

Budget 2025-26

and Long Range Budget Guidelines
2025-26 to 2029-30



UNIVERSITY OF
TORONTO

BUDGET HIGHLIGHTS

Balanced budget of \$3.62 billion but in a new planning environment with headwinds.



DOMESTIC ENROLMENT

Very strong demand but limited by Government funded corridor.



TUITION

Domestic tuition remains frozen for Ontario residents.
2.9% average increase in int'l tuition.



FINANCIAL AID

Graduate funding, need-based bursaries, international scholarships.



INTERNATIONAL ENROLMENT

Changing immigration policies.
New cap on international students



COMPENSATION

Continued pressure from post-Bill
124 decisions



INSTITUTIONAL

Information security, administrative systems. Operational Excellence.

1 Budget Overview



2025-26

Balanced Budget

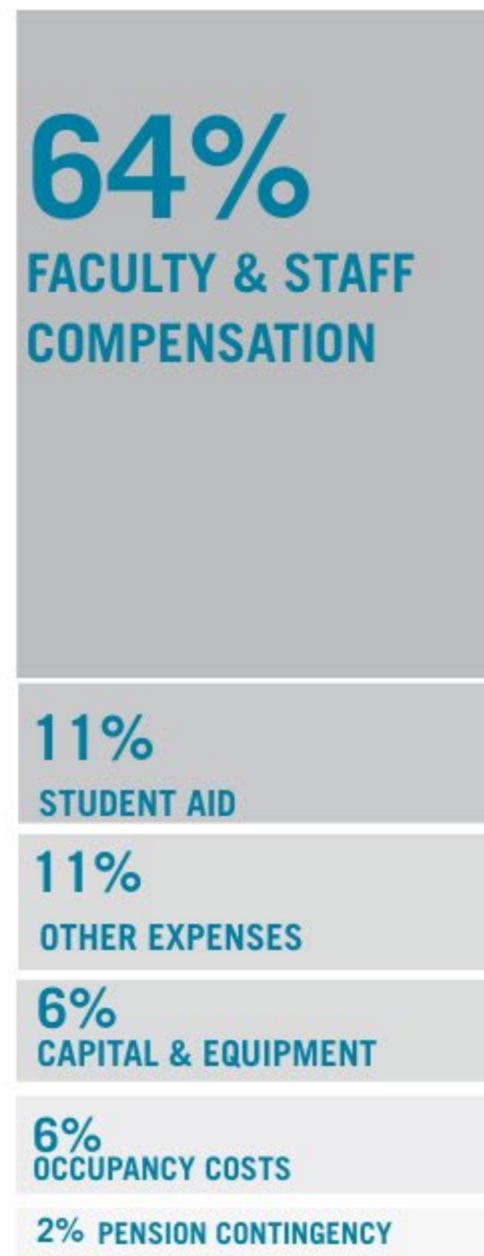
\$3.62 BILLION

\$98 million increase
over 2024-25 Budget

REVENUES



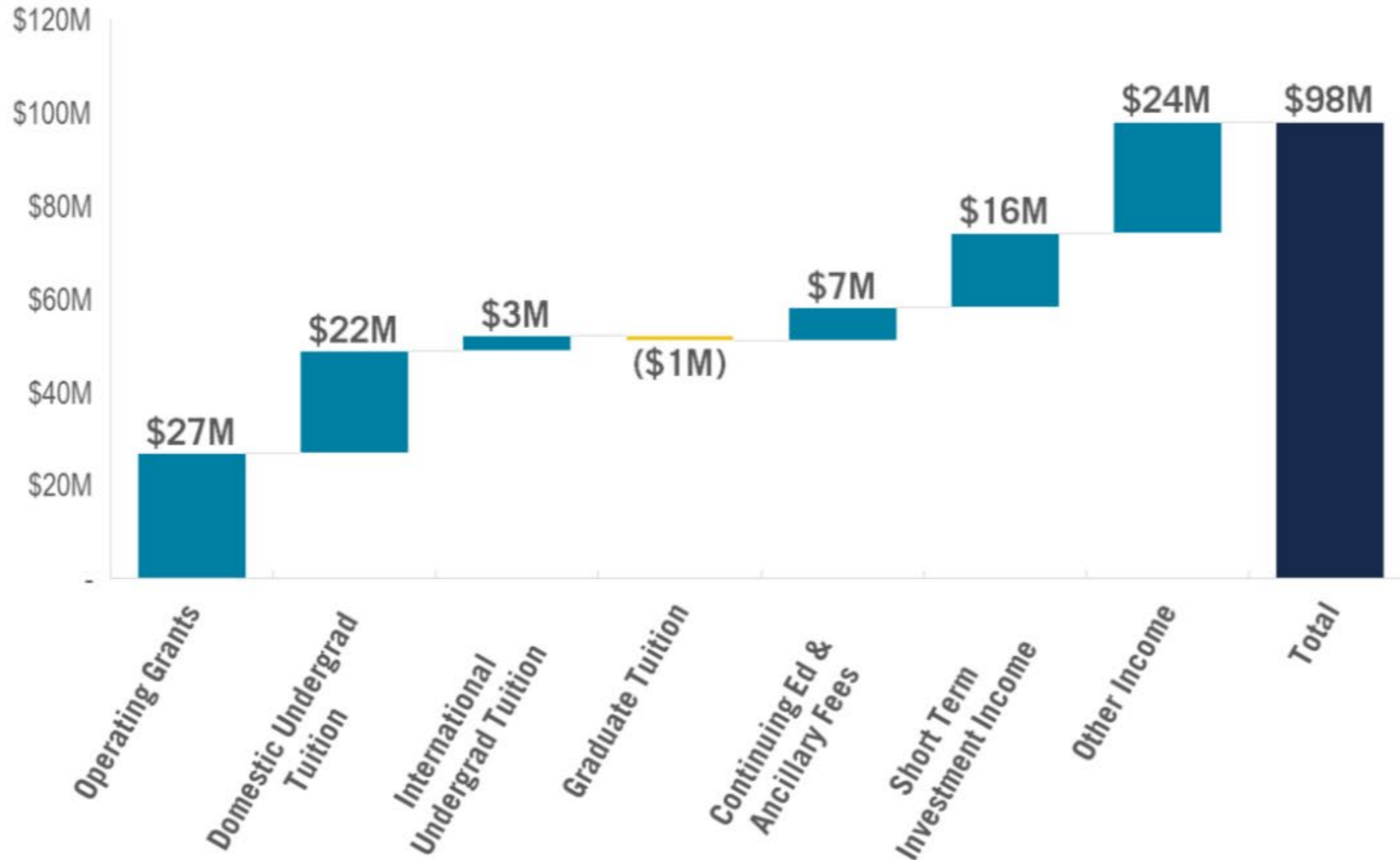
