over \$19 million per year, which would be very difficult to accommodate in the current budgetary environment. Starting a new budget cycle at this time will make it possible to maintain a balanced budget each year for the coming five years, while paying down the deficit at a lower rate. Barring unforeseen circumstances, it is not anticipated that there will be any major in-year deficits during this cycle.

Budget Framework

The budget schedules are given in Appendix B. Budget projections for the period 2007-08 to 2011-12 are given in Schedules 1 to 3. Much of the information presented under the previous budget model has been retained in these schedules for continuity and clarity. However, the material has been reorganized to be consistent with the new budget model. An analysis of the impact of the budget on the University is given in Schedule 4. The expense budgets of the academic divisions are presented in Schedules 5 and 6.

Budget projections are dependent on many factors external to the university, including government policy, market behaviour, and so on. Hence, many assumptions must be made to estimate revenues and expenses over the five-year budget cycle. Key assumptions are described in Section IV, and a complete list is given in Appendix C. Appendix D provides more detailed information on the expense items known as Contractual Obligations and Policy Commitments (COPC). These include such items as the cost of electricity or contractual commitments to other institutions. They play a special role in budget preparation as they cannot be altered at will by the University as a cost containment measure. The purpose and content of this list will be reviewed prior to next year's budget report.

Schedule 1 – Budget Summary

Schedule 1 provides a summary of projected revenue and expense, as well as the planned accumulated deficit repayment schedule.

Revenue Projections

Revenues are projected to increase by \$274M, over the next five years — an average of 4.3% per year. The government has not announced any increase in university funding beyond 2008-09, and none have been assumed. As a result, only a modest increase of about \$30M is projected over the next five years, which is primarily due to graduate expansion. Revenue from provincial operating grants and tuition contribute about 78% of total operating revenue.

Divisional income, which consists of revenues collected directly by the academic divisions, is the next highest contributor to University revenue, representing about 12%. This source of revenue varies considerably from year to year. For budget purposes, actual earnings in any given year are used as the projected value for the following year. For the outer years, divisional revenue is assumed to increase with inflation.

Not all revenues are subject to the University Fund assessment, as this fund is not intended to redistribute revenues earned directly by the divisions. The portion of revenue that contributes to the University Fund is clearly delineated in the schedule.

Expenditure Projections

There is considerable uncertainty about expenses over the duration of the five-year budget cycle. This is partly because the review processes that will result in recommendations on service priorities and budgetary allocations have not yet taken place. Further uncertainty is caused by the lack of information about government funding. With no additional grant revenue, the University may be forced to introduce more stringent expense containment measures.

For these reasons, expense projections for the outer years, 2008-09 to 2011-12, are presented for modelling purposes only. They will be revised after the review process described in Section II is completed and as new information becomes available about the government's funding plans.

Major budgeted expense items are described briefly below.

Centrally-Administered Student Aid

Part of the financial aid provided to students is administered centrally, and the remainder is provided by the academic divisions. The centrally administered portion includes:

- Funds set aside from the operating budget; and
- Funds available from endowments.

Flow-through revenue to other institutions

Several university programs include joint activities with other institutions. This category captures those portions of university revenue that flow to collaborating institutions. It includes:

- Canada Research Chair revenue flowing to hospitals;
- Provincial grant revenue flowing to the Toronto School of Theology; and
- Grant and tuition revenue flowing to colleges with which the University offers joint programs.

Shared Services

This section includes the central funds that support university-wide services to the academic divisions and the central library. They include:

- Occupancy costs, such as utilities, maintenance and caretaking;
- Shared services, such as human resources, financial services, advancement, procurement, computing services, etc;
- General university-wide expenses such as, debt service, legal fees and fees for membership in organizations such as AUCC and COU;
- Central library expense, including acquisitions and operating expenses; and
- Federated block grant, which supports services in the Federated Colleges

Academic Divisions

This category includes all the funds that flow to the academic divisions. These are presented in three components, as follows:

- Divisional expense budgets, which make up the bulk of the funding provided to the academic divisions from the operating budget. Under the new budget model, these consist of each division's net revenue and an additional allocation from the University Fund, as described earlier.

In the case of UTM and UTSC, their expense budgets include their academic budgets, which are equivalent to those provided to all other Faculties. They also include funding to support various campus services, including the cost of utilities, building and grounds maintenance, student services, and so on. These services are provided centrally for Faculties on the St. George campus, and hence are not included in the divisional budgets.

Note that according to the new budget model, the academic and campus services components of the expense budgets of UTM and UTSC are not delineated. Each campus receives an overall budget, which it manages locally to best suit its own circumstances.

- Academic funds. These are funds held centrally to be allocated to the academic divisions for specific purposes, usually on a competitive basis. Some funds are used to facilitate transitional changes at times of severe budget difficulties or significant academic restructuring. The academic funds include the Academic Initiatives Fund, the Transitional Fund, the Provost's Contingency Fund, the Student Experience Fund, and the Graduate Expansion Incentive Fund.

- Pension amortization expense, which is the academic divisions' share of the total pension loss amortization payment made by the University. The share of this payment belonging to the administrative divisions is included in the cost of shared services described above.

Accumulated Deficit Repayment

The University entered the 2006-07 fiscal year with an accumulated deficit of \$59.5M, and a planned in-year deficit of \$9.3M. The in-year deficit for 2006-07 is projected to increase by \$15M, to be offset by a recovery of \$4.6M related to the cost of new space. Hence, the projected accumulated deficit at the end of 2006-07 is \$79.2M. The budget plan allocates a repayment of \$11.2M each year over the next five years to reduce the accumulated deficit to \$23.2M by 2011-12. This will bring the accumulated deficit to the level required by Governing Council policy, which is 1.5% of gross revenue.

Schedule 2 – Incremental Shared Expense

Schedules 2 and 3 of the budget provide two different views of the breakdown of expenses. Schedule 2 shows line-by-line, year-over-year increases of various university-wide expenses and funds, grouped in the following four categories:

- *Contractual Obligations and Policy Commitments (COPC) items:* The COPC list comprises contractual obligations and expenditures needed to fulfil established university policy. For full details refer to Appendix D. As COPC expenses are inevitable, they are not subject to cost containment measures. In the previous budget model, these items were netted out of each division's expense budget to determine the "Relevant Base," which was then subjected to any necessary budget reduction.

Under the new budget model, the practice of applying across-the-board expense reductions will come to an end. Instead, all expense items will be subject to review to determine the extent to which they should be increased or decreased, taking into account the University's overall budget situation and divisional priorities. As such, the COPC concept is not essential to the new budget process.

Although the COPC may no longer be essential to the budget process, it continues to provide useful information about where flexibility exists in the University's budget. Also, in this first year of implementation of the new budget model, the review process has been limited to a few important items. Across-the board expense reductions are still necessary, and they have been applied to all divisions providing shared services. Hence, the COPC concept has been retained, at least for the time being. Both the purpose and the content of the COPC list will be reviewed during the coming year.

- *Capital and Maintenance:* These expenses include debt service for capital projects as well as costs related to the University's caretaking and maintenance.
- *Funding for Administrative/Academic Service Divisions:* Under the principles of the new budget model, academic divisions are no longer funded centrally for

salary and benefit increases, nor are they assigned cost containment measures. However, salary and benefit increases will continue to be funded for administrative and academic service divisions as these divisions do not generally generate revenue. Until the full university-wide services review process is in place a cost containment measure will continue to be applied to administrative divisions.

- *University-wide Funds:* This group of expenses includes the university-wide academic funds described under Schedule 1 as well as several targeted funds to support priority areas in university-wide services. Allocations to major projects from the Academic Initiatives Fund come before Governing Council separately for approval.

Schedule 3 – Cost Bins

Expense information is summarized in Schedule 3 using the 12 cost bins defined in the new budget model, which are the basis for cost attribution to divisions. Further information on the cost bins and what each bin covers is contained in the Task Force reports mentioned in Section II of this report.

Schedule 4 – Budget Impact

Schedule 4 presents an alternative high-level view of the budget projections that enables an assessment of the impact of the budget on the University's operation. It is organized to show aggregated year-over-year changes in revenue and expense. Section VI on budget impact provides further discussion of this schedule.

Schedules 5 and 6 – Allocations to Academic Divisions

Schedule 5 contains a detailed summary of revenue attributions and deductions by division for 2007-08. Multi-year projections by division for the entire budget cycle are given in Schedule 6. These two schedules are discussed in more detail in Section VII on divisional allocations.

IV. Planning Assumptions for 2007-2012

A complete list of updated assumptions on revenue and expense is given in Appendix C. The following is a summary of key assumptions.

Revenue

The budget projections are based on the most recent divisional enrolment plans and the information available about government funding. Enrolment increases will only take place at the graduate level. The University's graduate expansion calls for an increase of 4500 FTE (Full-Time Equivalent) students over the planning period. Undergraduate enrolment is projected to decrease by 1000 students over the same period. This is the net

result of a reduction in domestic undergraduate enrolment of 2500 students and an increase in international undergraduate enrolment of 1500 students. No assumptions have been made about increases in grant revenue per student (quality funding) beyond 2008-09 as no information is available at this time.

Tuition growth is primarily driven by tuition increases as opposed to volume. The average tuition fee increase is assumed to be 4.28% for domestic students and about 5% for international students each year.

The Federal government has announced its intent to make changes to the allocation of Canada Research Chairs. Details are under discussion and no decisions have been announced. Reallocation may lead to a reduction in the number of Chairs at the University of Toronto. However, no reductions have been assumed in budget projections as no specifics are available at this time.

Total revenue from indirect cost recovery on research grants and contracts is projected to increase moderately over the planning period. A slight increase in federal indirect costs is assumed, driven by research volume. No assumptions have been made on increases in IDC rate. The provincial Research Performance Fund will be terminated in 2008-09. However, the Ministry of Research and Innovation has indicated a commitment to funding indirect costs at 40%. The net effect is expected to be a slight reduction in provincial funding.

Centrally-Administered Student Aid

The University remains committed to its Policy on Student Financial Support and to the provincial government's Student Access Guarantee. Funding for the centrally-administered portion of expenditures on student aid is projected to increase at an average of \$3.5M each year over the next five years. The remainder of the student-aid budget is derived from endowments and allocations made by the divisions from their expense budgets.

University-wide Expenditures

Compensation increases for all university employees are assumed to be as per negotiated agreements. Beyond that, increases are assumed to be equal to CPI plus merit.

Occupancy costs are projected to increase an average of 5% per year over the next five years. The increase is primarily a result of:

- a decrease in utility costs in 2007-08, followed by a projected 3% increase in utilities each year thereafter;
- an allocation of funds over the next two years to improve the level of caretaking service for academic program quality; and
- the establishment of a utility infrastructure reserve over the next three years
- projected increases in salary and benefit costs (salary increases based on negotiated agreements, otherwise CPI plus PTR or merit);

The costs of shared services and other general expenses are projected to increase an average of 5% per year over the next five years. The increase is primarily a result of:

- the re-establishment of the University Relations portfolio and related funding for communications and advertising;
- an increase in debt service costs related to the Varsity Centre, the Exam Centre and the Multifaith Centre; and
- continuing support for shared services associated with graduate expansion
- projected increases in salary and benefit costs in administrative divisions;

Central library expense will increase by \$18.2M over the next five years. The increase is primarily a result of:

- \$1M per year for library acquisitions;
- \$2M to support and improve library services;
- projected increases in salary and benefit costs

As mentioned earlier, cost estimates for years beyond 2008-09 are for modelling purposes only, pending the completion of the review process. In the absence of revenue growth, additional expense containment measures may have to be applied.

Consistent with the methodology of the new budget model, no base allocations will be made from the Academic Initiatives Fund, starting with the 2007-08 competition. The concept of a base budget no longer exists. Instead, multi-year allocations will be made according to the needs of each project.

In this new approach, the fund is best viewed as providing start-up funding for new initiatives. Because the fund is not derived from actual new revenue, projects that require on-going funding must generate the funds needed either from external sources or from internal reallocations. On-going funding support may in some cases be derived from increased allocations from the University Fund.

The AIF competition for 2007-08 has been completed, and funds will begin to flow to the academic divisions during the year. No competition will be held for 2008-09, and the associated and previously scheduled expense of \$5M has been eliminated. AIF competitions will resume in later years as previously planned, at the level of a one-time-only \$5M expense each year.

V. 2007-08 Budget

The previous section introduced a budget framework for the next five years. This section describes the revenue and expense components of the 2007-08 budget in more detail.

V.1. 2007-08 Revenue

Total revenue is projected to increase by 4.7%, from \$1275M in 2006-07 to \$1334 in 2007-08. Of this \$60M increase, \$40M is an increase in general university revenue and \$20M is in divisional income. The main assumptions underlying these projections are:

- The provincial government operating grants will not include an inflationary increase.
- The University will receive full average operating funding for undergraduate enrolment growth.
- Enrolment in professional masters and doctoral stream programs will grow by 2140 eligible FTEs over 2004-05 levels.
- Funding from the provincial Access to Higher Quality Education Fund will decrease from \$27.1M in 2006-07 to \$25.7M in 2007-08
- Tuition fees in 2007-08 will rise by an average of 4.28% for domestic students and 5% for international students.
- Investment income will increase by \$0.9M in 2007-08 as a result of a slight improvement in market conditions. Previous investment losses have now been fully amortized.
- Income from other sources will decrease by \$1.7M, primarily as a result of the change in methodology for charging shared service costs to self-funded programs. Costs for these programs are no longer collected as income, but rather are included as part of the total allocations of costs to a division. This is an accounting change associated with the transition to the new budget model, not a drop in external revenue.
- Canada Research Chair revenue will reach a steady state in 2007-08. No adjustment has been assumed for the potential re-allocation of chairs by the federal government.
- Divisional income has been adjusted to reflect prior-year actual income and is offset by an equivalent increase in divisional expense.

V.2. 2007-08 Expenditures

Total expenditures will increase by \$51M (4%), from \$1283M in 2006-07 to \$1334 in 2007-08. This is after a \$4M in cost containment has been applied to the administrative divisions. Under the new budget model, academic divisions are responsible for their own increases in expense, including salary increases. They will implement internal cost containment measures according to their individual circumstances. The major factors contributing to increases in university-wide expenditure are:

Shared Services

- Utility costs are projected to decrease by \$2.9M, primarily due to decreased electricity and gas rates. A new expense of \$1M has been budgeted to establish a utility infrastructure reserve fund.
- An additional \$2M is provided for increased caretaking costs resulting from new space as well as planned improvements in caretaking service.

- Pension deficit amortization remains at the 2006-07 level of \$27.3M. This amount includes the pension deficit amortization for both academic and administrative divisions.
- An allocation of \$2.8M has been made to fund higher debt service costs for additional projects in the capital budget (see Appendix E for further details of the capital budget).
- \$0.5M is allocated in support of the teaching assistant training program and pandemic planning
- Compensation costs in administrative and academic service divisions are projected to rise by \$7.1M. Salary increases are assumed to be as per negotiated agreements. Otherwise they are assumed to be CPI (2%) plus merit. The standard benefit rate is 22.5% for appointed employees and 10% for non-appointed employees.

University-Wide Funds

This section includes both academic and administrative funds. Note that previous budgetary allocations to these funds will normally have been expended before the beginning of the 2007-08 fiscal year.

- *Academic Initiative Fund:* The University continues its academic planning initiative, guided by *Stepping Up*. An allocation of \$5M is available for new initiatives that are part of approved academic plans.
- *Student Experience Fund:* The Student Experience Fund will increase by \$3.3M in 2007-08. This fund is intended to support both university-wide and divisional initiatives that aim to create a better learning environment and to enhance student life in general. The total funds available in 2007-08 are \$6.6M.
- *Provost's Contingency:* The sum of \$2M will be transferred to the Provost's Contingency fund in 2007-08. This fund is primarily available to assist academic divisions with unanticipated expenses.
- *Transitional Fund:* An amount of \$2M is allocated to the Transitional Fund to support academic divisions as they transition to managing resources under difficult budget circumstances.
- *Graduate Expansion Incentive Fund:* This fund is intended to assist divisions achieve their targets for increased graduate enrolment and attract top applicants against increased competition. No new allocation is needed as sufficient carryforward funds are available to be used for this purpose in 2007-08.
- *Information Technology:* An additional amount of \$0.5M is allocated to this fund to support University-wide information technology initiatives and upgrades, such as the electronic classroom project and the university network backbone upgrade.
- *Academic Services Fund:* The sum of \$0.5M will be transferred to the Academic Services fund from general university revenue in 2007-08. This fund supports such services as libraries (other than book acquisitions) and academic computing.

