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OFFICE OF VICE-PRESIDENT AND PROVOST

TO: Planning and Budget Committee

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DATE: February 27th for March 18th

AGENDA ITEM: **#4**

ITEM IDENTIFICATION:

Updated Long Range Budget Guidelines and Projections, 1998-2004 and Contractual Obligations and Policy Commitments, for inclusion in the 2003-04 Budget Report.

JURISDICTIONAL INFORMATION:

The Committee recommends approval of guidelines for the development of the University's Operating Budget for the planning period and recommends approval of the annual budget.

PREVIOUS ACTION TAKEN:

None in 2002-03.

HIGHLIGHTS:

Updated Long Range Budget Guidelines and Projections, 1998-2004 **:** These *Guidelines* were first approved by Governing Council in April 1998. Updates to the *Guidelines* have been brought to the Planning and Budget Committee annually and the attached document provides a further update of the budget assumptions and projections for the final year of the planning period. A new set of *Guidelines and Projections* covering the next planning period will be brought forward in the Fall.

The following are the principal adjustments to the budget assumptions and projections.

- Investment returns from EFIP has been reduced to reflect recent stock market performance and the revised investment asset mix.
- Tuition fee and Government operating grant revenue will be based on the October 15th 2002 Enrolment Target Agreement signed with the Provincial Government and reflects the announcement of full average operating grant funding for all undergraduate enrolment increases. No inflationary increase is assumed for government operating grants.
- Tuition fees will increase by 1.9% in the regulated programs and 5% in the deregulated programs with higher increases for new students in Computer Science, Engineering,

Masters of Business Administration and Law, as previously indicated in the 2002-03 tuition fee schedule, and programs in Dentistry. The 2003-04 Tuition Fee Schedule will be considered by the Business Board on March 3rd.

- The assumption on indirect costs of federally funded research reflects the announcement of $225M in base which was in the recent Federal Budget
- A current service cost payment will be made to the regular pension plan.
- $0.5M in base will be allocated to the Academic Priorities Fund and $0.2M to the Administrative Priorities Funds to help the academic and administrative services deal with the enrolment expansion.
- A separate Capital Budget is proposed which will encompass all construction for academic and administrative divisions. The portion of the debt service cost to be funded by the Central Administration is included in the operating budget.
- $1.25M will be allocated to provide performance based funding in 2003-04.

Contractual Obligations and Policy Commitments (COPC): The COPC list for 2003-04 includes the following increases. Transfer payments to the Colleges have increased by $2.9M reflecting increased enrolments in joint programs. Utilities expenses will see a modest increase of $0.4M (or 1.3%) compared with the 17 % increase in 2002-03. The cost of operating new space borne by the Central Administration will increase by $0.8M, principally due to the new day-care centre and taking over responsibility for the Board of Education Building. A transfer of $11.7M to the Capital Budget associated with the capital debt services charges attributable to the Central Administration is included in the COPC, this subsumes the $8.9M already included or projected in the COPC as debt service charges on funds allocated to the UIIF and the MARS project. Legal fees have increased by $0.4M to $2.8M.

RECOMMENDATION:

That the Planning and Budget Committee approves the attached Updated Long Range Budget Guidelines and Projections, 1998-2004 and Contractual Obligations and Policy Commitments expenditures for inclusion in the 2003-04 Budget Report.

APPENDIX A, LONG-RANGE BUDGET GUIDELINES AND PROJECTIONS 1998-2004, AN UPDATE, FEBRUARY 2003.

The *Long-Range Guidelines for Planning and Budgeting, 1998/99 through 2003/04* was approved by Governing Council in April 1998. The *Guidelines* describes the financial environment in which the *Raising Our Sights* planning exercise is placed. The *Guidelines* was followed by the *Budget Report, 1998-2000;* a two-year budget was possible because the Provincial Government had made a commitment on funding levels for both 1998/99 and 1999/2000 and a two-year tuition fee schedule was approved. Thus our principal revenues for the two-year period were identified. In taking forward the *Guidelines* and two-year budget for approval, the Administration undertook to provide annual updates. The updates approved to date are included in the following table of budget assumptions. The final column is the update of the budget assumptions and projections for 2003-04 and include the latest information on revenue and expense. These will inform the *Budget Report, 2003-04*. The Administration will bring forward a Planning Framework for 2004-09, continuing the practice of long range planning exercises established in 1990.

Long Range Budget Guidelines, Updated Budget Assumptions

#	Assumption	March, 1998	Update April, 1999	Update March 2000	Update February 2001	Update February 2002	Update February 2003
1.	Length of Budget Guidelines	1998/99 to 2003/04.					
2.	Omnibus Discount	The practice of discounting the negative effect of the variance associated with not realizing budget assumptions will continue in the case of assumptions that entail a level of risk or uncertainty. The actual rate of discount will be re-evaluated each year. The positive variance on expense associated with ATB compensation assumptions less than CPI will be discounted by 50%. $1.5M COPC expense restraint / revenue enhancement from sources other than tuition fees and Government Operating Grant.	The Food Ancillary is projected to provide $250,000 of revenue in the steady state, $150,000 has been generated this year.	The positive variance on expense associated with ATB compensation assumptions in 2002/03 and beyond that are less than CPI will be discounted by 50%. No further global expense restraint / revenue enhancement assumption is being made due to revenue enhancements realized in contributions from ancillaries and research overhead.			

3.	General Rate of Inflation (CPI)	CPI assumed to be 2.0% annually.			Notwithstanding recent increases in CPI, principally due to energy pricing, the consensus position among economists is that inflation will remain at around 2% over the longer term.	The consensus position among economists is that inflation will still remain at around 2% over the longer term. CPI has been below 2% for the past 4 months.	CPI assumed to be 2% for 2003-04 based on recent long range forecasts. The Ontario CPI has varied from 0.8% to 3.8% over the past 12 months.
4.	Yield Rate on Investment	Internally Managed Funds: CPI plus 2%. Externally Managed Funds: CPI plus 5.15%. Core portion of EFIP: $75M.	Internally Managed Funds: 1999/2000 5.71%, other years CPI plus 2%. Externally Managed Funds: 1999/2000 6.24%, other years CPI plus 5.15%. Core portion of EFIP reduced to $60M	Internally Managed Funds: 2000/01 5.52%, other years CPI plus 3.25%. Externally Managed Funds: 2000/01 6.31%, other years CPI plus 4.4%. Target increase in investment revenue due to new investment strategy, $0.5M in 2001/02 and $1M in 2002/03 and beyond.	The investment revenue flowing to General University Operating Funds is maintained at the previously projected level. The extra revenue from the more aggressive investment strategy adopted by UTAM and an increase in the EFIP funds invested in long-term investments will be used for graduate student aid. In the short-term it will be used to bridge finance the $3M payout projected from the $60M graduate aid endowment which is part of the Capital Campaign. The remainder will be directed to an endowment for graduate student aid. Increased revenue from administrative and stewardship charges to investment funds will be used to fund the development campaign and UTAM.	Investment revenue was significantly below projected levels in 2001-2 and is expected to be lower than projected in 2002-03. Losses against projections of $21.8M are being amortized over a three-year period and the projection for 2003-04 is being reduced to the baseline level of $13.7M. The model assumes that there will be no available investment revenue to transfer to graduate student aid. The funds needed to bridge to the payout from the Capital Campaign Graduate Endowment will be obtained from General University Revenue.	Long Term Investments 0% Short Term Investments 2.6% Fixed Income Investments 4.5% Investment revenue available from the EFIP is expected to be lower than the projected level in 2002-3. These losses are being amortized over a five-year period. The projection for 2003-04 is being further reduced to $11.3M from $13.7M.