EXPENDITURES



2025-26 REVENUE GROWTH BY SOURCE

Planned Growth over 2024-25 Budget

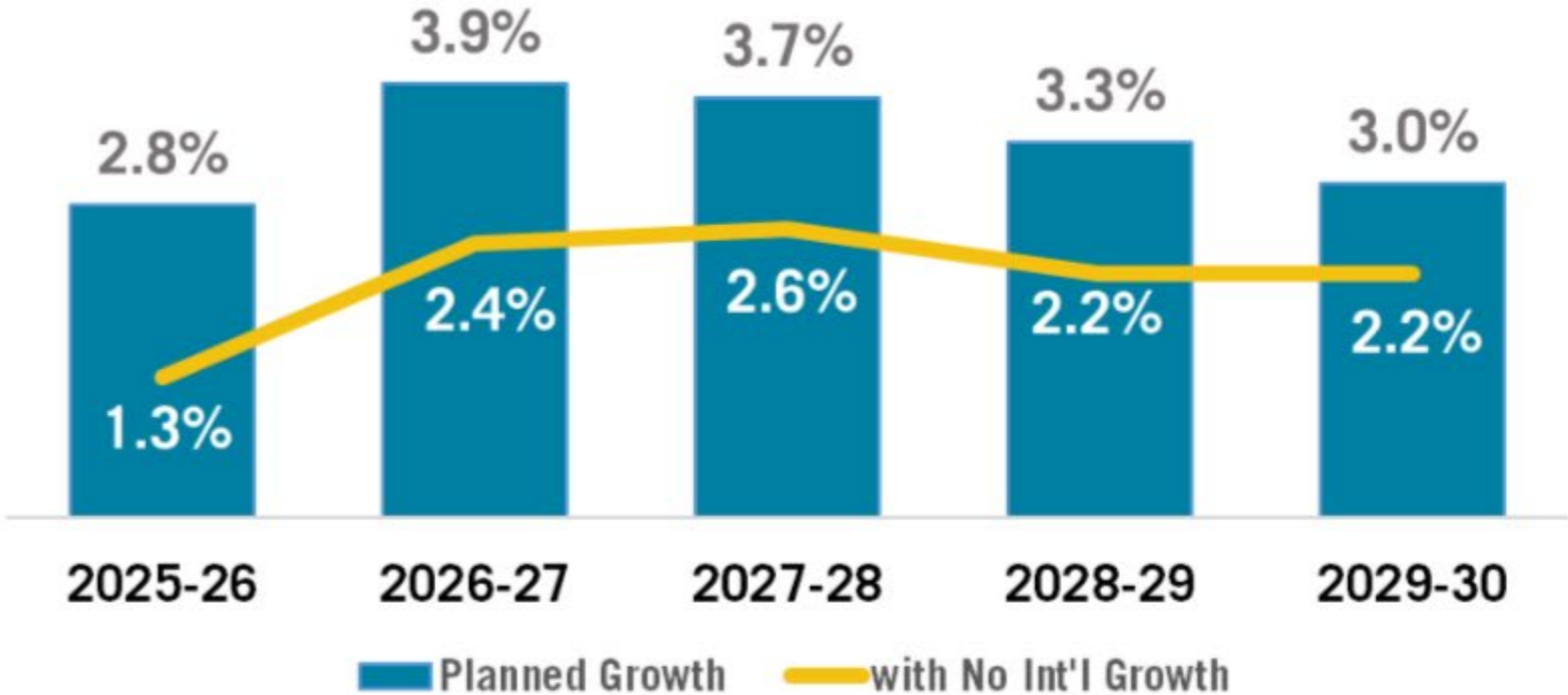
■ Increase ■ Decrease ■ Total



\$98M
Overall Increase
in Operating
Revenue

SLOWING REVENUE GROWTH

Annual Revenue Growth



PROJECTED REVENUE GROWTH RATES






2.8% average

BUT GROWTH RATE VARIES WIDELY BY DIVISION

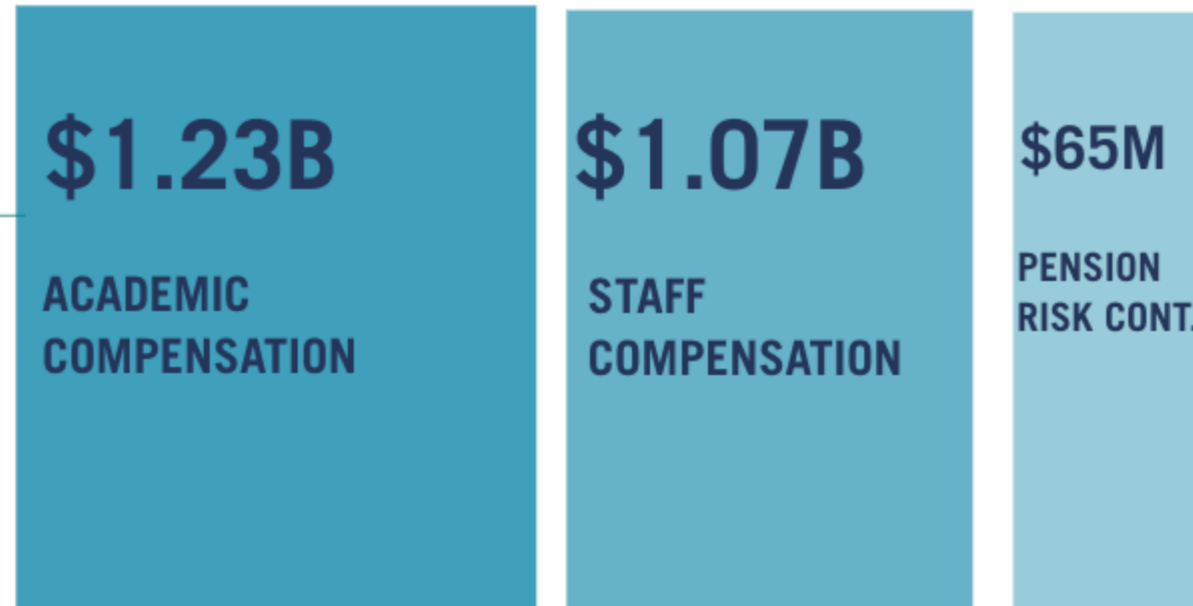
-1% ↔ 18%

COMPENSATION

ACADEMIC COMPENSATION

-  \$984 MILLION
FACULTY & LIBRARIANS
-  \$54 MILLION
SESSIONAL LECTURERS
-  \$98 MILLION
TEACHING ASSISTANTS
-  \$47 MILLION
TEACHING STIPENDS
-  \$47 MILLION
OTHER ACADEMIC

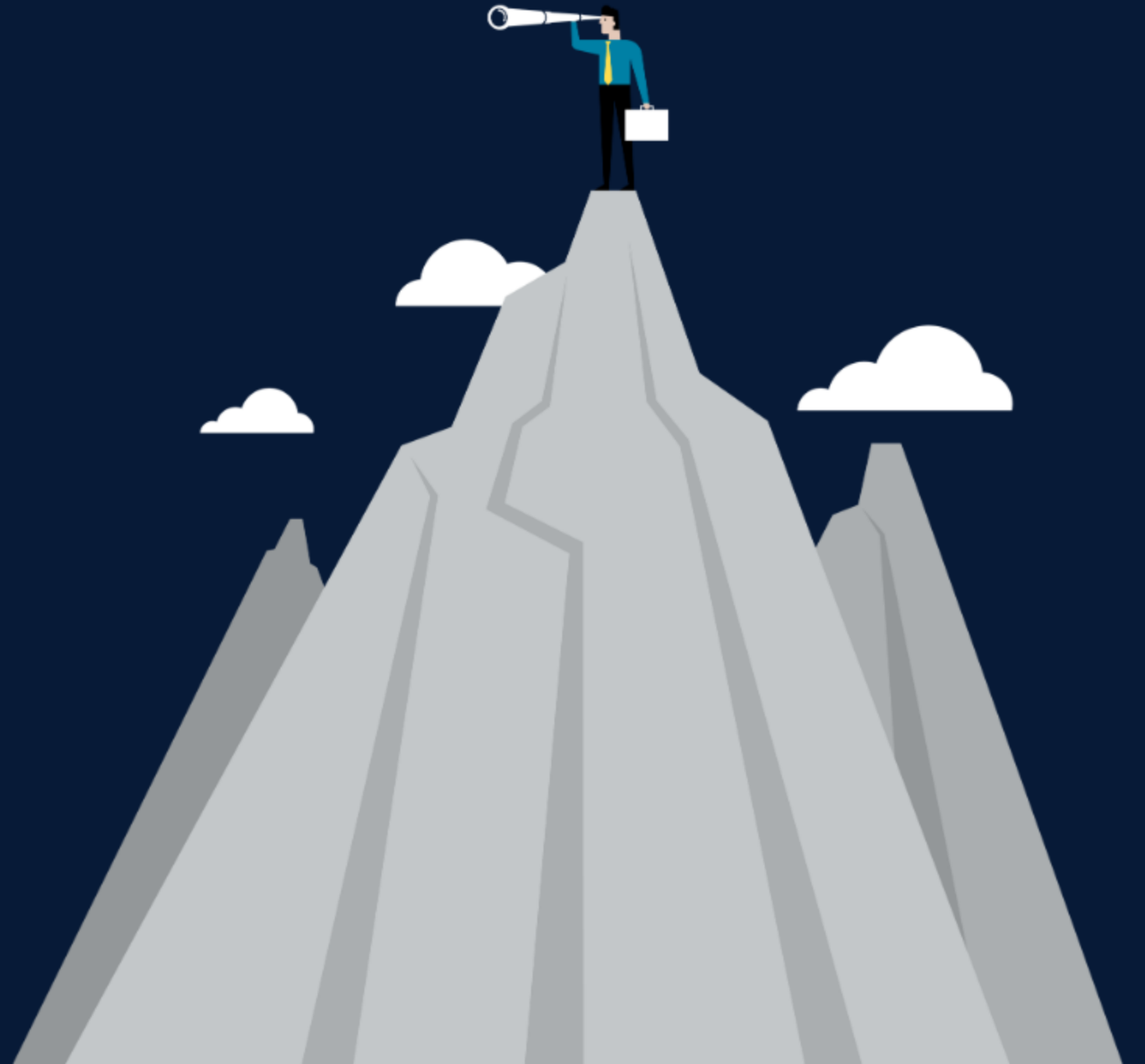
\$2.37 BILLION (estimated)
2025-26 BUDGET



2024-25 BUDGET
\$2.28 BILLION
+
BUDGET INCREASE
\$95 MILLION
-
PENSION RISK CONT.
REDUCTION
(\$10 MILLION)

Return to more historical annual increases after large increases in 2023-24.