- *Graduate Expansion Services:* The additional amount of \$1M will be used to extend shared services to support graduate enrolment growth.
- *Administrative Priorities Fund:* The sum of \$3M is allocated to the Administrative Priorities fund to fund new initiatives in administrative divisions. The majority of the new funds will be used to establish the office of the Vice President University Relations, including expenses related to increased levels of communications, advertising and marketing.

VI. Budget Impact

Schedule 4 of the budget (see Appendix B) presents a high-level view of the budget projections that is meant to provide an assessment of the impact of the budget on the University's operations. It provides a summary of year-over-year changes in revenue and expense, and shows the expendable funds available to the divisions after accounting for projected compensation increases. This view is helpful in assessing the extent to which expense containment measures are needed and how they may be apportioned between administrative and academic divisions.

University revenues in 2007-08, excluding divisional income and funds that flow to other institutions, will be \$40.0M higher than in 2006-07. Total expenses are projected to increase by \$28M, before implementing the proposed cost containment for 2007-08. This figure includes salary increases in the administrative divisions, but does not account for salary increases in the academic divisions. According to the provisions of the new budget model, the latter are to be funded from the expense budgets of the academic divisions. Thus, the incremental net revenue available to the University in 2007-08, without any expense reductions, is \$9.1M.

Salary increases in the academic divisions are estimated to cost \$26.3M in 2007-08, based on the budget assumptions. This leaves a shortfall of \$17.3M, which is the minimum amount of cost containment that needs to be implemented to maintain a balanced budget. Of this amount, \$4M will be absorbed by the administrative divisions, as Schedule 2 of the budget shows. Academic divisions will need to reduce their internal expenditures by \$13.3M to cover salary and benefit payments.

Additional reductions in spending will be needed to cover other division-specific increases in operational costs. For example, expenditures related to financial support of graduate students will need to increase with graduate expansion. Also, both academic and administrative divisions will need to cover their individual shares of the accumulated deficit repayment.

VII. Divisional Allocations

This section describes the expense budgets for individual academic and administrative divisions.

VII.1. Academic Divisions

According to the methodology of the new budget model, the expense budget of an academic division consists of the Net Revenue of that division plus its share of the University Fund as determined by the Provostial review and the academic planning process. The Net Revenue is equal to the sum of all the revenues attributed to the division less its contribution to the University Fund, student aid and the cost of shared services.

Schedule 5 of Appendix B provides a summary of attributed revenues and expenses to all academic divisions. It also shows the University Fund allocations and the resulting expense budget subtotals for 2007-08. The total 2007-08 expense budgets for the academic divisions are generated after accounting for other adjustments and transfers, as detailed in Appendix F.

Administrative Divisions

Expense budgets for administrative divisions are determined following a review process. Recommended allocations take into account salary increases for 2006-07 and the need for cost containment in 2007-08. As salary increases for 2007-08 are not yet known, they are not included in divisional budgets. The funds needed are held centrally. The recommended allocations to administrative divisions for 2007-08 are summarized in Appendix F.

No outer year allocations to administrative divisions are shown. The planning and review process that will determine these allocations will take place during 2007-08.

VIII. Capital Project Funding

Prior to 2001, academic capital projects were funded from a combination of campaign donations, Federal and Provincial government capital grant allocations, and the University's operating budget. Debt financing was restricted to resolving cash-flow shortfalls during construction of academic buildings. Debt was also routinely used to provide the majority of the cost of residence construction where the debt service charges were recovered from room rental revenue. The University Infrastructure Investment Fund (UIIF) was created as the vehicle through which operating budget funds are allocated to capital projects.

Since 2001, it became clear that the traditional sources of funding were no longer sufficient to meet the capital construction demands driven by research initiatives and enrolment expansion. The 2001 update to the *Long-Range Budget Guidelines (1998-2004)* provided \$30M of funding to the UIIF in each of 2001-02, 2002-03 and 2003-04 in the form of loans, with the debt service costs charged to the operating budget. Funding shortfalls in individual project budgets, after deployment of government, campaign and UIIF funding were to be the responsibility of the occupying divisions. This was the first recognition that capital construction of academic buildings could no longer be funded on a cash basis and that the use of debt financing would be necessary in the future. The Guidelines also argued for the evolution to a Capital Budget separate from the Operating Budget, but where the Operating Budget would be one source of revenue for the debt service charges associated with the Capital Budget.

Appendix A

2006-07 Shadow Budget

The purpose of the 2006-07 Shadow Budget is to match the divisional expense budget for each academic division as derived according to the new budget model to the total budgeted expendable funds that the division received that year. Most of the expendable funds available to the divisions were allocated in the 2006-07 budget report. Additional funds were flowed to the divisions during the year, mostly based on revenue-sharing agreements for government grants and tuition. Table A1 shows these two components and the resulting total expense budget for each division.

A summary of the Shadow Budget as derived according to the new budget model is given in Table A2. Columns A to D show the gross revenue attributed to each division, the division's contribution to the University Fund pool, to shared expenses and to the centrally-administered portion of the student aid budget. The expenses in the 2006-07 budget approved by Governing Council exceeded revenues by \$9.3M. During the year, a cost recovery of \$4.6M related to the cost of new space reduced the projected deficit to \$4.7M. Each division's share of this deficit, which is shown in column E, is added to arrive at its net revenue and its proper shadow expense budget.

The Net Revenue in column F is equal to gross revenue less the deductions in columns B, C and D, plus column E.

The next step in the development of the Shadow Budget is to determine the University Fund allocation needed to bring the divisional expense budgets to exactly the same level shown in Table A1. The University Fund allocation needed to align the two budgets is now given by:

$$\begin{aligned} \text{UF allocation} &= \text{Total budgeted funds (column K)} \\ &\quad - \text{Net Revenue (F)} \end{aligned}$$

The resulting total expense budget under the Shadow Budget (column H) is exactly the same as the total budgeted funds under the previous budget model (column K).

Table A1. Total Divisional Budgets in 2006-07

DIVISION	Net Expense Budget as per Budget Report	In Year Allocations	Total Expense Budget
	(I)	(J)	(K = I + J)
Arts & Science (incl. Colleges)	186,374,932	38,907,105	225,282,037
UTSC	66,354,303	11,700,346	78,054,649
UTM	64,060,811	11,679,424	75,740,235
Dentistry	17,551,616	2,231,093	19,782,709
Medicine	72,551,976	23,734,206	96,286,182
Nursing	8,632,409	574,598	9,207,007
Pharmacy	10,154,074	403,534	10,557,608
Physical Education & Health	3,465,815	421,827	3,887,642
Applied Science & Engineering	54,558,928	10,288,644	64,847,572
Architecture	4,630,218	1,140,935	5,771,153
OISE/UT ¹	11,772,799	35,991,652	47,764,451
Forestry	2,767,873	486,017	3,253,890
Law	13,855,421	4,315,080	18,170,501
Information Studies	4,654,616	1,346,734	6,001,350
Music	7,843,226	1,971,596	9,814,822
Social Work	4,656,907	1,133,392	5,790,299
Management	29,694,175	6,158,112	35,852,287
Transitional Year Programme	1,340,594	90,430	1,431,024
Graduate Institutes & Centres	4,642,109	1,086,441	5,728,550
Total	569,562,802	\$ 153,661,166	723,223,968

¹ OISE in-year allocation includes \$30M transfer from divisional revenue to university-wide revenue as a result of the end of the integration agreement

Table A2. Shadow Budget for 2006-07 Under New Model

DIVISION	Attributed Operating Revenue	10% Contribution to University Fund	Share of University Wide Expense	Student Aid Set-Aside	Share of Deficit	Net Revenue	University Fund Allocation	Expense Budget
	(A)	(B)	(C)	(D)	(E)	(F = A-B-C-D+E)	(G = K - F)	(H)
Arts & Science (incl. Colleges)	375,795,890	34,689,671	117,724,456.0	19,425,364	1,598,035	205,554,433	19,727,604	225,282,037
UTSC	113,624,899	11,084,439	17,113,115.1	6,504,904	483,179	79,405,619	(1,350,970)	78,054,649
UTM	115,519,695	11,239,745	18,826,117	6,682,989	491,236	79,262,080	(3,521,845)	75,740,235
Dentistry	19,635,898	1,692,700	7,898,463	1,089,891	83,500	9,038,344	10,744,365	19,782,709
Medicine	156,934,958	12,619,353	68,101,433	5,436,260	667,350	71,445,263	24,840,918	96,286,182
Nursing	13,850,758	1,280,123	4,347,457	626,553	58,899	7,655,524	1,551,483	9,207,007
Pharmacy	22,961,232	2,124,776	7,688,124	1,902,375	97,640	11,343,597	(785,989)	10,557,608
Physical Education & Health	7,347,917	724,164	2,447,390	364,476	31,246	3,843,133	44,509	3,887,642
Applied Science & Engineering	119,459,893	10,260,388	41,689,496	7,524,021	507,991	60,493,979	4,353,593	64,847,572
Architecture	6,094,529	578,380	1,964,904	431,377	25,916	3,145,785	2,625,369	5,771,153
OISE/UT 2	58,028,757	5,395,568	15,994,264	2,512,818	246,762	34,372,869	13,391,582	47,764,451
Forestry	2,428,170	187,676	1,532,748	96,042	10,326	622,029	2,631,861	3,253,890
Law	18,873,496	1,684,718	5,187,811	1,058,791	80,258	11,022,434	7,148,067	18,170,501
Information Studies	7,231,539	663,838	2,387,700	401,257	30,751	3,809,496	2,191,854	6,001,350
Music	11,372,753	1,071,338	3,793,741	950,539	48,362	5,605,497	4,209,325	9,814,822
Social Work	8,223,699	719,252	2,385,894	512,011	34,970	4,641,513	1,148,786	5,790,299
Management	44,297,868	3,894,456	9,127,298	2,177,081	188,372	29,287,405	6,564,882	35,852,287
Transitional Year Programme	518,878	42,966	478,037	115,080	2,206	(114,999)	1,546,023	1,431,024
Graduate Institutes & Centres	5,179,369	424,149	2,172,340	192,636	22,025	2,412,268	3,316,281	5,728,550
Total	1,107,380,197	100,377,699	330,860,788	58,004,465	4,709,024	622,846,270	100,377,698	723,223,968

**Long Range Budget Guidelines
2006-07 to 2011-12
(\$ millions)**

Budget Model Summary

	<i>Assump.#</i>	2006-07	2007-08	2008-9	2009-10	2010-11	2011-12
<u>Projection of Operating Revenue</u>							
Provincial Operating Grants	4 - 9	\$ 563.1	\$ 565.2	\$ 574.8	\$ 583.2	\$ 589.9	\$ 594.5
Tuition Fees	10,11	432.6	460.7	501.3	539.1	579.5	621.0
Subtotal Grants plus Fees		995.7	1,025.9	1,076.1	1,122.3	1,169.4	1,215.5
Investment Income	12	21.1	22.0	23.2	23.6	24.0	24.3
Amortization of Investment Losses	13	(4.8)	-	-	-	-	-
Other Income	14	11.1	9.4	9.9	10.5	11.1	11.6
Subtotal - Revenue for University Fund Contribution		1,023.1	1,057.3	1,109.2	1,156.3	1,204.4	1,251.4
Endowment Revenue for Chairs and Student Aid	15	37.8	40.3	42.1	43.7	45.3	46.5
Canada Research Chairs	16	37.2	40.2	40.2	40.2	40.2	40.2
Indirect Cost Recovery on Research Grants and Contracts	17-20	29.4	30.5	31.8	31.7	31.1	30.8
Subtotal General University Revenue		1,127.5	1,168.3	1,223.3	1,271.9	1,321.0	1,368.9
Divisional Income - Government Grants	21	4.0	3.8	3.9	4.0	4.0	4.1
Divisional Income - Student Fees	21	43.0	44.6	45.5	46.4	47.3	48.2
Divisional Income - Ancillary Fees	21	41.1	50.1	51.1	52.1	53.2	54.2
Divisional Income - External Revenue	21	58.9	67.7	69.0	70.4	71.8	73.2
Subtotal Divisional Revenue		147.0	166.1	169.4	172.8	176.3	179.8
Total Operating Revenue		\$ 1,274.5	\$ 1,334.4	\$ 1,392.7	\$ 1,444.7	\$ 1,497.2	\$ 1,548.7

**Long Range Budget Guidelines
2006-07 to 2011-12
(\$ millions)**

<u>Projection of Operating Expenditures</u>	<u>Assump.#</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-9</u>	<u>2009-10</u>	<u>2010-2011</u>	<u>2011-2012</u>
University Wide Student Aid Set-Aside	22	\$ 58.0	\$ 62.5	\$ 66.2	\$ 69.7	\$ 73.2	\$ 76.3
Flow-through to Other Institutions (Hospitals, Colleges, TST)	23	20.1	20.1	20.3	20.6	20.8	21.0
<u>Shared Services</u>							
Occupancy Costs (Cost Bin 1)		82.6	84.5	88.8	95.7	101.7	107.5
Shared Services		109.1	106.8	113.5	117.1	121.0	126.0
University-wide General Expense (Cost Bin 12)		28.0	33.8	38.4	42.3	45.4	45.1
Central Library Expense (Cost Bin 8)		60.0	62.4	67.0	70.7	74.2	78.2
Federated Block Grant		7.9	9.9	9.5	10.1	10.6	11.2
Sub-total		287.7	297.4	317.3	335.9	352.9	367.9
<u>Academic Divisions:</u>							
Academic Expense Budget (excluding University Fund)		774.4	794.6	813.1	840.7	876.2	903.2
University Fund		100.4	103.8	108.9	113.6	118.4	123.0
Pension Amortization (Cost Bin 6)		21.5	21.5	21.5	21.5	21.5	21.5
Academic Funds (Cost Bin 11)		21.7	34.6	45.4	42.8	34.3	35.8
Sub-total		918.0	954.5	988.9	1,018.6	1,050.4	1,083.5
Total Expenditure		\$ 1,283.8	\$ 1,334.4	\$ 1,392.7	\$ 1,444.7	\$ 1,497.2	\$ 1,548.7
Annual Planned Deficit		(9.3)	-	-	-	-	-

Accumulated deficit per 2005-06 Financial Statements	\$ (59.5)						
Projected current year deficit over budget level		(15.0)					
Projected recovery of new space costs		4.6					
Projected accumulated deficit, end of year		(79.2)	(68.0)	(56.8)	(45.6)	(34.4)	(23.2)
Repayment of accumulated deficit			11.2	11.2	11.2	11.2	11.2
Maximum allowable by GC guideline (1.5% of revenue)							23.2

**Long Range Budget Guidelines
2007-08 to 2011-12
Incremental Expenditure Summary of University Wide Expense**

Year-Over-Year Increases	<i>Assump.#</i>	2006-07	2007-08	2008-9	2009-10	2010-2011	2011-2012
<u>University-Wide Expense</u>							
University Wide Expense, Beginning of Year		\$ 290.0	\$ 330.9	\$ 353.5	\$ 384.2	\$ 400.2	\$ 408.7
Contractual Obligations and Policy Commitments (COPC)							
Federated Block Grant	24	-	2.0	(0.4)	0.5	0.5	0.6
Utilities	24	16.3	(4.4)	1.2	1.3	1.3	1.4
Additional Cost of New Space and New Policies: F&S	24	3.0	3.1	0.9	2.5	2.5	2.5
Library Acquisitions	24	1.0	1.0	1.1	1.1	1.2	1.2
Other COPC Expenses	24	0.2	(4.1)	0.8	(0.3)	1.0	0.0
Pension Deficit Amortization	25	0.8	-	-	-	-	-
Capital and Maintenance							
Operating Fund Debt Service Support of Capital Budget	26	0.8	2.8	1.0	-	-	-
Deferred Maintenance Funding	27	1.2	0.6	0.6	0.5	0.5	0.5
Caretaking and Annual Maintenance	28		1.3	2.5	1.3	-	-
Funding for Administrative/Academic Service Divisions							
Cost of Compensation Settlements (incl. benefits)	29		7.1	7.5	7.7	8.0	8.3
Expense Containment Requirement			(4.0)	(1.3)	TBD	TBD	TBD
University-Wide Funds							
Academic Initiatives Fund (AIF)	30	5.0	5.0	(0.5)	(0.5)	(5.5)	-
Student Experience Fund	31	3.3	3.3	3.3	(6.6)	-	-
Provost's Contingency	32	0.4	2.0	1.0	1.0	0.5	0.5
Transitional Funding - Academic	33	1.0	2.0	1.5	1.5	1.0	0.5
Graduate Expansion Incentive Fund	34	-	-	4.0	1.0	(5.0)	-
Information Technology Initiatives and Upgrades	35	1.0	0.5	2.0	1.0	-	-
Academic Service Initiatives	36	1.5	0.5	1.5	1.0	0.5	0.5
Graduate Expansion - University-Wide Services	37	1.4	1.0	2.0	1.0	1.0	-
Administrative Priorities	38	1.0	3.0	2.0	2.0	1.0	0.5
Innovations Foundation Restructuring	39	3.0	-	-	-	-	-
University Wide Expense, End of Year		\$ 330.9	\$ 353.5	\$ 384.2	\$ 400.2	\$ 408.7	\$ 425.2

Cost Bins
2006-07 to 2011-12

Bin #	Shared Services	2006-07	2007-08	2008-9	2009-10	2010-2011	2011-2012
1	Occupancy	\$ 82.6	\$ 84.5	\$ 88.8	\$ 95.7	\$ 101.7	\$ 107.5
2	Information Technology	18.0	18.7	21.2	22.9	23.6	24.3
3	University Management	12.4	12.6	12.9	13.6	14.3	15.0
4	Financial Management	5.5	5.6	5.8	6.1	6.4	6.8
5	Human Resources	15.6	16.4	16.4	17.0	17.9	18.7
7	University Advancement	15.6	15.7	16.1	16.7	17.3	17.9
8	Central Library	60.0	62.4	67.0	70.7	74.2	78.2
9	Research Administration	17.0	12.4	13.9	12.8	12.7	13.4
10	Student Recruitment, Registrarial & Services	24.9	25.2	26.9	27.9	28.7	29.7
12	University-wide General ¹	28.0	33.8	38.4	42.3	45.4	45.1
	Direct - Federated Block Grant	7.9	9.9	9.5	10.1	10.6	11.2
	Direct - Prof. Faculties North and South HF	0.2	0.2	0.2	0.2	0.2	0.2
	Sub-total	287.7	297.4	317.3	335.9	352.9	367.9
	Academic						
11	University-wide Academic ¹	21.7	34.6	45.4	42.8	34.3	35.8
6	Pension Amortization (academic portion)	21.5	21.5	21.5	21.5	21.5	21.5
	Total University Wide Expense	\$ 330.9	\$ 353.5	\$ 384.2	\$ 400.2	\$ 408.7	\$ 425.2

¹ The Student Experience Fund was included in bin 12 in the 2006-07 shadow budget. It has now been moved to bin 11 and 2006-07 has been re-stated.

