



University of Toronto TORONTO ONTARIO M5S 1A1

OFFICE OF THE VICE-PRESIDENT,
GOVERNMENT AND INSTITUTIONAL RELATIONS

TO: Business Board

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AGENDA ITEM: 4

ITEM IDENTIFICATION: **Annual Report on Government Relations Activities,
February 2004 - February 2005**

PREVIOUS ACTION: On September 29, 2003, Vice-President Sheldon Levy provided a background briefing on Government-relations activities as well as briefing notes for members to use in their discussions with political and opinion leaders

HIGHLIGHTS:

This report covers the period from February 2004, when Professor Carolyn Tuohy assumed the position of Vice-President, Government and Institutional Relations, to February 2005. The principal priority of the portfolio in that period was engagement with the review of postsecondary education in Ontario conducted by the Honourable Bob Rae. A summary of the Rae recommendations with respect to the key priorities of the University, as well as key messages for members of the Board for discussion with political and opinion leaders in the lead-up to the 2005 provincial budget is also included with this report.

The report also reviews the activities of the Government and Institutional Relations portfolio in advancing the University's priorities at the federal and municipal level, as well as with regard to institutional partnerships, and reports on changes in the organization of the portfolio.

FINANCIAL OR PLANNING IMPLICATIONS:

None

ACTION SOUGHT: Report for Information



Annual Report

Office of the Vice-President, Government and Institutional Relations

Covering the period
February 2004 – February 2005

Submitted to

Business Board

February 28, 2005

By

Carolyn Tuohy,
Vice-President

CONTENTS

Introduction.....	1
Importance of Government Relations to UofT.....	3
Our Relations with the Government of Ontario.....	5
Our Relations with the Government of Canada.....	8
Our Municipal Relations.....	9
Our Institutional Partnerships.....	13
Issues Crossing Government Boundaries.....	16
Divisional Priorities.....	17
Organizing the Portfolio.....	19
The Year Ahead.....	20
Appendix 1.....	21
Appendix 2.....	25

INTRODUCTION

Government Relations at the University of Toronto

Relations and contacts with government are carried out by many members of the University community, not only in the central administration but in the academic divisions, and by individuals and groups of faculty, students and staff. The role of the Vice-President, Government and Institutional Relations and the portfolio is to advance the institutional priorities of the University vis-à-vis government, and to support the President and other members of the central and divisional leadership of the University in their dealings with government. The Government and Institutional Relations portfolio is itself supported in its activities by other offices, notably those of the Office of the Vice-Provost, Planning and Budget, the Office of Public Affairs, and the Office of the Vice-Provost, Space and Facilities Planning.

This report is intended to summarize the activities of the Office of Vice-President, Government and Institutional Relations, while of necessity not capturing all of the University's government-related activities. The mandate of the portfolio is:

- *To support the mission of the University and the academic community by advocating for the public policies and resources necessary to sustain and build the academic programs, scholarship, accessibility and reputation of the University of Toronto;*
- *To build and maintain strong working relationships with all levels of government and the broader University community in pursuit of these objectives;*
- *To develop strong partnerships with other organizations and institutions in the broader public and private sectors in support of common objectives promoting excellence in postsecondary education.*

A Year of Change

The past year was one of significant change in the internal and external environment of government relations at the University of Toronto. In February 2004, the leadership of

the portfolio passed from Dr. Sheldon Levy to Professor Carolyn Tuohy. At that time, new governments had recently taken office at the provincial, federal and municipal levels. Upon assuming the position of Vice-President, Professor Tuohy identified four priorities for the coming year:

- Participating in the new provincial government's anticipated review of postsecondary education in order to achieve changes to the public policy framework consistent with the advancement of the mission of the University of Toronto
- Fostering relationships with the new federal government under the leadership of Prime Minister Paul Martin
- Broadening the base of the University's relations with the City of Toronto under the leadership of Mayor David Miller
- Strengthening the administrative structure of the Government and Institutional Relations portfolio

With the appointment of the Honourable Bob Rae as Advisor to the Premier and the Minister of Training, Colleges and Universities in the Ontario Budget of May 18, 2004, the principal priority of the portfolio was established as engagement with the Rae Review to secure a successful outcome.

In August, 2004, President Robert Birgeneau resigned to take up the position of Chancellor at the University of California, Berkeley. The Honourable Frank Iacobucci took up the position of Interim President on September 1. This transition in leadership occasioned a fifth priority for the portfolio: supporting the Interim President to ensure a seamless continuation and advancement of the University's relations with government.

THE IMPORTANCE OF GOVERNMENT RELATIONS TO UOFT

It has often been noted that governments are the University's largest benefactors. Government funding accounts for half of the University's total revenue, and half of its operating revenue (Table 1; Charts 1 and 2).

