



MEMORANDUM

DATE: March 18, 2002
TO: **Members of the University Affairs Board**
ITEM IDENTIFICATION: **Faculty of Physical Education and Health (FPEH):
Co-curricular Programs, Services and Facilities – Operating
Plans for 2002-2003**
SPONSOR: Ian Orchard, Vice-Provost, Students
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Jurisdictional Information:

- ◆ The Terms of Reference of the University Affairs Board provide that each year the Board approves plans which describe the services and programs proposed to be offered, within the financial parameters of the University's operating budget and financial policies set by the Business Board. The plans describe changes to programs and levels of service, categories of users, accessibility, and compulsory or optional fees.
- ◆ The Constitution of the Council of Athletics and Recreation (CAR) provides the power and duty to recommend the Faculty's annual operating plan for its co-curricular programs for approval by Governing Council, and to recommend the fees to be levied in support of the Faculty for approval by the Governing Council.
- ◆ According to the terms of the Long-term Fees Protocol, the Council on Student Services reviews the annual operating plans, including budgets, for the Faculty's co-curricular programs, as recommended by CAR and offers its advice to Governing Council on these plans.
- ◆ According to the terms of the Long-term Fees Protocol, the Governing Council retains jurisdiction over decisions related to services offered by the University of Toronto, including co-curricular services, and fees charged for those services.

Previous Action Taken:

- ◆ Operating Plans for the FPEH Co-curricular Programs, Services and Facilities for 2001-2002 were approved by the University Affairs Board on April 18, 2001.
- ◆ The proposed operating plans and budget for 2002-2003, as described in the attached memorandum from Dean Bruce Kidd, dated March 13, 2002, were approved at the Council of Athletics and Recreation on February 4, 2002 and by the Council on Student Services on March 12, 2002.

Action Sought:

- ◆ Approval of the operating plans and budgets and operational direction of the FPEH Co-curricular Programs, Services and Facilities, as described in the attached memorandum. The fee for full-time students on the St. George campus will remain at \$179.56.

Highlights:

- ◆ See the attached memorandum from Dean Bruce Kidd for highlights, and the appended fee schedule for information about fees. The Faculty proposes a permanent fee increase of \$3.37. A temporary increase of \$3.37 was obtained three years ago. Students will see no change in the fee for athletics and recreation.

Financial Implications:

- ◆ The Faculty draws operating budget support for building costs of \$304,853.



University of Toronto

University of Toronto

*Faculty of Physical
Education and Health*

*Co-curricular Programs
Operating Plan and Budget
2002-03*

March 13, 2002



Faculty of Physical Education and Health
University of Toronto

Memorandum

March 13, 2002

TO: University Affairs Board

FROM: Bruce Kidd, Dean

RE: **2002-2003 Budget--
Co-curricular Programs, Services and Facilities in Athletics and
Recreation**

Executive Summary:

This budget calls for expenditures of \$12,287,826 against revenues (including university operating support) of \$12,287,826.

The budget funds \$10,000 in new equity initiatives, a new staff position to maintain the Faculty's website, and \$299,000 in estimated salary and benefit increases to faculty and staff.

Otherwise, the budget holds the line on new expenditures, postponing long-called for improvements in programs, services and facilities. Cuts to several areas of the administrative budgets have had to be made to address the loss of \$150,000 in OHIP revenue resulting from de-listing of the David L. MacIntosh Sports Medicine Clinic.

The Faculty proposes a permanent increase of \$3.37. The Protocol on the Increase or Introduction of Compulsory Non-Tuition Related Fees permits such an increase. If the proposed fee increase is approved by Governing Council, individual students will see no change in their athletic fee for 2002-2003. A \$3.37 temporary fee increase, obtained 3 years ago, will be removed from the student fee next year.

The budget was approved by the Council of Athletics and Recreation on February 4, 2002 and by the Council on Student Services on March 12, 2002.

This document sets out the 2002-2003 budget in the context of the multi-year planning exercise.

Introduction:

The mission of the Faculty of Physical Education and Health is to 'develop, advance and disseminate knowledge about physical activity, health and their interactions through education, research, leadership and the provision of opportunity.' The goal is to create a vibrant 'teaching health centre', with synergies among research, education, and outstanding physical activity programs contributing to the 'healthy student body'.

The Faculty is unique among the academic divisions in that it seeks to engage every student (and faculty and staff member) in a healthy, educational co-curricular program of physical activity, in the context of the University's demanding programs of undergraduate, graduate and professional education.