Budget Impact
2007-08 to 2011-12

	2007-08	2008-9	2009-10	2010-11	2011-12
Revenue					
Increase in revenue (excluding divisional income)	\$ 40.8	\$ 55.0	\$ 48.6	\$ 49.1	\$ 47.9
Less: increase in revenue flowing to other institutions	(0.6)	(0.3)	(0.3)	(0.2)	(0.2)
Revenue available to University	A 40.2	54.7	48.3	48.9	47.7
Expense					
Increase in shared services and academic funds prior to cost containment	26.7	32.0	16.0	8.5	16.5
Increase in Student Aid (operating and endowed)	4.5	3.7	3.5	3.5	3.1
Total	B 31.1	35.7	19.5	12.0	19.6
Net new revenue available to academic divisions	C= A-B 9.1	19.0	28.8	36.9	28.1
Estimated cost of compensation increases for academic divisions	D 26.3	24.5	25.2	26.1	27.0
Total expense containment required	E=C-D \$ (17.3)	\$ (5.5)	\$ 3.6	\$ 10.8	\$ 1.1
Annual repayment of accumulated deficit (not cumulative)	F 11.2	11.2	11.2	11.2	11.2
Annual repayment assigned to administrative divisions	2.6	2.6	2.6	2.6	2.6
Annual repayment assigned to academic divisions	\$ 8.6	\$ 8.6	\$ 8.6	\$ 8.6	\$ 8.6

Summary of Projected Revenue & Expense Allocations for 2007-08

DIVISION	Attributed Operating Revenue (A)	10% Contribution to University Fund (B) ¹	Share of University-wide Costs (C)	Student Aid Set-Aside ² (D)	Net Revenue (E = A-B-C-D)	Reference Level UF Allocation (F)	Reference Level UF Adjustments ³ (G)	Incremental University Fund Allocation (H)	Total Budget (I=E+F+G+H)
Arts & Science	\$ 377,928,035	\$ 34,724,530	\$ 125,945,765	\$ 20,489,088	\$ 196,768,652	\$ 19,727,604		\$ 755,540	\$ 217,251,795
UTSC	120,022,504	11,693,418	19,493,461	6,978,386	81,857,240	(1,350,970)		523,927	81,030,196
UTM	123,758,228	12,026,806	21,356,485	7,350,042	83,024,895	(3,521,845)	(337,660)	964,242	80,129,632
Dentistry	21,396,741	1,842,132	8,184,766	1,236,903	10,132,940	10,744,365		40,081	20,917,386
Medicine	164,339,336	13,084,524	70,241,912	5,710,154	75,302,746	24,840,918	337,660	284,694	100,766,019
Nursing	14,712,759	1,324,703	4,528,898	696,783	8,162,376	1,551,483		28,823	9,742,681
Pharmacy	24,687,544	2,259,839	8,149,143	2,126,396	12,152,166	(785,989)		205,964	11,572,142
Physical Education & Health	7,264,772	714,383	2,536,149	376,666	3,637,575	44,509		15,544	3,697,627
Applied Science & Engineering	125,233,418	10,734,767	43,698,011	8,322,264	62,478,375	4,353,593		233,568	67,065,536
Architecture	5,422,631	508,691	2,025,733	439,594	2,448,613	2,625,369		11,068	5,085,049
OISE/UT	58,304,947	5,392,841	17,266,586	2,757,862	32,887,658	13,391,582		117,338	46,396,578
Forestry	2,875,785	225,645	1,956,411	109,585	584,144	2,631,861		4,910	3,220,915
Law	19,921,455	1,763,575	5,428,828	1,206,384	11,522,668	7,148,067		38,372	18,709,107
Information Studies	8,135,659	745,314	2,667,529	464,062	4,258,755	2,191,854		16,217	6,466,826
Music	11,918,176	1,117,547	4,079,077	1,035,741	5,685,811	4,209,325		24,316	9,919,451
Social Work	9,345,531	815,871	2,600,304	587,018	5,342,337	1,148,786		17,752	6,508,876
Management	47,494,629	4,329,665	10,469,841	2,220,094	30,475,029	6,564,882		94,205	37,134,117
Transitional Year Programme	544,671	44,397	410,475	129,002	(39,202)	1,546,023		966	1,507,787
Graduate Institutes & Centres	4,936,834	415,619	2,472,406	218,441	1,830,368	3,316,281		9,043	5,155,692
Total	\$ 1,148,243,655	\$ 103,764,267	\$ 353,511,779	\$ 62,454,465	\$ 628,513,145	\$ 100,377,698	\$ -	\$ 3,386,569	\$ 732,277,412
Balance available in University Fund	-	-							
Subtotal	1,148,243,655	103,764,267	353,511,779	62,454,465	628,513,145	100,377,698	-	3,386,569	732,277,412
Flow-through to Jt Programs/TST	6,952,509								6,952,509
Flow-through to Hospitals for CRCs	13,100,000								13,100,000
Total	\$ 1,168,296,164	\$ 103,764,267	\$ 353,511,779	\$ 62,454,465	\$ 628,513,145	\$ 100,377,698	\$ -	\$ 3,386,569	\$ 752,329,920

¹ The 10% contribution to the UF is calculated on a sub-set of total attributed revenue in column A

² Includes student aid in the operating fund (administered centrally through Admissions and Awards) and student aid which is administered through restricted funds, but reflected in the university operating budget.

³ Transfer of Biomedical Communications program from Medicine to UTM.

Long Range Academic Divisional Projections

Arts & Science	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	377,393,924	377,928,035	388,006,017	396,561,666	411,826,157	425,425,449
Deductions ²	(171,839,491)	(181,159,384)	(191,768,485)	(198,570,818)	(204,587,014)	(212,613,042)
University Fund ³	19,727,604	20,483,144	19,727,604	19,727,604	19,727,604	19,727,604
Total Budget ⁴	225,282,037	217,251,796	215,965,136	217,718,453	226,966,747	232,540,011

UTSC	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	114,108,078	120,022,504	121,518,259	123,324,714	124,329,665	127,946,503
Deductions ²	(34,702,458)	(38,165,264)	(40,259,768)	(41,258,196)	(41,486,180)	(42,849,828)
University Fund ³	(1,350,970)	(827,043)	(1,350,970)	(1,350,970)	(1,350,970)	(1,350,970)
Total Budget ⁴	78,054,649	81,030,197	79,907,520	80,715,547	81,492,515	83,745,704

UTM	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	116,010,931	123,758,228	134,218,898	144,347,724	150,521,515	156,230,542
Deductions ²	(36,748,851)	(40,733,333)	(45,186,353)	(48,354,241)	(49,777,991)	(51,684,086)
University Fund ³	(3,521,845)	(2,895,263)	(3,521,845)	(3,521,845)	(3,521,845)	(3,521,845)
Total Budget ⁴	75,740,235	80,129,632	85,510,700	92,471,638	97,221,679	101,024,611

Dentistry	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	19,719,397	21,396,741	22,028,838	22,816,859	23,660,814	24,359,541
Deductions ²	(10,681,054)	(11,263,802)	(12,142,130)	(12,692,541)	(13,122,521)	(13,656,390)
University Fund ³	10,744,365	10,784,447	10,744,365	10,744,365	10,744,365	10,744,365
Total Budget ⁴	19,782,709	20,917,387	20,631,073	20,868,683	21,282,658	21,447,516

Notes:

1. Includes share of annual deficit in 2006-07, which provides additional revenue to the division.
2. Includes: UF contribution, student aid set-aside and university-wide costs
3. Shown as Reference Level for all years, except 2007-08 where an incremental allocation has been included.
Decisions on outer year allocations have not yet been made.
4. Total budget is as per the New Budget Model methodology; does not include other transfers or adjustments.

Long Range Academic Divisional Projections

Medicine	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	157,602,309	164,339,336	171,969,066	179,506,711	183,404,818	185,909,589
Deductions ²	(86,157,046)	(89,036,590)	(96,078,530)	(99,905,820)	(101,763,862)	(105,021,176)
University Fund ³	24,840,918	25,463,273	24,840,918	24,840,918	24,840,918	24,840,918
Total Budget ⁴	96,286,182	100,766,019	100,731,455	104,441,810	106,481,874	105,729,331

Nursing	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	13,909,657	14,712,759	15,277,113	15,767,603	16,207,494	16,604,032
Deductions ²	(6,254,133)	(6,550,383)	(7,006,500)	(7,263,789)	(7,417,983)	(7,647,655)
University Fund ³	1,551,483	1,580,306	1,551,483	1,551,483	1,551,483	1,551,483
Total Budget ⁴	9,207,007	9,742,682	9,822,095	10,055,296	10,340,993	10,507,860

Pharmacy	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	23,058,872	24,687,544	26,607,688	27,979,525	29,223,846	30,336,608
Deductions ²	(11,715,275)	(12,535,377)	(13,791,894)	(14,540,109)	(15,061,976)	(15,675,934)
University Fund ³	(785,989)	(580,025)	(785,989)	(785,989)	(785,989)	(785,989)
Total Budget ⁴	10,557,608	11,572,141	12,029,804	12,653,427	13,375,881	13,874,685

PE&H	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	7,379,163	7,264,772	7,491,511	7,677,249	7,891,563	8,431,415
Deductions ²	(3,536,030)	(3,627,198)	(3,876,883)	(4,041,848)	(4,162,938)	(4,421,815)
University Fund ³	44,509	60,052	44,509	44,509	44,509	44,509
Total Budget ⁴	3,887,642	3,697,627	3,659,136	3,679,910	3,773,134	4,054,109

Notes:

1. Includes share of annual deficit in 2006-07, which provides additional revenue to the division.
2. Includes: UF contribution, student aid set-aside and university-wide costs
3. Shown as Reference Level for all years, except 2007-08 where an incremental allocation has been included.
Decisions on outer year allocations have not yet been made.
4. Total budget is as per the New Budget Model methodology; does not include other transfers or adjustments.

Long Range Academic Divisional Projections

APSE	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	119,967,885	125,233,418	131,144,807	136,097,522	139,644,797	143,150,750
Deductions ²	(59,473,905)	(62,755,042)	(67,976,627)	(70,867,681)	(72,613,582)	(75,389,671)
University Fund ³	4,353,593	4,587,161	4,353,593	4,353,593	4,353,593	4,353,593
Total Budget ⁴	64,847,572	67,065,536	67,521,773	69,583,433	71,384,808	72,114,671

Architecture	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	6,120,445	5,422,631	5,806,032	6,151,548	6,306,904	6,436,497
Deductions ²	(2,974,661)	(2,974,018)	(3,190,395)	(3,400,257)	(3,503,624)	(3,622,405)
University Fund ³	2,625,369	2,636,437	2,625,369	2,625,369	2,625,369	2,625,369
Total Budget ⁴	5,771,153	5,085,050	5,241,006	5,376,659	5,428,649	5,439,461

OISE/UT	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	58,275,518	58,304,947	62,301,368	65,723,658	67,982,600	69,324,036
Deductions ²	(23,902,649)	(25,417,289)	(27,757,880)	(29,226,815)	(30,063,889)	(31,099,683)
University Fund ³	13,391,582	13,508,920	13,391,582	13,391,582	13,391,582	13,391,582
Total Budget ⁴	47,764,451	46,396,578	47,935,069	49,888,424	51,310,292	51,615,934

Forestry	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	2,438,495	2,875,785	3,418,975	3,769,547	3,997,014	4,113,851
Deductions ²	(1,816,466)	(2,291,641)	(2,559,339)	(2,722,471)	(2,815,559)	(2,927,372)
University Fund ³	2,631,861	2,636,771	2,631,861	2,631,861	2,631,861	2,631,861
Total Budget ⁴	3,253,890	3,220,915	3,491,498	3,678,937	3,813,316	3,818,340

Notes:

1. Includes share of annual deficit in 2006-07, which provides additional revenue to the division.
2. Includes: UF contribution, student aid set-aside and university-wide costs
3. Shown as Reference Level for all years, except 2007-08 where an an incremental allocation has been included.
Decisions on outer year allocations have not yet been made.
4. Total budget is as per the New Budget Model methodology; does not include other transfers or adjustments.

Long Range Academic Divisional Projections

Law	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	18,953,754	19,921,455	20,998,718	22,176,918	23,356,508	24,509,410
Deductions ²	(7,931,320)	(8,398,788)	(8,966,985)	(9,388,159)	(9,702,501)	(10,106,062)
University Fund ³	7,148,067	7,186,439	7,148,067	7,148,067	7,148,067	7,148,067
Total Budget ⁴	18,170,501	18,709,107	19,179,799	19,936,826	20,802,074	21,551,415

Information Studies	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	7,262,290	8,135,659	9,201,823	10,879,349	12,658,935	13,960,467
Deductions ²	(3,452,794)	(3,876,904)	(4,365,135)	(4,939,112)	(5,472,542)	(5,926,064)
University Fund ³	2,191,854	2,208,071	2,191,854	2,191,854	2,191,854	2,191,854
Total Budget ⁴	6,001,350	6,466,826	7,028,542	8,132,091	9,378,246	10,226,257

Music	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	11,421,115	11,918,176	13,061,828	13,698,659	14,479,792	15,192,840
Deductions ²	(5,815,618)	(6,232,365)	(6,792,650)	(7,135,147)	(7,443,512)	(7,808,912)
University Fund ³	4,209,325	4,233,641	4,209,325	4,209,325	4,209,325	4,209,325
Total Budget ⁴	9,814,822	9,919,452	10,478,503	10,772,837	11,245,606	11,593,253

Social Work	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	8,258,669	9,345,531	9,434,986	9,490,023	9,581,558	9,711,152
Deductions ²	(3,617,156)	(4,003,194)	(4,230,016)	(4,353,393)	(4,428,208)	(4,558,784)
University Fund ³	1,148,786	1,166,538	1,148,786	1,148,786	1,148,786	1,148,786
Total Budget ⁴	5,790,299	6,508,875	6,353,756	6,285,415	6,302,136	6,301,154

Notes:

1. Includes share of annual deficit in 2006-07, which provides additional revenue to the division.
2. Includes: UF contribution, student aid set-aside and university-wide costs
3. Shown as Reference Level for all years, except 2007-08 where an incremental allocation has been included.
Decisions on outer year allocations have not yet been made.
4. Total budget is as per the New Budget Model methodology; does not include other transfers or adjustments.

