

Budget 2026-27

and Long-Range Budget Guidelines
2026-27 to 2030-31



UNIVERSITY OF
TORONTO

BUDGET HIGHLIGHTS

\$3.66B balanced budget in tight planning environment, with resources to invest in priorities and focus on operational excellence

STRONG FUNDAMENTALS

- \$3.66B balanced budget
- significant reserves and strong credit rating
- Strong student demand

CHALLENGING 2026-27

- \$39M growth in 26-27
- \$101M less than planned
- Recalibrated int'l enrolment plans; domestic tuition freeze

LIMITED REVENUE GROWTH

- Average 3% annual growth
- Roughly same as general inflation

COST REDUCTIONS

- 5% cut to shared services
- Staff complement reductions & slowed faculty hiring plans
- Less discretionary spending

PRIORITY INVESTMENTS

- Talent recruitment
- Student aid and funding
- Student housing & rsch space
- Digital Strategies & AI

OPERATIONAL EXCELLENCE

- Whole-of-University priority
- Evolve admin operations
- Empower our people and strengthen academic mission

1 Budget Overview



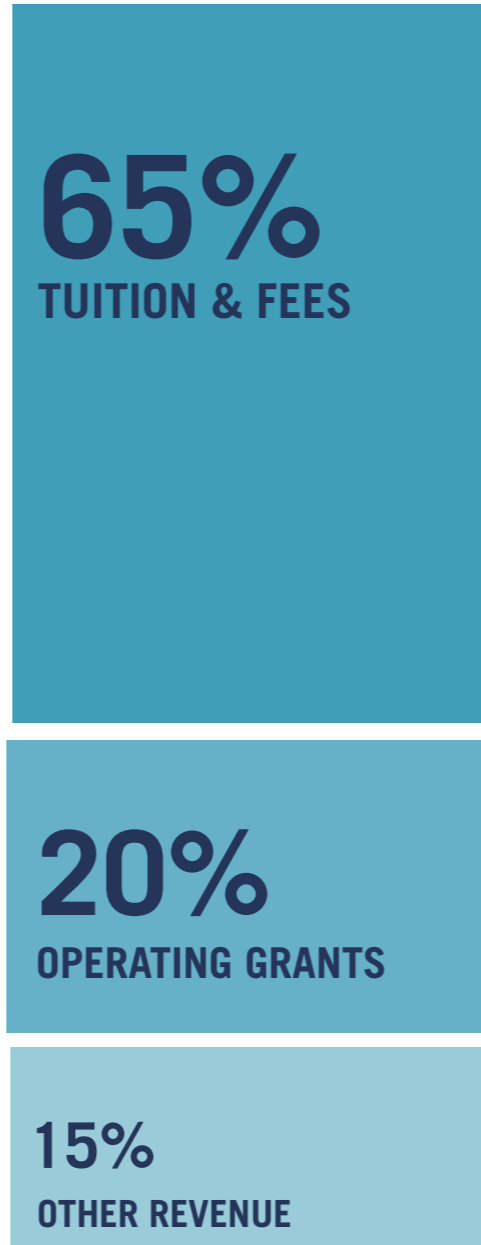
2026-27

Balanced Budget

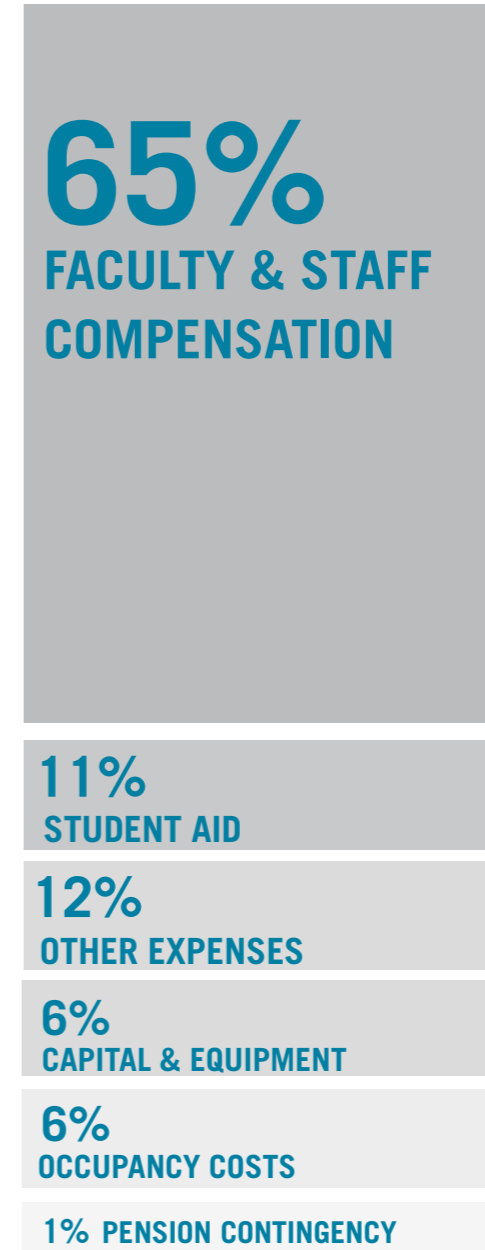
\$3.66 BILLION

\$39 million increase
over 2025-26 Budget

REVENUES



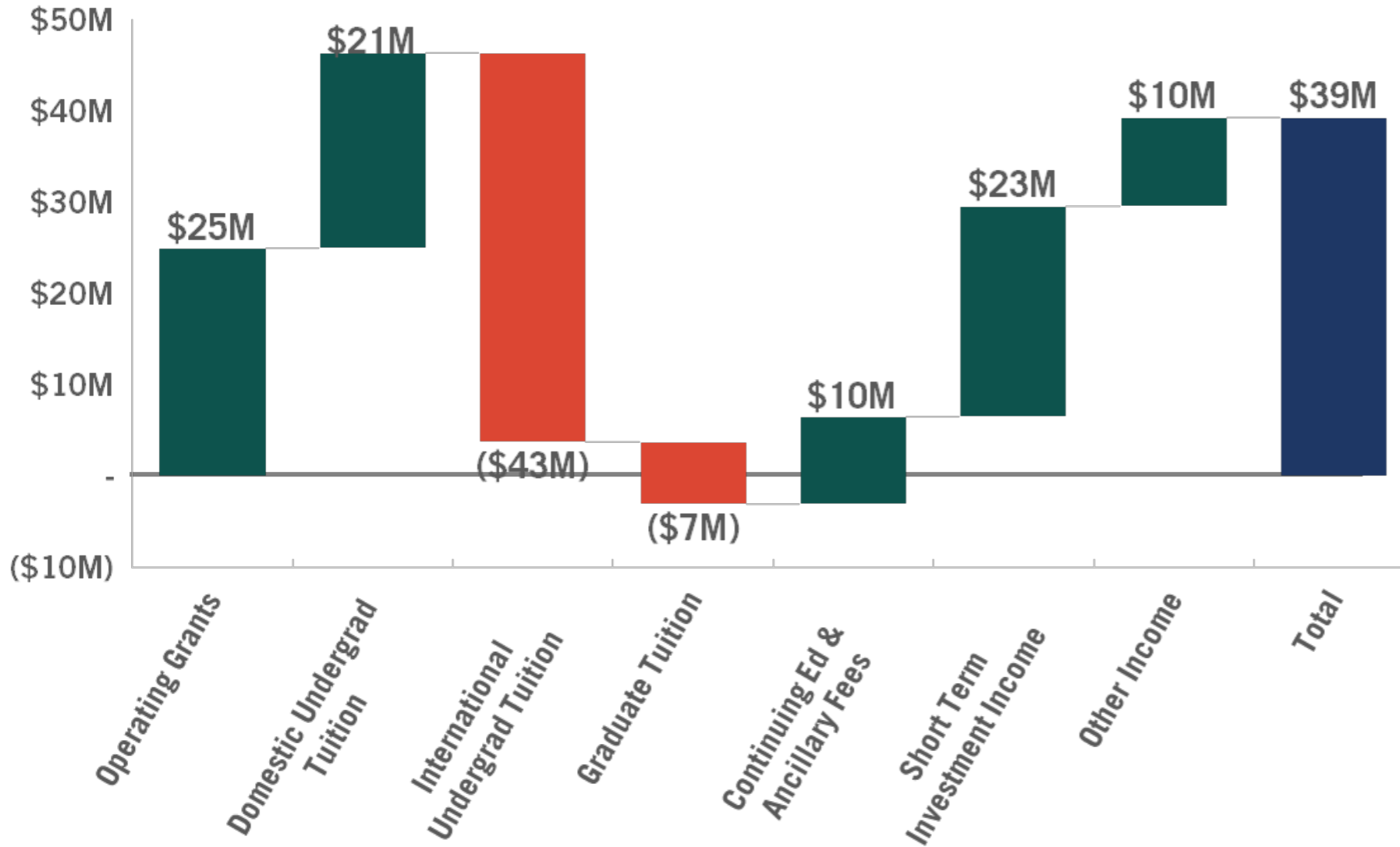
EXPENDITURES



2026-27 REVENUE GROWTH BY SOURCE

Planned Growth over 2025-26 Budget

■ Increase ■ Decrease ■ Total



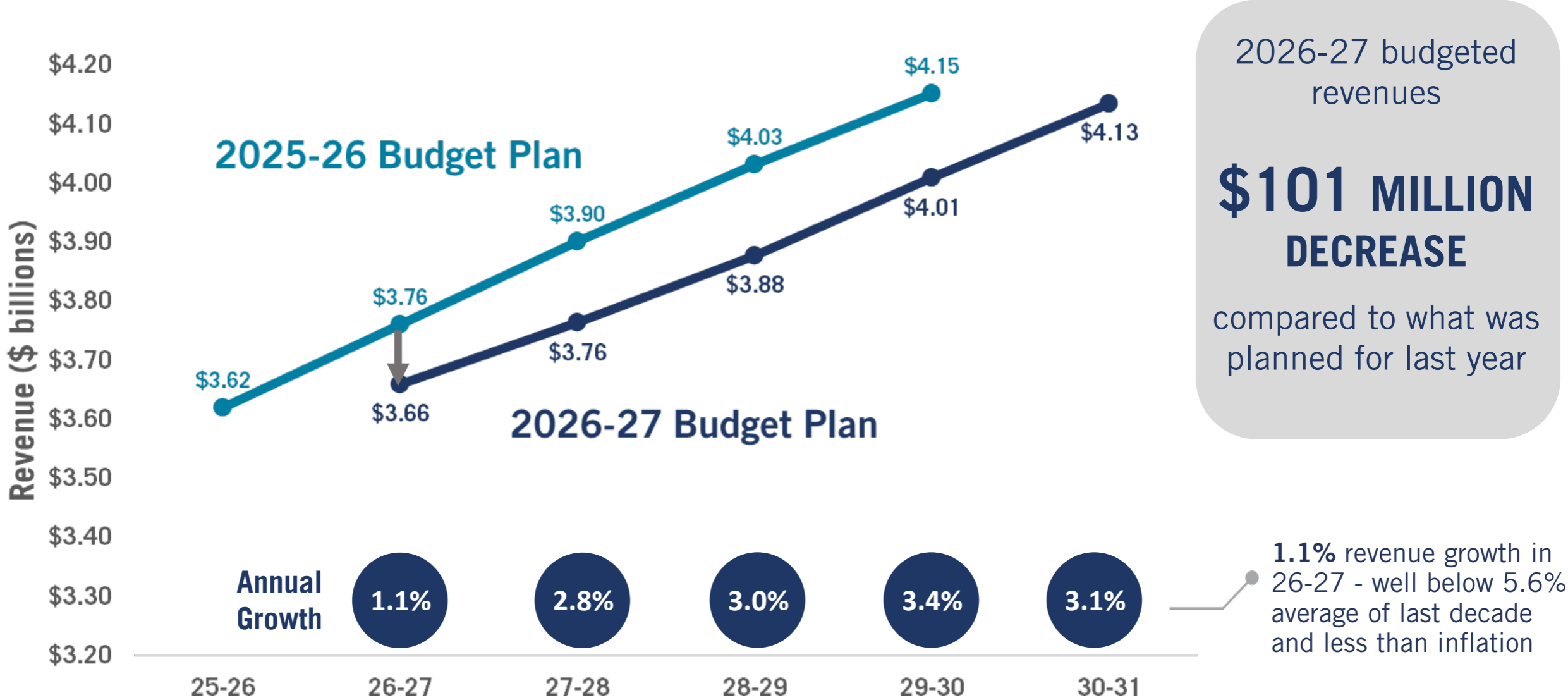
\$39M
INCREASE

In budgeted revenues compared to 2025-26

\$101M
DECREASE

compared to what was planned for last year






2026-27 Five-Year Plan in Context

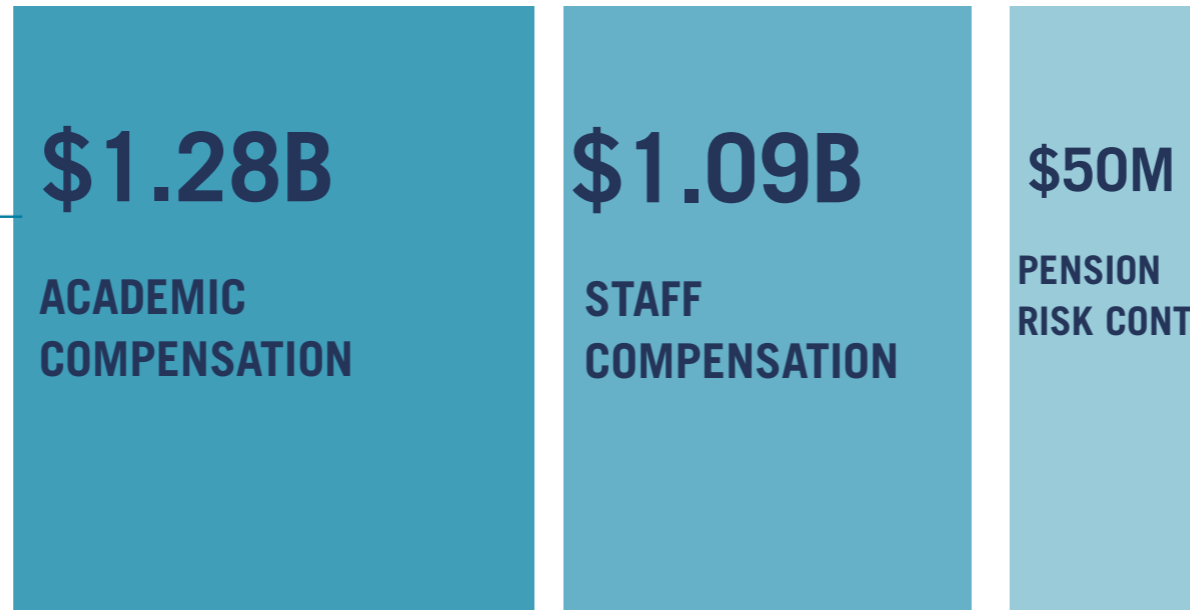


COMPENSATION

\$2.43 BILLION (estimated)
2026-27 BUDGET

ACADEMIC COMPENSATION

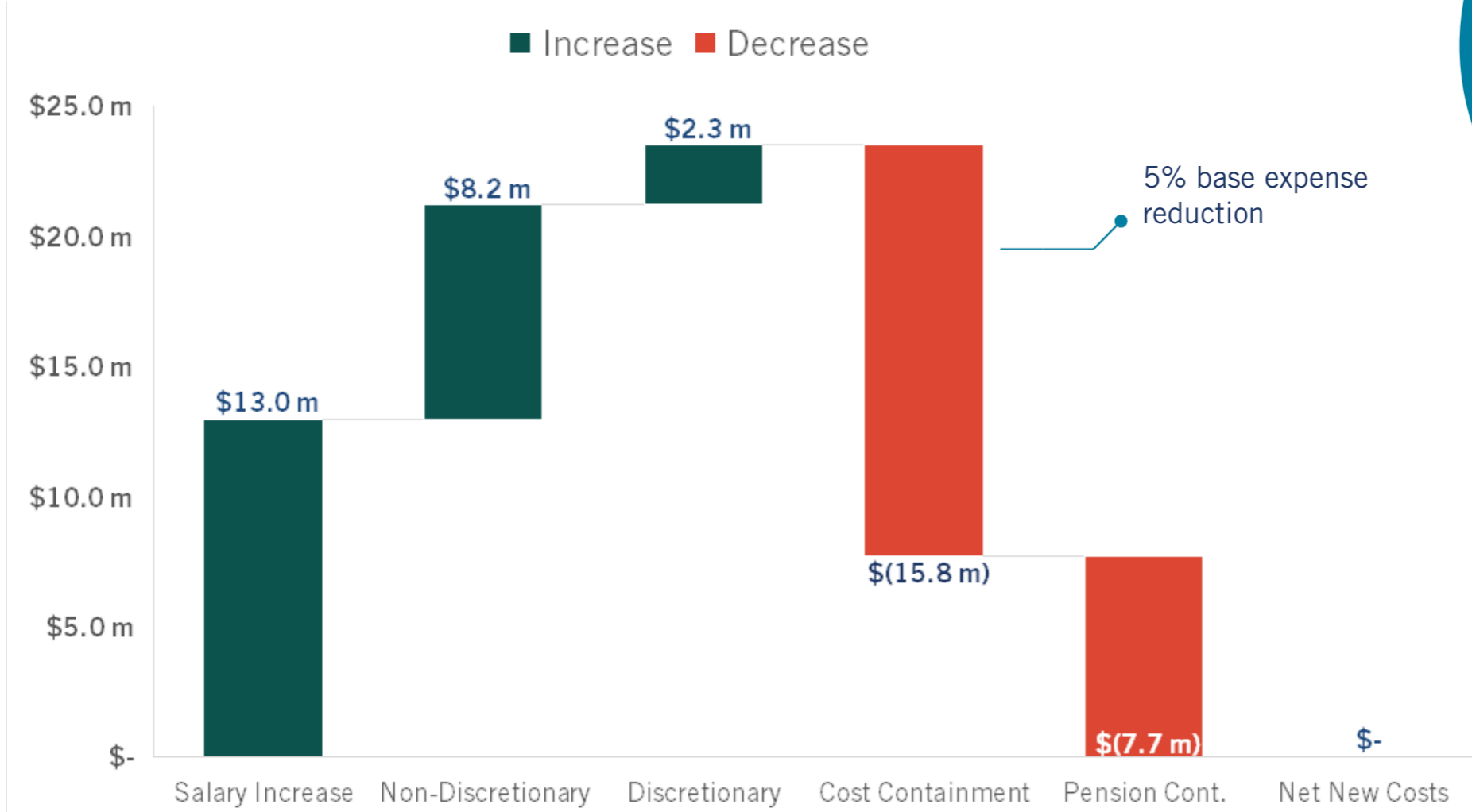
-  \$1,028 MILLION
FACULTY & LIBRARIANS
-  \$48 MILLION
SESSIONAL LECTURERS
-  \$112 MILLION
TEACHING ASSISTANTS
-  \$49 MILLION
TEACHING STIPENDS
-  \$45 MILLION
OTHER ACADEMIC