The co-curricular programs, services and facilities are governed by the Council of Athletics and Recreation (CAR), on which students (elected from every division in the University and appointed by the three student governments) enjoy parity. Students constitute a majority of all committees.

1. The achievements and challenges of 2001-2002

The achievements of the current year represent the commitment and contributions of student leaders, faculty, staff, alumnae and alumni.

The Faculty has continued to build and strengthen the Leadership Development Program (LDP), providing (at the latest count) 1,175 student leadership opportunities. The Faculty is the largest student employer on campus, engaging more than 600 students in various leadership and administrative tasks. A reality for many students is that they must work to pay for their education and living expenses. The fact that they can find work close to classes helps reduce the stress of juggling school, work, and daily living, including recreation. The Faculty contributes more than \$1.65 million in wages and benefits for part-time employees, most of whom are students.

In 2001-2002, the LDP again offered the Student Leadership Training Series for its own student leaders and those from other divisions across the St. George campus. The ten-module certificate course covers topics from CPR and First Aid to Risk Management and Valuing Diversity. The LDP not only ensures that student employees are well qualified, but gives them valuable knowledge and skills that can be transferred to other challenges. The Faculty is committed to strengthening the LDP in future years, adding further seminars and Canadian and foreign exchanges to its offerings.

The Faculty is committed to creating and maintaining an inclusive and welcoming environment for all. The Equity Issues Committee maintains a watching brief over all questions relating to access and equity. During the year, the Ethnocultural Community Coordinator submitted a major planning report, and a task force on sexual diversity and a working group on children and family programming are underway.

The demand for the Faculty's co-curricular programs, services and facilities continues to outstrip capacity.

More than 7000 registrants took part in the Instruction classes in sports, aquatics, movement and dance. Participation in dance and movement has grown to the point where some students can only be accommodated in the corridors and others are turned away.

Participation in Intramural sports is also limited by the shortage of facilities. The men's basketball league has 44 teams and 24 teams on the waiting list. While the 40 men's ice hockey teams all complain about insufficient games and the lack of ice time for practices, another 13 teams could not be accommodated at all. In co-ed volleyball, 24 teams participated and 19 were on the waiting list. In many sports, registration declines sharply after the fall term as students are clearly frustrated by the long waiting lists. Not surprisingly, the enrolment in Intramural Programs has leveled off at about 9,000 participants.

The Faculty's commitment to the continuum of opportunities ensures that Open Recreation time is scheduled in all the facilities. There is a total of 478 hours a week block-reserved for open recreation including the squash courts. This does not include the weight room or indoor running track, which are available during the operational hours of the Athletic Centre.

The David L. MacIntosh Sport Medicine Clinic in the Athletic Centre provides services to all students and members, including recreational participants, students on Varsity teams, international-calibre athletes, and members of the community. Of the projected 18,000 patient visits during the year, approximately 12,000 patient visits were by students. The MacIntosh Clinic provides free service to all U of T students. Non-student patients, including staff and faculty, pay \$40.00/visit. The Clinic is unique in its multi-disciplinary approach to care and education.

During the year, free therapeutic services to students was threatened by the elimination of the G code OHIP billing arrangements. Clinic revenue was reduced by \$150,000. A task force with student participation reviewed the business operations and recommended that the shortfall be addressed as much as possible by increasing fees for private clients, including staff, faculty and community.

More than 750 students participate in intercollegiate sports, enjoying high level competition in Ontario University Athletics (OUA), Canadian Interuniversity Sport (CIS), and other competitions. In 2001-2002, the Faculty fielded 22 women's and 22 men's teams, the broadest program of its kind in North America. In addition to athletic challenges, the intercollegiate program provides important opportunities for pan-Canadian student exchanges. On one fall weekend this year, for example, 17 different universities had teams playing at U of T, while U of T teams were visiting six universities. The Faculty continues to implement the recommendations of the Gender Equity Task Force (1994) and the Task Force on Intercollegiate Athletics (1997). Full time coaches devote 50% of their time to other program areas, to ensure that their

expertise is shared across the student body. Many contribute to START (supervised training and recreational time) clinics and teach in the instructional program.

Camp U of T had an occupancy rate of 98% with a total of 2300 participants. The children of U of T students are privileged in the admission process. The camp has an excellent reputation for having quality programs and quality staff. Evaluations show a high level of parent and child satisfaction. Camp U of T provides invaluable leadership training as well. 85% of camp staff are U of T students, drawn from the Faculty's degree programs and other faculties and colleges.