Long Range Academic Divisional Projections

Management	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	44,486,240	47,494,629	53,577,891	59,004,255	68,496,978	79,300,426
Deductions ²	(15,198,836)	(17,019,600)	(19,112,002)	(20,458,017)	(22,234,532)	(24,559,700)
University Fund ³	6,564,882	6,659,087	6,564,882	6,564,882	6,564,882	6,564,882
Total Budget⁴	35,852,287	37,134,116	41,030,772	45,111,120	52,827,329	61,305,608

Trans. Year. Prog.	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	521,085	544,671	555,912	581,734	596,543	610,843
Deductions ²	(636,084)	(583,874)	(617,817)	(649,305)	(672,062)	(696,420)
University Fund ³	1,546,023	1,546,989	1,546,023	1,546,023	1,546,023	1,546,023
Total Budget⁴	1,431,024	1,507,787	1,484,118	1,478,452	1,470,504	1,460,446

SGS (Inst. & Centres)	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Attributed Revenue ¹	5,201,394	4,936,834	5,465,781	5,789,514	6,130,285	6,472,670
Deductions ²	(2,789,125)	(3,106,467)	(3,411,327)	(3,579,137)	(3,702,097)	(3,882,894)
University Fund ³	3,316,281	3,325,324	3,316,281	3,316,281	3,316,281	3,316,281
Total Budget⁴	5,728,550	5,155,692	5,370,735	5,526,658	5,744,469	5,906,057

Incremental University Funds Available to be Allocated						
			8,551,884	13,398,766	18,195,156	22,873,347

Notes:

1. Includes share of annual deficit in 2006-07, which provides additional revenue to the division.
2. Includes: UF contribution, student aid set-aside and university-wide costs
3. Shown as Reference Level for all years, except 2007-08 where an incremental allocation has been included.
Decisions on outer year allocations have not yet been made.
4. Total budget is as per the New Budget Model methodology; does not include other transfers or adjustments.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
1	Period of Budget Guidelines	2004-05 to 2009-10			2007-08 to 2011-12
2	Format of Budget Guidelines				The format of the LRBG has been revised to reflect the transition to the new budget model.
3	General Rate of Inflation (CPI)	CPI assumed to be 2.0% annually. While the CPI for 2002-03 was greater than 2%, the projections from the Provincial and Federal Governments and the Institute for Policy Analysis range between 1.97 and 2.04 for the period 2004-10.	Updated CPI projections from 3 economic forecasting agencies indicate that 2% remains an appropriate assumption.	No change	No change
Revenue Assumptions					
4	Domestic U/G Enrolment	Enrolment is assumed to follow the plans described as Phases 1 and 2 in <i>Update on Enrolment Expansion</i> , which has received Governing Council approval. A further increase of 750 was added in Phase 3 of this plan. Two additional increases in intake of 750 and 85 students in 2003-04 were included in the March 2003 and April 2003 Enrolment Target Agreements with the Provincial Government.	Enrolment will continue to grow according to plan to 2006-07 as a result of the flow through of the double cohort. In 2007-08 and beyond, domestic undergraduate enrolment will decline as a result of a planned reduction in overall total undergraduate enrolment. At the same time there will be increase in international enrolment (see #4.)	Minor adjustments in domestic undergraduate enrolment projections to reflect most recent divisional plans.	Enrolment is assumed to decrease by approximately 2500 students by the end of the planning period, reflecting the most recent divisional plans.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
5	International U/G Enrolment	International enrolment intake assumptions will be maintained at least at the 2000-01 level. In 2003-04 international enrolment increased. Flow through of this increase is reflected in outer year projections.	International enrolment intake assumptions have been updated to reflect higher the 2004-05 level. Additional growth beyond this level is projected for some divisions.	International undergraduate enrolment projections have been updated to reflect most recent divisional plans. Growth is planned for some divisions.	International undergraduate enrolment projections have been updated to reflect most recent divisional plans. Plans call for an increase of about 1500 students by the end of the planning period.
6	Graduate Enrolment	For the purposes of budget projections, modest growth has been assumed. Domestic and international doctoral stream enrolment targets and revenue sharing arrangements will be negotiated as part of new Divisional plans.		The Provincial Government announced in the May 2005 budget that additional funding will be provided for graduate expansion. Graduate enrolment in professional masters and doctoral stream programs is assumed to grow by 4400 eligible FTEs by 2009-10.	Graduate enrolment is assumed to increase as per most recent divisional plans. The total planned increase in graduate enrolment in 2007-08 is 2,330 FTEs, relative to 2004-05. This is composed of 2140 eligible FTEs and 150 international FTEs.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
7	Government Operating Grants	<p>It is assumed that Government will continue to provide full funding for increased enrolment associated with the double cohort and its flow through the system. Funding per student will be held at the same level as in 2003-04, but beyond 2006-07, the revenue from Government Operating Grants will increase year over year by CPI to cover increased costs. This increase will be in addition to any revenue from enrolment increases.</p> <p>It is also assumed that there will be no change in the cap on graduate funding over the period of the guidelines. As a result, some graduate BIUs will continue to be unfunded. Only tuition revenue will be realized for any increase in graduate enrolment.</p>	<p>Undergraduate Accessibility Fund projections have been updated to reflect the latest enrolment projections.</p> <p>The Provincial Government announced in the March 2004 budget that the ATOP fund would be reduced by approximately 12%. The university's portion is projected to decrease in 2005-06 and beyond from \$10.2M to \$9.0.</p> <p>The OGSST grant (\$1.7M) and the Special Medical Research Grant from the Ministry of Health and Long term Care (\$3.5M) are projected to end in 2007-08.</p>	<p>Undergraduate Accessibility Fund projections have been updated to reflect the latest enrolment plans.</p> <p>Graduate Accessibility Fund Projections have been updated to reflect planned expansion of 4400. (\$62M by 2009-10)</p> <p>Unfunded BIUs will be funded by MTCU over the next three years.</p>	<p>Undergraduate Accessibility Fund projections have been updated to reflect the latest enrolment projections. Full average funding is assumed.</p> <p>Graduate Accessibility Fund projections have been updated to reflect divisional plans. The annual incremental grant for graduate expansion is projected at: \$21M in 07-08, \$14M in 08-09, \$12M in 09-10, \$7M in 10-11 and \$4M in 11-12.</p> <p>OGSST of \$1.6M projected to end after 2008-09.</p>

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
8	Ontario Quality Assurance/Quality Improvement Fund	The Double Cohort Quality Assurance Fund will be maintained at the levels announced last year. The University will receive its pro-rata share of this Fund, starting at \$14.7M in 2003-04 and rising to steady state of \$39.1M by 2006-07.	The Provincial Government announced in the March 2004 budget that the Quality Assurance Fund would be capped at 2003-04 levels (\$14.7M for UofT). The University assumes that the provincial government will announce new funding to replace the Quality Assurance Fund to achieve the steady state planned amount of \$39.1M by 2006-07.	The Provincial Government announced in the May 2005 budget the creation of the Quality Improvement Fund to replace the capped Quality Assurance Fund. Projections have been estimated based on information currently available (\$63M by 2009-10).	<ul style="list-style-type: none"> a) Correction of per student funding is assumed to continue at \$8.3M for 2007-08 and beyond b) general quality funding is projected at \$17M in 2007-08 and \$18.2 beyond c) No further quality funding included in projections
9	MD Expansion and Enhancement Grant			The Provincial Government has announced that it will provide additional funding for 98 new undergraduate medical students by the end of the planning period in 2009-10. In addition, enhancement funding will be provided on 84 existing spaces. Total MD grant revenue is projected to increase by \$9M by 2009-10.	No change.
10	Tuition Fee Rates: Domestic	Fees in all programs are assumed to be frozen in 2004-05 and 2005-06 at 2003-04 levels. However, flow through of previous increases is allowed. Fees to be increased by CPI (estimated to be 2%) in 2006-07 and beyond.		As a result of the Provincial Government's release of the new multi-year tuition policy framework, tuition fees are assumed to increase on average approximately 4.1% per year for 2006-07 and beyond.	<p>Tuition fees have been updated to the latest draft tuition fee schedule.</p> <p>Tuition fees are assumed to increase on average 4.28% in 2007-08</p>

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
11	Tuition Fee Rates: International	A new tuition fee schedule for international students will be introduced, with a 5% increase in 2004-05 and further increases in 2005-06.	A new tuition fee schedule for international students will be introduced, with a median increase in 2005-06 of 23 %. In 2006-07 it is assumed international fees will increase by 5%. In 2007-08 and beyond, the increase assumption remains unchanged at 2%.	International tuition fees are assumed to increase by 5% per year in 2006-07 and beyond.	Tuition fees have been updated to the latest draft tuition fee schedule. Tuition fees are assumed to increase on average approximately 5% in 2007-08.
12	Investment Income	UBS Cash-in-Action: 2.93% for 2004-05 and beyond Investments managed by UTAM: 4.5% for 2004-05 and beyond Internal loans with signed agreements: 5.76% for 2004-05, 6.11% for 2005-06, 6.31% 2006-07, 6.34% for 2007-08 and beyond.		Investment income is projected to increase as compared to projections made a year ago. The increase is due to: increase in average capital available for investing and decrease in distribution to participants, offset by lower investment rates of return. Total rates of return: 3.74% for 2006-07, 4.57 for 2008-09, 4.71% for 2008-09 and 4.88% for 2009-10.	Investment income is projected to increase as compared to projections made a year ago. The increase is due to: increases in short-term and UTAM returns, increase in average capital available for investing, improved ancillary services projections, slower cash outflow projections, offset by an increase in distribution to participants due to increase of the 3-month T-bill rate which is used to calculate the distribution. Total rates of return: 4.72% for 2007-08, 4.91% for 2008-09, 4.99% for 2009-10, 5.02% for 2010-11 and 5.03 for 2011-12.
13	Amortization of Investment Losses	The recent market loss in EFIP investment is being amortized at \$10.6M a year for 3 years.	Amortization of the market loss in EFIP investments has been reduced from \$10.6M to \$4.8M in 2006-07.	No change	Amortization of the market loss in EFIP investments has been completed.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
14	Other Income	<p>This includes revenue from:</p> <ul style="list-style-type: none"> • Surcharge on unpaid fees • Application fees • Central overhead charges to self-funded academic programs <p>Projections for the surcharge and application fees are calculated based on projected enrolment levels. Projections for overhead revenue are based on an established overhead model.</p>			<p>Investment management fees are now included with other income and are projected at \$.6M for 2007-08. It is anticipated that this fee will be discontinued beyond 2007-08.</p> <p>Central overhead charges to self-funded academic programs are no longer being charged as a result of the transition to the new budget model.</p>
15	Endowment Revenue for Chairs and Student Aid	<p>The endowment income is based on projected payout rates of \$6.73 for 2003-04, rising by 2% a year to \$7.58 by 2009-10. Revenue includes endowed income from student aid and divisional income from endowed chairs.</p>		No change.	<p>No change to payout projections to 2009-10. Payout rate projections extended to 2010-11 (\$7.73) and 2011-12 (\$7.89)</p>
16	Canada Research Chairs Program	<p>The Canada Research Chairs program will be renewed with the same terms after its expiry in 2007-08, and the University of Toronto will maintain its current share of the program.</p>		<p>The CRC program will be renewed at the same level of funding</p>	<p>The federal government has indicated a potential redistribution of CRC chairs but no details are available. No changes have been assumed.</p>

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
17	Indirect Cost Recovery on Research Grants and Contracts	Revenue from indirect cost recovery flows to general university income, from : <ul style="list-style-type: none"> • Provincial Centres of Excellence • Connaught and I'Anson Funds • Other Grants and Contracts • ORDCF • Canada Research Chairs • Ontario Research Performance Fund • Federal Granting Councils 		Beginning in 2007-08 the Ontario Research Fund (ORF) will replace ORDCF.	See details below.
18	Other Grants and Contracts	Revenue projected to increase by approximately 1% per year.		No change	No change
19	Ontario Research Performance Fund	This is projected to be \$5.4 M in 2004-05 through to 2009-10.	The RPF program is expected to end in 2006-07. A conservative estimate has been made of funding to be received from the newly created Ontario Research Fund.	The RPF program is expected to end in 2007-08. A conservative estimate has been made of funding to be received from the newly created Ontario Research Fund.	Funding from ORF has been reduced to \$2.4M per year to reflect the change in distribution mechanism through MRI.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
20	Federal Government Indirect Cost of Research Program	<p>The Federal Government confirmed a fund of \$225M for the indirect costs of federally supported research in 2003-04 and beyond. The University's share, excluding the affiliated teaching hospitals, is projected at \$15.1M. The program is a 3-year program with an IDC rate of 20%. This will be reviewed in 2005-06 with advocacy toward increasing the rate to 40%. The long range plan is based on a 20% rate.</p>	<p>In their last budget the Federal Government announced an increase to the fund of \$20M. Due to the distribution formula for the additional funding, it is projected that the university's share will not increase materially and projected revenue has been held constant at the 2004-05 budget level.</p>		<p>The Federal Government confirmed increased funding starting in 2006-07. Projected IDC revenue is \$19.8M for 2007-08 and beyond, a slight increase driven by volume.</p>
21	Divisional Income	<p>Increased divisional revenues are offset by increased divisional expense allocations. Divisional income is projected to increase at 2% a year.</p>		<p>Divisional income has been adjusted in 2006-07 to reflect prior year actual income. It is projected to increase at 2% a year in 2007-08 and beyond.</p>	<p>Divisional income has been adjusted in 2007-08 to reflect prior year actual income. It is projected to increase at 2% a year in 2008-09 and beyond.</p>

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
Expenditure Assumptions					
22	Student Aid	<p>A portion of tuition revenue will continue to be set aside for undergraduate student aid. The retained portion consists of 30% of the incremental tuition revenue due to tuition fee increases above the 1995-96 levels. Projections have been updated to reflect the impact of the tuition freeze.</p> <p>The Stepping Up academic plan includes as an important objective a substantial increase in student aid. The amount set aside from incremental tuition fee revenue will form part of this increase. In addition, the University will strive to achieve its objectives in this area through the OSOTF program and other development efforts.</p>		<p>The University remains committed to the goal of accessibility and to ensuring that no student is denied access for financial reasons. The University also supports the Provincial Government's Student Access Guarantee, as outlined in the recently announced multi-year tuition policy framework. In this regard, the University will continue to set aside sufficient funds so as to be able to achieve these goals.</p>	<p>Student aid will increase by \$4.5M in 2007-08 and an average of \$3.5M per year beyond. These amounts have been assessed to ensure sufficient funding to meet the Student Access Guarantee.</p>
23	Flow through to other institutions				<p>The University receives grant and /or tuition revenue on behalf of other institutions for the CRC program, the joint programs with colleges and the Toronto School of Theology. Funds are flowed directly to these institutions when they are received.</p>

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
24	Contractual Obligations and Policy Commitments (COPC)	This section includes expenditures which are protected because they are required through contractual obligations or policy. For further detail, refer to the 2004-05 COPC Report.		For further detail, refer to the 2006-07 COPC Report in Appendix B	For further detail, refer to the 2007-08 COPC Report in Appendix D
25	Pension Deficit Amortization	The deficit in the pension fund is being amortized at \$26.5M a year for 15 years.		The annual amortization has been increased by \$.8M starting in 2006-07 to reflect the costs of recent agreements.	No change.
26	Operating Fund Debt Service Support of Capital Budget		The operating fund supports the debt service costs relating to capital projects funded from the operating budget through the UIIF. Net debt service costs related to the centrally funded portion of the Medical Arts Building will increase over the next two years as lease revenue declines when current tenants vacate the building. (Note: this is not a change in assumption but rather a change in presentation, moving the debt service cost off the COPC Report)	Net debt service costs related to the centrally funded portion of the Medical Arts Building will increase in 2006-07 as lease revenue declines when the final tenants vacate the building. The operating fund will support the debt service costs relating to the Varsity centre and the Multifaith Centre, starting in 2008-09.	The operating fund will support the debt service costs relating to the Varsity Centre, the Multifaith Centre, and the Exam Centre, starting in 2007-08.
27	Deferred Maintenance	About 1% of the Operating Budget has been allocated to renovations and deferred maintenance on all campuses, \$3.7M in base in 2004-05 and a further \$4.7M in 2005-06. This is in addition to funding expected from the Provincial	The allocation to renovations and deferred maintenance will increase by \$.1M to \$4.8M in 2005-06.	The allocation to renovations and deferred maintenance will increase by \$1.2M in 2006-07 as per original plan.	About 1% of the increase in total operating revenue has been allocated to deferred maintenance on the St. George campus, each year.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
		Government for deferred maintenance, via the Facilities Renewal Program (FRP). Expenditure of these funds will be approved by the Accommodation and Facilities Directorate (AFD) and in accordance with FRP regulations.			
28	Caretaking and Annual Maintenance				Funding has been provided to increase level of caretaking services at the St. George campus and to establish a utility infrastructure capital reserve fund.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
29	Compensation: salaries and benefits for administrative/academic service divisions	<p>The following assumptions are for modeling purposes only and do not represent a strategy for salary negotiations.</p> <ul style="list-style-type: none"> • Compensation increases for 2003-04 and 2004-05 for UTFA are included. • Compensation increases for all university employees, including the costs associated with benefit improvements, are assumed to be as follows for 2005-06 and beyond: <ul style="list-style-type: none"> UTFA: CPI plus cost of PTR annually, Professional/management: CPI plus merit Other employees: CPI annually (step increases are funded by the Divisions) • Cost increases associated with the provision of the existing level of employee benefits are captured in assumption # 26. 		<p>The following assumptions are for modeling purposes only and do not represent a strategy for salary negotiations.</p> <ul style="list-style-type: none"> • Compensation increases for all university employees are assumed to be as per negotiated agreements or, in the case of ongoing negotiations, as per the University's offer. Beyond that, increases are assumed to be CPI plus PTR or merit. • Cost increases associated with the provision of the existing level of employee benefits are captured in assumption # 26. 	<p>No change in salary increase assumptions.</p> <p>The standard benefit rate will remain at 22.50% for appointed employees and at 10% rate for non-appointed employees.</p>