5.	Domestic U/G Enrollment	Enrollment agreements in place for Arts and Science, Applied Science and Engineering, and Erindale. Upper year retention/course loading will be based on multi-year average of actual experience. Divisions in future receive 65% of the additional tuition revenue, net of increases to student aid, attributable to approved enrollment increases over currently planned levels.	The Provincial Government has indicated a desire for enrolment increases to deal with the double cohort and demographic driven increases in the applicant pool. Divisions with agreements for revenue sharing on enrolment over currently planned levels must make up for any enrollment below planned levels in future years.	The University has developed a framework-planning document on enrollment expansion. The University's intake target for 2000/01 will be the same as 1999/2000 adjusted for the increase required under the Access To Opportunities Program plan. The ATOP steady state intake target will be reached in 2000/01 and will require an increase of 166 in the overall domestic undergraduate intake target over the 1999/2000 target	The University's intake target for 2001/02 will be essentially the same as 2000/01. There will be a further increase of 94 students admitted to the BEd program and the increase of 13 in the number of students admitted to the MD program in 2000/01 will be maintained. The ATOP steady state intake target was reached in 2000/01 and the flow through will produce a total enrolment increase of 1,540 over the 1997/98 level in computer science and engineering programs. Discussions are currently taking place on a possible enrolment increase in the 2nd entry, undergraduate Nursing and Pharmacy programs.	The University is proceeding with its enrolment expansion plan now that the Provincial Government has announced full average funding for first-entry and some second-entry undergraduate programs and an envelope for graduate and the remaining second-entry undergraduate programs. The second phase of the expansion at UTM and UTSC will be subject to satisfactory resolution of the need for additional capital funding. A detailed plan for the expansion and the funding that will be available to the divisions will be brought forward to a subsequent P&B committee meeting.	Enrollment Expansion Plans were approved by P&B in January for all three campuses. Expansion is to proceed in two Phases. The second Phase would only proceed after satisfactory resolution of current discussions on the means to fund the capital expansion needed to accommodate the Phase 2 enrolment increase. Revenue projections are based on the signed October 15th 2002 Enrolment Target Agreement with MTCU. In general, Divisions will receive 75% of the tuition fee revenue net of mandated student aid plus 75% of the operating grant revenue generated by the approved increased enrolment. Funding will not be allocated for enrolment increases already planned and funded nor those increases funded from another funding envelope. Enrolment projections will use upper year retention/course loading parameters based on rolling multi-year average of actual experience.

6.	International U/G Enrollment	International enrollment will return to 1989 levels by the end of the Guidelines period. Divisions will in future receive 50% of the additional tuition revenue, net of increases to student support, attributable to increases in enrollment above current levels. International enrollment strategy to be reviewed and targets to be set as an integral part of new Divisional plans. Divisions must continue to meet domestic enrollment targets while increasing international enrollment.	International undergraduate and graduate enrollment increases on the St George and Scarborough campuses in 1998-99 are on a trajectory to meet the target of a return to 1989 levels by 2003/04. Revenue equivalent to that for domestic students under 5 above will be flowed to the divisions and the student aid budget, from the planned enrolment increase. Divisional international enrolments must not fall below 1997/98 actual levels if divisions are to benefit fully from the tuition fee revenue sharing arrangement in 5 above.	International undergraduate and graduate enrollment increases are above the trajectory needed to meet the target of a return to 1989 levels by 2003/04. This strategy appears to be sound	The program to return international enrolment to 1989 levels will continue.	Undergraduate and Graduate enrolments are at their highest levels in 8 years.	International enrollment will be maintained at least at the 2000-01 level. Divisions will receive 60% of the additional tuition revenue, attributable to approved increases in enrollment above 2000-01 levels. International enrollment strategy to be reviewed and targets to be set as an integral part of the new planning process.

7.	Graduate Enrollment and support	Domestic and international doctoral stream and professional masters enrollment targets and revenue sharing arrangements to be negotiated as part of new Divisional plans. International enrollment will return to 1989 levels by the end of the Guidelines period. For modeling purposes, 100% of the revenue attributable to increases in international enrollment above current levels will be required for recruitment, student support or enhancement of divisional programs.	New $1,000,000 OTO international student fee waivers program to be implemented commencing in 1999/2000. 65% of the tuition revenue from increases in domestic or international student enrolment increase flows to the APF to be used to enhance graduate student financial support. Until graduate enrollment agreements are established in divisional plans, divisional graduate enrolments must at least meet 1997/98 actual levels if divisions are to benefit fully from the tuition fee revenue sharing arrangement in 5 above.	The first of four annual OTO installments was added to the Graduate Student Aid budget in 1999/2000, to be used to assist departments as they increase international graduate student enrolment. The allocation for 1999/2000 was $250,000 and for 2000/01 will be $500,000 increasing to $1M in 2002/03. Funding is being added to the Graduate student aid budget to help meet the cost of recommendations in the report of the Task Force on Graduate Student Financial Support. The amount increases from $2.7 in 2000/01 to $9.4M in 2003/04. This includes $3M in 2003/04 generated by a new $60M endowment fund. The Task Force recommended that an endowment of $200M is raised, the administration proposes $100M as being an attainable goal, the budget report adopts a more prudent assumption of $60M by 2003/04.	The funding to the graduate student aid budget is projected to increase by $3.8M in 2001-02 and by a further $8M in 2003-04 over the 2000-01 amount, this includes the funding described in 4 above and the Ontario Graduate Scholarships program (OGS). Effective the 2001/02 cycle, the OGS will be paid via the University and will have a 1 for 2 matching requirement.	Graduate student funding from the University operating budget (excluding TA funding) increased by $4.6M in 2001-02. This is projected to increase by a further $5.1M in 2002-03 and by $2.8M in 2003-04.	The central subsidy of $5,000 per OGS award ended as planned in 2002-03. The University's portion of the OGS award is replaced by the revenue generated from OGS campaign donations and, if necessary, other departmental graduate funding. Graduate enrolment planning is an extremely important component of the next planning cycle. The University is engaged with MTCU concerning the permanent funding arrangements for Graduate enrolment increases over 2000-01 levels.
8.	Position Within Enrollment Corridor	Below midpoint: strategy is to move upward to 1% above the mid-point of the corridor.	BIU enrolment increased in 1998/99. Moving average will continue to decrease for several more years as the effect of losing BIU eligibility for international students and Additional Qualification students works through the funding algorithm but is expected to stabilize close to the corridor mid-point.	BIU Enrollment five-year Moving Average will decrease for two more years but is expected to stabilize close to the funding corridor mid-point, see Figure 1.	BIU Enrollment five-year moving average will decrease for one more year and is projected to stabilize above the funding corridor mid-point, see Figure 1. The annual BIU count is currently at 3.6% above the corridor mid-point.	The University will receive BIU funding for the corridor mid-point plus the increase in BIUs associated with first-entry and some second-entry undergraduate programs over their 2000-01 levels. There will also be a funding envelope for the remaining second-entry and all graduate program enrolment increases. The distribution algorithm for the latter has yet to be determined.	The University will receive BIU funding for enrolment up to the corridor mid-point plus U/G enrolment beyond 2000-01 levels up to the level in the signed October 15^{th} 2002 Enrolment Target Agreement. For graduate enrolment increase above 2000-01 levels, a fixed amount of funding will be allocated between Universities based on a set of graduate and research parameters.