During the first nine months of fiscal 2001-2002, the Faculty raised \$261,812, not including various matching contributions, for co-curricular endowments. The interest from those endowments this year provided \$100,000 in needs- and merit-based financial awards to students in co-curricular programs, and \$64,161 in enhancements to co-curricular programs. The expenditures from these endowments are approved in advance and reviewed afterwards by the Faculty's Restricted Funds Committee.

Other significant facility enhancements completed in 2001-2002 include new showers in women's and men's locker rooms, new strength fitness equipment, and a new multi-functional training system.

Despite budget and facility challenges the Faculty continues to further its efforts in meeting the needs of students, staff, faculty and members.

2. Multi-Year Planning

Starting in 2000, the Faculty initiated a long-term planning exercise with senior staff and student leaders. The intention is to develop a standardized format for a long range operating plan and a clear set of program and service priorities for the next four years in light of enrolment, facility and financial changes. While the completion of the multi-year plan awaits the approval of funding for Varsity Centre, and the finalization of transition plans, much good work has been begun. Task forces on intramural athletics, sexual diversity, and playing fields have contributed to this planning, as has the work of the Ethnocultural Community Coordinator.

The Multi-Year planning is being conducted within two frameworks:

i) Goals and Priorities for 2000-2005

The following priorities flow from the Faculty's mission and established policies, and the Provostial planning document, *Raising Our Sights*:

- Ensuring inclusivity, accessibility and participation of students in the Faculty's programs and services

- Enhancing the educational experience of students in the Faculty's program and service areas
- Building the faculty and staff for the 21st century, ensuring a great staff and faculty for students of a great University.
- Building and renewing facilities, equipment and technical support for the Faculty
- Strengthening financial resources for the Faculty

ii) Assumptions and Challenges 2000-2005

The following assumptions, based on the University's Long Range Guidelines and Projections 1998-2004 (An Update February 2001), have shaped planning:

- Total enrolment on the St. George campus will remain high. In 2001-2002, there were 32,295 full-time undergraduate and graduate students and 9,174 part-time students during the fall and winter terms.
- At U of T a majority of students in all categories is female. In 2000-2001, 55% of full-time undergraduates, 53% full-time graduate students, 60% of part-time undergraduates and 64% of part-time graduate students were female.
- Residence expansion will add another 2000 to 2,500 beds on campus. Students in residence generally participate in athletics and recreation at a much higher rate than commuting students
- Inflation is estimated to be 2% a year for the planning period, but some costs will increase at a much higher rate. Salaries and benefits, for example, are expected to increase by 4% each year over the period for appointed staff and 0.5%+ market adjustments if required for casual staff. Other fixed costs such as occupancy costs including utilities are estimated to rise 3% over the planned period.
- During the 2002-03 fiscal year the Clinic will have fully implemented its business plan approved by CAR in 1999, reducing the subsidy from operating to \$250K or better for the remainder of the planned period.
- The effect of transition costs associated with the construction of the new Varsity Centre and other associated program changes is not completely known. One Arena will remain open throughout the transition period. Varsity Stadium is now closed and an alternate site for field sport will be required for the 2002-2003, 2003-2004, 2004-2005, and possibly 2005-2006 years. During the construction period, Arena rental revenue may be adversely impacted by higher than normal noise levels. The Faculty is committed to holding the U of T exams and will house the exams in the field house during the construction period, thus maintaining this stream of revenue.

- Electronic communications have become more important to the Faculty and the University. Further enhancements to technology and communication to improve customer service through on-line registration and reservations will become more important to the Faculty as we expand services and programs in the new Varsity Centre.
- The growth in participation has put tremendous pressure upon the Faculty's staff and facilities. In many program areas, the Faculty is 'maxed out', and further growth cannot be undertaken and/or accommodated without an increase in staff and the long-awaited renovation and expansion of facilities. The Faculty is often in the position of turning down requests from student and community groups simply because we do not have the resources, activity space or playing fields to meet the demonstrated needs.
- Community memberships currently generate over \$1.1 million. The community membership fee of \$600 is at market value and priced comparably with competitive clubs in the near by community. However there are increasing demands by this membership group to provide more programs in the evenings and weekends including family programs. The Multi-Year Plan will also be influenced by the demands of this group.
- Staff/Faculty memberships currently generate \$288K. The academic priority to renew and increase faculty may provide new opportunities to sell additional memberships. The athletic and recreation programs and services could be used as part of a recruitment strategy for new faculty.
- Increases for inflation and to contribute to the Varsity Centre project will be built in or added to all non-student membership categories.

3. Budget Highlights 2002-03

This budget calls for expenditures of \$12,287,826 against revenues (including university operating support) of \$12,287,826.