Planned 2% savings in staff compensation through vacancy management and workforce planning

2025-26 BUDGET
\$2.36 BILLION
+
SALARY INCREASE
\$105 MILLION
-
COMPLEMENT REDUCTION
(\$20 MILLION)
-
PENSION RISK CONT. REDUCTION
(\$15 MILLION)
=
NET GROWTH \$69 MILLION

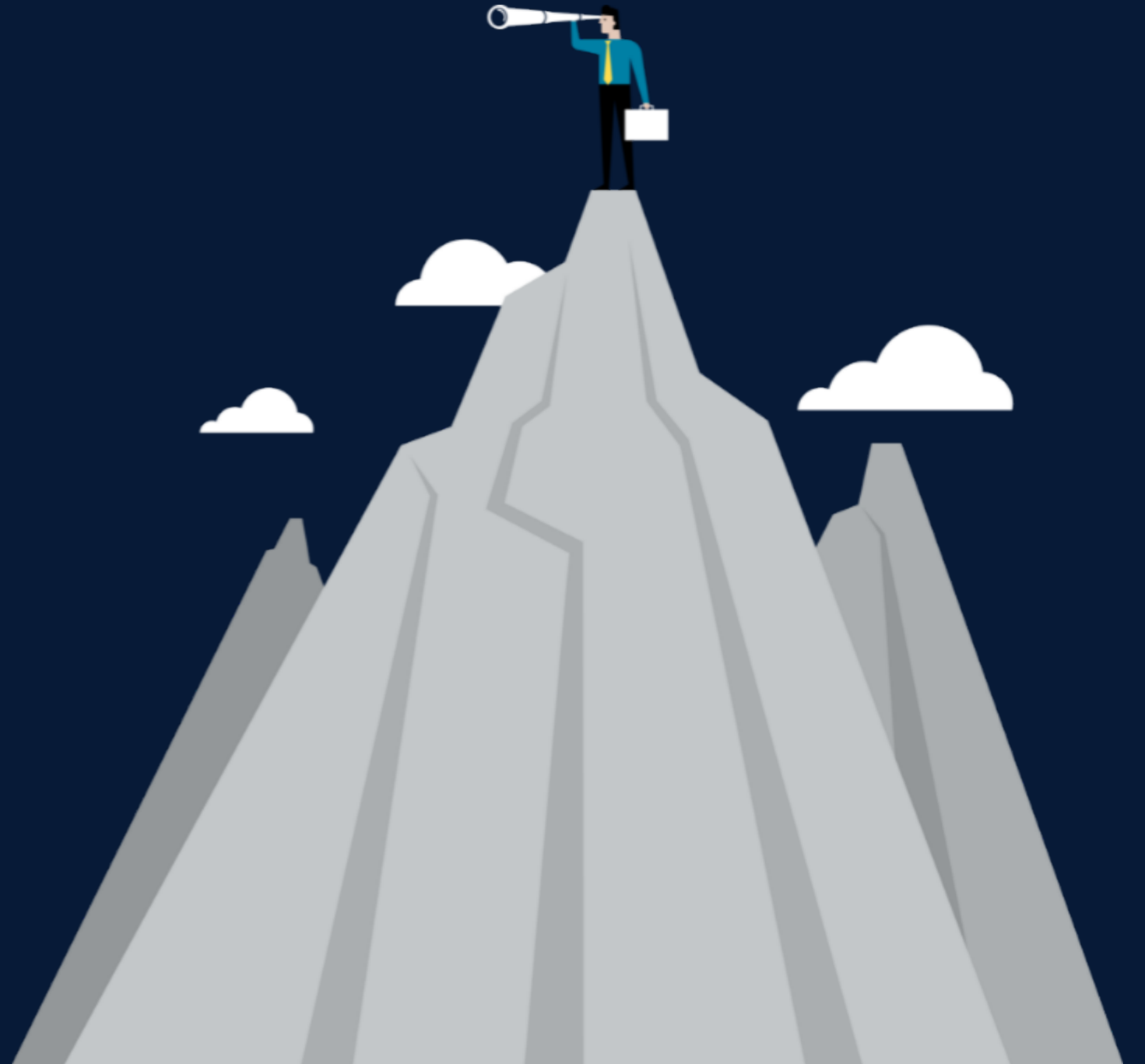
UNIVERSITY WIDE COSTS



2026-27 UWC has
\$0
 GROWTH
 over last year
 at \$749.5m

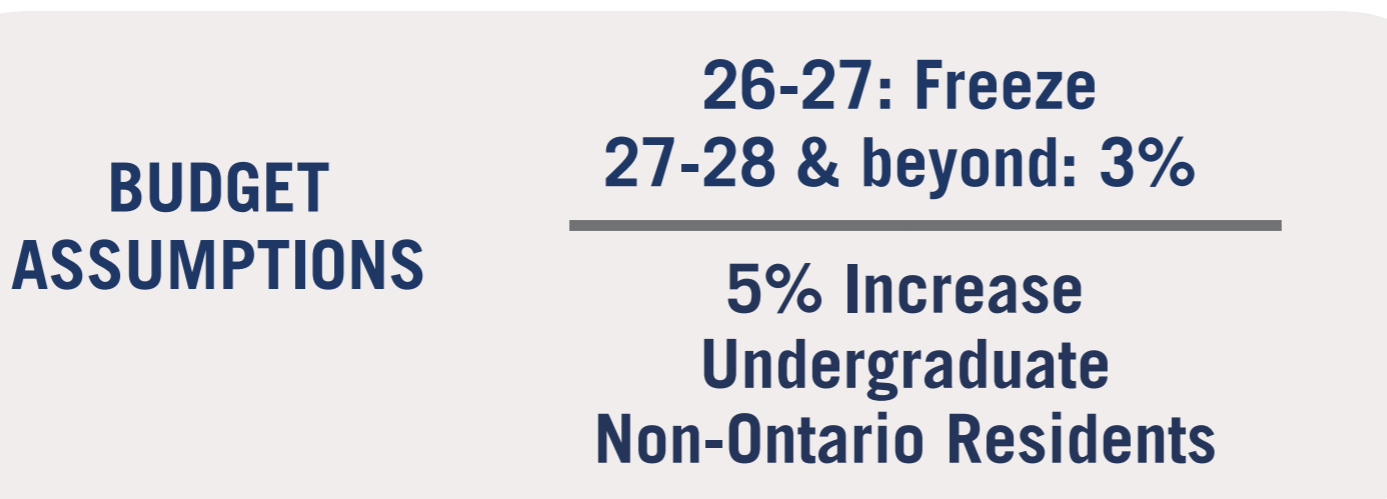

 UTM & UTSC also have
\$163.9m
 in campus costs that are
planned to remain flat

2 Changing Financial Landscape



PROVINCIAL TUITION FEE FRAMEWORK

****NEW**** Province will permit up to 2% fee increases to domestic tuition fee starting 2026-27



Current fees are 27% lower than 2018-19 when adjusted for inflation

The University is committed to student affordability, and continues to increase its student aid budget to help support students with financial need



Incoming tuition for MA & MSc will increase 3.1% and MScAC will increase by 7.5% under Government's anomaly adjustment program.

STRATEGIC MANDATE AGREEMENT (SMA4)

2025-26 to 2029-30

No major changes from SMA3. Performance metrics reduced to 8 from 10

25% of funding tied to metrics, growing to 40% by Year 5

40%
Research

Total Sponsored Research Funding

Economic Impact (Start-ups)

60%
Teaching

Community Impact (dom only)

Employment in a Related Field (dom only)

Institutional Focus (dom only)

5% of funding tied to reporting deadlines, research security attestations, and new metric development

Enrolment corridor remains in place with no material change

UG Graduation Rate

Experiential Learning (dom only)

Graduate Earnings (dom only)



UofT met or exceeded SMA3 targets in all five years of the agreement.