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
30	Academic Initiative Fund	\$5M in base is allocated for academic planning program initiatives under Stepping Up.		No change	To date approximately \$8M has been committed in base. Remaining funding commitments will be made on an OTO basis. Base funds will be withdrawn from the fund over the next three years, leaving \$5M in the fund after 2009-10. Round 5 of the competition will be cancelled.
31	Student Experience Fund			OTO allocations of \$3.3M in 2006-07, \$6.6M in 2007-08 and \$9.9M in 2008-09 (totaling approximately \$20M) have been made in support of enhancing the student experience.	OTO allocations of \$3.3M in 2006-07, \$6.6M in 2007-08 and \$9.9M in 2008-09 (totaling approximately \$20M) have been made in support of enhancing the student experience. \$3.3 M will remain in the fund beyond 2008-09.
32	Provost's Contingency				An additional \$2M will be allocated to the Provost's Contingency to ensure adequate funds are available for a stable transition to the new budget model. An additional \$3M will be allocated over the remaining four years. These funds generally flow back out to academic and administrative divisions.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
33	Transitional Funding - Academic	This fund is used to assist a limited number of divisions who are in transition. The provision of funding will be dependent on attainment of transitional objectives developed by agreement with the Provost.		An additional \$1.2M has been allocated over four years in support of graduate expansion.	An additional \$2M will be allocated to the Transitional Fund in 2007-08 in anticipation of increased funding requirements related to the transition to the new budget model. \$4.5M is allocated over the remaining four years.
34	Graduate Expansion Incentive Fund				One time only funding of \$4M has been provided for 2008-09 and \$5M for 2009-10 for the Graduate Expansion Incentive Fund. The 2007-08 commitment of \$4M will be met from OTO funds at the end of 2006-07.
35	Information Technology Initiatives and Upgrades	\$2M in base is allocated for administrative information technology initiatives and upgrades.		An additional \$4M has been allocated over four years in support of graduate expansion. (See # 33 above)	An additional \$.5M in base is allocated in 2007-08 for administrative information technology initiatives and upgrades. Base funding will increase by \$6.5M over the outer years.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
36	Academic Service Initiatives	\$0.5M in base will be transferred to the Academic Service Initiatives fund from general university revenue in 2004-05 and 2005-06 and \$0.25M in 2006-07. This fund supports such services as libraries (other than book acquisition) and academic computing, and the added funding is needed to meet the increased demands resulting from enrolment expansion.		An additional \$10M has been allocated over four years in support of graduate expansion.	An additional \$4M has been allocated over five years in support of improved library and computing services.
37	Graduate Expansion – University Wide Services			Approximately \$27M of increased revenue from graduate expansion will be used to support university wide services associated with the expansion. Approximately \$17M is allocated to services including library support, information technology, SGS, student services and student experience. The remainder is held in a central envelope to be distributed once final allocations are determined.	Funds will continue to be allocated to support university wide services associated with the expansion, including library support, information technology, SGS, student services, student experience. \$1M is allocated in 2007-08 and \$4M over the next four years.

**Revenue and Expense Assumptions for the Period 2004-05 to 2007-08
An Update, March 2007**

#	Budget Model Line	Assumption March 2004	Assumption Update March 2005	Assumption Update March 2006	Assumption Update March 2007
38	Administrative Priorities Fund				An additional \$3M will be allocated in 2007-08 to the Administrative Priorities Fund to fund high priority needs in various Vice-Presidential portfolios, in particular the re-establishment of core services in government and international relations and communications. \$5.5 is allocated over the remaining period.
39	Innovations Foundation Restructuring			An allocation of \$3M in base has been made in 2006-07 in support of the transfer of UTIF activities into the portfolio of the Vice President Research.	No change.

Appendix D

Contractual Obligation and Policy Commitments Budget

2007-08

The Budget Model organizes projected expenses into several generic categories, each representing a different degree of annual budgetary discretion. One of these is Contractual Obligations and Policy Commitment (COPC) items. These are expenses that must be honoured, and needed to fulfill established university policy. They include:

- Payments resulting from contractual obligations to other institutions, such as for the joint programs with Sheridan College or Centennial College.
- Inevitable expenses, such as the cost of utilities or legal fees.
- Expenditures that are protected by University policy to maintain academic quality, such as the book acquisition budget for the library.

The projections for various COPC items include a degree of uncertainty resulting from events such as the volatility of the Canadian dollar or fluctuations in utility rates. The recommended budget for each item is based on the middle of the range of projected costs. The uncertainty is accounted for in a contingency allocation. .

In the previous budget model, these items served a specific purpose. As COPC expenses are inevitable, they were not subject to cost containment measures. They were netted out of each division's expense budget to determine the "Relevant Base," which was then subjected to the necessary budget reduction.

Under the new budget model, there are no across-the-board expense reductions. All expense items are subject to review to determine the extent to which they should be increased or decreased, taking into account the University's overall budget situation and divisional priorities.

Even though the COPC concept is not essential to the new budget process, it provides useful information about where flexibility exists in the University's budget. Also, in this first year of implementation of the new budget model, the review process has been limited to a few important items. Across-the board expense reductions were still necessary, and they have been applied to all divisions providing university-wide services. Hence, the COPC concept has been retained.

**Contractual Obligations and Policy Commitments (COPC) List
2007-08**

	2006-07 Budget	Base Allocation	OTO Allocation	Prior year OTO Reversal	Total Increase (Decrease)	2007-08 Budget
1. Contractual Obligations to Affiliated Institutions						
Federated Colleges Block Grant	7,891,292	1,158,584	882,126		2,040,710	9,932,002
Toronto School of Theology Grant ¹	2,310,207	256,450			256,450	2,566,657
Transfer Payments re Joint Programs with Colleges ¹	4,013,377	372,475			372,475	4,385,852
Total	14,214,876	1,787,509	882,126	-	2,669,635	16,884,511
2. Lease Cost of Off-Campus Space	788,124	(18,397)	-	-	(18,397)	769,727
3. Institutional Statutory Commitments						
Membership Fees						
A.U.C.C.	207,276	26,538			26,538	233,814
Council of Ontario Universities	675,632	(18,748)			(18,748)	656,884
Other Membership	81,335	1,023			1,023	82,358
Subtotal - Membership Fees	964,243	8,813	-	-	8,813	973,056
Negotiating Expenses	301,537	116,600	15,000	(15,000)	116,600	418,137
TA Training Program	50,000	225,000			225,000	275,000
Job Accommodation Fund/ Program	25,000	20,000			20,000	45,000
Legal Fees	3,092,000				-	3,092,000
Pension Consulting	60,000				-	60,000
Radioactive & Chemical Waste Disposal	470,000	47,000			47,000	517,000
Biomedical Waste Disposal (F&S)	41,712				-	41,712
Total	5,004,492	417,413	15,000	(15,000)	417,413	5,421,905

¹ Amounts not included in "University Wide Expense on Schedules 2 and 3 of Budget Model; included in "Flow through to other institutions"

**Contractual Obligations and Policy Commitments (COPC) List
2007-08**

	2006-07 Budget	Base Allocation	OTO Allocation	Prior year OTO Reversal	Total Increase (Decrease)	2007-08 Budget
4. Utilities						
St. George Campus	42,519,168	(2,435,591)		(3,183,074)	(5,618,665)	36,900,503
UTSC Campus	3,628,335				-	3,628,335
UTM Campus	4,826,822	600,000	600,000		1,200,000	6,026,822
Total	50,974,325	(1,835,591)	600,000	(3,183,074)	(4,418,665)	46,555,660
5. Facilities and Services: St. George						
5a. Additional Cost of New Space						
Medical Arts Building (2 months)		61,475			61,475	61,475
Centre for Biological T.C.(10 months)		100,437			100,437	100,437
UTL / Aerospace Archives		27,314			27,314	27,314
Economics Building		137,583			137,583	137,583
Canadiana Building		25,406			25,406	25,406
Woodsworth Annex		4,000			4,000	4,000
Woodsworth Residence		22,503			22,503	22,503
School of Continuing Studies		16,022			16,022	16,022
Health Sciences Building		19,868			19,868	19,868
Simcoe Hall Annex		2,400			2,400	2,400
Earth Sciences Centre		13,400			13,400	13,400
Overall Campus Growth		379,462			379,462	379,462
Changes to Building Equipment Structure		136,600			136,600	136,600
Subtotal	-	946,470	-	-	946,470	946,470

**Contractual Obligations and Policy Commitments (COPC) List
2007-08**

	2006-07 Budget	Base Allocation	OTO Allocation	Prior year OTO Reversal	Total Increase (Decrease)	2007-08 Budget
5b. Facilities & Services Policy Compliance						
Elevator Maintenance		216,200			216,200	216,200
Environmental Health & Safety Act		100,000			100,000	100,000
Inspecting Day Care Play Structure		3,000			3,000	3,000
TSSA Pressure Vessel and Boilers Act		10,000	460,000		470,000	470,000
Occupational Health & Safety Act		206,600	917,500		1,124,100	1,124,100
Crisis Preparedness & Response Policy		115,000	10,000		125,000	125,000
Ontario Building Code Regulations		50,000			50,000	50,000
Ontario Disabilities Act - Signage			100,000		100,000	100,000
Testing and Maintenance of Fire Extinguishers		73,000			73,000	73,000
Fire Alarm Fines		30,000			30,000	30,000
Environmental Protection Act		200,000			200,000	200,000
Canadian Police Information System		5,700			5,700	5,700
Gull Lake			30,000		30,000	30,000
Canada Post Corporation - Convert Postage			34,300		34,300	34,300
Various reversal of prior year OTO				(449,900)	(449,900)	(449,900)
Subtotal	-	1,009,500	1,551,800	(449,900)	2,111,400	2,111,400
Total	-	1,955,970	1,551,800	(449,900)	3,057,870	3,057,870
6. Paid Leave Commitments						
Administrative leaves	-		558,850	(924,275)	(365,425)	(365,425)
UTFA Released Time	338,708	33,066			33,066	371,774
USWA Released Time	270,000	8,100	284,280	(276,000)	16,380	286,380
CUPE 3261 Released Time	40,742	1,222			1,222	41,964
CUPE 1230 Released Time	50,440	1,513			1,513	51,953
Total	699,890	43,901	843,130	(1,200,275)	(313,244)	386,646

**Contractual Obligations and Policy Commitments (COPC) List
2007-08**

	2006-07 Budget	Base Allocation	OTO Allocation	Prior year OTO Reversal	Total Increase (Decrease)	2007-08 Budget
7. Library Acquisitions						
St George	20,990,210	871,094			871,094	21,861,303
UTSC	1,375,958	57,102			57,102	1,433,060
UTM	1,435,147	59,559			59,559	1,494,706
Law	953,506	39,570			39,570	993,076
Industrial Relations	42,176	1,750			1,750	43,926
Environmental Studies	9,258	384			384	9,642
Audio Visual Library	87,464	3,630			3,630	91,094
Dentistry	6,800	282			282	7,082
Innis College	11,816	490			490	12,306
Music	7,979	331			331	8,310
New College	21,280	883			883	22,163
Fine Arts	47,386	1,967			1,967	49,353
University College	8,863	368			368	9,231
Total	24,997,843	1,037,410	-	-	1,037,410	26,035,253

**Contractual Obligations and Policy Commitments (COPC) List
2007-08**

	2006-07 Budget	Base Allocation	OTO Allocation	Prior year OTO Reversal	Total Increase (Decrease)	2007-08 Budget
8. Other Policy Commitments						
Reserve for Overhead on Contract Research	-		206,360	(4,806,831)	(4,600,471)	(4,600,471)
University Student Assistance Administration	1,614,396	50,000			50,000	1,664,396
Crisis and Pandemic Planning	-		121,000		121,000	121,000
Insurance	1,600,000		250,000	(250,000)	-	1,600,000
Governing Council Elections	38,760	10,000			10,000	48,760
Total	3,253,156	60,000	577,360	(5,056,831)	(4,419,471)	(1,166,316)
9. Operating Fund Debt Service Support of Capital Budget	15,704,583	2,800,000			2,800,000	18,504,583
10. Contingency Items (see list below)	1,443,750	228,030	-		228,030	1,671,780
11. Pension Deficit Amortization	27,300,000	-	-	-	-	27,300,000
TOTAL COPC	144,381,038	6,597,245	4,348,416	(9,905,080)	1,040,581	145,421,620

**Contractual Obligations and Policy Commitments (COPC) List
2007-08**

	2006-07 Budget	Base Allocation	OTO Allocation	Prior year OTO Reversal	Total Increase (Decrease)	2007-08 Budget
Contingency Items						
Library books (currency fluctuations)		-				
Legal Fees		1,000,000				
UTFA Negotiations		100,000				
Pension Consulting		15,000				
Governing Council Elections		14,280				
Insurance		150,000				
USWA Release Time		140,000				
CUPE 3902 - Stipendiary Teaching - Unit 3		30,000				
CUPE Negotiations - Unit 1 TA's		27,500				
CUPE Negotiations - Local 3261		10,000				
USWA Negotiations		15,000				
Job Accommodation Fund		10,000				
EH&S Fund		100,000				
EH&S: Waste Management		60,000				
TOTAL CONTINGENCY		<u>1,671,780</u>				-
Contingency Coverage of Risk 2007-08 @ 100%		1,671,780				
less: Prior Year Contingency					<u>(1,443,750)</u>	
Net Change in Contingency for 2007-08					<u><u>228,030</u></u>	

Table 1: Capital Project Cash Flow

	Approved Projects	Total Capital Requirements			
		Prior to 2007-08	2007-08	After 2007-08	Total
Capital Projects, Academic and Non-Academic	842,244,234	728,541,334	87,027,700	26,675,200	842,244,234
Capital Projects, Ancillaries	292,606,400	288,879,400	3,727,000	-	292,606,400
Matching Funds for endowment capital	44,000,000	44,000,000	-	-	44,000,000
Total Capital Projects	\$1,178,850,634	\$1,061,420,734	\$90,754,700	\$26,675,200	\$1,178,850,634
Funding Sources					
Federal Government	55,990,000	54,086,900	1,903,100	-	55,990,000
Provincial Government	214,608,190	194,538,390	5,638,100	14,431,700	214,608,190
Campaign Donations	100,995,310	100,495,310	500,000	-	100,995,310
Other (interest earned, municipal)	18,776,700	18,776,700	-	-	18,776,700
Sub-Total	\$390,370,200	\$367,897,300	\$8,041,200	\$14,431,700	\$390,370,200
Funded by the Central Operating Budget	299,655,184	266,165,784	33,489,400	-	299,655,184
Funded by Academic Divisional Budgets	228,333,250	193,580,650	22,509,100	12,243,500	228,333,250
Funded by Ancillaries Budgets and Student Levies	260,492,000	233,777,000	26,715,000	-	260,492,000
Sub-Total	\$788,480,434	\$693,523,434	\$82,713,500	\$12,243,500	\$788,480,434
Total Funding identified	\$1,178,850,634	\$1,061,420,734	\$90,754,700	\$26,675,200	\$1,178,850,634
Total Funding surplus/(deficit)	-	-	-	-	-
Debt Service cost supported by the Central Operating Budget		\$ 15,422,209	\$ 2,800,000	\$ -	\$ 18,222,209