The proposed budget will fund several new equity initiatives. In keeping with the recommendations of the Ethnocultural Community Coordinator, programs will be introduced to increase the participation of women from ethnocultural backgrounds. Additional women's only hours will be provided in open recreational swim, and additional training will be provided to staff in the Strength Conditioning Centre to help them change the culture to make it more inclusive and female-friendly.

A new full-time position will be created to maintain the Faculty's web site, an increasingly more important vehicle about co-curricular programs, services and facilities.

The proposed budget will fund faculty and staff salary and benefit increases estimated to be 4% or \$299,000.

The Faculty will continue to provide free diagnosis and treatment for student patients in the David L. MacIntosh Clinic. Maintaining this free service was a challenge in this tight budget year as \$150,000 of annual OHIP revenue was cut when the government de-listed the therapeutic services the clinic provides. The Clinic budget will be increased by the amount required to cover the salary and benefit increases of appointed staff. The fee charged to non-student patients will rise to \$40.00/visit.

The budget assumes that demolition and construction of the Varsity Centre for Field and Ice Sports will commence in the spring of 2002. Transition costs associated with the re-development will be part of the funding strategy for the project and a new business plan for the new Centre will roll into the operating budget at the completion of the project. The budget holds the line on new spending. In doing so, it has had to postpone a number of improvements long called for by students and other members, and forego restoring important program and service cuts from past budgets.

To achieve the proposed budget, and to offset the loss of a three-year temporary fee increase of \$3.37 (per full-time student) granted in 1999 for years 1999-2000, 2000-2001, and 2001-2002, the Faculty recommends that the full-time St. George campus student fee be increased by \$3.37 per full-time student, and pro-rated accordingly. The net effect of the loss of the 1998 increase and the proposed new fee is to maintain the full-time fee at \$179.56. The proposed fee is within the allowable range permitted by the Protocol.

4. An under-funded area

The co-curricular programs, services and facilities in athletics and recreation contribute significantly to the 'health of the student body', faculty and staff health and morale, University recruitment, and through the stirring performances of students in intercollegiate and Olympic competition, the image of the University across Canada and around the world.

The Faculty is strongly committed to providing outstanding programs for U of T students. We are much better off than other parts of the public sector. But many of these programs and services are 'maxed out', the facilities declining and equipment out-of-date and in need of repair. The Faculty cannot currently meet the needs of U of T students seeking co-curricular opportunities in athletics and recreation. As previous budget documents have stated, the Faculty desperately needs new sources of revenue to fund program improvements, major maintenance, and facility renewal to meet the needs of students and other participants.

The postponement of long awaited repairs and improvements is highly discouraging to students and staff. In previous years, the budget committee asked students and staff for their proposals for improvement. This year, it did not conduct that exercise so it would not raise expectations that it could not meet.

The proposed Varsity Centre will go a long way towards addressing the shortage of facilities. The new facility will increase the playing time on the Varsity field by 12 hours a day, and by 6.5 hours a day in the arenas, and greatly extend the seasons for the field and ice sports. The Varsity Centre will provide a safe, illuminated track for runners and walkers, a new, air-conditioned strength fitness facility, and other activity areas. Most of the additional time will be devoted to intramurals and open recreation. If the experience with other new facilities is any guide, it will not only enable greater and more qualitative use by those currently engaged in athletics and recreation at U of T, but stimulate significant new participation.

The financial challenges will nevertheless remain.

i.) Provincial Funding

Long-term financial stability will only come from adequate federal and provincial funding for higher education, including financial recognition of co-curricular athletics and recreation and other student services. Ontario's persistent under-funding of its public education system, including its colleges and universities, is an extremely foolish and harmful strategy, which only serves to cheat its citizens and put them and their economy and communities at a disadvantage to those in comparable societies in the world. The Faculty strongly supports the University's campaign for fair provincial government funding for all colleges and universities.

Until that occurs, the Faculty will continue to struggle to obtain adequate funding from other sources.

ii.) Operating Support from the University

As noted last year, in the early 1990s, the University withdrew most of its operating budget support for athletics and recreation, as a formal strategy to address the erosion of academic budget from underfunding. The decision forced the former Department of Athletics and Recreation to reduce both staff and programs, decisions which ignited several years of acrimonious struggles over the budget and its priorities, and caused the alienation of students, alumnae and alumni. These challenges came at a time of rapidly increasing interest by students in all programs, services and facilities and the necessity of adapting traditional programs and services to the challenges of gender and multicultural equity. The pressure to find new sources of revenue led the DAR to seek student fee increases, at a time when students were being hit with steep increases in tuition and other costs. These proposals brought conflict with the student governments and tense, annual debates about the budget process. It touched off a decade of difficulties.