9.	Tuition Fee Rates: Domestic.	Fees in regulated programs to be increased an average of 10% on the 1997/8 rates (5% to improve the quality and 5% for additional educational program improvements) in each of 1998/9 and 1999/2000. Academic divisions will receive 65% of the fee revenue, net of the increase to student aid, from the second 5% fee increase. There will be a broad range of fee changes in the deregulated programs. Increases that enhance program quality may be developed in the planning process. In the case of doctoral stream programs, fees will increase by 10% in 1998/9 and 1999/2000. Professional program fees will have, on average, doubled over 1995/6 levels by 1999/2000. The funding which will flow to the Academic Divisions will be determined in the planning process. For modeling purposes the academic divisions will receive 65% of the fee revenue, net of the increase to student aid, resulting from fee increases in excess of 5% in 1998/9 and 1999/2000. The combined revenue from Government Operating Grants and Tuition Fees shall increase by CPI + 2% annually from 2000/1 to 2003/4. Of this 75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes.	A two-year Tuition Fee Schedule was approved in May 1998 for all programs except engineering. With the acceptance of the University's Access to Opportunity Plan the fee for undergraduate engineering programs will be increased in 1999/2000 beyond the regulated maximum increase of 10%. Fees for incoming students will be set at $5,000; fees for continuing students will be increased by 20%. Sixty-five percent of the revenue from the tuition fee increases above 5%, net of the 30% directed to student aid, was flowed to the Academic Priorities Fund (APF). Allocations totaling $15.8M have been made to the divisions from the APF for program improvement and quality enhancement. A fee of $1,950 was introduced for Postgraduate Medical Trainees entering in 1999/2000. 25% of the increased tuition revenue, net of 30% for student aid, will flow to the APF to be used to improve the educational experience for Postgraduate Medical Trainees. The funding for student aid will provide interest remission on student loans for Postgraduate Medical Trainees. Increased revenue may also result from plans to deal with the Double Cohort.	The University will increase tuition fees in Arts and Science, Music and PE&H Programs to the maximum permissible fee of $3,951 in 2000/01 and to $4,029, $4,107 and $4,185 in 2001/02, 2002/03 and 2003/04 respectively. The remaining regulated tuition fees will increase by 2% annually, not compounded. Tuition fees in the deregulated programs for continuing students will increase by 5% in 2000/01. Tuition fees in the deregulated programs for new students will also increase by 5% in 2000/01 with the exception of fees for programs in Computer Science, Commerce, Business, Law, Medicine, Dentistry, Management and Pharmacy. Revenue is modeled with 5% increases in all deregulated programs in subsequent years. Sixty-five percent of the revenue from the tuition fee increases in excess of the percentage fee increase for the regulated programs, net of the required 30% directed to student aid, will flow to the APF to be allocated for program improvement and quality enhancement and to the Faculty Retention Fund. Tuition fee revenue from Postgraduate Medical Trainees is modeled on a tuition fee of $1,950. It is assumed that any revenue loss, as a result of recommendations from the Task Force chaired by the Dean of Medicine, will be offset by increased revenue from other sources or in reduced expenses.	Tuition fees in the deregulated programs for continuing students will increase by 5% in 2001/02. Tuition fees in the deregulated programs for new students will also increase by 5% in 2001/02 with the exception of fees for the MBA program in Management and the LLB program in Law as described in note 1. Fee revenue is modeled with 5% increases in all other deregulated programs in subsequent years. The recommendation of the Task Force that a tuition fee of zero be assigned to Postgraduate Medical Trainees was implemented in 2000-01.	Tuition fees in the regulated programs will increase by 1.94%. Tuition fees in the deregulated programs for continuing students will increase by 5% in 2002/03. Tuition fees in the deregulated programs for new students will also increase by 5% in 2002/03 with the exception of fees for the MBA program in Management, the LLB program in Law, the DDS program in Dentistry and undergraduate programs in Commerce, Business Administration, Computer Science, CCIT at UTM and Engineering. Fee revenue is modeled with 5% increases in all other deregulated programs in 2003-04. More complete details on tuition fee rates can be found in the *Tuition Fee Schedule for Publicly Funded Programs, 2002-03*.	Tuition fees in regulated programs to be increased by 2% of the 1999-2000 fee in 2003-04 as currently mandated by the Provincial Government. Tuition fees in the deregulated programs for all new and continuing students will increase by 5% in 2003-04 with the exception of new students in undergraduate programs in Law, Computer Science and Engineering, the MBA and programs in Dentistry. In all but Dentistry the larger increases had been signaled in the 2002-03 Tuition Fee Schedule.

10.	Tuition Fee Rates: International.	Undergraduate and Graduate International Fees will increase by the same $ amount as the corresponding domestic fees. Academic divisions will receive the same $ amount as they would from corresponding domestic fee revenue increase.	The tuition fees for international engineering students will increase by the same $ amount as the corresponding domestic fees. Revenue from international tuition fee increases, equivalent to that for domestic students under 9 above, will be flowed to the APF. For undergraduate international students, revenue from tuition fee increases, equivalent to that for domestic undergraduate students under 9 above, will be flowed to the student aid budget.	Undergraduate and Graduate International Fees, except for those in Computer Science, Commerce, Business and Management will increase by the same $ amount as the corresponding domestic fees, see note 7.	Undergraduate and Graduate International Fees, except for those in MBA and LLB programs will increase by the same $ amount as the corresponding domestic fees, see note 1.	The University has, for a number of years, maintained a constant $ differential over time between domestic and international fees by increasing the international fee by the same dollar amount as those for domestic students in the same program. It now proposes to set that differential, in general, at a level where the international fee will generate the same revenue as that generated by a domestic student from both fees and Government funding. This produces additional increases in a number of programs, see the *Tuition Fee Schedule for Publicly Funded Programs, 2002-03* for more details.	In general, undergraduate and graduate international fees will increase by the same $ amount as the corresponding domestic fees.