Table 2: Capital Project Funding & Financing

	Project Cost	Sources of Funding & Financing				Total sources of Funding & Financing
		UIIF/Central	Divisional Operating Budget	Divisional Borrowing	Other Funding Sources	
UTSC						
ARC Academic Resource Centre Management Building	20,020,000		154,100	8,030,000	11,835,900	20,020,000
UTSC Classroom/Arts	15,390,000			5,590,000	9,800,000	15,390,000
UTSC Student Lab Upgrades	20,380,000			7,760,000	12,620,000	20,380,000
UTSC Food Services Revitalization Program	4,260,000			2,430,000	1,830,000	4,260,000
UTSC Electrical & Mechanical Cooling Towers - Infrastructure Phase 3	3,011,000		1,351,000	1,462,300	197,700	3,011,000
UTSC Science Building	2,465,700		2,255,000	-	210,700	2,465,700
UTSC - Infrastructure Chillers	37,090,000		13,090,000	24,000,000	-	37,090,000
UTSC -Electrical/Mechanical Infrastructure, Ph.5	3,170,000		2,970,000	-	200,000	3,170,000
UTSC East Arrival Court	4,530,000		4,210,000	320,000	-	4,530,000
UTSC Parking & Roadway Improvements	3,110,000		3,110,000	-	-	3,110,000
UTSC Drop-off Circle	9,760,000		1,820,000	7,710,000	230,000	9,760,000
	480,000		-	480,000	-	480,000
Sub-Total UTSC	\$123,666,700		\$28,960,100	\$57,782,300	\$36,924,300	\$123,666,700
UTM						
CCIT at Mississauga	34,670,000	2,500,000		8,150,000	24,020,000	34,670,000
UTM Alumni Gates & House (Collegeway, Springbank)	2,500,000			2,500,000		2,500,000
UTM - Medical Academy	20,107,000			20,107,000		20,107,000
Centre for Applied Bioscience and Biotechnology	3,403,600			1,284,100	2,119,500	3,403,600
Academic Learning Centre	34,000,000		214,000	7,180,000	26,606,000	34,000,000
Sub-Total UTM	\$94,680,600	\$2,500,000	\$214,000	\$39,221,100	\$52,745,500	\$94,680,600
St. George						
CCBR	96,600,100	2,800,000	4,500,000	19,200,000	70,100,100	96,600,100
Pharmacy Building	77,000,000	6,770,000		12,000,000	58,230,000	77,000,000
Purchase of 500 University Ave	15,824,950	15,824,950				15,824,950
Renovation of 500 University Ave. (Rehab Medicine)	10,660,000	9,960,600			699,400	10,660,000
Health Sciences Building (155 College St.)	17,280,000	17,280,000				17,280,000
Lash Miller Davenport	24,420,000				24,420,000	24,420,000
Botany Greenhouse (Growth Facility for Plant Research)	5,980,000				5,980,000	5,980,000
Bahen Centre for Information Technology	112,200,000	18,470,000		18,870,000	74,860,000	112,200,000
Sid Smith Infill Phase I & II	2,850,000	1,710,000	1,140,000			2,850,000
Economics Building (Ph. 1 & 2)	15,300,000		4,800,000	10,000,000	500,000	15,300,000
Sid Smith Student Space	3,200,000			3,090,000	110,000	3,200,000
Lash Miller Undergraduate Labs	5,370,000		1,600,000	3,770,000		5,370,000
Lash Miller Undergraduate Chemical Labs, Phase 2	5,000,000		1,500,000		3,500,000	5,000,000
Centre for Biological Timing and Cognition	14,460,000		3,050,000	200,000	11,210,000	14,460,000
Department of Mathematics	5,680,000		5,680,000			5,680,000
Lash Miller Courtyard	2,378,400		610,000		1,768,400	2,378,400
Energy Efficiency: Campus Lighting Retrofit & Chiller Replacement	21,860,000			18,930,000	2,930,000	21,860,000
Gerstein Science Information Centre	15,288,000	8,830,000			6,458,000	15,288,000
Purchase of Medical Arts Building	14,262,600	14,262,600				14,262,600
Rotman School of Management Expansion	4,550,000		340,000		4,210,000	4,550,000
Downsview Library	6,400,000	6,260,000			140,000	6,400,000
Varsity Centre for Physical Activity & Health	21,750,000	21,750,000				21,750,000
Multi-Faith Centre for Studies & Spiritual Practice	3,629,000	3,389,400	239,600			3,629,000
Centre for Humanities - Medical Arts Building	6,000,000		6,000,000			6,000,000
Centre for Criminology	2,109,000		1,000,000		1,109,000	2,109,000
Department of Fine Art	250,000		250,000			250,000
Department of Anthropology: Hughes Building	9,763,000		173,000	7,590,000	2,000,000	9,763,000
Examination Facility Centre - St. George	10,600,000	8,350,000	1,250,000		1,000,000	10,600,000
Southeast Infrastructure	3,777,000		3,777,000			3,777,000
Early Learning Centre	4,300,000	4,300,000				4,300,000
Health Sciences Building - Renovation	28,083,600		4,000,000	24,083,600		28,083,600
King's College Road/Circle Precinct, Phase 1&2	5,230,000		330,000		4,900,000	5,230,000
Other UIIF Allocations not included in Capital Plan	5,810,000	5,810,000				5,810,000
Sub-Total St George	\$577,865,650	\$145,767,550	\$40,239,600	\$117,733,600	\$274,124,900	\$577,865,650
Total - 3-Campus Non-ancillary	\$796,212,950	\$148,267,550	\$69,413,700	\$214,737,000	\$363,794,700	\$796,212,950
Ancillaries						
UTSC Residence Phase 4	16,260,000			16,250,000	10,000	16,260,000
UTSC Student Centre	14,390,000	4,720,000	250,000	9,420,000		14,390,000
UTM - Residence Phase 7	15,235,000	-		15,235,000		15,235,000
UTM Wellness Centre	24,500,000	7,000,000		17,500,000		24,500,000
CCIT Parking	12,540,000			12,540,000		12,540,000
UTM Residence Phase VIII	26,715,000			26,715,000		26,715,000
Colony Hotel	73,970,000			73,970,000		73,970,000
School of Continuing Studies	6,760,000		2,020,000	4,740,000		6,760,000
BCIT Parking Garage	12,750,000		1,720,000	11,030,000		12,750,000
Woodsworth Residence	32,000,000			30,317,000	1,683,000	32,000,000
Woodsworth College Residence Basement	3,596,400		626,400	2,870,000	100,000	3,596,400
New College Residence (annual subsidy of \$1.204m from APF for 8 yrs)	25,890,000		1,100,000	24,240,000	550,000	25,890,000
University College Residence	28,000,000	50,000	2,285,000	15,665,000	10,000,000	28,000,000
Sub-Total Ancillaries	\$292,606,400	11,770,000	8,001,400	260,492,000	12,343,000	292,606,400
Sub-Total, prior to Other Projects, cont'd on next page	\$1,088,819,350	\$160,037,550	\$77,415,100	\$475,229,000	\$376,137,700	\$1,088,819,350

Table 2: Capital Project Funding & Financing

	Project Cost	Sources of Funding & Financing				Total sources of Funding & Financing
		UIIF/Central	Divisional Operating Budget	Divisional Borrowing	Other Funding Sources	
Other Projects						
St Michael's College / Faculty of A & Sc. (approved by P&B Oct. 19, 1999)	\$1,300,000	875,000			425,000	1,300,000
Dentistry Student Laboratory (approved by P&B Oct. 19, 1999)	\$393,250	99,000			294,250	393,250
FALD Phase 3 (approved by P&B October 18, 2000)	\$690,000	345,000			345,000	690,000
Nursing Building renovations (approved by P&B March 20, 2001)	\$352,106	352,106				352,106
Department of Medicine renovations at UHN (approved by P&B May 25, 2001)	\$400,000	400,000				400,000
Accessibility Examination Centre, Robarts Library (approved by P&B Jan 9, 2002)	\$224,899	224,899				224,899
Vertical Expansion of Soil Storage Facility (approved by P&B Jan 9, 2002)	\$1,068,323	718,323			350,000	1,068,323
Upgrade 56 Spadina Ave., (approved by P&B Jan 9, 2002)	\$575,000	575,000				575,000
RCAT facility (approved by P&B March 19, 2002)	\$407,763	407,763				407,763
St Michael's College / A & Sc. Alumni Hall (approved by P&B March 19, 2002)	\$365,000	300,000			65,000	365,000
FIS Bissel Building Student Study Space (approved by P&B September 16, 2002)	\$40,500	35,000			5,500	40,500
15, 2002)	\$100,652	100,652				100,652
Simcoe Hall Renovations	\$1,587,154	1,587,154				1,587,154
Varsity Stadium Demolition	\$984,637	984,637				984,637
Purchase of Canadiana Building	\$1,570,000	1,570,000				1,570,000
Flavelle House	\$2,140,000	600,000		1,540,000		2,140,000
371 Bloor OISE/UT	\$23,260,500	3,500,000	5,528,000		14,232,500	23,260,500
Other Small Projects at UTM	\$10,571,500			10,571,500		10,571,500
Total Other Projects	\$46,031,284	\$12,674,534	\$5,528,000	\$12,111,500	\$15,717,250	\$46,031,284
TOTAL	\$1,134,850,634	\$172,712,084	\$82,943,100	\$487,340,500	\$391,854,950	# \$1,134,850,634

Table 3: University Infrastructure Investment Fund

		Balance
Balance as of April 30, 2000		\$1,839,470
<u>Transfers to UIIF as approved in the <i>Long Range Budget Guidelines</i></u>		
May 1, 2000 net of contribution to UT Scarborough under RCM	13,248,360	15,087,830
May 1, 2001 net contribution	16,800,000	31,887,830
Funding for May 1, 2001/2/3 included in 2001-02/03 Budget Report (Loan serviced from Op Budget)	90,000,000	121,887,830
Funding for May 1, 2004 included in 2002-03 Budget Report (Loan serviced from Op Budget)	14,260,081	136,147,911
<u>Revenue/Recovery:</u>		
Revenues from Project Closures & Surpluses	146,811	136,294,722
Transfer as per Financial Services Request	500,000	136,794,722
Medicine's Total of 4 Repayment for 500 University Avenue	2,994,374	139,789,096
Recovery from Faculty of Medicine	7,620,804	147,409,900
<u>Allocations:</u>		
All Closed/Concluded Project Items	(142,863,869)	4,546,031
Ongoing Project Items:		
Examination Facility Centre - St. George	(8,350,000)	(3,803,969)
Varsity Centre	(21,750,000)	(25,553,969)
Multifaith Centre	(3,389,400)	(28,943,369)
<u>Other:</u>		
Attributed to Future UIIF Tranches		33,179,443
		4,236,074
Total UIIF Allocations net Faculty of Medicine recovery	\$172,712,084	
Other Projects funded from the Operating Budget		
Negative balance in Capital Renewal Fund to be funded from the operating budget	(3,319,919)	
Dental Chair Subsidy	(4,500,000)	
MARS Equity (debt service already funded from operating budget)	(5,000,000)	
Matching Loan 1, 2, & 3 (\$14m + \$22.5m + \$7.5m)	(44,000,000)	
Redirect Pension Savings	(19,700,000)	
Total UIIF Allocations net F of Med recovery plus Other Projects funded from the Operating Budget	\$249,232,003	

EXPENSE SUMMARY

DIVISIONAL BUDGET SCHEDULES

ACADEMIC DIVISIONS	University-Wide Student Aid Set-Aside	Flow-Through to Other Institutions	Shared Services, Pension and Acad. Funds	TOTAL EXPENSE SUMMARY	
Net Budget for 2006-07	64,316,364	6,323,584	450,182,460	520,822,408	
One-Time-Only Budget for 2006-07			5,219,220	5,219,220	
TOTAL NET BUDGET FOR 2006-07	64,316,364	6,323,584	455,401,680	526,041,628	
BUDGET CHANGES:					
ACADEMIC DIVISIONS-					
Adjusted Net Revenue	581,068,475		36,728,260	617,796,735	
Reference Level University Fund Allocation	100,377,698			100,377,698	
University Fund Incremental Allocation	3,386,570			3,386,570	
Budget Adjustments	7,408,643		(6,645,957)	762,686	
NON-ACADEMIC DIVISIONS-					
Budget Reduction			(4,000,000)	(4,000,000)	
Balance of Prior Year's Salary/Benefit Increase					
Contract. Oblig. & Policy Commit. /Budget Model	4,450,000	628,925	29,027,865	34,106,790	
ALL DIVISIONS-					
Transfers in	83,782	13,100,001	1,981,297	15,165,080	
Transfers out	(83,782)	(6,311,899)	(119,503,312)	(125,898,993)	
Expense Offset by Additional Divisional Revenue	(30,244,391)			(30,244,391)	
(Increase) Decrease in Divisional Revenue	30,244,391			30,244,391	
TOTAL	692,241,386	(1,861,899)	13,728,926	(62,411,847)	
ONE-TIME-ONLY BUDGET CHANGES:					
Research Overhead 0607 Reversal			(4,806,831)	(4,806,831)	
Contract. Oblig. & Policy Commit. (Net Changes)			(628,833)	(628,833)	
ONE-TIME-ONLY BUDGET CHANGE			(5,435,664)	(5,435,664)	
Net Base Budget for 2007-08	692,241,386	62,454,465	20,052,510	387,770,613	1,162,518,974
OTO Budget for 2007-08				(216,444)	(216,444)
TOTAL NET BUDGET FOR 2007-08	692,241,386	62,454,465	20,052,510	387,554,169	1,162,302,530 Note 1
DIVISIONAL REVENUE (INCL. RECOVERIES)					
Endowment Income :	10,716,409		65,000	10,781,409	
External Income :	115,749,464	1,900,000	46,341,584	163,991,048	
Internal Recoveries :	84,659,255	628,075	91,848,442	177,135,772	
External Recoveries :	47,162,950		855,051	48,018,001	
Negative Approp. :	2,359,859		340,916	2,700,775	
TOTAL DIV REVENUE (INCL. RECOVERIES)	260,647,937	2,528,075	139,450,993	402,627,005	
GROSS EXPENSE BUDGET FOR 2007-08	<u>952,889,323</u>	<u>64,982,540</u>	<u>20,052,510</u>	<u>527,005,162</u>	<u>1,564,929,535</u>

Note 1 Reconciliation to Budget Model:

Net Expense Budget as per Div Schedules	1,162,302,530
plus Divisional Income as per Budget Model	166,126,766
plus Endowment Income as per Budget Model	10,781,409
less Municipal Taxes not in Budget Model	<u>(4,787,775)</u>
Total	1,334,422,930

	ARTS & SCIENCE (incl Colleges)	UTSC TOTAL	UTM TOTAL	DENTISTRY	MEDICINE	NURSING	PHARMACY
Adjusted Net Revenue	182,147,542	80,849,439	81,863,832	8,325,810	62,632,744	7,832,143	11,427,311
Reference Level University Fund Allocation	19,727,604	(1,350,970)	(3,859,505)	10,744,365	25,178,578	1,551,483	(785,989)
University Fund Incremental Allocation	755,540	523,927	964,242	40,081	284,694	28,823	205,964
Budget Adjustments	1,690,967	362,726	996,533	675,723	640,114	300,238	40,700
Transfers in	593	51,202	5,195				
Transfers out	(75,601)						
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue							
TOTAL	204,246,645	80,436,324	79,970,297	19,785,979	88,736,130	9,712,687	10,887,986
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income :	2,200,000		103,342	300,000	2,148,944	177,156	
External Income :	7,573,681	9,264,528	8,738,585	4,919,435	37,869,038	194,000	1,622,872
Internal Recoveries :	21,269,944	4,105,955	11,796,038	5,268,345	7,830,610	505,000	142,856
External Recoveries :	8,313,257	142,856	555,906	223,795	34,603,780	415,650	
Negative Approp. :				2,000,000			
TOTAL DIV REVENUE (INCL. RECOVERIES)	39,356,882	13,513,339	21,193,871	12,711,575	82,452,372	1,291,806	1,765,728
GROSS EXPENSE BUDGET FOR 2007-08	<u>243,603,527</u>	<u>93,949,663</u>	<u>101,164,168</u>	<u>32,497,554</u>	<u>171,188,502</u>	<u>11,004,493</u>	<u>12,653,714</u>