GOVERNMENT FUNDING MODEL CHANGES

****NEW** February 12, 2026: Government announced major investments and changes to Provincial operating funding for 2026-27. Changes are not captured in 26-27 Budget.**

- **Increase SMA4 Corridor midpoint** to capture actual enrolment in 2024-25; health programs moved into separate new corridor; funded expansion added to base.
- **Adjustment of per-student (WGU) funding levels** to standardize across institutions and roll existing Sustainability Funding into base over 26-27 and 27-28.
- **Increases to Program funding weights** across select STEM and health science programs with net new investments and roll-in of clinical education funding
- **Funded Expansion** in select STEM, health, education and trades programs; 40,000 seats allocated across universities and colleges on a competitive basis subject to Ministry review

NET POSITIVE

NET NEGATIVE

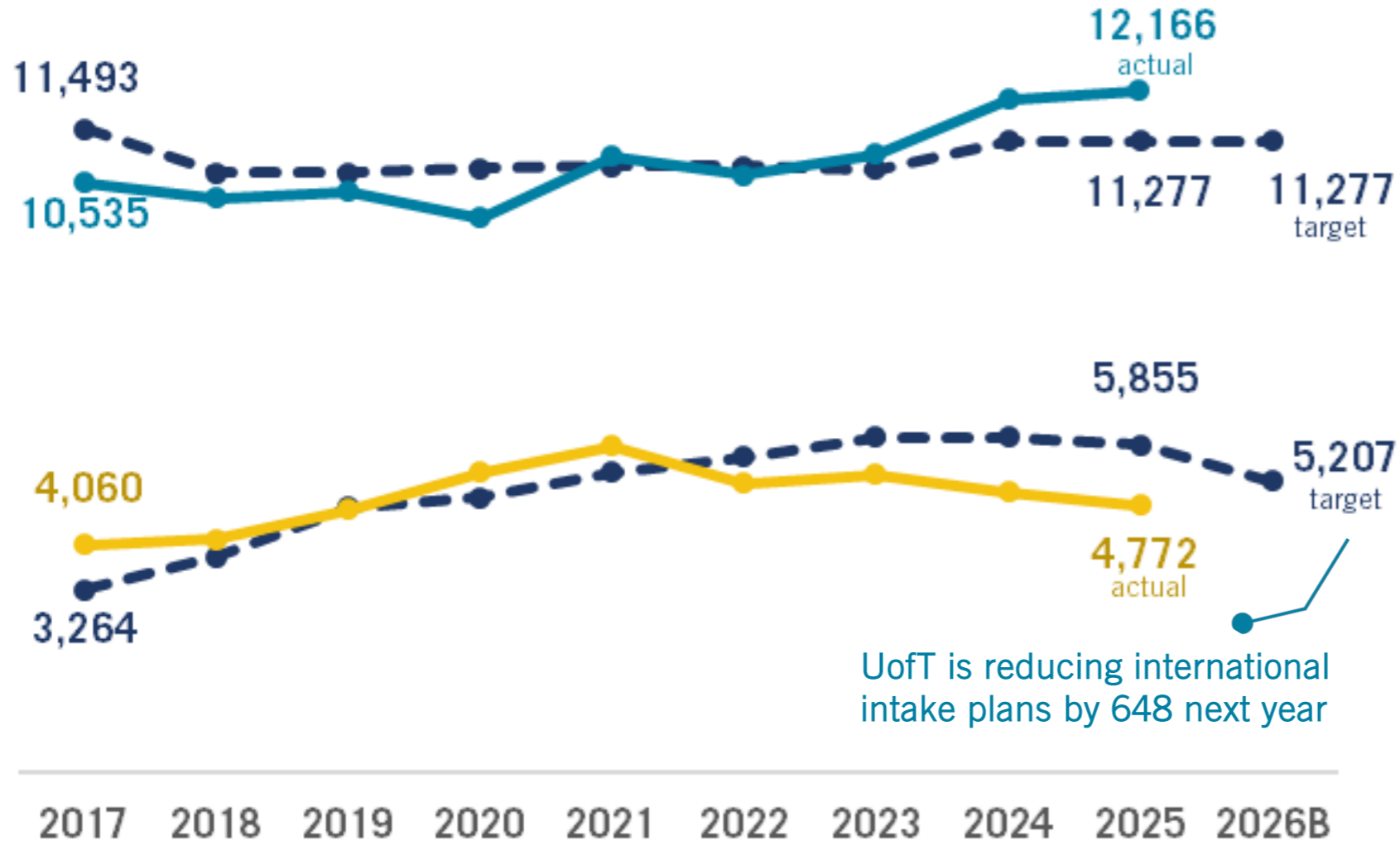
NET POSITIVE

OPPORTUNITY

3 Students: Affordability, Access & Outcomes



UNDERGRADUATE DIRECT ENTRY PROGRAM INTAKE



DOMESTIC

student intake
+889 to target
(1.3% over 2024)

INTL

student intake
-1,083 to target
(4.8% below 2024)

UNDERGRADUATE ENROLMENT RESULTS



FALL 2025 FTEs

44,647 ● — **ST. GEORGE** — ● 44,933

13,655 ● — **UTM** — ● 14,072

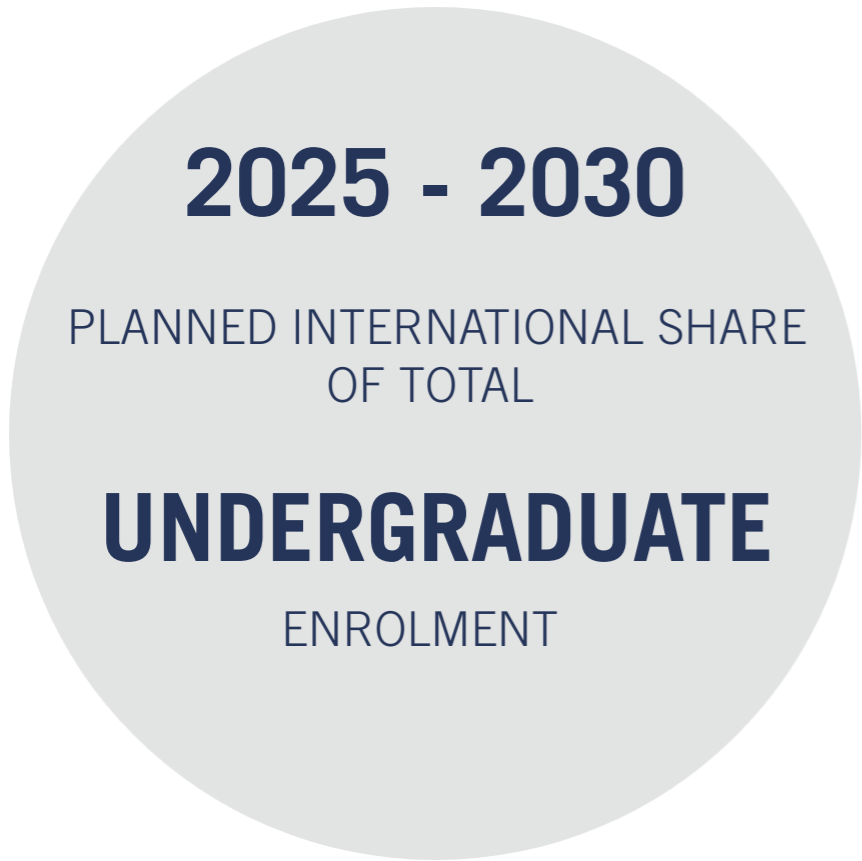
12,969 ● — **UTSC** — ● 12,576

TOTAL UNDERGRADUATE ENROLMENT 2025-26

71,581

VARIANCE TO PLAN
+1,159 (+1.6%) 

1,146 growth over 2024-25



International undergraduate student FTEs 20,507

2025-26

International students have reduced by 1,120 (from 31.1% share) since 2023-24



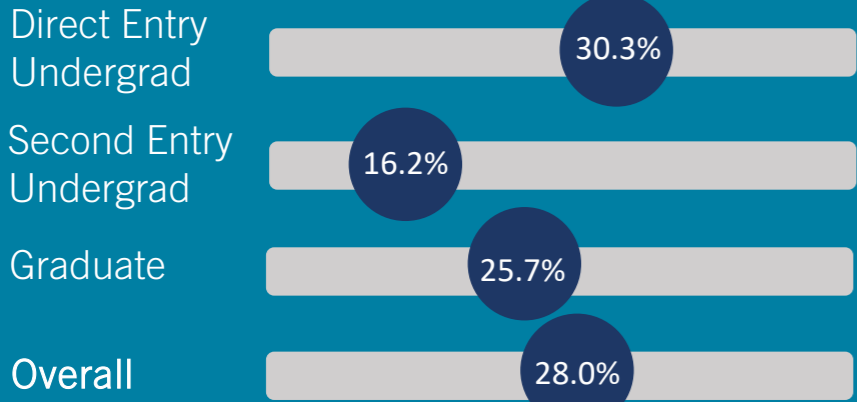
International undergraduate student FTEs will increase to **21,218** (711 growth)

2030-31



UofT is reducing domestic students by 990 over this period to return to funded levels

% INTERNATIONAL BY LEVEL 2025-26:




GRADUATE PROGRAMS

Graduate FTE Enrolment



**Minimum \$40,000
base funding
commitment for
doctoral students**

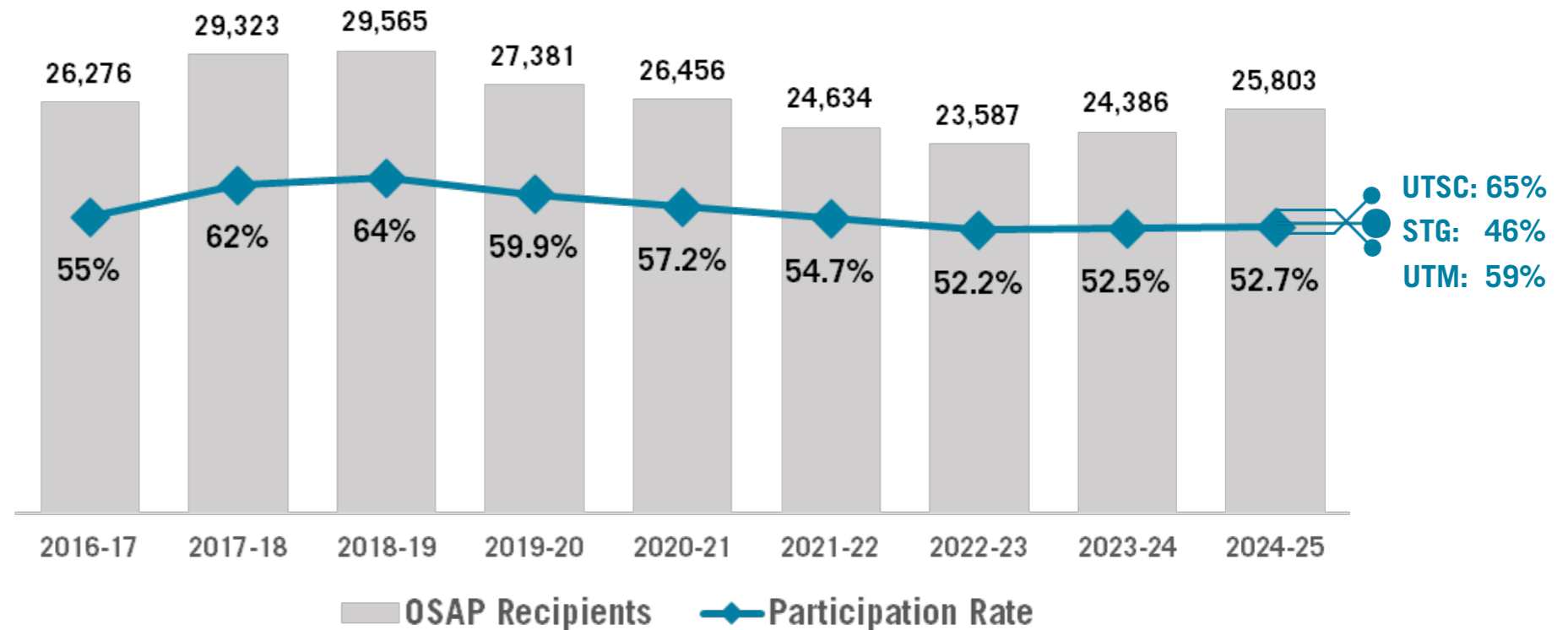
 26% of graduate students are international in 2025-26

OSAP CHANGES AND PARTICIPATION

OSAP is targeted at lower-income families, those with no parental support, and students living away from home. All recipients receive at least 10% of their award as a repayable loan.

Our **UTAPS** program assesses student need independent of OSAP, recognizing higher living costs and providing additional bursaries for unmet need.

Undergraduate OSAP Recipients & Participation Rate

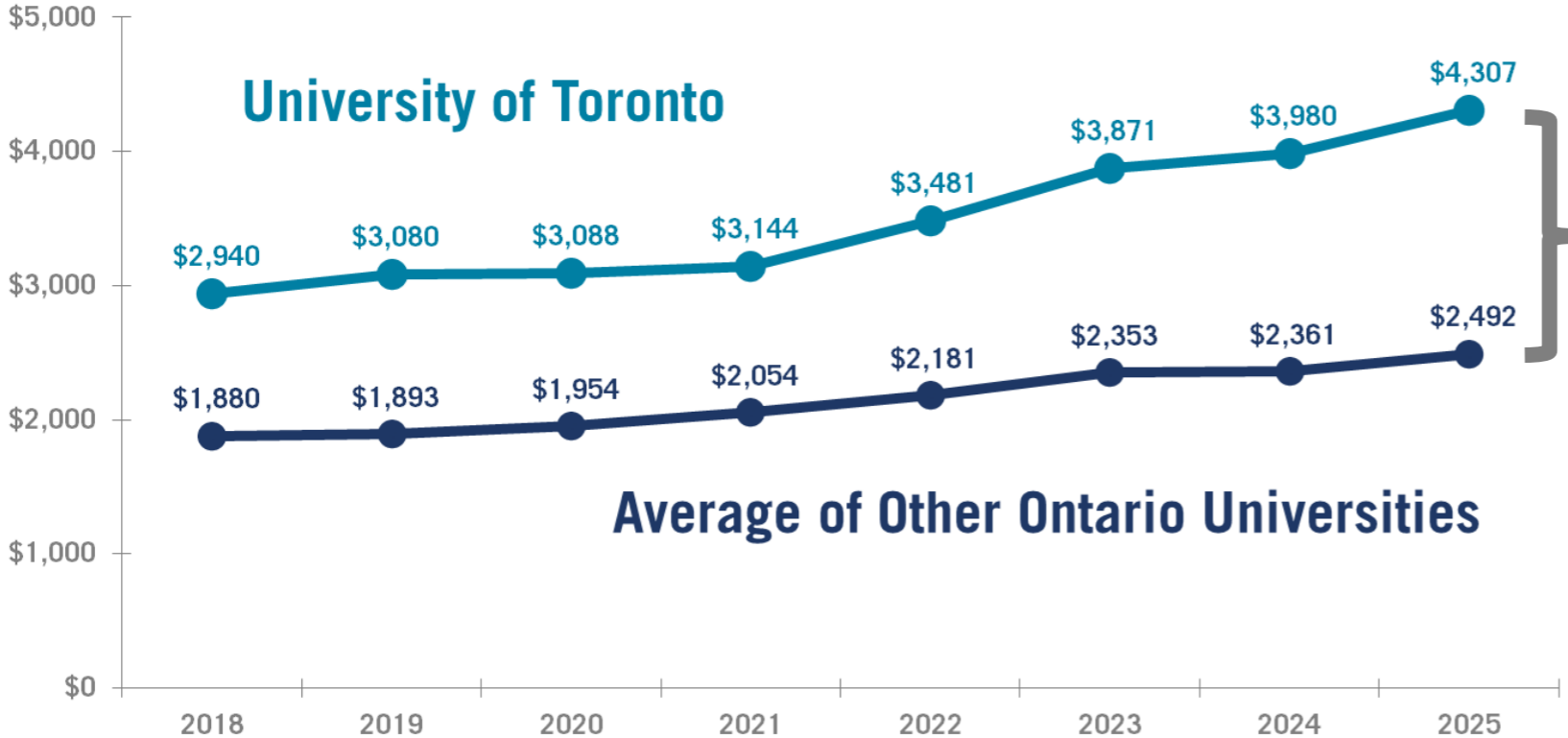


STUDENT FINANCIAL SUPPORT

\$1.7B Endowed Funds for Student Support

(43% of total Endowment)

Financial Support per Full-Time Equivalent Student

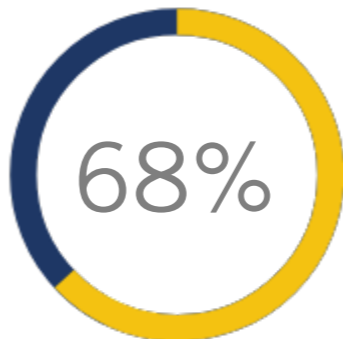
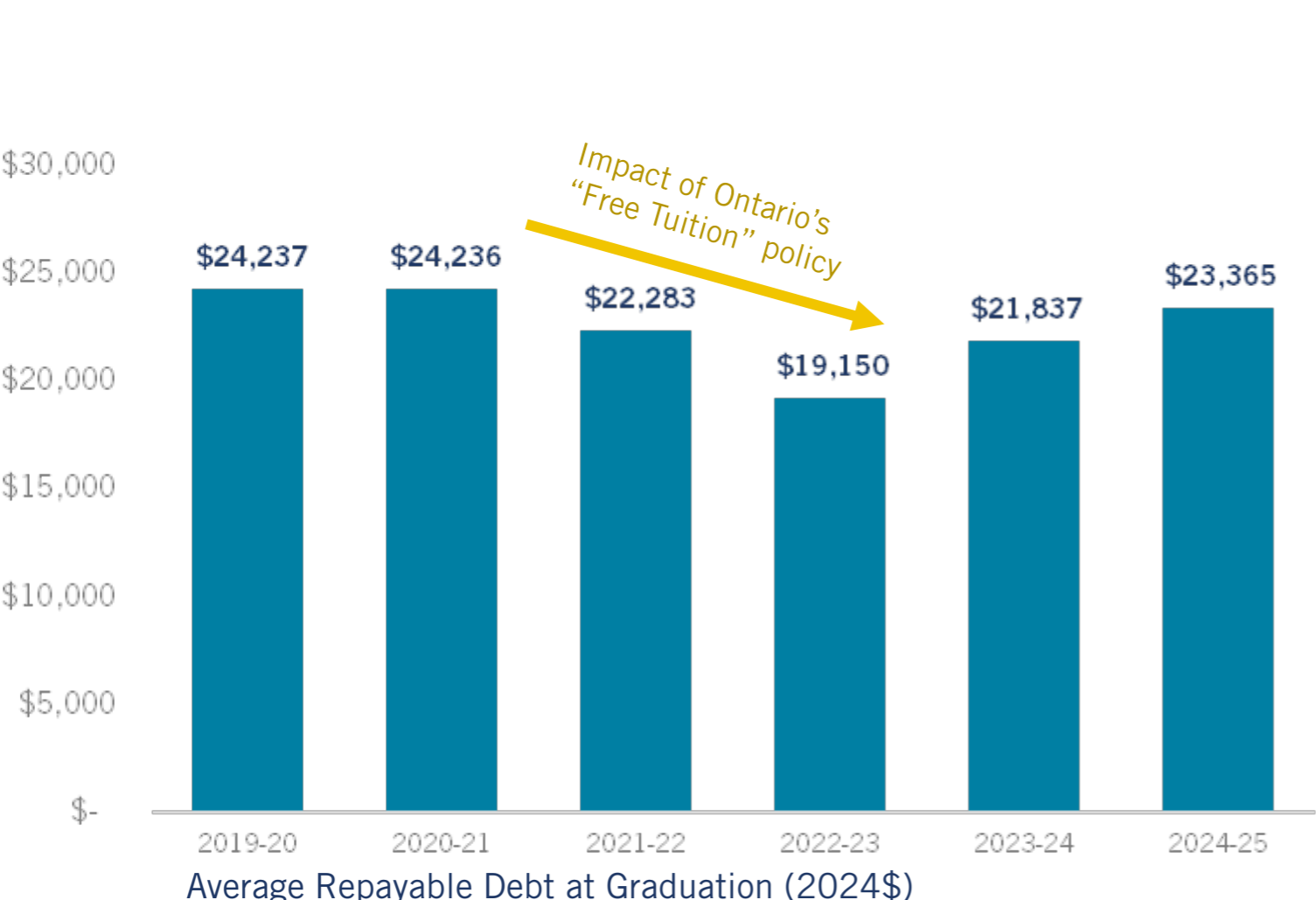