11.	Government Operating Grants.	1998/9; zero increase, possible loss of $1.8M in pay equity grants. 1999/2000; increase of 1%. Current policy objective is to shift $72 million from base grants envelope to research infrastructure envelope. This would represent an improvement of approximately $10 million to U of T. This assumption is NOT included in the projection. The combined revenue from Government Operating Grants and Tuition Fees shall increase by CPI + 2% in 2000/01. Of this 75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes. The combined revenue from Government Operating Grants and Tuition Fees shall increase by CPI + 2% annually from 2001/2 to 2003/4. Of this 75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes.	Revenue in 1999/2000 from enrolment increases related to ATOP and BEd expansion, less 25% for institutional overhead as per the ATOP plans, flows to the Enrolment Growth Fund for expenses related to these initiatives. In light of the uncertainty that still exists on the magnitude of the ATOP and BEd enrollment increases in 2000/2001 and beyond, no specific assumption is made on the level of ATOP and BEd Government Grant funding for 2000/01. In light of the uncertainty that still exists on the magnitude of the ATOP and BEd enrollment increases in 2000/2001 and beyond, no specific assumption is made on the level of ATOP and BEd Government Grant funding. Rather it is contained within the assumption made previously that "75% of the revenue above that generated by an increase of CPI is assumed to be targeted revenue, including for student aid, and is unavailable for general operating purposes". A loss of $0.6M in pay equity grants will be realized. New Provincial funding of $1.7M over 10 years for OGSST. The SGS graduate financial assistance budget increased by $2.6M Increased revenue may also result from plans to deal with the Double Cohort.	For 2000/01, consistent with *A Framework for Enrolment Expansion at the University of Toronto,* the University will elect not to participate in the Provincial Government's Accessibility Fund. It is assumed that the University will however, receive $2.7M from the Performance Fund in 2000/01. Government operating grant revenue is assumed to increase by 2% annually in 2001/02 through 2003/04. The revenue in 2000/01 and beyond will be reduced by $1.6M as a result of folding the pay equity grant into the base operating grant. Provincial Government operating revenue for the approved enrollment increases under ATOP and in the BEd Program, the latter for the four years 1999-2003, is included in the projections. The revenue, less 23% for institutional overhead as per the ATOP plans, flows to the Enrolment Growth Fund for expenses related to these initiatives. The Graduate Student Aid Budget of the OGSST Divisions has increased by $2.6M	In the absence of information from the Provincial Government on operating funding, it is assumed that operating grant revenue will increase by 2% annually in 2001/02 through 2003/04 and that the University will also receive $3.4M from the Performance Fund. The MTCU has, in consultation with the COU, modified the base on which the Performance Fund is calculated to include graduate enrolment as well as undergraduate. As a result the University's share increases from $2.7M to $3.4M. Provincial Government operating revenue for the approved enrollment increases under ATOP and in the MD and BEd Programs is included in the projections. The revenue, less 23% for institutional overhead, flows to the Enrolment Growth Fund for expenses related to these initiatives. Ontario Graduate Scholarship funding of some $7M, with its $3.5M match, will now be distributed by the University	The University did not receive the assumed 2% increase in operating grant funding to cover increased costs in 2001-02. For 2002-03 the budget model assumes that additional revenue, equal to 1% of the operating grant funding, will be received either in the form of an increase in operating grant revenue or from a relaxation of the 2% cap on tuition fees in the regulated programs. In 2003-04 it is assumed that the operating grant revenue will increase by 2% to cover increased costs.	The assumption that additional revenue, equal to 1% of the operating grant funding, would be received either in the form of an increase in operating grant revenue or from a relaxation of the 2% cap on tuition fees in the regulated in programs was not realized in 2002-03. The University will receive full average funding for U/G enrolment increases up to the level defined in the ETA and it is assumed that the algorithm used to distribute funding from the Graduate Enrolment Expansion Pool will yield an allocation to the University of Toronto approximately proportional to our current share of enrolment in these programs. It is assumed that there will be no increase in the operating grant revenue per student to cover increased costs in 2003-04. The results of the COU initiative directed at obtaining operating grant increases for program quality enhancement is still uncertain. No assumption of such increased revenue is being built into the budget for 2003-04.

11a	Canada Research Chairs Program			Projected revenue from the Federal Government's Canada Research Chairs Program, together with funds released from the salary budget, is flowed to the Canada Research Chairs Fund (CRCF). A component is retained for central indirect expense and the remainder will be allocated to the Divisions in accordance with Divisional Plans and the Program requirements.	A refining of the input data on research funding has produced an increase of 20 in the number of Canada Research Chairs allocated to the University.		
12.	Government Operating Grants and Tuition Fee Rates, 2000/1 to 2003/4.	This has been merged into rows 9 and 11.	This has been merged into rows 9 and 11.	This has been merged into rows 9 and 11.	This has been merged into rows 9 and 11.		
13.	Overhead Charges to Self-Funded Academic Programs	Recently approved or proposed Self-Funded Programs: • M Eng (Telecommunications) • M Sc (Mathematics for Finance) • B Sc (Radiation Sciences). • Certificate (Case Management)	Recently approved or proposed Self-Funded Programs: • Qualifying Program (Dentistry)	Recently approved or proposed Self-Funded Programs: • Global Executive MBA • Joint MEng degree in Design and Manufacturing • Diploma Program in Professional Pilot and Aviation Management			

14.	Research Overhead and Royalties	All increases in the general university portion of research overhead and royalties income will be used to finance the technology transfer plan initiative through to the year 2000. A decision concerning revenue beyond that point is required.	The current arrangement of using increased overhead revenues to fund the Tech Transfer Strategy will be reviewed in 1999/2000 and a decision taken on future disbursement of any increase in the General University portion of overhead and royalty revenue. Overhead revenue will be one source of funding for the operating cost of new space. Substantial new overhead revenue was realized including overhead from Provincial Centers of Excellence, CFI/ORDCF research projects and related industrial contracts.	Substantial new overhead revenue was realized principally from CFI/ORDCF research projects and related industrial contracts.	There continues to be a modest increase in research overhead revenue.	The Federal Government introduced a fund of $200M for the indirect costs of Federally supported research in 2001-02. The University's share, excluding the affiliated teaching hospitals, is projected at $14.6M. This is a first step in a program where the level of indirect costs is expected to double to 40% over time. The budget model assumes that the university's share will remain at $14.6M in 2002-03 and increase to $21.9M in 2003-04.	The Federal Government announced in the February budget that $225M would be available annually for the indirect costs of Federally supported research. The University of Toronto's portion of that funding is assumed to be $15.8M.
14a	Research Performance Fund			The recent Provincial Budget included the creation of a $30M Ontario Research Performance Fund to cover indirect costs associated with Ontario-funded research. Distribution to Universities and Colleges is based on an Institution's share of Ontario research funding. The University's share of the funding is estimated at $12.5M.	It is assumed that the University's share of the Ontario Research Performance Fund will continue to be $12.5 annually.	The $12.5M share from the Ontario Research Performance Fund received in 2000-01 included $3.7M for hospital based research leaving the University with a net of $8.8M. This dropped to $5.4M in 2001-02 and is projected to be $6.9M in 2002-03 and 2003-04. The reduction is the result of a drop in the University's share of Ontario research funding used in the allocation algorithm.	The University is projected to receive $5.7M from the Ontario Research Performance Fund in 2003-04.