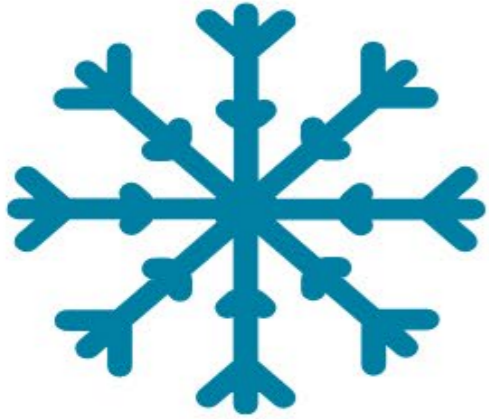
2 Changing Financial Landscape



PROVINCIAL TUITION FEE FRAMEWORK

Freeze extended until **AT LEAST 2026-27**.

Ontario Resident tuition frozen since the 10% cut in 2019-20.



FREEZE
Ontario Residents

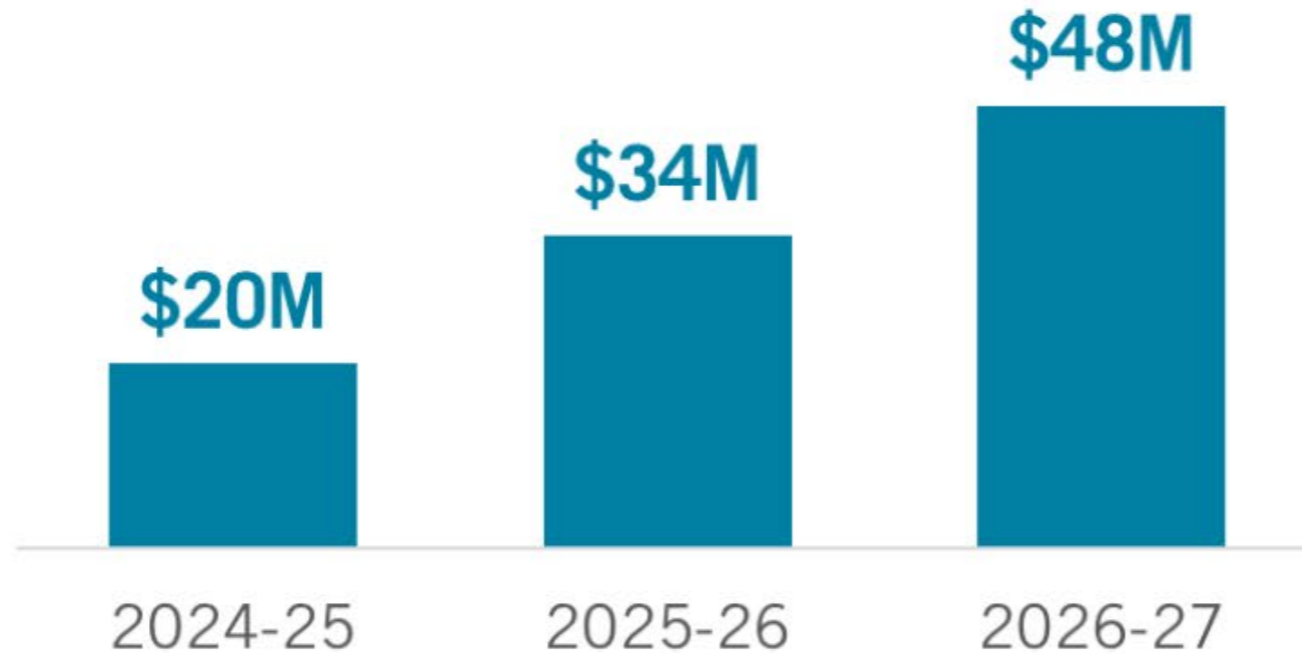
5% Increase
Undergraduate
Non-Ontario Residents



Incoming tuition for MA, MSc, and MScAC will increase by 7.5% under Government's anomaly adjustment program.

PROVINCIAL OPERATING GRANTS

PSE Financial Sustainability Fund



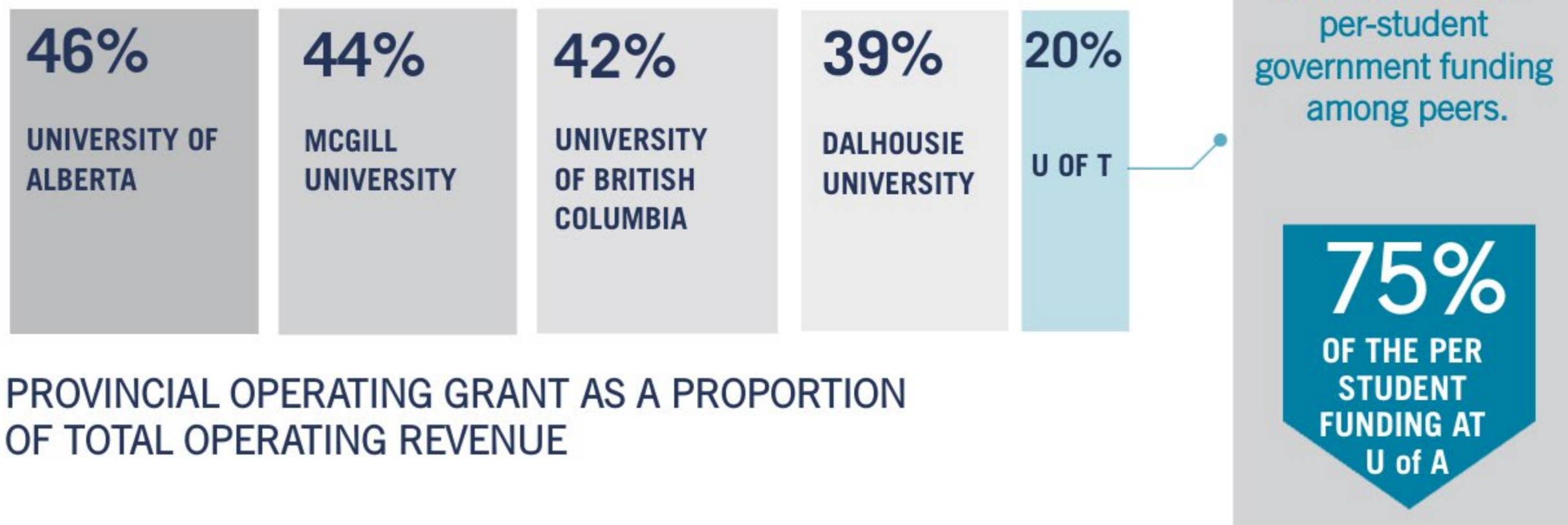
7% increase
to operating
grants phased
in over three
years



No commitments to continue Sustainability Funding beyond 2026-27.
MCU funding review planned to inform decision.

PROVINCIAL FUNDING PEER COMPARISON

2022-23



PROVINCIAL OPERATING GRANT AS A PROPORTION OF TOTAL OPERATING REVENUE

PLANNING FOR SMA4

2025-26 to 2029-30

Funding Model

No changes for
Years 1 & 2.
Review ahead of
Year 3

Years 3 to 5:
Performance
Funding
increases from
25% to 40%

Metrics

Reduced from
10 to 8

Fewer research
& innovation
metrics

New 5% Conditions

- ✓ Reporting deadlines.
- ✓ Research Security attestation.
- ✓ Development of Efficiency Metrics and Skills & Competencies Assessment.

Enrolment

Potential for
STEM growth.