+73%

\$408 MILLION
Financial Aid Budget 2026-27

STUDENT DEBT LOAD 2018 - 2023

(OF THOSE WITH OSAP DEBT)

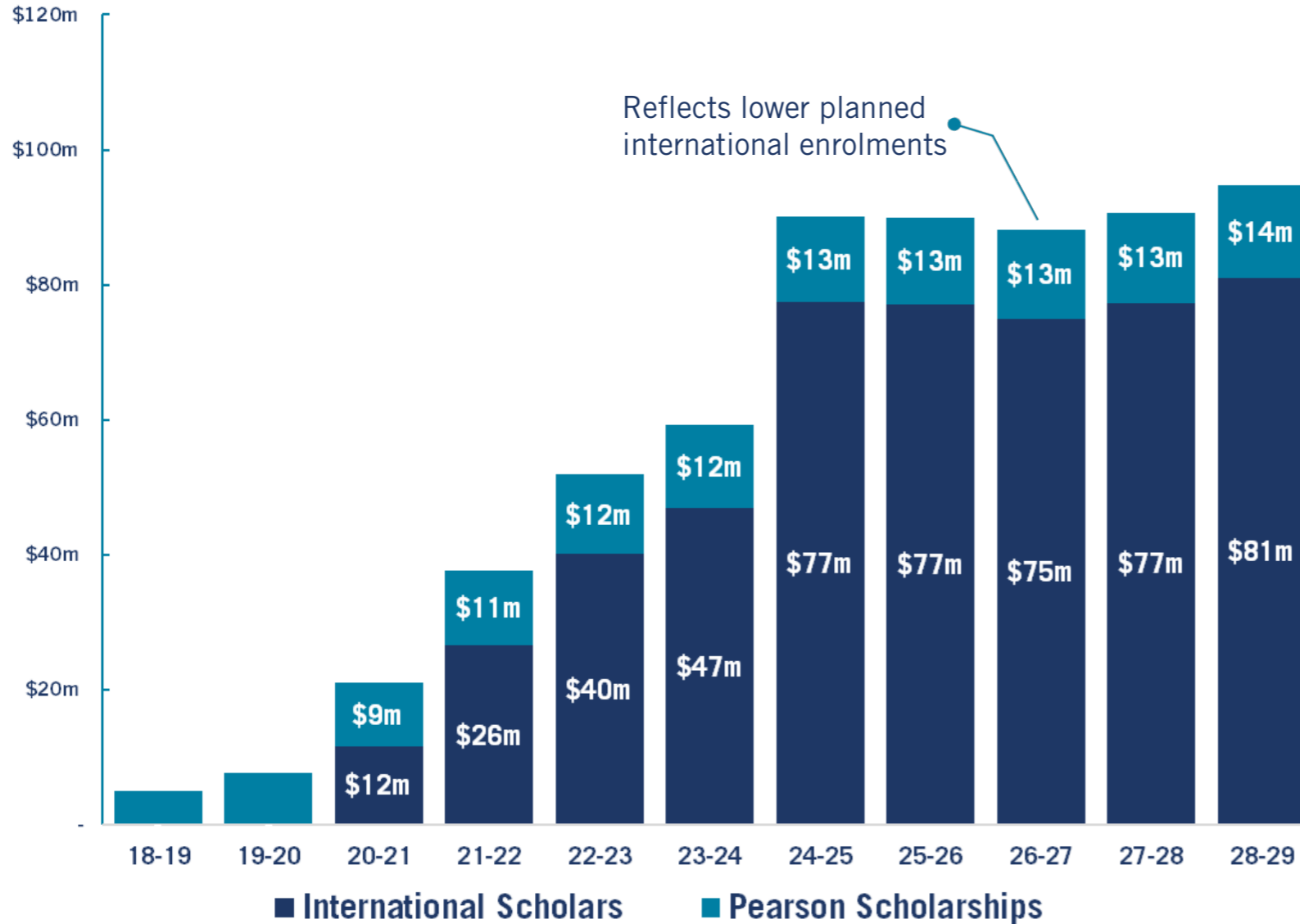


of direct entry domestic undergraduate students have no OSAP debt at graduation - improved from 50% a decade ago



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

INTERNATIONAL SCHOLARSHIP PROGRAMS



\$88
MILLION

2026-27 Budget plan for International Scholars and Pearson Scholarship programs

+ Additional funding from reserves

GLOBAL RANKINGS - GRADUATE EMPLOYABILITY



20th

OVERALL IN
THE WORLD



2nd

OUT OF ALL
PUBLICLY FUNDED
INSTITUTIONS IN
NORTH AMERICA



13th

OUT OF ALL
PUBLICLY FUNDED
INSTITUTIONS
GLOBALLY

*based on Times Higher Education Rankings (2025)

4 Budget Initiatives



OPERATIONAL EXCELLENCE

The University is launching a multi-year effort focused on operational excellence to evolve administrative operations. We are enhancing systems, developing new capabilities, and empowering our people so students, faculty, and staff can focus more time and talent on teaching, research, and student success

Some examples and opportunities

ENHANCED COLLABORATION

- Admin Service Hubs
- Re-alignment of IT, communications, and events staff across Vice-Presidential portfolios

MODERNIZING TECHNOLOGY

- Employee Central HR system upgrade
- IT Technology Alignment Task Force
- AI Adoption Table

PROCESS STREAMLINING

- Travel & Expense
- Procurement and Invoicing
- LEAN process reviews
- Online forms & workflows

LEVERAGING DATA

- Identity management to facilitate system access
- Vendor data cleanup
- Administrative Reporting & Analytics

UNIVERSITY FUND ALLOCATION

\$4.1M

**Support Emerging
Talent**



- Salary support for global talent recruitment
- Support postdoctoral recruitment and diversification

\$0.9M

**Research &
Innovation**



- Top-up funds for research networks
- Federal defence funding strategy

\$4.2M

**Investing in
Divisional Priorities**



- UofT Coop expansion
- Support to divisions for their priorities
- New Operating Agreement with Federated Universities

The University Fund also continues to provide \$1.0 million annually to support our Operational Excellence program that ensures administrative resources and services are optimally aligned to support our teaching & research missions

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
- Experiential learning and expanding co-op opportunities

Program Innovations



- Innovative management grad programs (M.Mgt)
- Flexible delivery models to expand student access
- New academic programs in emerging areas and to respond to student demand

BUDGET INITIATIVES: SHARED SERVICES



Shared service costs are held flat, with operational efficiencies used to offset inflationary increases in compensation, utilities, software licenses, and service contracts

Discretionary spending was limited to the highest priorities



New
Employee
Central HR
System

Library
Acquisitions
Funding

Enterprise
Risk
Management
Leadership

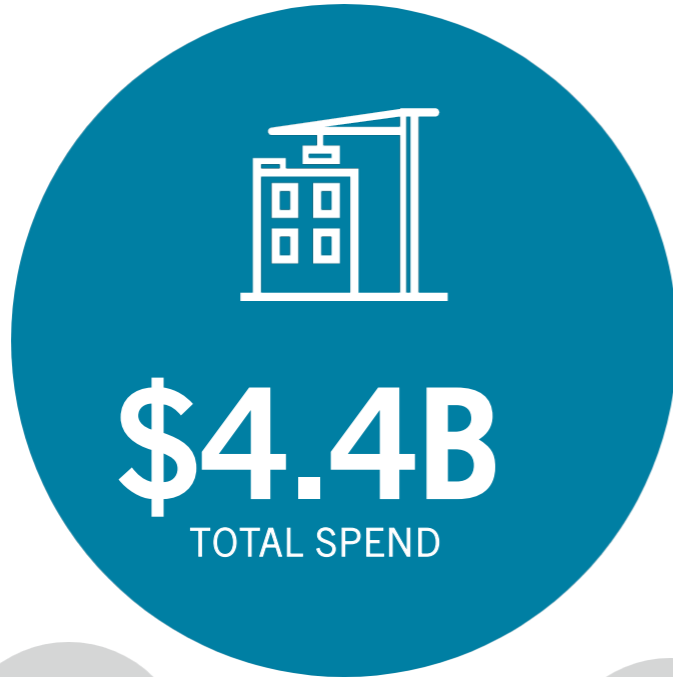
Communications
initiatives to help
student and talent
recruitment



The University is also investing \$15m to advance institutional digital strategy and advance responsible AI adoption and expertise.