Academic Divisions

	PHYSICAL EDUCATION & HEALTH	APPLIED SCIENCE & ENGINEERING	ARCHITECTURE, LANDSCAPE, & DESIGN	OISE/UT	FORESTRY	LAW	INFORMATION STUDIES
Adjusted Net Revenue	3,602,440	53,964,676	2,328,810	31,005,659	241,711	10,597,787	4,080,438
Reference Level University Fund Allocation	44,509	4,353,593	2,625,369	13,391,582	2,631,861	7,148,067	2,191,854
University Fund Incremental Allocation	15,544	233,568	11,068	117,338	4,910	38,372	16,217
Budget Adjustments	15,010	1,161,206	24,470	307,164	172,215	78,207	105,650
Transfers in						7,588	
Transfers out							
Expense Offset by Additional Divisional Revenue				(30,244,391)			
(Increase) Decrease in Divisional Revenue				30,244,391			
TOTAL	3,677,503	59,713,043	4,989,717	44,821,743	3,050,697	17,870,021	6,394,159
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income :		1,988,800		402,932	76,000	500,000	
External Income :	15,083,286	2,400,622	249,875	11,451,930	10,000	931,281	967,350
Internal Recoveries :	7,834,488	7,615,233	117,737	4,285,665	76,761	1,521,625	18,350
External Recoveries :	25,619	168,615		58,082		111,045	2,316,401
Negative Approp. :					52,000		
TOTAL DIV REVENUE (INCL. RECOVERIES)	22,943,393	12,173,270	367,612	16,198,609	214,761	3,063,951	3,302,101
GROSS EXPENSE BUDGET FOR 2007-08	<u>26,620,896</u>	<u>71,886,313</u>	<u>5,357,329</u>	<u>61,020,352</u>	<u>3,265,458</u>	<u>20,933,972</u>	<u>9,696,260</u>

Academic Divisions

	MUSIC	SOCIAL WORK	JOSEPH L. ROTMAN SCHOOL OF MANAGEMENT	TRANSITIONAL YEAR PROGRAMME	GRADUATE CENTRES & INSTITUTES	TOTAL Academic Divisions
Adjusted Net Revenue	5,895,790	4,814,818	27,875,088	(40,166)	1,622,603	581,068,475
Reference Level University Fund Allocation	4,209,325	1,148,786	6,564,882	1,546,023	3,316,281	100,377,698
University Fund Incremental Allocation	24,316	17,752	94,205	966	9,043	3,386,570
Budget Adjustments	265,101	91,828	465,720	10,000	5,071	7,408,643
Transfers in					19,204	83,782
Transfers out					(8,181)	(83,782)
Expense Offset by Additional Divisional Revenue						(30,244,391)
(Increase) Decrease in Divisional Revenue						30,244,391
TOTAL	10,394,532	6,073,184	34,999,895	1,516,823	4,964,021	692,241,386
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income :		450,000	2,369,235			10,716,409
External Income :	352,143	168,814	13,812,327	75,000	64,697	115,749,464
Internal Recoveries :	882,800	189,511	11,011,526		186,811	84,659,255
External Recoveries :	71,428	73,316	83,200			47,162,950
Negative Approp. :	307,859					2,359,859
TOTAL DIV REVENUE (INCL. RECOVERIES)	1,614,230	881,641	27,276,288	75,000	251,508	260,647,937
GROSS EXPENSE BUDGET FOR 2007-08	<u>12,008,762</u>	<u>6,954,825</u>	<u>62,276,183</u>	<u>1,591,823</u>	<u>5,215,529</u>	<u>952,889,323</u>

	UNDERGRAD STUDENT ASSISTANCE	Rotman St Aid Adjustment	STUDENT AID REINVESTMENT	INT'L STUDENT AID REINVESTMENT	FUNDED FROM RESTRICTED FUNDS	TOTAL Student Aid Set-Aside
Net Budget for 2006-07	5,763,411		30,481,693	2,971,260	25,100,000	64,316,364
One-Time-Only Budget for 2006-07						
TOTAL NET BUDGET FOR 2006-07	5,763,411		30,481,693	2,971,260	25,100,000	64,316,364
BUDGET CHANGES:						
ACADEMIC DIVISIONS-						
Adjusted Net Revenue						
Reference Level University Fund Allocation						
University Fund Incremental Allocation						
Budget Adjustments						
NON-ACADEMIC DIVISIONS-						
Budget Reduction						
Balance of Prior Year's Salary/Benefit Increase						
Contract. Oblig. & Policy Commit. /Budget Model			950,000		3,500,000	4,450,000
ALL DIVISIONS-						
Transfers in						
Transfers out		(628,075)	(5,683,824)			(6,311,899)
Expense Offset by Additional Divisional Revenue						
(Increase) Decrease in Divisional Revenue						
TOTAL		(628,075)	(4,733,824)		3,500,000	(1,861,899)
ONE-TIME-ONLY BUDGET CHANGES:						
Research Overhead 0607 Reversal						
Contract. Oblig. & Policy Commit. (Net Changes)						
ONE-TIME-ONLY BUDGET CHANGE						
Net Base Budget for 2007-08	5,763,411	(628,075)	25,747,869	2,971,260	28,600,000	62,454,465
OTO Budget for 2007-08						
TOTAL NET BUDGET FOR 2007-08	5,763,411	(628,075)	25,747,869	2,971,260	28,600,000	62,454,465
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income :						
External Income :	1,900,000					1,900,000
Internal Recoveries :		628,075				628,075
External Recoveries :						
Negative Approp. :						
TOTAL DIV REVENUE (INCL. RECOVERIES)	1,900,000	628,075				2,528,075
GROSS EXPENSE BUDGET FOR 2007-08	<u>7,663,411</u>		<u>25,747,869</u>	<u>2,971,260</u>	<u>28,600,000</u>	<u>64,982,540</u>

	TORONTO SCHOOL OF THEOLOGY	CRC FlowThrough to Hospitals	JT PROGRAMS WITH COLLEGES	TOTAL Flow-through
Net Budget for 2006-07	2,310,207		4,013,377	6,323,584
One-Time-Only Budget for 2006-07				
TOTAL NET BUDGET FOR 2006-07	2,310,207		4,013,377	6,323,584

BUDGET CHANGES:

ACADEMIC DIVISIONS-

Adjusted Net Revenue
 Reference Level University Fund Allocation
 University Fund Incremental Allocation
 Budget Adjustments

NON-ACADEMIC DIVISIONS-

Budget Reduction
 Balance of Prior Year's Salary/Benefit Increase
 Contract. Oblig. & Policy Commit. /Budget Model

ALL DIVISIONS-

Transfers in		13,100,001		13,100,001
Transfers out				
Expense Offset by Additional Divisional Revenue				
(Increase) Decrease in Divisional Revenue				
TOTAL	256,450	13,100,001	372,475	13,728,926

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead 0607 Reversal
 Contract. Oblig. & Policy Commit. (Net Changes)

ONE-TIME-ONLY BUDGET CHANGE

Net Base Budget for 2007-08	2,566,657	13,100,001	4,385,852	20,052,510
OTO Budget for 2007-08				
TOTAL NET BUDGET FOR 2007-08	2,566,657	13,100,001	4,385,852	20,052,510

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :
 External Income :
 Internal Recoveries :
 External Recoveries :
 Negative Approp. :

TOTAL DIV REVENUE (INCL. RECOVERIES)

GROSS EXPENSE BUDGET FOR 2007-08	<u>2,566,657</u>	<u>13,100,001</u>	<u>4,385,852</u>	<u>20,052,510</u>
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	Other Academic Costs (excl CRCflow, JtProg)	Central Library	Univ of Toronto Computing	St George C&SS	St George Fac & Svcs	Governance & Administration
Net Budget for 2006-07	136,414,686	46,504,189	7,232,232		87,116,109	63,364,896
One-Time-Only Budget for 2006-07	608,022				3,632,974	
TOTAL NET BUDGET FOR 2006-07	137,022,708	46,504,189	7,232,232		90,749,083	63,364,896
BUDGET CHANGES:						
ACADEMIC DIVISIONS-						
Adjusted Net Revenue	36,728,260					
Reference Level University Fund Allocation						
University Fund Incremental Allocation						
Budget Adjustments	(3,492,991)					(176,612)
NON-ACADEMIC DIVISIONS-						
Budget Reduction	(89,883)	(761,428)	(211,935)		(1,045,139)	(1,548,294)
Balance of Prior Year's Salary/Benefit Increase	1,986	1,431,610	242,499		1,243,655	2,391,949
Contract. Oblig. & Policy Commit. /Budget Model	13,900,000	874,724			1,369,514	342,000
ALL DIVISIONS-						
Transfers in	(12,844,091)	2,000,000	296,160	70,000	1,000,000	10,750,489
Transfers out	(83,152,335)		(322,154)		(59,160)	(3,427,684)
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue						
TOTAL	(48,949,054)	3,544,906	4,570	70,000	2,508,870	8,331,848
ONE-TIME-ONLY BUDGET CHANGES:						
Research Overhead 0607 Reversal	(4,806,831)					
Contract. Oblig. & Policy Commit. (Net Changes)	440,935				(2,081,174)	121,000
ONE-TIME-ONLY BUDGET CHANGE	(4,365,896)				(2,081,174)	121,000
Net Base Budget for 2007-08	87,465,632	50,049,095	7,236,802	70,000	89,624,979	71,696,744
OTO Budget for 2007-08	(3,757,874)				1,551,800	121,000
TOTAL NET BUDGET FOR 2007-08	83,707,758	50,049,095	7,236,802	70,000	91,176,779	71,817,744
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income :		65,000				
External Income :	500,000	3,744,887	290,000	12,745,461	7,161,452	9,361,567
Internal Recoveries :	2,179,219	2,755,202	1,483,691	1,124,129	67,801,909	10,987,420
External Recoveries :		667,584		660		186,807
Negative Approp. :						340,916
TOTAL DIV REVENUE (INCL. RECOVERIES)	2,679,219	7,232,673	1,773,691	13,870,250	74,963,361	20,876,710
GROSS EXPENSE BUDGET FOR 2007-08	<u>86,386,977</u>	<u>57,281,768</u>	<u>9,010,493</u>	<u>13,940,250</u>	<u>166,140,140</u>	<u>92,694,454</u>

Shared Services, Pension and Academic Funds

Appendix F

	Gen Univ & Other (includes Mun Taxes)	Federated Block Grant	School of Graduate Studies	Residual Student Assistance (SGS,etc)	School of Continuing Studies	TOTAL Shared Svcs, Pension & Acad. Funds
Net Budget for 2006-07	91,080,381	7,891,292	3,713,381	6,865,294		450,182,460
One-Time-Only Budget for 2006-07	971,876		6,348			5,219,220
TOTAL NET BUDGET FOR 2006-07	92,052,257	7,891,292	3,719,729	6,865,294		455,401,680
BUDGET CHANGES:						
ACADEMIC DIVISIONS-						
Adjusted Net Revenue						36,728,260
Reference Level University Fund Allocation						
University Fund Incremental Allocation						
Budget Adjustments	(2,903,103)		12,749	(86,000)		(6,645,957)
NON-ACADEMIC DIVISIONS-						
Budget Reduction	(232,908)		(110,413)			(4,000,000)
Balance of Prior Year's Salary/Benefit Increase	(5,492,939)		181,240			
Contract. Oblig. & Policy Commit. /Budget Model	11,383,043	1,158,584				29,027,865
ALL DIVISIONS-						
Transfers in	300,000		408,739			1,981,297
Transfers out	(27,862,584)			(4,679,395)		(119,503,312)
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue						
TOTAL	(24,808,491)	1,158,584	492,315	(4,765,395)		(62,411,847)
ONE-TIME-ONLY BUDGET CHANGES:						
Research Overhead 0607 Reversal						(4,806,831)
Contract. Oblig. & Policy Commit. (Net Changes)	8,280	882,126				(628,833)
ONE-TIME-ONLY BUDGET CHANGE	8,280	882,126				(5,435,664)
Net Base Budget for 2007-08	66,271,890	9,049,876	4,205,696	2,099,899		387,770,613
OTO Budget for 2007-08	980,156	882,126	6,348			(216,444)
TOTAL NET BUDGET FOR 2007-08	67,252,046	9,932,002	4,212,044	2,099,899		387,554,169
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income :						65,000
External Income :			649,000		11,889,217	46,341,584
Internal Recoveries :	5,100,883		175,989		240,000	91,848,442
External Recoveries :						855,051
Negative Approp. :						340,916
TOTAL DIV REVENUE (INCL. RECOVERIES)	5,100,883		824,989		12,129,217	139,450,993
GROSS EXPENSE BUDGET FOR 2007-08	<u>72,352,929</u>	<u>9,932,002</u>	<u>5,037,033</u>	<u>2,099,899</u>	<u>12,129,217</u>	<u>527,005,162</u>

Other Academic Costs (excl CRC Flow, Jt Prog)

DIVISIONAL BUDGET SCHEDULES

	ACADEMIC INITIATIVES (AIF)	ACAD PRIORITIES FUND	ACADEMIC SERVICES (INITIATIVES)	ACADEMIC REVIEWS	Administrators ON LEAVE	CAMPAIGN EXPENSE- Divisional	EGF/ATOP	FACILITIES RENOVATIONS & UPGRADES FROM PROGRAM PLANNING
Net Budget for 2006-07	15,000,000	2,054,487	3,000,000	225,307		2,100,000	11,449,328	2,000,000
One-Time-Only Budget for 2006-07					924,275			
TOTAL NET BUDGET FOR 2006-07	15,000,000	2,054,487	3,000,000	225,307	924,275	2,100,000	11,449,328	2,000,000
BUDGET CHANGES:								
ACADEMIC DIVISIONS-								
Adjusted Net Revenue								
Reference Level University Fund Allocation								
University Fund Incremental Allocation								
Budget Adjustments		(1,590,364)					(465,720)	
NON-ACADEMIC DIVISIONS-								
Budget Reduction								
Balance of Prior Year's Salary/Benefit Increase								
Contract. Oblig. & Policy Commit. /Budget Model	5,000,000		500,000					
ALL DIVISIONS-								
Transfers in								
Transfers out	(8,423,120)	(300,000)	(2,000,000)				(12,846,574)	
Expense Offset by Additional Divisional Revenue								
(Increase) Decrease in Divisional Revenue								
TOTAL	(3,423,120)	(1,890,364)	(1,500,000)				(13,312,294)	
ONE-TIME-ONLY BUDGET CHANGES:								
Research Overhead 0607 Reversal								
Contract. Oblig. & Policy Commit. (Net Changes)					(365,425)			
ONE-TIME-ONLY BUDGET CHANGE					(365,425)			
Net Base Budget for 2007-08	11,576,880	164,123	1,500,000	225,307		2,100,000	(1,862,966)	2,000,000
OTO Budget for 2007-08					558,850			
TOTAL NET BUDGET FOR 2007-08	11,576,880	164,123	1,500,000	225,307	558,850	2,100,000	(1,862,966)	2,000,000
DIVISIONAL REVENUE (INCL. RECOVERIES)								
Endowment Income :								
External Income :								
Internal Recoveries :							1,862,966	
External Recoveries :								
Negative Approp. :								
TOTAL DIV REVENUE (INCL. RECOVERIES)							1,862,966	
GROSS EXPENSE BUDGET FOR 2007-08	<u>11,576,880</u>	<u>164,123</u>	<u>1,500,000</u>	<u>225,307</u>	<u>558,850</u>	<u>2,100,000</u>		<u>2,000,000</u>

Other Academic Costs (excl CRC Flow, Jt Prog)