UofT Proposal:
+4,850 UG
+565 Masters



**UofT met or exceeded SMA3 targets
in all five years of that agreement**

3 Students: Affordability, Access & Outcomes



UNDERGRADUATE DIRECT ENTRY PROGRAM INTAKE

	FALL 2023 ACTUAL	FALL 2024 PLAN	FALL 2024 ACTUAL	2024 vs 2023	FALL 2025 PLAN
DOMESTIC	11,041	11,277	12,010	+8%	11,277
INTERNATIONAL	5,320	5,990	5,012	-6%	5,855
	16,361	17,267	17,022		17,132

UNDERGRADUATE ENROLMENT RESULTS



FALL 2024 FTEs

43,484 ● — **ST. GEORGE** — ● 44,487

13,683 ● — **UTM** — ● 13,835

12,366 ● — **UTSC** — ● 12,112

TOTAL UNDERGRADUATE
ENROLMENT 2024-25

70,434

VARIANCE TO PLAN

+901 (+1.3%)



2,207 growth over 2023-24

2024 - 2029

PLANNED INTERNATIONAL SHARE
OF TOTAL

UNDERGRADUATE

ENROLMENT



International
undergraduate
student FTEs
21,240

2024-25

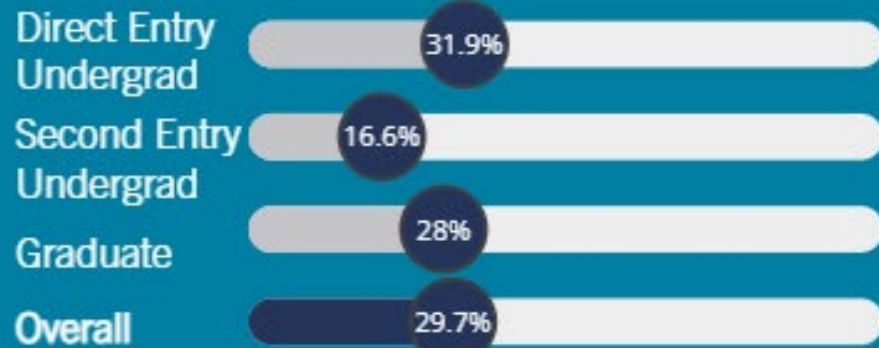


International
undergraduate student
FTEs will increase to
22,937 (1,697 growth)

2029-30

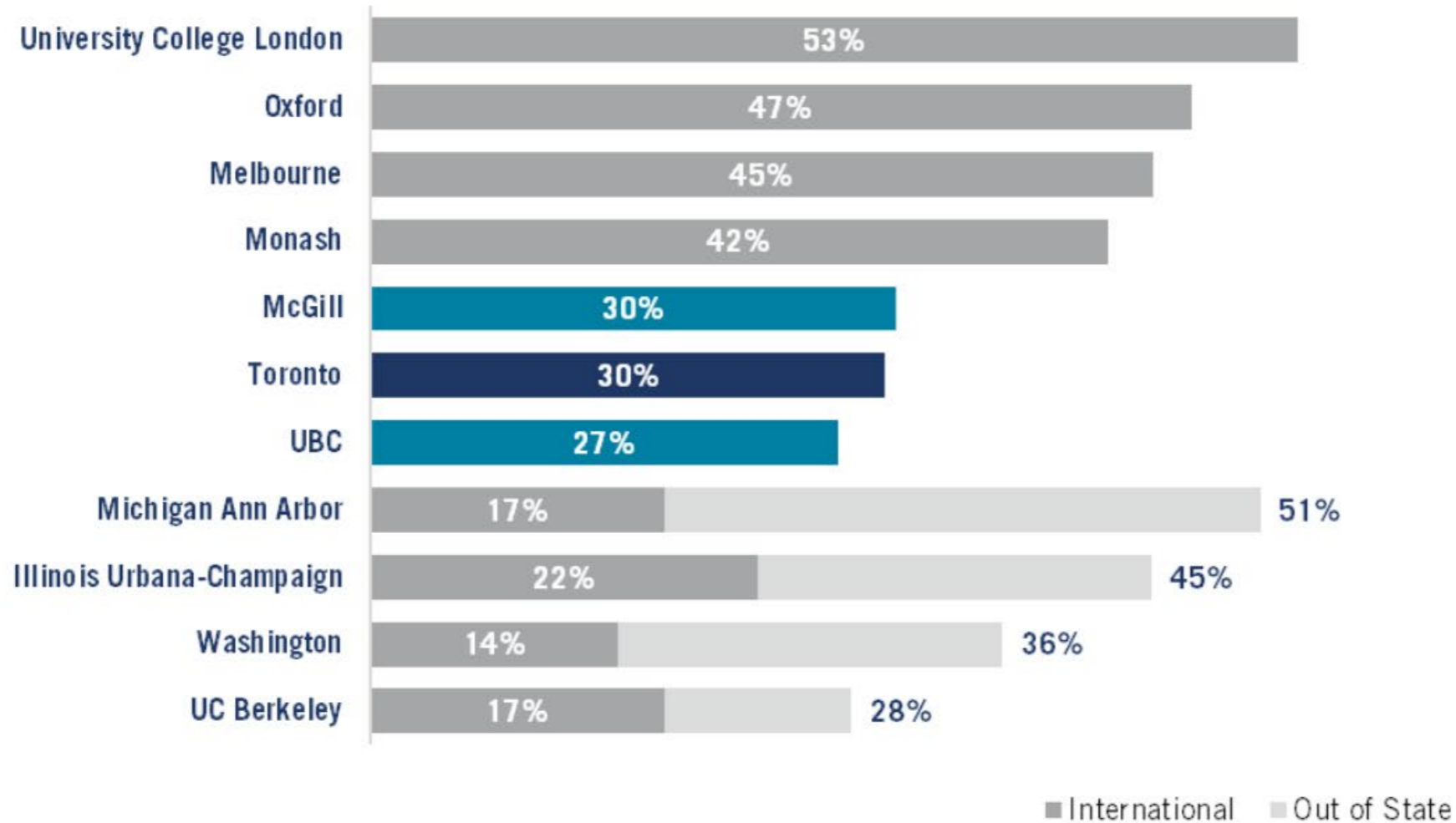
UofT is also adding 519
domestic students over
this period

% INTERNATIONAL BY LEVEL 2024-25:



International Enrolment - Fall 2023

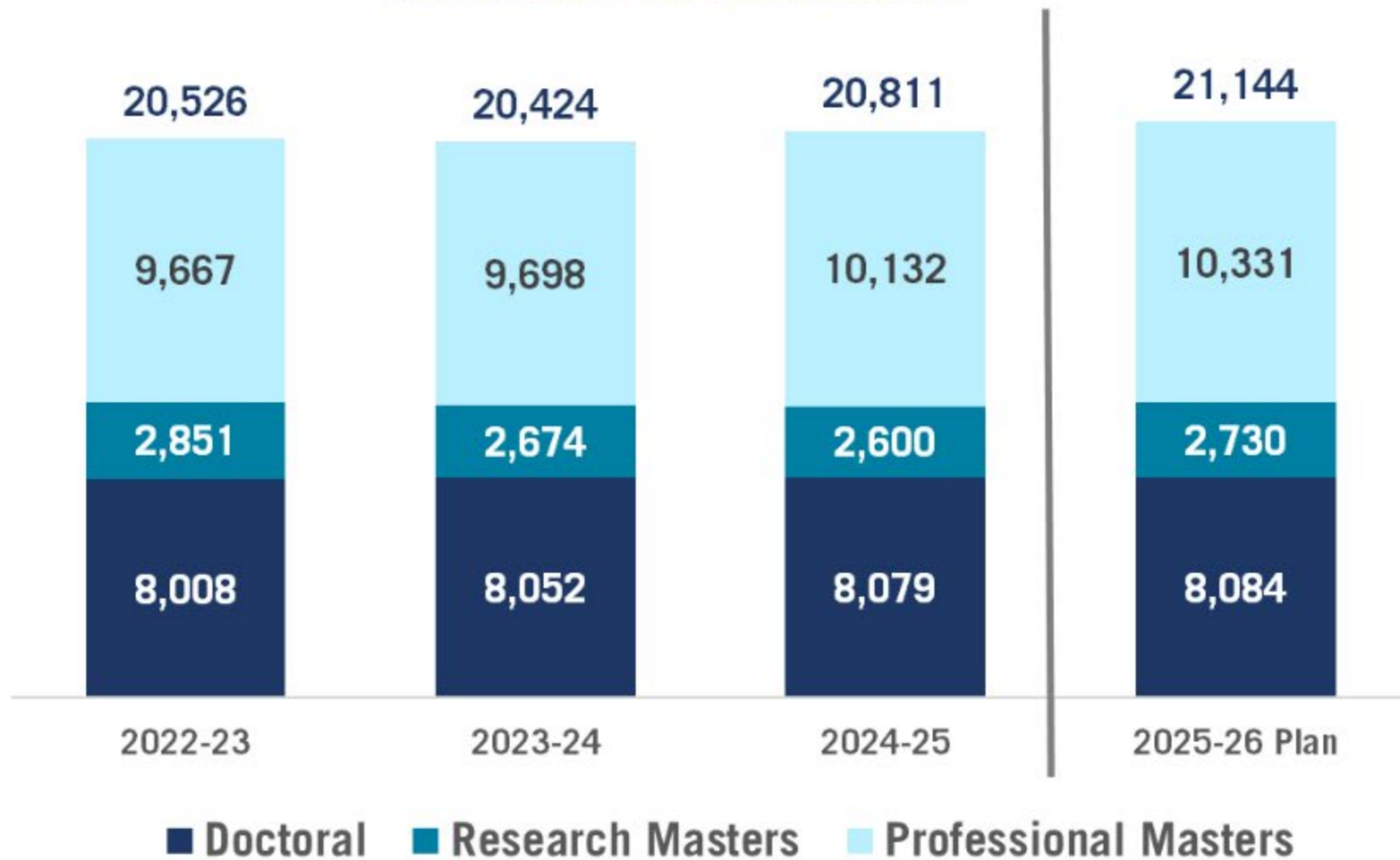
International Percentage of Enrolment - Fall 2023



Total Enrolment including Undergraduate and Graduate

GRADUATE PROGRAMS

Graduate FTE Enrolment



New \$40,000 base funding commitment for doctoral students



28% of graduate students are international in 2024-25.