CAPITAL PROJECTS & PLANNED INVESTMENTS

5 YEAR PROJECTION



**ACADEMIC &
INSTITUTIONAL**



FOUR CORNERS

- 15% | Cash Reserves**
- 30% | Future Cash Contributions**
- 30% | Donations, Gov't, Partnerships**
- 25% | Debt**

The 26-27 Budget assumes divisions will contribute \$69M to capital renewal projects and set aside \$63M for future capital projects.

Capital plans are reviewed annually through the academic budget review process and divisions will reduce their capital commitments to fit within their budget.

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

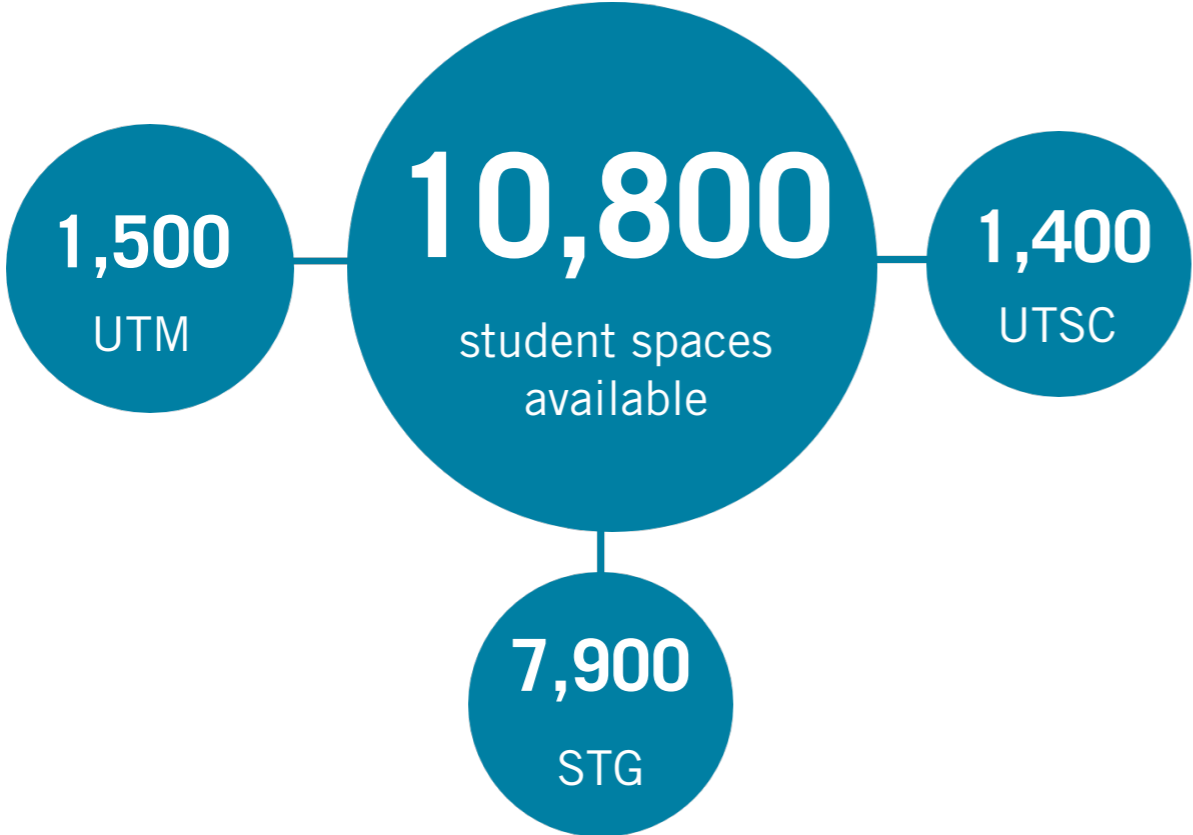
Budget plan includes international intake growth of 435 students over 2025

\$29M RISK



In Fall 2025, UofT registered 40+ new students from 15 separate countries; and no single country greater than 50%

STUDENT HOUSING



+750 beds under construction



New Residence UTM



Lawson Centre for Sustainability Trinity

Build More Housing Initiative to meet demand for up to 5,500 additional beds. Two initial on-campus sites under planning (~1,200 beds)



INFLATION

Inflationary pressures and uncertainty created by US tariffs, changes to global trade networks, and geopolitical instability. CUSMA to be reviewed in June 2026

2.2%
PER YEAR

**ANNUAL INFLATION
ON CPI (DEC 2025)**

CPI Monthly Inflation, Canada



PENSION PLAN RISK CONTINGENCY

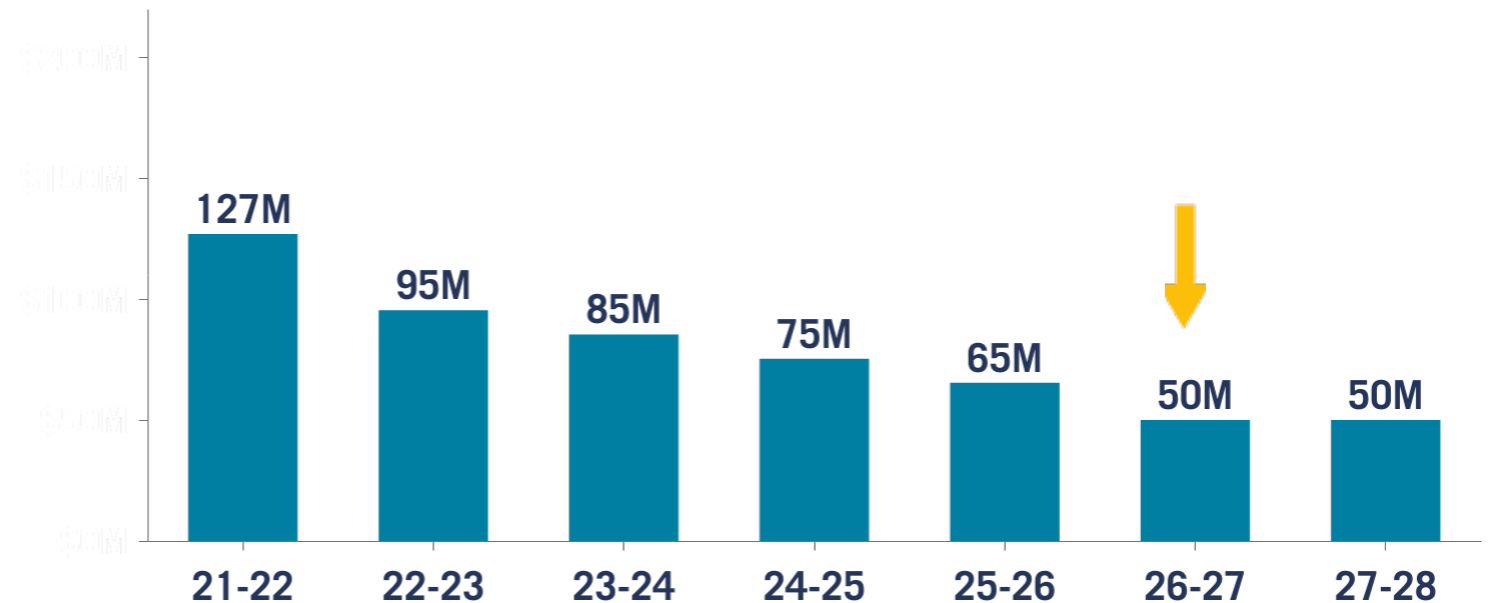


Pension transferred to new UPP Ontario in 2021. However, University responsible for any future deficits for 10 years.



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 (\$100m) and debt (\$250m), funded from existing deferred maintenance budget.



\$1.5 Billion
CURRENT DEFERRED
MAINTENANCE LIABILITY

\$145M

Mechanical
(HVAC, fire protection)

\$59M

Electrical
(switchboards, panels, transformers)

\$39M

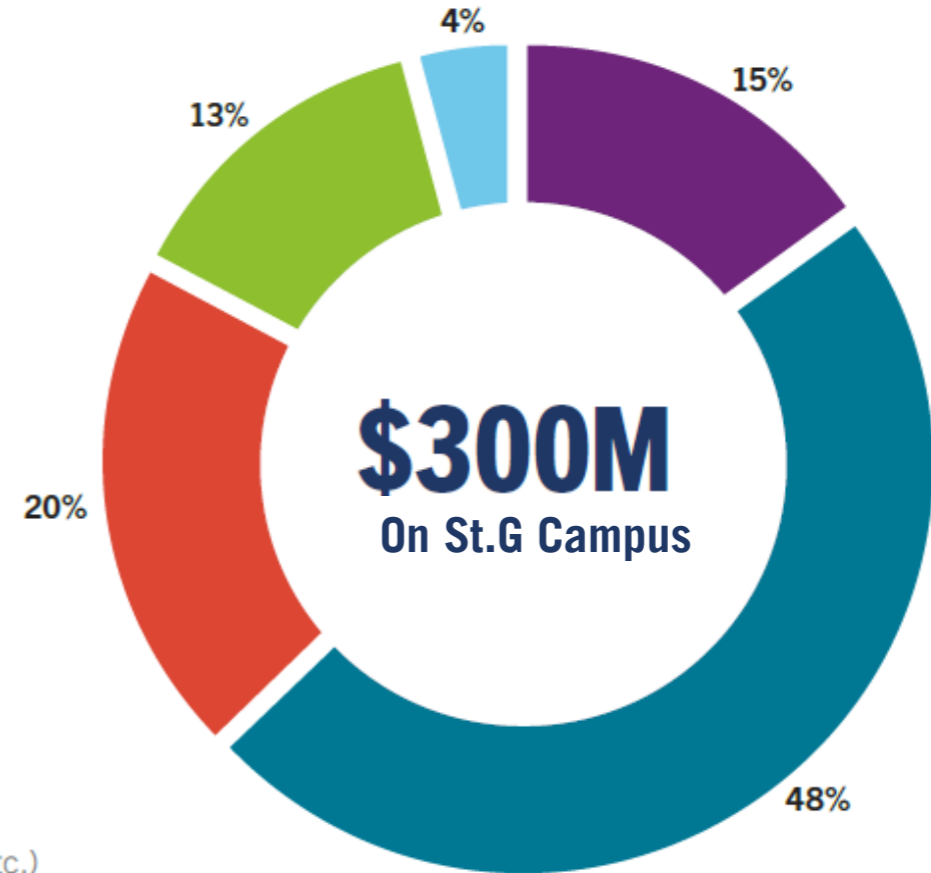
Elevators
(modernize or replace 47 elevators)