15.	Matching Strategy for Endowed Chairs	Current strategy calls for 75 matched chairs to be achieved by 1999/2000, for increased leverage on General University Income of $1.9 million. To date, 52 chair agreements have been completed, and 7 are in progress.	To date, 77 EAF matched chair agreements have been completed. New, simplified matched chair program approved which is neutral to the budget bottom line but does not provide leverage on General University Income. A total of $1.3M has been realized from chair agreements under the former strategy.	To date, 98 EAF matched chair agreements have been completed.	To date, 118 EAF matched chair agreements have been completed.	A total of 164 endowed chairs, including approved proposals, have been raised in the Campaign bringing the total number of endowed chairs at the University to 178. Of the 164, a total of 143 were matched chairs with the remaining 21 being fully endowed.	The Matching Chair Program using University funds as an endowed match has ended. The number of endowed chairs at the University excluding CRC matched chairs noted below, has increased to 170 and there are 9 approved proposals for matched chairs. Two matching chairs programs still exist; • campaign contributions may be matched with Canada Research Chairs to produce a named Canada Research Chair (3 have been created), and • the payout from an endowed contribution may be matched using an existing vacant position.
16.	Revenue Contribution from Ancillary Operations	No new strategies at present. Income potential from Food Service Ancillary and possible creation of Real Estate Ancillary.	Food Service Ancillary contributing $250,000 in steady state. Ancillaries will contribute $2.7M to General University and particular Divisional Income in 1999/2000.	The Parking Ancillary contribution to general university income is projected to decrease as underground parking garages replaces surface parking lots. The ancillaries are budgeted to contribute $2.3M to general university income in 2000/01 reducing to $1.7M in 2003/04.	There will be a further loss of revenue from the Parking Ancillary of $0.8M when parking is eliminated from King's College Circle	The land rent contribution from the Parking Ancillary is projected at $1.1M in 2002-03 and $1.2M in 2003-04. It is projected that the Food Service Ancillary will no longer contribute to general university income, a loss of $0.25M.	The land rent contribution from the Parking Ancillary is projected at $0.9M in 2003-04.
17.	Student Aid	30% of all revenue from domestic and international tuition fee increases will be directed to student aid 1998/9 and 1999/2000.	The total student aid budget for 1998/99 was $43M. It will increase to $57M in 1999/2000 and $65M in the steady state as all of the OSOTF and redirected tuition fee revenue becomes available.	The total student aid budget for 1999/2000 was $58.9M. It is projected to increase to $67.8M in 2000/01 and $82.8M in the steady state as all of the OSOTF, OGSST, redirected tuition fee revenue and new graduate student aid becomes available.	The total student aid budget for 2000/01 was $74.5M. It is projected to increase to $84.1M in 2001/02 and $101.7M in the steady state as all of the OSOTF, OGSST, OGS, redirected tuition fee revenue and new graduate student aid becomes available.	The total student support budget for 2001/02 was $84.8M. It is projected to increase to $92.9M in 2002/03.	The total student support budget is projected to increase to $95.9M in 2003/04 despite a reduction of $6.7M in student aid investment income.

18.	Contractual Obligations to Affiliated Institutions	New agreement with Sheridan College included in long-range projection. Memorandum of Agreement with Federated Universities is being re-negotiated. For modeling purposes it is assumed that changes will be neutral to the budget.	Memorandum of Agreement with Federated Universities has been signed; the increased cost to the budget is estimated at $260,000 (4.6%). Memorandum of Agreement with TST under review. Block Grant flat-lined to 2003/04 pending outcome of review.	Enrollment levels at the Toronto School of Theology (TST) have been below target in recent years and the new Director has been asked to submit an enrollment plan. Funding to TST will be flat lined pending the receipt of the plan.	The BIU eligible enrolment at TST appears to have stabilized at ~575 BIUs, substantially below their corridor mid-point of 717. A new mid-point of 585 has been proposed and funding reduced accordingly with the reduction phased over 3 years. There will be a saving to the budget of $0.125M in 2001/02 growing to $0.375M in 2003/04.	The TST Theology Grant will be reduced by $0.04M in 2002-03 and a further $0.09 in 2003-04 as a result of the new corridor mid-point agreement. There was a reduction of $0.014 in 2001-02.	New agreements with Sheridan College, Centennial College and the Michener Institute are included in the projections.

19.	Compensation	Agreements in place with UTSA and SMG through to 1999/2000. Agreement in place with UTFA and the unions to 1998/9. Assumptions: UTSA: 1.5% ATB plus merit annually from 2000/1 to 2003/4. SMG: 0% ATB, 3% merit annually from 2000/1 to 2003/4. UTFA: 1.5% plus PTR annually from 1999/2000 to 2003/4. Unions: 1.5% ATB annually from 1999/2000 to 2003/4. Introduction of differential replacement salary provision for different disciplinary groups, rather than a single institution-wide replacement value, e.g., a constant PTR recovery. Academic salary anomaly and retention fund: $500,000 annually. Administrative Salary Anomalies: $80,000 annually.	First contract negotiations are under way with the United Steelworkers of America (USWA). Memorandum of Agreement negotiations are also underway with UTFA. The PTR recovery will be set at $65,000 plus benefits in 2000/01 and will be indexed in subsequent years by the ATB salary increases. Divisions requiring starting salaries greater than $65,000 should make the case in their response to *Raising Our Sights.* The cost will be met from the APF. Academic salary anomaly and retention fund increased to $900,000 annually beginning 2000/2001. Administrative Salary Anomaly budget reduced to $40,000 annually.	Agreements in place with UTFA, USWA, CUPE 1230, CUPE 3261 OPSU 578 and University Workers Local 1 through to 2001/02 and most other unions to 2000/01. Assumptions: UTFA: 1.5% plus PTR annually in 2002/03 and 2003/4. SMG: 0% ATB, 4% merit in 2000/01 and 0% ATB, 3.5% merit annually 2001/02 through 2003/4. Other Managers and Confidentials: 2% plus merit in 2000/01 and 1.5% plus merit annually 2001/02 to 2003/04. Unions: 1.5% ATB annually in those years beyond their current contract. These assumptions are for modeling purposes only and do not represent a strategy for salary negotiations. The Faculty Retention Fund will be set at $1.5M in 2000/01, $1.3M in 2001/02 and $1.0M in 2002/03 and 2003/04.	Agreements in place with UTFA, USWA, CUPE 1230, CUPE 3261 OPSU 578 and University Workers Local 1 through to 2001/02. Assumptions: UTFA: 2% plus PTR annually in 2002/03 and 2003/4. SMG: 0% ATB, 4% merit annually 2002/03 and 2003/4. Other Managers and Confidentials: 2% plus merit annually 2002/03 and 2003/04. Unions: 2% ATB annually in those years beyond their current contract. These assumptions are for modeling purposes only and do not represent a strategy for salary negotiations. If compensation agreements result in ATB increases in excess of 2%, additional base budget cuts will be required. Each increase of 0.1% beyond the assumed value in either of 2002/03 or 2003/04 will result in an additional base budget cut of ~0.09%	Agreements are in place with CUPE 3902 (TA union) to April 2005 and with the unions representing the trades to 2003/04, Assumptions for the total cost of compensation increases, including costs associated with benefits improvements, for the remaining employee groups are: UTFA: 3% plus cost of PTR annually in 2002/03 and 2003/04. Other employees 3% annually 2002/03 and 2003/04. These assumptions are for modeling purposes only and do not represent a strategy for salary negotiations.	Agreements are in place with all bargaining units for 2003-04 with the exception of UTFA. The total cost of compensation increases, including costs associated with benefits improvements, in 2003-04 for UTFA is projected at 3% plus cost of PTR. This projection is for modeling purposes only and does not represent a strategy for salary negotiations. The Faculty Retention Fund will be decreased to $0.7M in 2003/04.