	FACULTY RECRUITMENT	Fields Institute	GRADUATE EXPANSION- ACADEMIC	GRADUATE EXPANSION- UNIV-WIDE	Info Tech Courseware Developmt Fund (ITCDF)	INFORMATION TECHNOLOGY INITIATIVES & UPGRADES	NON- DEPARTMENTAL PROFESSORS
Net Budget for 2006-07	3,372,075	276,553	19,725,129	1,400,000		2,021,886	354,742
One-Time-Only Budget for 2006-07							
TOTAL NET BUDGET FOR 2006-07	3,372,075	276,553	19,725,129	1,400,000		2,021,886	354,742
BUDGET CHANGES:							
ACADEMIC DIVISIONS-							
Adjusted Net Revenue							
Reference Level University Fund Allocation							
University Fund Incremental Allocation							
Budget Adjustments							
NON-ACADEMIC DIVISIONS-							
Budget Reduction							
Balance of Prior Year's Salary/Benefit Increase							1,986
Contract. Oblig. & Policy Commit. /Budget Model				1,000,000		500,000	
ALL DIVISIONS-							
Transfers in					216,422		
Transfers out			(19,725,129)	(1,000,000)		(400,000)	(200,000)
Expense Offset by Additional Divisional Revenue							
(Increase) Decrease in Divisional Revenue							
TOTAL			(19,725,129)		216,422	100,000	(198,014)
ONE-TIME-ONLY BUDGET CHANGES:							
Research Overhead 0607 Reversal							
Contract. Oblig. & Policy Commit. (Net Changes)				600,000			
ONE-TIME-ONLY BUDGET CHANGE				600,000			
Net Base Budget for 2007-08	3,372,075	276,553		1,400,000	216,422	2,121,886	156,728
OTO Budget for 2007-08				600,000			
TOTAL NET BUDGET FOR 2007-08	3,372,075	276,553		2,000,000	216,422	2,121,886	156,728
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income :							
External Income :		500,000					
Internal Recoveries :							
External Recoveries :							
Negative Approp. :							
TOTAL DIV REVENUE (INCL. RECOVERIES)		500,000					
GROSS EXPENSE BUDGET FOR 2007-08	<u>3,372,075</u>	<u>776,553</u>		<u>2,000,000</u>	<u>216,422</u>	<u>2,121,886</u>	<u>156,728</u>

Other Academic Costs (excl CRC Flow, Jt Prog)

	OSOTF MATCHING	OVERHEAD ON FEDERAL RESEARCH GRANTS	PROVOST'S RESERVE & CONTINGENCY (BASE)	RESEARCH ALLOWANCE- EndCh/UnProf	RESEARCH SUPPORT P.D. & D.	RESERVE FOR RESEARCH OVERHEAD	RESIDENCE FUNDING	Search Committees
Net Budget for 2006-07	2,500,000	4,032,000	2,464,855	2,000,000	340,657		1,860,000	100,152
One-Time-Only Budget for 2006-07						(316,253)		
TOTAL NET BUDGET FOR 2006-07	2,500,000	4,032,000	2,464,855	2,000,000	340,657	(316,253)	1,860,000	100,152
BUDGET CHANGES:								
ACADEMIC DIVISIONS-								
Adjusted Net Revenue		4,942,400				4,685,860		
Reference Level University Fund Allocation								
University Fund Incremental Allocation								
Budget Adjustments			(743,067)					
NON-ACADEMIC DIVISIONS-								
Budget Reduction			(89,883)					
Balance of Prior Year's Salary/Benefit Increase								
Contract. Oblig. & Policy Commit. /Budget Model			2,000,000					
ALL DIVISIONS-								
Transfers in			39,488					
Transfers out		(4,032,000)	(207,888)			8,106,534		
Expense Offset by Additional Divisional Revenue								
(Increase) Decrease in Divisional Revenue								
TOTAL		910,400	998,650			12,792,394		
ONE-TIME-ONLY BUDGET CHANGES:								
Research Overhead 0607 Reversal						(4,806,831)		
Contract. Oblig. & Policy Commit. (Net Changes)						206,360		
ONE-TIME-ONLY BUDGET CHANGE						(4,600,471)		
Net Base Budget for 2007-08	2,500,000	4,942,400	3,463,505	2,000,000	340,657	12,792,394	1,860,000	100,152
OTO Budget for 2007-08						(4,916,724)		
TOTAL NET BUDGET FOR 2007-08	2,500,000	4,942,400	3,463,505	2,000,000	340,657	7,875,670	1,860,000	100,152
DIVISIONAL REVENUE (INCL. RECOVERIES)								
Endowment Income :								
External Income :								
Internal Recoveries :						316,253		
External Recoveries :								
Negative Approp. :								
TOTAL DIV REVENUE (INCL. RECOVERIES)						316,253		
GROSS EXPENSE BUDGET FOR 2007-08	<u>2,500,000</u>	<u>4,942,400</u>	<u>3,463,505</u>	<u>2,000,000</u>	<u>340,657</u>	<u>8,191,923</u>	<u>1,860,000</u>	<u>100,152</u>

Other Academic Costs (excl CRC Flow, Jt Prog)

	STUDENT EXPERIENCE FUND	TRANSITIONAL FUNDING	TUITION SHARING	TUITION SHARING- INT'L	OTHER Grievances, Conference Suppor	CANADA RESEARCH CHAIRS	TOTAL
Net Budget for 2006-07	3,333,333	1,180,023	341,759	19,881,581	39,488	35,361,331	136,414,686
One-Time-Only Budget for 2006-07							608,022
TOTAL NET BUDGET FOR 2006-07	3,333,333	1,180,023	341,759	19,881,581	39,488	35,361,331	137,022,708
BUDGET CHANGES:							
ACADEMIC DIVISIONS-							
Adjusted Net Revenue						27,100,000	36,728,260
Reference Level University Fund Allocation							
University Fund Incremental Allocation							
Budget Adjustments		(693,840)					(3,492,991)
NON-ACADEMIC DIVISIONS-							
Budget Reduction							(89,883)
Balance of Prior Year's Salary/Benefit Increase							1,986
Contract. Oblig. & Policy Commit. /Budget Model	3,300,000	2,000,000				(400,000)	13,900,000
ALL DIVISIONS-							
Transfers in						(13,100,001)	(12,844,091)
Transfers out			(341,759)	(19,881,581)	(39,488)	(21,861,330)	(83,152,335)
Expense Offset by Additional Divisional Revenue							
(Increase) Decrease in Divisional Revenue							
TOTAL	3,300,000	1,306,160	(341,759)	(19,881,581)	(39,488)	(8,261,331)	(48,949,054)
ONE-TIME-ONLY BUDGET CHANGES:							
Research Overhead 0607 Reversal							(4,806,831)
Contract. Oblig. & Policy Commit. (Net Changes)							440,935
ONE-TIME-ONLY BUDGET CHANGE							(4,365,896)
Net Base Budget for 2007-08	6,633,333	2,486,183				27,100,000	87,465,632
OTO Budget for 2007-08							(3,757,874)
TOTAL NET BUDGET FOR 2007-08	6,633,333	2,486,183				27,100,000	83,707,758
DIVISIONAL REVENUE (INCL. RECOVERIES)							
Endowment Income :							
External Income :							500,000
Internal Recoveries :							2,179,219
External Recoveries :							
Negative Approp. :							
TOTAL DIV REVENUE (INCL. RECOVERIES)							2,679,219
GROSS EXPENSE BUDGET FOR 2007-08	6,633,333	2,486,183				27,100,000	86,386,977

	ST GEORGE LIBRARY OPERATIONS & INFO COMMONS	ST GEORGE LIBRARY BOOK FUND	Central Library TOTAL
Net Budget for 2006-07	25,513,976	20,990,213	46,504,189
One-Time-Only Budget for 2006-07			
TOTAL NET BUDGET FOR 2006-07	25,513,976	20,990,213	46,504,189
BUDGET CHANGES:			
ACADEMIC DIVISIONS-			
Adjusted Net Revenue			
Reference Level University Fund Allocation			
University Fund Incremental Allocation			
Budget Adjustments			
NON-ACADEMIC DIVISIONS-			
Budget Reduction	(761,428)		(761,428)
Balance of Prior Year's Salary/Benefit Increase	1,431,610		1,431,610
Contract. Oblig. & Policy Commit. /Budget Model		874,724	874,724
ALL DIVISIONS-			
Transfers in	2,000,000		2,000,000
Transfers out			
Expense Offset by Additional Divisional Revenue			
(Increase) Decrease in Divisional Revenue			
TOTAL	2,670,182	874,724	3,544,906
ONE-TIME-ONLY BUDGET CHANGES:			
Research Overhead 0607 Reversal			
Contract. Oblig. & Policy Commit. (Net Changes)			
ONE-TIME-ONLY BUDGET CHANGE			
Net Base Budget for 2007-08	28,184,158	21,864,937	50,049,095
OTO Budget for 2007-08			
TOTAL NET BUDGET FOR 2007-08	28,184,158	21,864,937	50,049,095
DIVISIONAL REVENUE (INCL. RECOVERIES)			
Endowment Income :	65,000		65,000
External Income :	3,744,887		3,744,887
Internal Recoveries :	2,755,202		2,755,202
External Recoveries :	667,584		667,584
Negative Approp. :			
TOTAL DIV REVENUE (INCL. RECOVERIES)	7,232,673		7,232,673
GROSS EXPENSE BUDGET FOR 2007-08	35,416,831	21,864,937	57,281,768

	ST GEORGE MAINTENANCE & SERVICES	DEFERRED MAINTENANCE FUNDING	ST GEORGE UTILITIES	St George TOTAL
Net Budget for 2006-07	36,609,103	7,987,838	42,519,168	87,116,109
One-Time-Only Budget for 2006-07	449,900	0	3,183,074	3,632,974
TOTAL NET BUDGET FOR 2006-07	37,059,003	7,987,838	45,702,242	90,749,083

BUDGET CHANGES:

ACADEMIC DIVISIONS-

Adjusted Net Revenue				0
Reference Level University Fund Allocation				0
University Fund Incremental Allocation				0
Budget Adjustments				0

NON-ACADEMIC DIVISIONS-

Budget Reduction	(1,045,139)			(1,045,139)
Balance of Prior Year's Salary/Benefit Increase	1,243,655			1,243,655
Contract. Oblig. & Policy Commit. /Budget Model	3,205,970	599,135	(2,435,591)	1,369,514

ALL DIVISIONS-

Transfers in			1,000,000	1,000,000
Transfers out	(59,160)			(59,160)
Expense Offset by Additional Divisional Revenue				0
(Increase) Decrease in Divisional Revenue	0	0	0	0
TOTAL	3,345,326	599,135	(1,435,591)	2,508,870

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead 0607 Reversal				0
Contract. Oblig. & Policy Commit. (Net Changes)	1,101,900	0	(3,183,074)	(2,081,174)
ONE-TIME-ONLY BUDGET CHANGE	1,101,900	0	(3,183,074)	(2,081,174)

Net Base Budget for 2007-08	39,954,429	8,586,973	41,083,577	89,624,979
OTO Budget for 2007-08	1,551,800	0	0	1,551,800
TOTAL NET BUDGET FOR 2007-08	41,506,229	8,586,973	41,083,577	91,176,779

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :				0
External Income :	1,667,633	0	5,493,819	7,161,452
Internal Recoveries :	35,008,367	0	32,793,542	67,801,909
External Recoveries :				0
Negative Approp. :				0
TOTAL DIV REVENUE (INCL. RECOVERIES)	36,676,000	0	38,287,361	74,963,361

GROSS EXPENSE BUDGET FOR 2007-08	<u>78,182,229</u>	<u>8,586,973</u>	<u>79,370,938</u>	<u>166,140,140</u>
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	GOVERNING COUNCIL, FIPPA, OMBUDSPERSON, & INTERNAL AUDIT	OFFICE OF THE PRESIDENT	OTHER INSTITUTIONAL COSTS	OFFICE OF THE VICE-PRES & PROVOST (incl StrategicComp &TeachAdvancmt)	VICE-PROVOST PLANNING & BUDGET	VICE PROVOST - STUDENTS OFFICE OF STUDENT AFFAIRS	VICE-PROVOST STUDENTS OTHER	ASST VICE PRESIDENT CAMPUS & FACIL. PLANNING
Net Budget for 2006-07	2,611,853	1,119,196	1,211,595	3,216,550	2,518,056	26,325	11,344,830	1,684,618
One-Time-Only Budget for 2006-07								
TOTAL NET BUDGET FOR 2006-07	2,611,853	1,119,196	1,211,595	3,216,550	2,518,056	26,325	11,344,830	1,684,618

BUDGET CHANGES:

ACADEMIC DIVISIONS-

Adjusted Net Revenue								
Reference Level University Fund Allocation								
University Fund Incremental Allocation								
Budget Adjustments			(18,000)				(200,000)	
NON-ACADEMIC DIVISIONS-								
Budget Reduction	(77,349)	(33,373)	(27,461)	(96,860)	(74,544)		(257,291)	(49,886)
Balance of Prior Year's Salary/Benefit Increase	116,503	57,969	17,378	200,049	133,694		294,089	75,943
Contract. Oblig. & Policy Commit. /Budget Model				225,000			50,000	
ALL DIVISIONS-								
Transfers in	520,586		200,000	342,151	205,732	482,815	246,041	358,269
Transfers out			(3,060)	(283,269)	(196,041)		(332,815)	
Expense Offset by Additional Divisional Revenue								
(Increase) Decrease in Divisional Revenue								
TOTAL	559,740	24,596	168,857	387,071	68,841	482,815	(199,976)	384,326

ONE-TIME-ONLY BUDGET CHANGES:

Research Overhead 0607 Reversal								
Contract. Oblig. & Policy Commit. (Net Changes)								
ONE-TIME-ONLY BUDGET CHANGE								

Net Base Budget for 2007-08	3,171,593	1,143,792	1,380,452	3,603,621	2,586,897	509,140	11,144,854	2,068,944
OTO Budget for 2007-08								
TOTAL NET BUDGET FOR 2007-08	3,171,593	1,143,792	1,380,452	3,603,621	2,586,897	509,140	11,144,854	2,068,944

DIVISIONAL REVENUE (INCL. RECOVERIES)

Endowment Income :								
External Income :	102,885					2,699,649	2,742,000	773,000
Internal Recoveries :	124,182			400,954	100,464	480,763	1,165,000	720,286
External Recoveries :	89,812			42,272				
Negative Approp. :								
TOTAL DIV REVENUE (INCL. RECOVERIES)	316,879			443,226	100,464	3,180,412	3,907,000	1,493,286
GROSS EXPENSE BUDGET FOR 2007-08	<u>3,488,472</u>	<u>1,143,792</u>	<u>1,380,452</u>	<u>4,046,847</u>	<u>2,687,361</u>	<u>3,689,552</u>	<u>15,051,854</u>	<u>3,562,230</u>

	VICE PRESIDENT BUSINESS AFFAIRS	VICE PRESIDENT HUMAN RESOURCES	VICE PRESIDENT & CHIEF ADVANCE- MENT OFFICER	VICE PRESIDENT UNIVERSITY RELATIONS	VICE PRESIDENT RESEARCH & ASSOC PROVOST	TOTAL Governance & Administration
Net Budget for 2006-07	11,273,915	7,190,608	15,021,719	642,877	5,502,754	63,364,896
One-Time-Only Budget for 2006-07						
TOTAL NET BUDGET FOR 2006-07	11,273,915	7,190,608	15,021,719	642,877	5,502,754	63,364,896
BUDGET CHANGES:						
ACADEMIC DIVISIONS-						
Adjusted Net Revenue						
Reference Level University Fund Allocation						
University Fund Incremental Allocation						
Budget Adjustments		41,388				(176,612)
NON-ACADEMIC DIVISIONS-						
Budget Reduction	(332,538)	(200,621)	(216,986)	(18,588)	(162,797)	(1,548,294)
Balance of Prior Year's Salary/Benefit Increase	455,831	355,949	432,108	12,789	239,647	2,391,949
Contract. Oblig. & Policy Commit. /Budget Model		67,000				342,000
ALL DIVISIONS-						
Transfers in	644,896	653,081	10,725	4,086,193	3,000,000	10,750,489
Transfers out	(388,106)		(2,000,491)		(223,902)	(3,427,684)
Expense Offset by Additional Divisional Revenue (Increase) Decrease in Divisional Revenue						
TOTAL	380,083	916,797	(1,774,644)	4,080,394	2,852,948	8,331,848
ONE-TIME-ONLY BUDGET CHANGES:						
Research Overhead 0607 Reversal						
Contract. Oblig. & Policy Commit. (Net Changes)		121,000				121,000
ONE-TIME-ONLY BUDGET CHANGE		121,000				121,000
Net Base Budget for 2007-08	11,653,998	8,107,405	13,247,075	4,723,271	8,355,702	71,696,744
OTO Budget for 2007-08		121,000				121,000
TOTAL NET BUDGET FOR 2007-08	11,653,998	8,228,405	13,247,075	4,723,271	8,355,702	71,817,744
DIVISIONAL REVENUE (INCL. RECOVERIES)						
Endowment Income :						
External Income :	438,183		2,605,850			9,361,567
Internal Recoveries :	5,298,312	1,964,611	635,864		96,984	10,987,420
External Recoveries :	54,723					186,807
Negative Approp. :		340,916				340,916
TOTAL DIV REVENUE (INCL. RECOVERIES)	5,791,218	2,305,527	3,241,714		96,984	20,876,710
GROSS EXPENSE BUDGET FOR 2007-08	17,445,216	10,533,932	16,488,789	4,723,271	8,452,686	92,694,454