\$13M

Roofing
(repair or replace 24 roofs)

\$44M

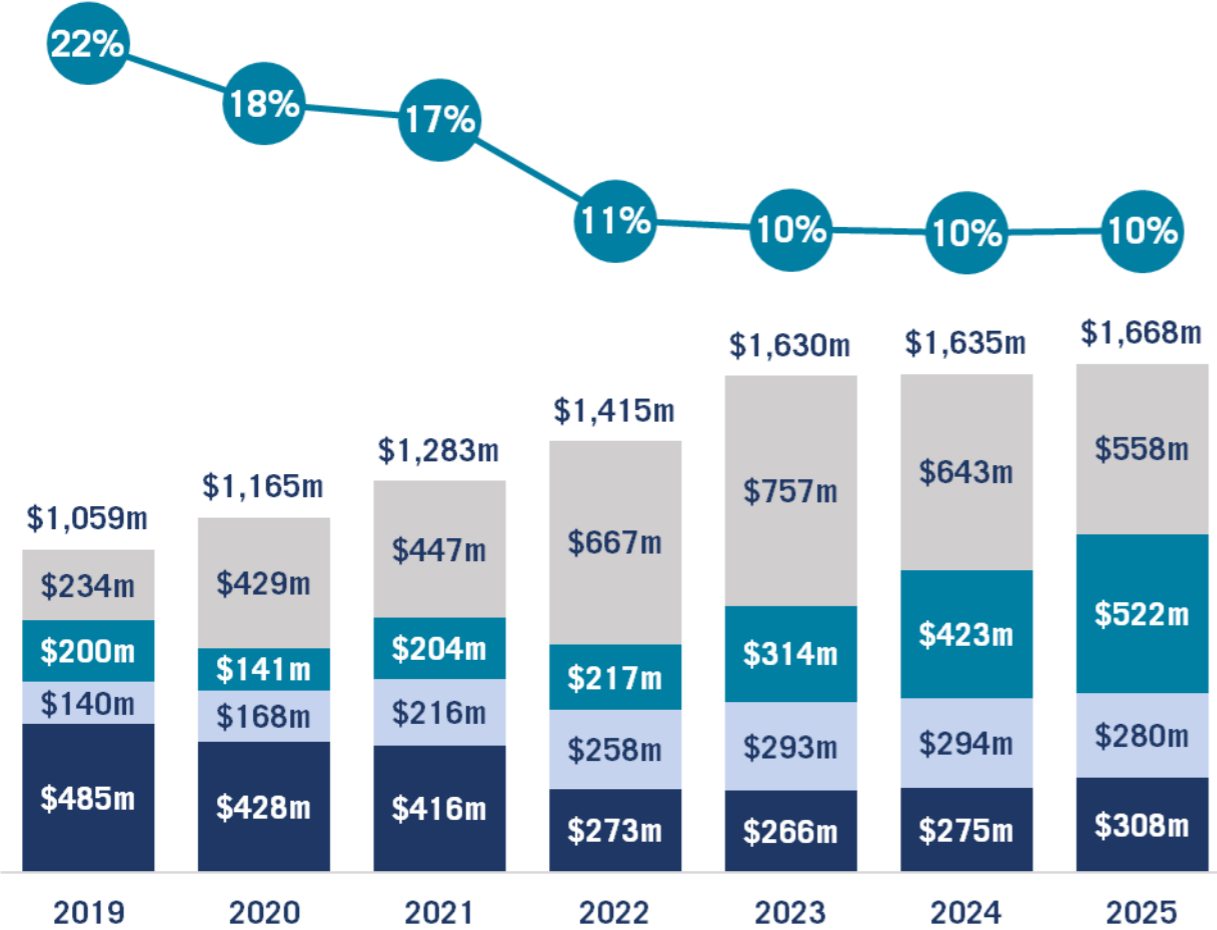
Other costs
(permits, project management, interest, etc.)



2026-27 DM budget is \$49M (\$36M operating; \$13M Province)

OPERATING RESERVES

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



Reserves for major capital projects:

- Rotman Commerce building
- Climate Positive Campus Renewal Plan
- new data sciences building
- UTM campus heart renewal
- UTSC arts & media building
- OISE student spaces renewal
- Temerty Building (MSB west wing)
- and other projects

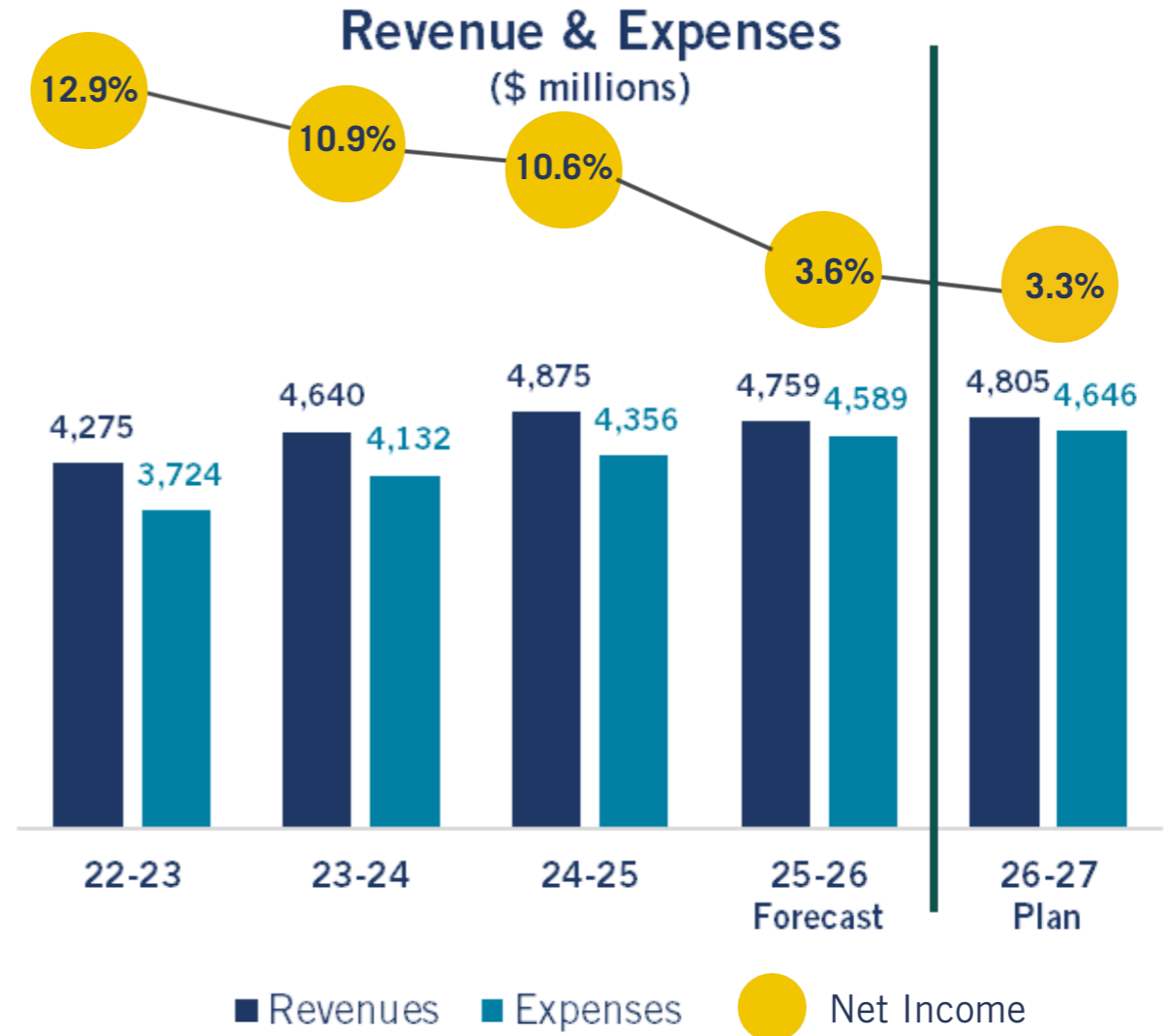
Investment Smoothing, Priority Initiatives, Matching, and Other Reserves

Principal Investigator operating accounts

Divisional Reserves

PRO FORMA STATEMENT OF OPERATIONS

The University's Statement of Operations is an **accounting view** of revenues and expenses – this pro forma translates the University's operating budget into a consolidated view of operating, research, ancillary, fundraising, and capital activity under Canadian GAAP.



3.3%

**Planned 2026-27
Net Income on an
accounting-basis
across all four funds.**

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