20.	Employer Benefits Costs	Proposed introduction of standard benefit cost rate: 18.25% for appointed staff, 8.25% for non-appointed staff. Substantial increase in CPP premiums anticipated which would be partially offset by a decrease in UI premiums. Current service cost of pension reduced effective 1997/8. Current service cost of SRA included in pension contribution budget. Current service costs of the main registered pension plan are assumed to be available until 2001/2, (to be reviewed annually). Funds to be redirected to finance the SRA with balance transferred to the University Infrastructure Investment Fund and Transitional Funds. The operating grant portion of the LTD insurance plan rebate will be transferred to the University Infrastructure Investment Fund and Transitional Funds.	A contingency of $2.2M will be provided for the benefits budget in 1999/2000. The standard benefit rates will be reviewed for 2000/01 and adjusted, if necessary, to better reflect actual experience. The review of the strategy on funding the University pension plans has determined that the funds available for transfer to the UIIF in 1999-2000, 2000-01 and 2001-02 can be increased by $4.3M, $4.3M and $5.0M respectively.	The standard benefit cost rate will increase to 18.75% for appointed staff and 9.5% for non-appointed staff. The Benefits budget will increase by $6.6M in 2000/01 over the revised 1999/2000 budget, this is $3.3M more than the increase projected previously for this year. The revised 1999/2000 budget was approved in April 1999 and included a $2.2M addition. The balance of funds available from the current service pension cost provision in the operating budget for transfer to the University Infrastructure Investment Fund (UIIF) and the Transitional Funds in 2000/01 is $17.7M and in 2001/02 is $18.6M. The balance in 2002/03 ($19.4M) will be used for approved matching endowment programs and in 2003/04 ($16.3M) will be transferred to the UIIF.	The Benefits budget is projected to increase by $4.2M in 2001/02, with further increases of $4.4M and $4.0M in 2002/03 and 2003/04 respectively. The balance of funds available from the current service pension cost provision in the operating budget for transfer to the University Infrastructure Investment Fund (UIIF) and the Transition Funds in 2001/02 is $18.6M. The balance in 2002/03 ($19.8M) will be used for approved matching endowment programs and in 2003/04 ($21.2M) will be transferred to the UIIF.	The increase in the benefits budget for 2002/03 is projected to be $2.8M over the 2001-02 budget, a reduction of $1.6M from the $4.4M signaled last year. The 2001-02 actual expenditures were $2.2M under budget. The budget for 2003-04 is projected to be a further $5.0M larger than in 2002-03. The standard benefit rates will remain at 19.5% for appointed employees and at 9.5% for non-appointed employees. The Vice-Presidents Business Affairs and Human Relations will review benefits costs with the aim of reducing the magnitude of the continuing cost escalation. In 2003-04, $14M of the balance of funds available from the current service pension cost provision in the operating budget will be used for approved matching endowment programs. The remainder of the funds in 2003-04 and all the funds in 2002-03 will be used to offset the need for OTO deficit reduction control measures.	A contribution of 18.8M is being made to the regular pension plan. Funds budgeted for the current service pension cost provision in the operating budget in future will no longer assumed to be available for other uses.

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21.	Utilities Costs	Utility costs assumed to increase at CPI plus 0.5% per annum beyond 1998/9.	Cost increase of $600,000 predicted in 1999/2000, principally because of increased gas prices.	An increase of $2.0M in base is projected for 2000/01, of which $1.1M is from rate increases and $0.5M results from the negative variance in the current year. Increasing costs for natural gas contributes $0.8M to the increase.	Based on current estimates of gas and steam prices, the 2000/01 actual energy expense will be some $3M above budget. The budget for 2001/02 projects an increase of $5M, or approximately 24%, over the 2000/01 budget.	Rate increases of 33.8% (including an 11.8% *debt surcharge*) for electricity, 20.3% for steam and water and reductions of 18.2% for natural gas and 9.1% for oil are projected in 2001/02. The result of these rate changes together with the commissioning of the BCIT, the purchase of 500 University Ave etc. is projected to produce utilities cost increases of $4.6M in 2002-03 and a further $ 2.0M in 2003-04.	Utility costs are projected to be $1.4M over budget in 2002-03. The major negative variances result from higher than expected gas costs, problems with the heat recovery project and emergency repairs to the cogeneration project Utility costs for 2003-04 are projected to be $0.4M over last year's budgeted level.
22.	Operating cost of New or Newly Renovated Space	These additional costs will be the responsibility of the Division occupying the space. Funds may be requested from the Academic Priorities Fund, (or the Administrative Priorities Fund, as appropriate).	The Centre for Information Technology is expected to be the first new building where this policy will apply.	With the acquisition of the OISE Building from the Ontario Realty Corporation, the University will assume full responsibility for maintenance and operating costs for the building, $0.5M will be added to Facilities and Services budget in 2001/02 with partial funding in 2000/2001. There will also be a reduction of $2.2M in revenue and an offsetting reduction in lease expense.			
23.	Cost of Leased Space	Cost forecast to decline from $962,000 in 1997/8 to approximately $200,000 in 2003/4. Savings are being used on an OTO basis to fund moving and renovation costs.	Costs of leased space now predicted to decrease to $325,000 due to pressure for space on campus.	Costs of leased space now predicted to decrease to $556,000 in 2003/04 due to pressure for space on campus, particularly transition space during new construction.	Costs of leased space now predicted to be $795,417 in 2003/04. The increase is principally due to the space requirements of the Research & International Relations and Development portfolios.	Costs of leased space now predicted to be $951,216 in 2003/04. A small group under the direction of the Vice-Provost Space and Facilities Planning is reviewing the need for leased space in light of recent property acquisitions.	Costs of leased space now predicted to be $0.99M in 2003/04.