OSAP CHANGES AND PARTICIPATION

PROVINCIAL OSAP CRITERIA CHANGES IN 2019-20

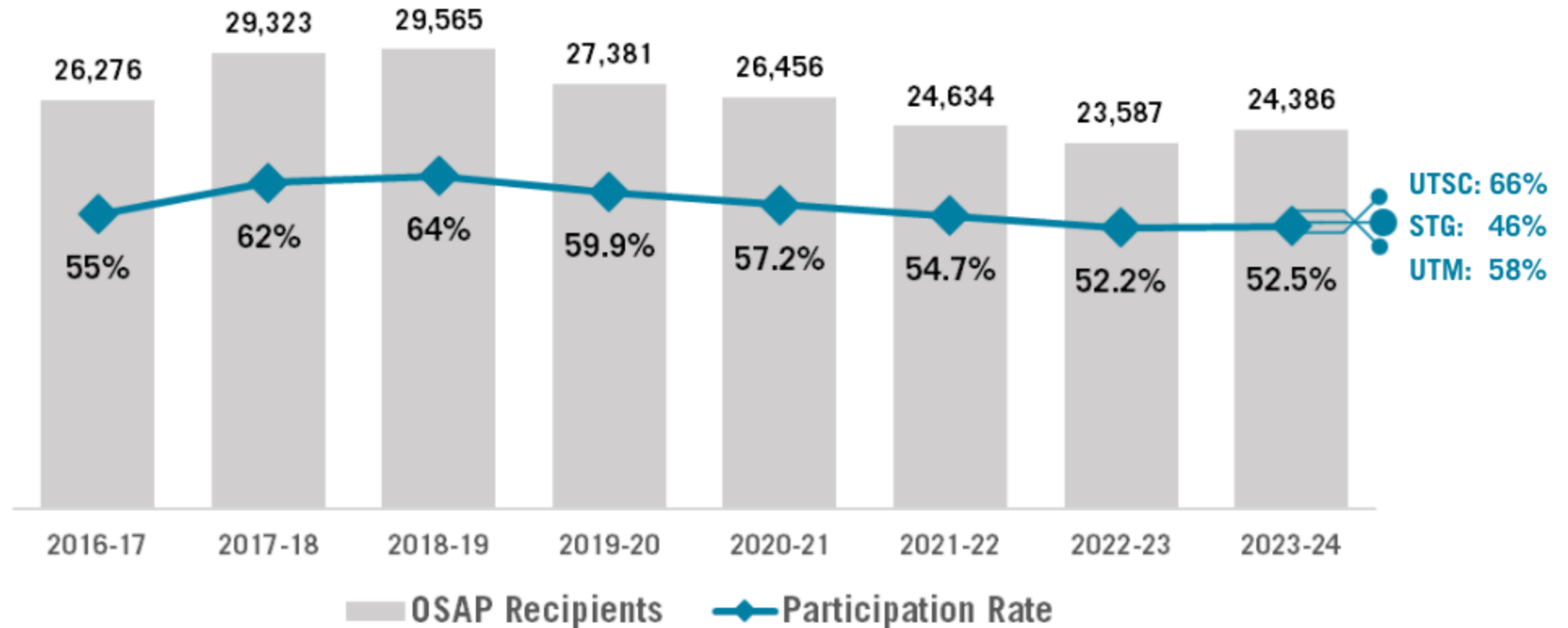
More targeted to low income support.

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

All recipients now receive a portion of funding as a loan.

RESULT: Fewer students qualify

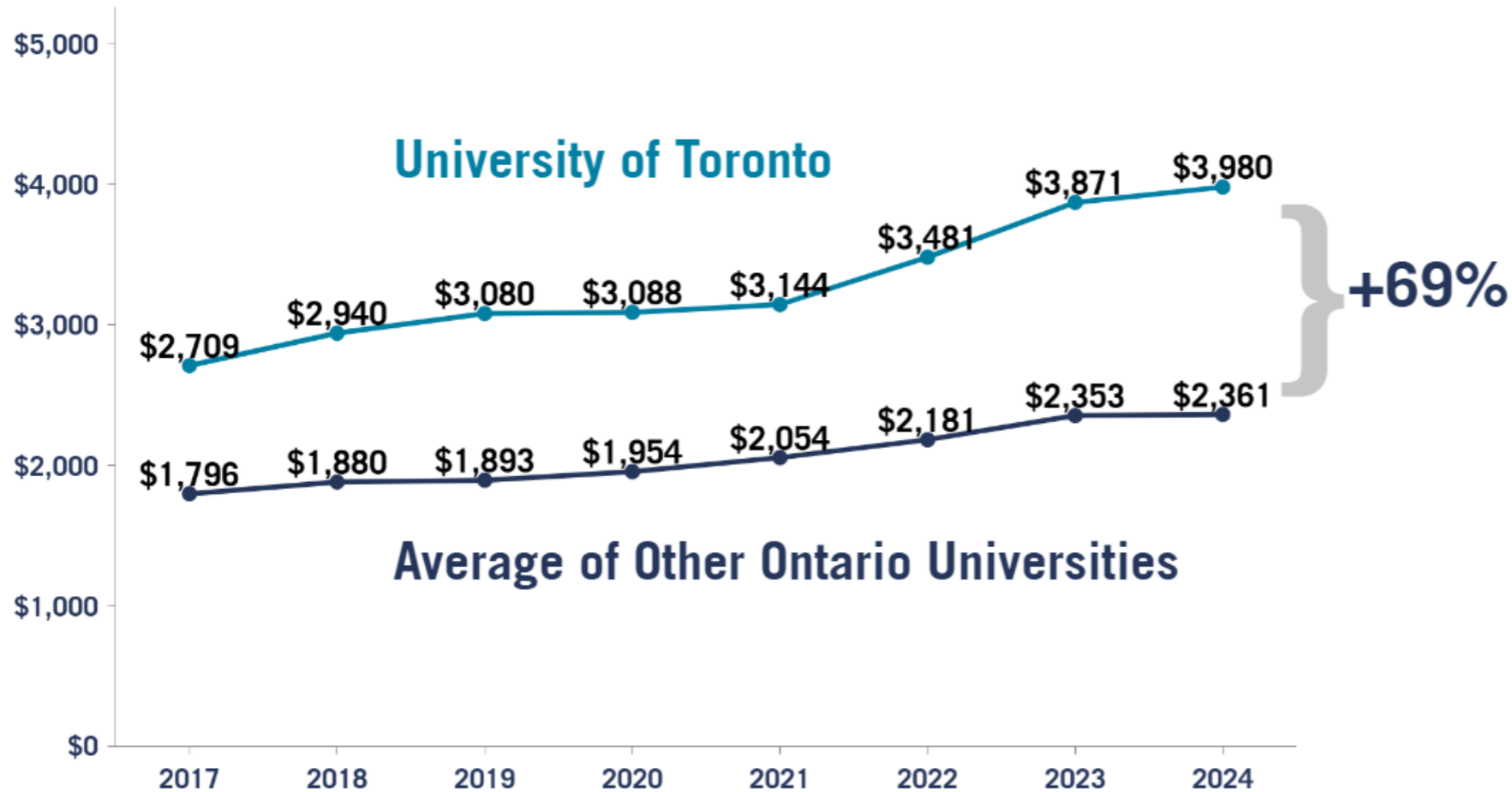
Undergraduate OSAP Recipients & Participation Rate



STUDENT FINANCIAL SUPPORT

\$1.6B Endowed
Funds for Student
Support
(43% of total Endowment)