In 2002-2003, the University will contribute \$304,853 to the co-curricular budget. It also contributes financially in other important ways. From time to time it assists with major renovation projects and other initiatives. For example, the Provost's Office has contributed to the costs of an innovative new orientation program for students in intercollegiate sports, to the work of the Ethnocultural Community Coordinator, and to

renovations that will enhance accessibility. The University has also provided a generous \$2 million match for donations to the intercollegiate endowments, in an effort to provide new revenue for programs that were badly hit by cuts during the 1990s. Nevertheless, given the integral role that athletics, recreation and the other student services play in the life of the University, it is widely felt that the University should contribute significantly more to their costs. The Faculty asked for such support in its 2000-2004 'Raising our Sights' academic plan. In response, the Provost indicated that he would only be willing to consider a greater financial contribution to the co-curricular programs when the financial circumstances of the University permit. Unfortunately, the current financial climate offers little indication that that time has arrived.

iii.) Student Fees

The fairest way to obtain revenue from student users is through the compulsory athletic and recreation fee. A universal fee spreads the burden of financing essential services across the entire community. It attracts income tax deductions, and student financial aid.

The compulsory student athletic and recreation fee is currently regulated by the Protocol on the Increase or Introduction of Compulsory Non-Tuition Related Fees. The Protocol gives the student governments an effective veto on all fee increases above the formula (set out in Appendix 3). The formula allows a division to take, with University Affairs Board approval approval, the lesser of (1) the annual increases in the Consumer Price Index (CPI) or (2) the University of Toronto Index (UTI) on a permanent basis; the greater of these indices on a three-year basis.

The framers of the Protocol intended to provide a fair and accurate way to address legitimate cost increases and a forum for approving fee increases greater than inflation. But in the experience of the Faculty, these purposes have not been realized. The formula is deeply, if not fatally, flawed. In the first place, the provision of three-year temporary increases assumes that inflationary increases such as collectively bargained salary and benefit increases—the single largest item of expenditure in the co-curricular budget are higher than CPI—can be rolled back every three years, an absurd assumption. Faculty and staff have not agreed to such rollbacks and/or the layoffs that could result if no other source of revenue is found. In the second place, UTI treats increased enrolment as new revenue without attendant costs, as if new students have no intention of using the athletic facilities and participating in staffed programs and services.

As the Faculty suggested last year, a fairer measure of cost increases -- not including expansion needs -- would be a combination of CPI and UTI approaches. The salary portion of the budget should be incremented by expected salary cost increases (as per UTI) and the non-salary portion of the budget should be incremented by expected CPI. For the Faculty to plan for financial stability increases need to be permanent since both wage and general inflation tend to be permanent. A constructive approach to reviewing the protocol and making changes will ensure the continued vitality of athletics and recreation within the educational mission of the University.

No matter what happens to the Faculty's budget during the current cycle, the Protocol must be significantly revised to reflect real-world inflationary pressures, and particularly the legitimacy of collectively bargained salary and benefit increases.

iv.) User fees

In response to the growing frustrations about deferred maintenance and program improvements, the Faculty has been urged to consider a strategy of radically increased user fees as a means of generating new revenue. User fee increases are not subject to the regulation of the Protocol.

While many students struggle with financial difficulties, students volunteer user fees as a means of improving programs and facilities. They frequently tell staff, 'I don't care what you charge me, just fix it!' Some student government leaders have taken up this suggestion, urging the introduction or increase in user fees as an alternative to increases in the universal fee. Across the Canadian universities, user fees are frequently used as a means of generating revenue. At McMaster, for example, the Department of Athletics generates \$500,000 annually by charging students \$45 a term for access to the weight and cardio room. At every other university in Ontario, students pay a user fee for sports therapy. These facilities and services are offered at U of T free of charge.

The Faculty of Physical Education and Health has always preferred the universal fee to user fees. In fact, during the 1990s, it sought to reduce or eliminate user fees as much as possible. It believes, on the basis of extensive research, that user fees present a barrier to participation, especially among the most disadvantaged members of any community. In the public policy debates on sports and recreation at municipal, provincial and federal levels, Faculty leaders have long argued against the imposition of user fees, on the grounds that it would discourage participation, and accentuate the inequities of Canadian society. The Faculty will continue to resist user fees.

During the years ahead, the Faculty will continue to strive to better meet the needs of students for co-curricular programs, services and facilities, seeking the appropriate financial support through government grant, University contributions, and fair, universal student fees.

Respectfully submitted,