24.	Library Acquisitions	Policy to be reviewed during 1999/2000. Current policy is producing annual increases of just over 4%.	Original assumption retained pending outcome of review to be conducted in 1999/2000.	The assumption currently in the budget model of a 4.2% annual increase in the Library Acquisition Budget will be retained. The policy on the provision of inflation protection for the library's acquisition budget is being reviewed; the algorithm for determining annual changes to the budget is also being examined.	The assumption currently in the budget model of a 4.2% annual increase in the Library Acquisition Budget will be retained pending the outcome of the review of the policy on the provision of inflation protection for the library's acquisition budget and the algorithm for determining annual changes to the budget.		
25.	Priorities Funds	Annual provision of 1.5% in base to provide for both academic and administrative priorities in years 2000/1 to 2003/4.	The APF will be augmented by $5.0M in the years 2000/1 to 2003/4 as revenue from the 1998/99 and 1999/2000 tuition fee increases reaches steady state.	Some $10.3M of additional revenue from tuition fee increases in excess of the percentage increase for the regulated programs will be available in the APF for program improvement and quality enhancement. Analysis of the Business Plans for new student residences indicate that, in the absence of a significant down-payment, a subsidy will be required to maintain room rates at an affordable level. $1.7M will be added to the APF to provide assistance to Colleges undertaking new residence construction.	Some $1.8M of additional revenue from tuition fee increases in excess of the percentage increase for the regulated programs will be available in the APF for program improvement and quality enhancement.	Some $2.2M of additional revenue from tuition fee increases in excess of 5% will be available in the APF in 2002-03 and a further $3.8M in 2003-04 for program improvement and quality enhancement. 0.5M in base is allocated to the Administrative Priorities Fund in each of 2002-04 and 2003-04.	$0.5M in base will be made available to provide increased resources to enable the Academic Services to meet the increased demand resulting from enrolment expansion. An additional $0.2M in base will be made available to provide increased resources to enable the Administrative Services to meet the increased demand resulting from enrolment expansion.
25a.	Provost's Contingency Fund						A base component of $350,000 renewable each year will be established in 2003-04. The existing contingency fund, which can be used OTO each year, will be reduced by $350,000.

26.	Transitional Funds	Requirement for transitional funding will diminish with the revised funding approach to benefit costs. Funding will be provided through transfer of available pension current service cost funds and the LTD rebate.		The balance of funds available from the current service pension cost provision in the operating budget for transfer to the Transition Funds in 2000/01 is \$3.6M, and in 20001/02 is \$3.8M.			
27.	Infrastructure Funds	Funding will be provided through transfer of available pension current service cost funds and the LTD rebate. Majority of funds will be deployed to meet matching requirements of Federal and Provincial deferred maintenance and research infrastructure funding programs and other critical deferred maintenance needs. Any positive variance against budget to be added to the UIIF annually.	The review of the strategy on funding the University pension plans has determined that the funds available for transfer to the UIIF in 1999-2000, 2000-01 and 2001-02 can be increased by a total of \$13.6M, see note 20.	The balance of funds available from the current service pension cost provision in the operating budget for transfer to the UIIF in 2000/01 is \$14.1M, in 20001/02 is \$14.8M and in 2003/04 is \$16.3M. All future Capital Project budgets will identify 1% of the project cost to be used for adjacent open space improvements. In addition, funding at a level of 2% of project cost will be identified to be used to further the Open Space Plan. For Academic Capital Projects the allocation will be from the UIIF or the Capital Renewal Fund.	The balance of funds available from the current service pension cost provision in the operating budget for transfer to the UIIF is \$16.8M in 2001/02 and \$21.2M in 2003/04. In addition, \$30M is being borrowed with a 20 year term and added to the UIIF budget to meet current capital commitments within the planning period. Principal and interest payments will be a charge to the University operating budget.	A further \$30M is being borrowed in 2002-03 and \$30M in 2003-04, each with a 25 year term, for the UIIF budget to meet current capital commitments within the planning period. Principal and interest payments will be a charge to the University operating budget.	A separate Capital Budget is proposed which will encompass construction for academic and administrative divisions, residences, parking garages, student activities and the matching funds that are such an important part of growing our endowment capital infrastructure. The portion of the debt service cost to be funded from the operating budget in 2003-04 is estimated at \$11.7M including all debt service costs currently included in the operating budget.
28.	Performance Based Funding						\$1.25M will be allocated to provide performance based funding in 2003-04. This fund will be used to assist a limited number of divisions who are in transition. The provision of funding will be dependent on attainment of performance objectives developed by agreement with the Provost

C.O.P.C. LIST

	<------Base		------>			
	2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET
1. CONTRACTUAL OBLIGATIONS TO AFFILIATED INSTITUTIONS						
Federated Colleges block grant (incl PIMS)	6,670,924	131,457		131,457	131,457	6,933,838
TST Theology Grant	1,921,629	(60,654)		(60,654)		1,860,975
Transfer Payments re Joint Programs with Colleges	441,047	9,079	2,781,368	2,790,447		3,231,494
TOTAL-CONTRACTUAL OBLIGATIONS TO AFFILIATED INSTITUTIONS	**9,033,600**	**79,882**	**2,781,368**	**2,861,250**	**131,457**	**12,026,307**
2. OTHER CONTRACTUAL OBLIGATIONS						
Lease Cost of Off-Campus Space	957,281	30,656		30,656		987,937
TOTAL- OTHER CONTRACTUAL OBLIGATIONS	**957,281**	**30,656**	**-**	**30,656**	**-**	**987,937**

* SEE COPC CONTINGENCY

C.O.P.C. LIST

	<------Base------>					
	2002-03 BUDGET	**Price Inflation & Formula Adjustments**	**Other**	**Total**	**O.T.O**	**Total 2003-2004 BUDGET**
3. INSTITUTIONAL STATUTORY COMMITMENTS						
Membership fees :						
-A.U.C.C.	163,797	5,307		5,307		169,104
-COU Subscriptions	631,684	6,317		6,317		638,001
-Total Other Membership	66,860	17,339		17,339		84,199
Subtotal- Membership Fees	862,341	28,963	-	28,963		891,304
Negotiating Expenses (a) UTFA	75,037	-	-	-		75,037
Negotiating Expenses (b) USWA	15,000			-	-	15,000
Negotiating Expenses (c) TA	19,694	-		-		19,694
TA/ TATP		-	50,000	50,000		50,000
Job Accommodation Fund/ Program	25,000		-	-		25,000
Legal Fees *	2,368,222		423,778	423,778		2,792,000
Pension Consulting	50,000		-	-		50,000
Radioactive & Chemical Waste Disposal *	370,000		100,000	100,000		470,000
Biomedical Waste Disposal (F&S)	-		41,712	41,712		41,712
Environmental Health & Safety Fund			38,000	38,000	10,000	48,000
Drinking Water Regulation Testing - F&S.	5,000	-		-	-	5,000
Environmental Health & Safety - Certification Training & transfer from USWA	32,000		-	-		32,000
TOTAL- INSTITUTIONAL STATUTORY COMMITMENTS	**3,822,294**	**28,963**	**653,490**	**682,453**	**10,000**	**4,514,747**