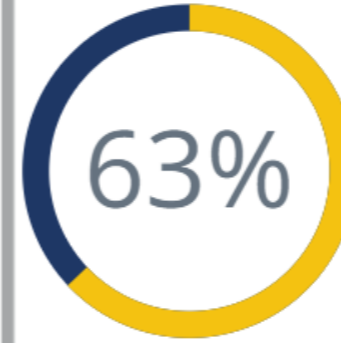
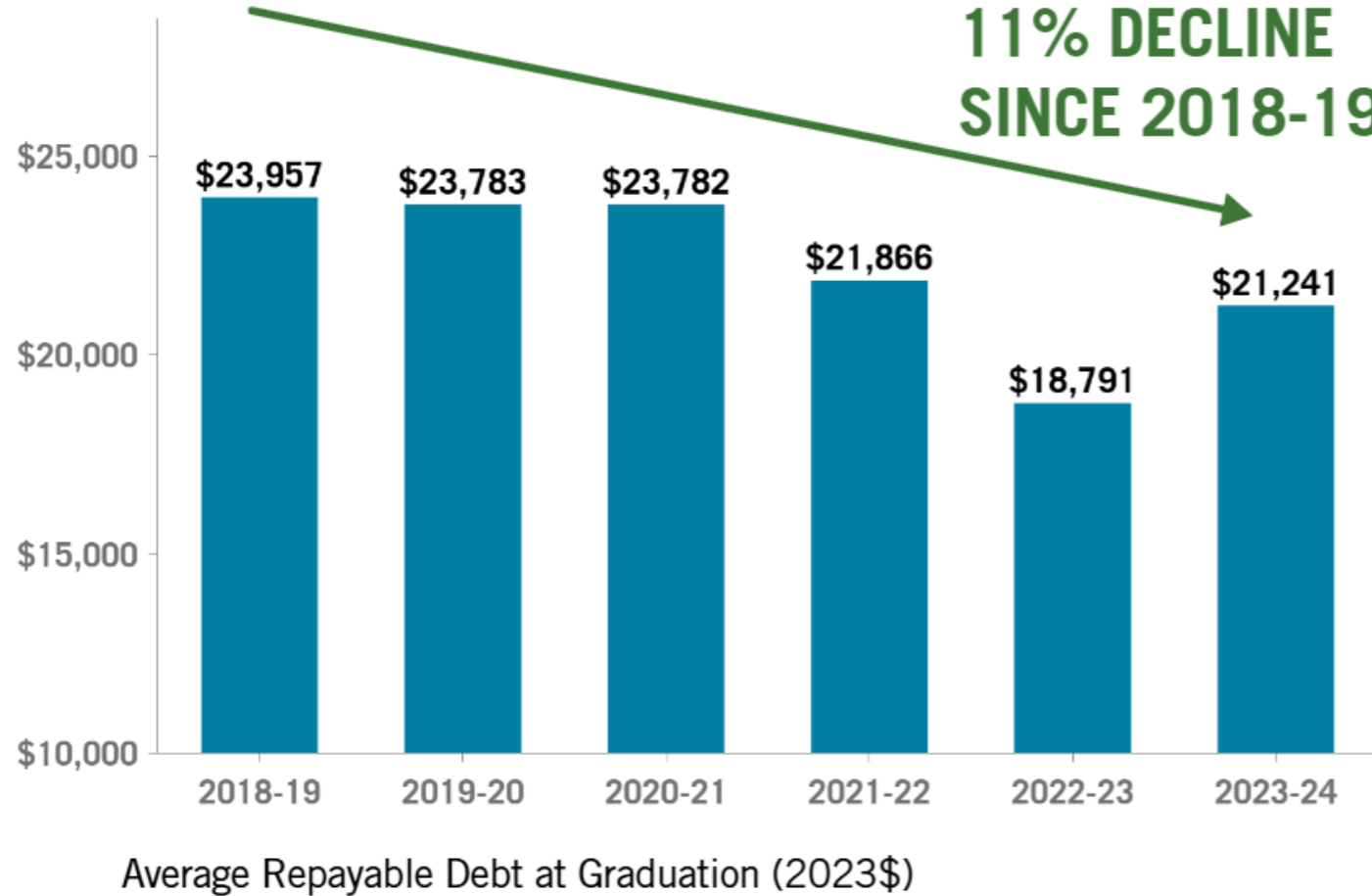
Financial Aid per Full-Time Equivalent Student



**\$405
MILLION**
Financial Aid Budget
2025-26

STUDENT DEBT LOAD 2018 - 2023

(OF THOSE WITH OSAP DEBT)



of direct entry domestic undergraduate students have no OSAP debt at graduation - improved from 50% a decade ago



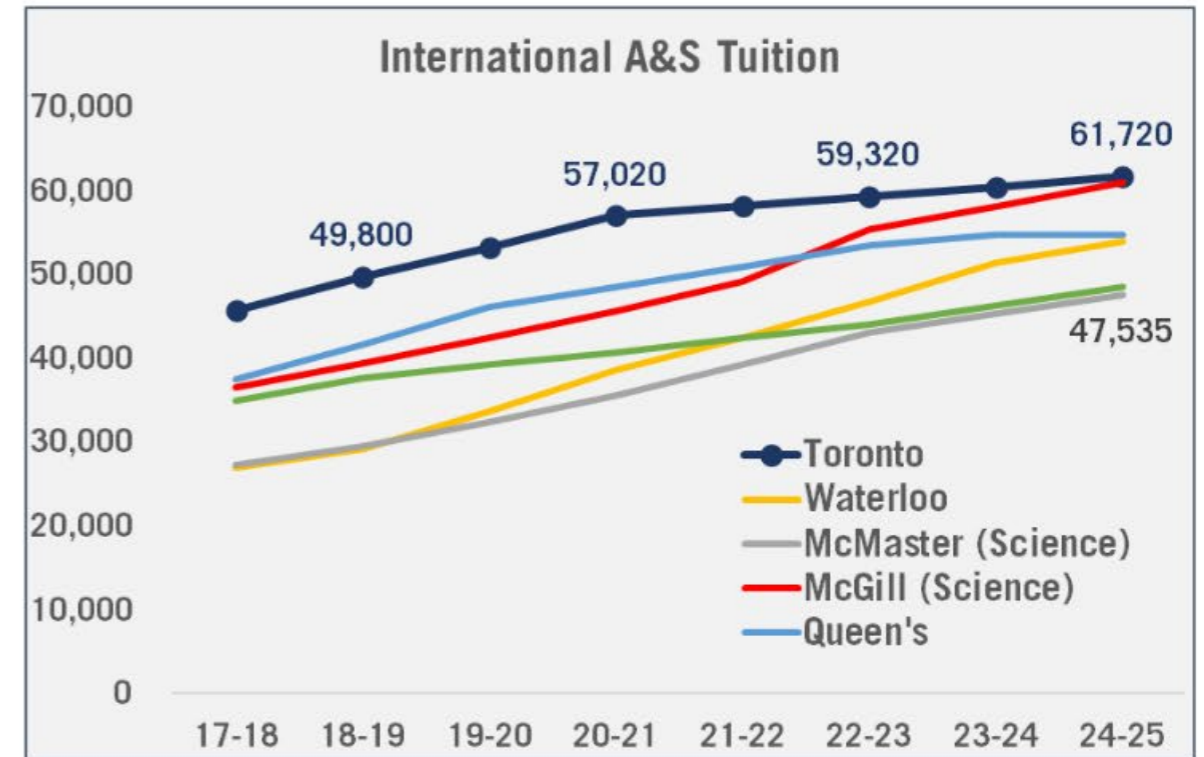
RATE OF DEFAULT ON OSAP LOANS VERSUS 1.9% FOR OTHER ONTARIO UNIVERSITIES

Students graduating in 2022-23 were the last cohort to fully benefit from the previous "free tuition" OSAP program.

INTERNATIONAL ARTS & SCIENCE TUITION

3% increase planned for 2025-26

	2024-25 TUITION	PERCENTAGE INCREASE IN 2024-25
Univ. of Michigan*	\$87,280	5%
U of T	\$61,720	2%
McGill Science	\$61,067	5%
Queen's	\$54,808	0%
Waterloo	\$54,020	5%
UBC Science	\$48,610	5%
McMaster Science	\$47,535	5%



*In Canadian dollars converted at \$1.44

INTERNATIONAL SCHOLARSHIP PROGRAMS



**\$90
MILLION**

2025-26 Budget plan for
International Scholars and
Pearson Scholarship
programs

+ Additional funding from reserves

GLOBAL RANKINGS - GRADUATE EMPLOYABILITY



14th

OVERALL IN
THE WORLD



1st

OUT OF ALL
PUBLICLY FUNDED
INSTITUTIONS IN
NORTH AMERICA



8th

OUT OF ALL
PUBLICLY FUNDED
INSTITUTIONS
GLOBALLY



*based on Times Higher Education Rankings (2024)

4 Budget Initiatives



UNIVERSITY FUND ALLOCATION

\$10.7M

Student Success



- Increase doctoral base funding to \$40k
- Doctoral excellence award

\$5.7M

Research & Innovation



- Support for indirect costs of research and other research supports
- New support team to improve success in grant applications
- Supports for complex international funding programs

\$5.3M

Investing in Divisional Priorities



- Support to divisions for their priorities
- New Operating Agreement with Federated Universities
- Operational Excellence Fund

ACADEMIC DIVISIONAL INITIATIVES

Strategic Enrolment Management



- Outreach & recruitment
- Academic advising and data-driven retention strategies
- Scholarships to attract top global talent
- Summer strategies to reach new students and give flexibility to current students

Operational Excellence



- Improved administrative processes
- New budget models to empower local decision-makers
- Shared service hubs
- Strategic course planning
- Leveraging non-operating dollars

Partnerships



- Cross-divisional research initiatives and academic programs
- Industry partnerships for research and professional learning
- Community engagement that supports student access
- Experiential learning

Program Innovations



- 3-Year Compressed PharmD
- Flexible delivery models to expand student access
- New academic programs in emerging areas and to respond to student demand

BUDGET INITIATIVES: SHARED SERVICES

Inflation on compensation costs and non-discretionary items such as institutional software licenses, utilities, service contracts, and others dominate allocations to shared services.



However, some specific high priority initiatives will be funded including:

Identity
Management
System
(Information
Security)

Library
Acquisitions
Funding

Modern Travel
& Expense
Claim System

New
Employee
Central HR
System

CAPITAL PROJECTS & PLANNED INVESTMENTS

5 YEAR PROJECTION



**ACADEMIC &
INSTITUTIONAL**



FOUR CORNERS

- 10% | Cash Reserves
- 30% | Future Cash Contributions
- 35% | Donations, Gov't, Partnerships
- 25% | Debt

5 Risk



UNDERGRADUATE INTERNATIONAL RECRUITMENT

RISKS

Geopolitical tensions
Changing Immigration Policies
Provincial Attestation Letters (PALs)

STRATEGIES

Engaged recruitment activities in local markets
Diversification
International Scholars
Melt reduction strategies
Advocacy for Recognized Institutions Framework

Budget plan includes international intake growth of 843 students over 2024.

\$54 million risk



In Fall 2024, UofT registered 40 or more new students from 16 separate countries (up from 7 countries in 2016)

and less than 50% from any single country

STUDENT HOUSING



10,500

Student spaces available across the three campuses and Federated Universities

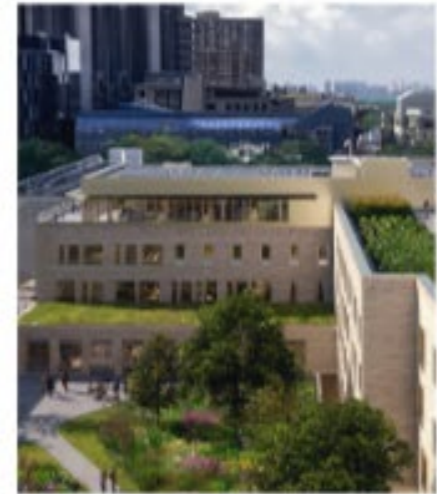
+1,250 in construction and plans for up to 5,000 more spaces with private partners.



Oak House
STG



Phase IX
Residence
UTM



Lawson Centre for
Sustainability
Trinity

INFLATION

1.8%

PER YEAR

**ANNUAL INFLATION
ON CPI (DEC 2024)**

CPI Annual Inflation, Canada



PENSION PLAN RISK CONTINGENCY

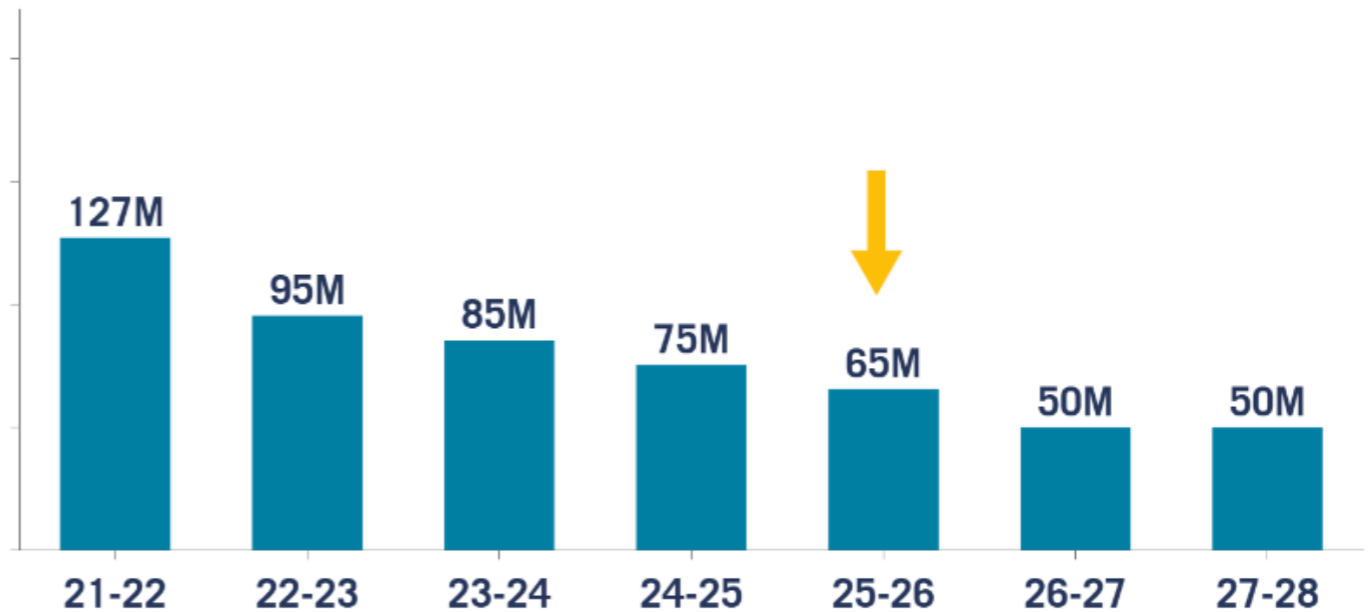


Pension transferred to new UPP Ontario in 2021. However, University responsible for any future deficits for 10 years.



Pension special payments not currently required. Reduce budget and build contingency reserve to mitigate against future risk.

Pension Risk Contingency Budget Plan
2021-22 to 2027-28



DEFERRED MAINTENANCE 3-YEAR PUSH

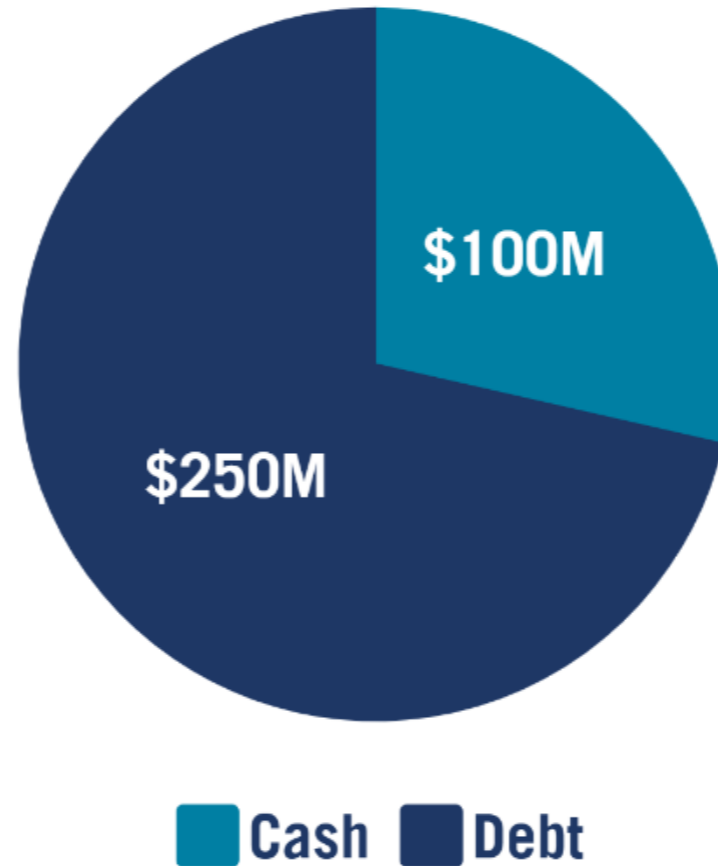
\$350M planned spend over three years to address critical immediate needs and bend the curve on Deferred Maintenance Liability growth.

Mix of cash and debt, funded from existing deferred maintenance budget.