* SEE COPC CONTINGENCY

C.O.P.C. LIST

	<---Base					
	2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET
4. UTILITIES						
Utilities: St George	26,580,397	745,516	(1,786,781)	(1,041,265)		25,539,132
Energy Management Fund	250,000		(50,000)	(50,000)		200,000
Relamping Project	(338,467)		175,000	175,000		(163,467)
Co-Generation Savings	(1,230,000)		937,520	937,520		(292,480)
Flue Heat Recovery Project	173,561		218,906	218,906		392,467
Sub total - St George Utilities	25,435,491	745,516	(505,355)	240,161	-	25,675,652
Utilities : Scarborough	2,183,659	316,513		316,513		2,500,172
Utilities : Erindale	2,695,411	(158,274)	-	(158,274)		2,537,137
TOTAL - UTILITIES	**30,314,561**	**903,755**	**(505,355)**	**398,400**	**-**	**30,712,961**
5. ADDITIONAL COST OF NEW SPACE						
Southwest Chiller Plant	-			-		-
Gerstein Addition - 3/12's	39,330		33,896	33,896		73,226
Earth Science Greenhouse - 2/12's	13,035		69,235	69,235		82,270
Haultain Bldg Conversion	19,363		6,455	6,455		25,818
Canadiana Building	40,295		35,309	35,309		75,604
Sid Smith Infill - 4/12's	13,103		13,039	13,039		26,142
New Daycare Centre (10/12)	-		64,525	64,525	5,000	69,525
500 University (12/12)	-		519,834	519,834		519,834
Medical Arts (12/12)	-		45,041	45,041		45,041
Board of Ed - 155 College (8/12)	-		488,065	488,065		488,065
Board of Ed - 255 McCaul (8/12)	-		225,587	225,587		225,587
Board of Ed - 263 McCaul (8/12)	-		105,268	105,268		105,268
Recovery from Divisions			(800,970)	(800,970)		(800,970)
TOTAL - ADDITIONAL COST OF NEW SPACE	**125,126**	**-**	**805,284**	**805,284**	**5,000**	**935,410**

C.O.P.C. LIST

	<-----Base			---->		
	2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET
6. PAID LEAVE COMMITMENTS						
Administrative leaves :						
- University Administration	-			-	649,710	649,710
- Federated & Constituent Colleges	-			-	-	-
Subtotal Administrative Leaves	-	-	-	-	649,710	649,710
UTFA Released Time	163,040	38,227		38,227		201,267
USWA Released Time	172,443	-	-	-		172,443
CUPE 3261 Released Time	20,000	18,403	-	18,403		38,403
CUPE 1230 Released Time	-	24,388	-	24,388		24,388
TOTAL- PAID LEAVE COMMITMENTS	**355,483**	**81,018**	**-**	**81,018**	**649,710**	**1,086,211**

* SEE COPC CONTINGENCY

C.O.P.C. LIST

	2002-03 BUDGET	<-----Base-----> Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET
7. LIBRARY ACQUISITIONS COMMITMENTS						
Library acquisitions						
St George (excl. binding)						
-Books *	5,733,139	237,925		237,925		5,971,064
-Periodicals *	8,318,100	345,201		345,201		8,663,301
-Automation	3,788,138	157,208		157,208		3,945,346
	17,839,377	740,334	-	740,334	-	18,579,711
Scarborough						
-Books *	1,169,414	48,531		48,531		1,217,945
-Periodicals *	-	-		-		-
-Automation	-	-		-		-
	1,169,414	48,531	-	48,531	-	1,217,945
Erindale						
-Books *	282,200	11,711		11,711		293,911
-Periodicals *	733,328	30,433		30,433		763,761
-Automation	204,190	8,474		8,474		212,664
	1,219,718	50,618	-	50,618	-	1,270,336
Law						
-Books *	133,372	5,535		5,535		138,907
-Periodicals *	533,489	22,140		22,140		555,629
-Automation	143,514	5,956		5,956		149,470
	810,375	33,631	-	33,631	-	844,006
Graduate Institutes & Centres	43,713	1,814		1,814		45,527
Audio Visual Library	74,335	3,085		3,085		77,420
Dentistry	5,779	240		240		6,019
Innis College	10,042	417		417		10,459
Management	53,495	-		-		53,495
Music	6,781	281		281		7,062
New College	18,086	751		751		18,837
Fine Arts	40,273	1,671		1,671		41,944
University College	7,533	313		313		7,846
TOTAL - LIBRARY ACQUISITIONS	**21,298,921**	**881,685**	**-**	**881,685**	**-**	**22,180,606**

C.O.P.C. LIST

	2002-03 BUDGET	<------Base------> Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET
8. OTHER POLICY COMMITMENTS						
Expenses Funded from Overhead on Contract Research (note 1)	-			-	6,370,086	6,370,086
Expenses Funded from Overhead on Federal Research Grant	3,652,179	-	307,156	307,156		3,959,335
Overhead on University Student Assistance	871,960	-		-		871,960
Insurance *	860,208	-		-		860,208
Governing Council Elections *	32,760	-		-		32,760
OCGS Periodic Appraisal Costs	-			-	171,200	171,200
* SEE COPC CONTINGENCY						
TOTAL- OTHER POLICY COMMITMENTS	**5,417,107**	**-**	**307,156**	**307,156**	**6,541,286**	**12,265,549**

(Note 1: OTO Budget in 2001-02 $7,635,480)

	2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET
9. OPERATING FUND TRANSFER TO CAPITAL						
Transfer for Capital Budget debt service costs	**6,073,416**	**-**	**5,676,584**	**5,676,584**		**11,750,000**
10. COPC CONTINGENCY	**3,691,542**	**-**	**179,208**	**179,208**	**-**	**3,870,750**
TOTAL - ITEMS 1 TO 10	**81,089,331**	**2,005,959**	**9,897,735**	**11,903,694**	**7,337,453**	**100,330,478**

C.O.P.C. LIST

	<---Base			--->		
	2002-03 BUDGET	Price Inflation & Formula Adjustments	Other	Total	O.T.O	Total 2003-2004 BUDGET
CONTINGENCY ITEMS	**LOW**	**HIGH**	**RANGE**		**BASE**	**OTO**
Library books (currency fluctuations)	-	4,500,000	4,500,000		4,500,000	
Legal Fees	-	500,000	500,000		500,000	
UTFA Negotiation Expense	-	50,000	50,000		50,000	
Hazardous Waste Disposal Costs	470,000	545,000	75,000		75,000	
Environmental Health & Education Fund	-	25,000	25,000		25,000	
Governing Council Elections	-	11,000	11,000		11,000	
Insurance	-	100,000	100,000		100,000	
			-		-	
			-		-	
TOTAL	**470,000**	**5,631,000**	**5,161,000**	**-**	**5,161,000**	**-**
CONTINGENCY COVERAGE OF RISK 2003-04 @ 75%			3,870,750		**3,870,750**	-