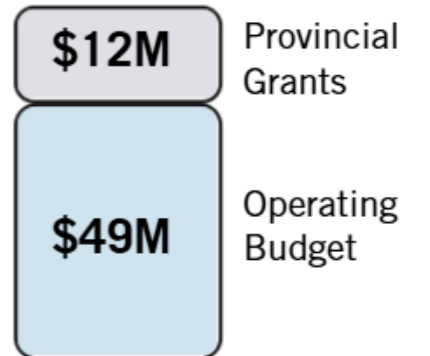
\$1.5 Billion

CURRENT DEFERRED
MAINTENANCE LIABILITY

\$350 MILLION

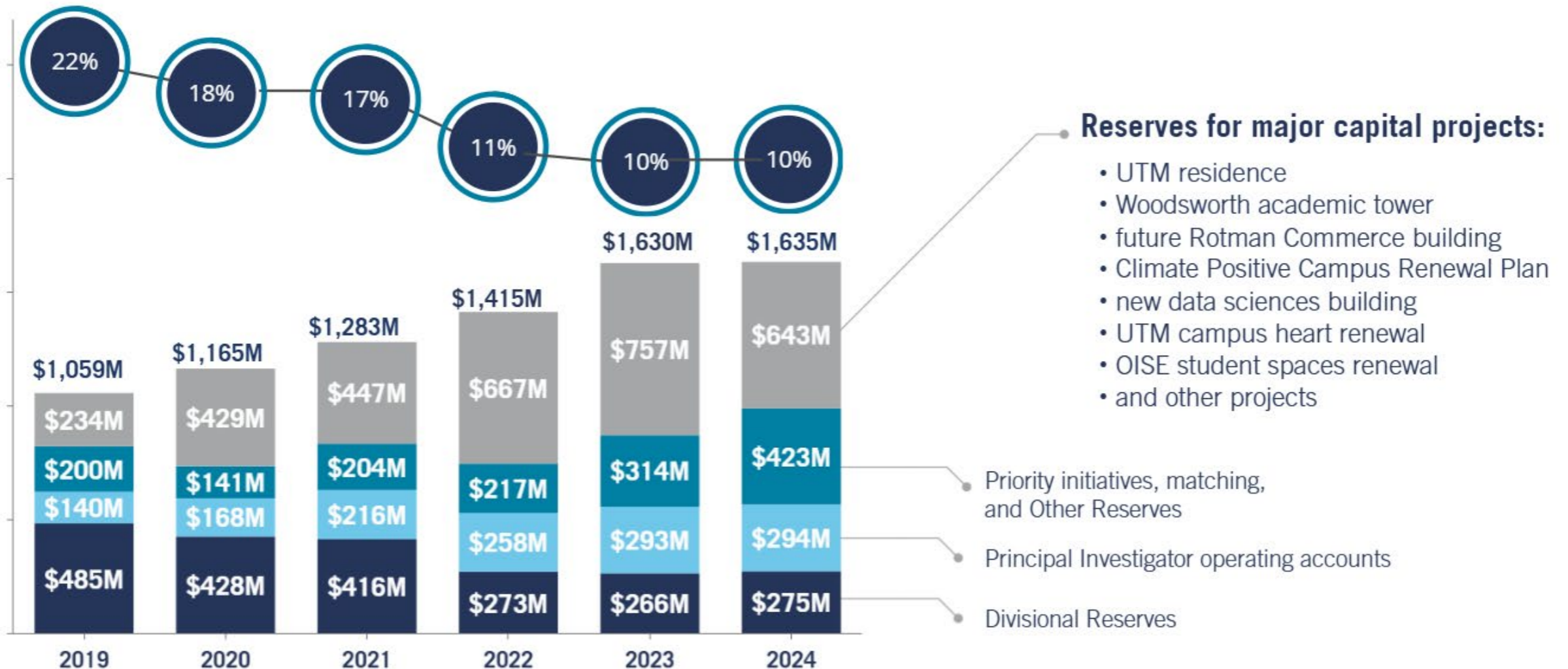


2025-26 DM
Funding (\$61M)



OPERATING RESERVES

Operating Reserves with Divisional Reserves % of Budget
for the year ended April 30



STRETCHING OUR RESOURCES FURTHER

Examples & Opportunities

- OREP finance hub
- Business hub for small shared services
- TFoM IT consolidation
- Divisional budget models
- Academic division service hubs
- Process reviews & simplification
- New tools & systems

New Operational Excellence Fund

\$1M to support implementation of new initiatives

OpEx Initiative & UniForum Benchmarking

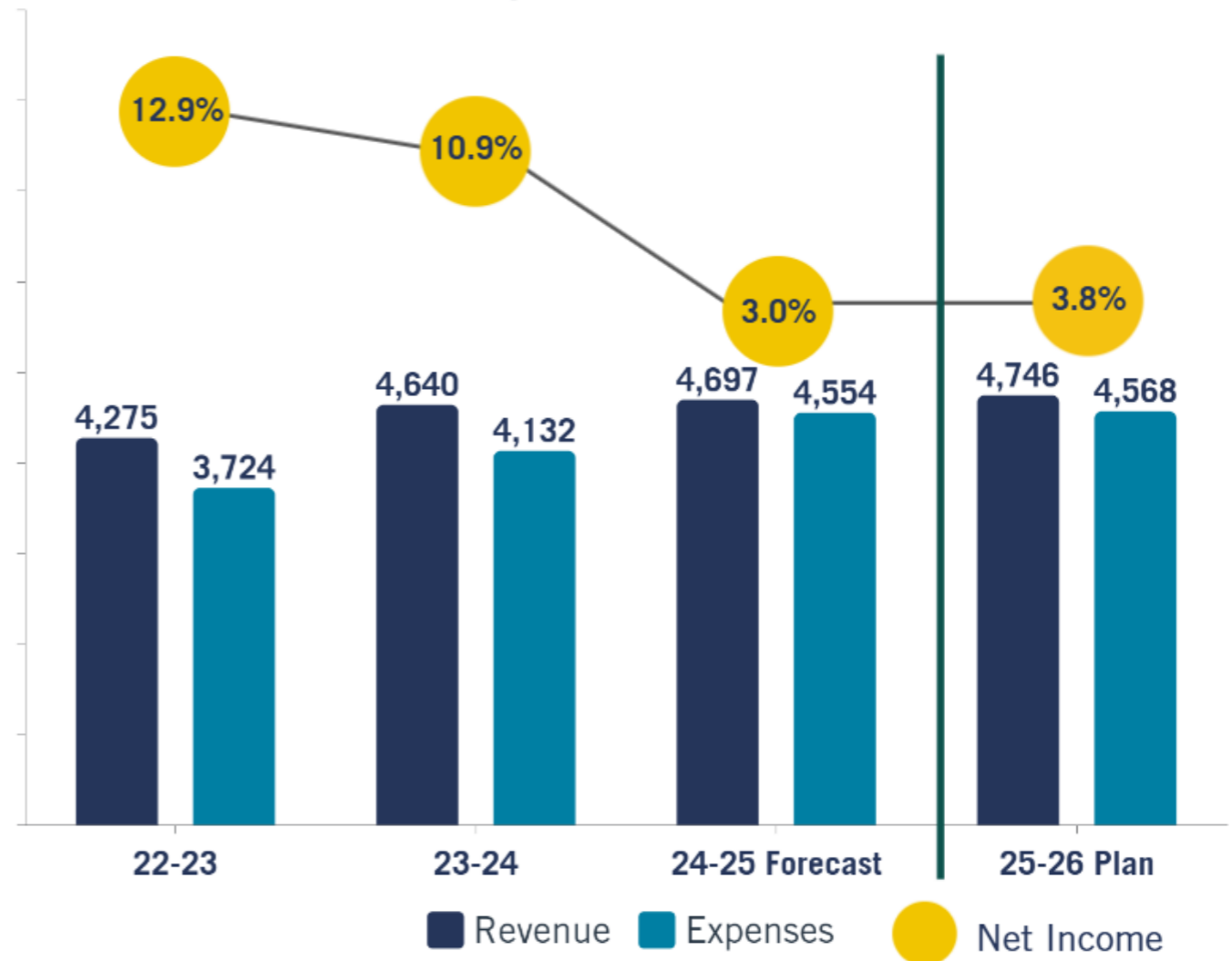
FINANCIAL STATEMENT OF OPERATIONS

The University's overall Statement of Operations is an accounting view of revenues and expenses – across operating, ancillary, restricted & capital funds. It includes significant adjustments related to how capital spending is reported.

3.8%

**Planned 2025-26
Net Income on an
accounting-basis
across all four funds.**

Revenue & Expenses (\$ millions)



Budget 2025-26



UNIVERSITY OF
TORONTO