Over the past eight years, the environment for government support of research at both federal and provincial levels has been very positive, and our objective has been to maintain and build upon this momentum. Operating support from the province, however, has continued to deteriorate. At UofT the provincial operating grant per FTE student in 2002-03, adjusted for inflation, was about two-thirds of what it was in 1992-93. The University, through the efforts of former President Birgeneau and former Vice-President Levy working with colleagues throughout the university sector, was able to establish operating and capital funding from the provincial government for enrolment expansion resulting from the "double cohort" of high school graduates beginning in 2002-03. Nonetheless, this operating funding built upon an eroding base, and capital funding, while welcome and essential, was insufficient to meet the needs of enrolment expansion.

Advocacy in support of government action to redress the critical shortfall in operating funding, and to maintain the momentum of increased research support, thus continues to be crucial to the University's ability to pursue its mission to rank with the finest public research universities in the world.

Table 1: Funding Sources, UofT 2002-03

	Operating	Research	Capital	Other (1)	Total
Provincial	\$427,678	\$110,162	\$5,858	\$953	\$544,651
Federal (2)	12,490	233,390	-	1,788	247,668
Non-Government (3)	401,990	178,339	26,792	162,239	769,360
Total	842,158	521,891	32,650	164,980	1,561,679

(1) includes Ancillary and Trust Funds

(2) CRC funding of \$12,475 incl in Operating Fund (Note: no federal overhead funding in 02-03)

(3) includes fees, donations, sales of services, investment income and miscellaneous

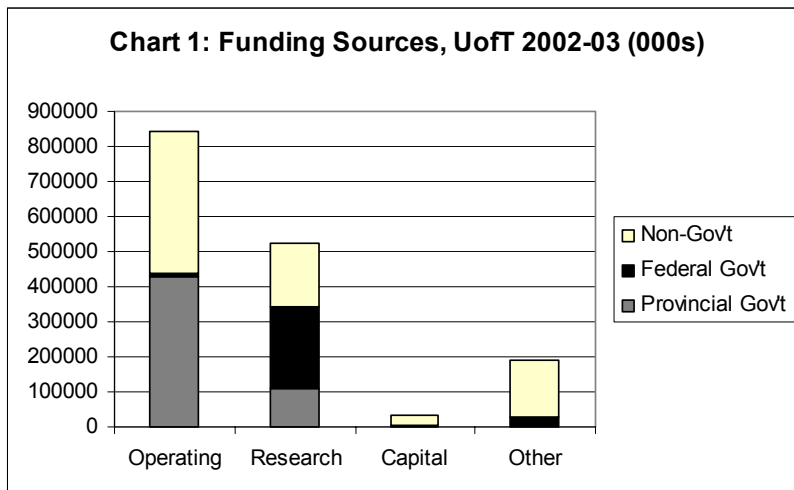
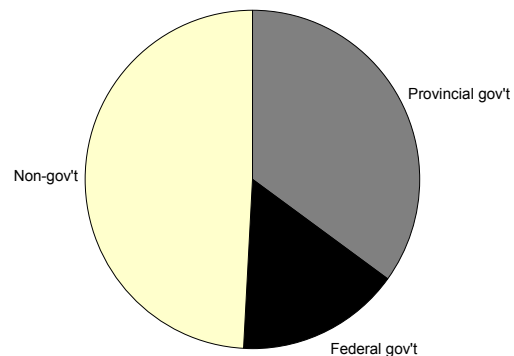


Chart 2: Total Revenue (2002-03)



OUR RELATIONS WITH THE GOVERNMENT OF ONTARIO

The Rae Review

The University's main priority at the provincial level has been engagement with the Rae Review. These activities involved extensive consultations leading to the University's submission to the Review, the convening of an international symposium, *Taking Public Universities Seriously* bringing together experts in higher education, university leaders and policymakers from Britain, Australia, and the United States as well as Ontario, and ongoing engagement of the President and the Vice-President, Government and Institutional Relations with members of the Rae staff and government officials. The milestones of this process were as follows:

- May 18, 2004: the Honourable Bob Rae appointed as Advisor to the Premier and the Minister of Training, Colleges and Universities
- October 1, 2004: Rae Discussion Paper, ***Higher Expectations for Higher Education***
- October 15, 2004: Launch of UofT Rae Review website, www.raereview.utoronto.ca, which provided information on the Review, and a vehicle for input from the University community to assist in formulating the University's response.
- October 18, 2004: UofT Context Paper released
- October 25 (UTM), October 26 (St. George), October 27 (UTSC): UofT Town Hall consultations:
- November 1, 2004: Outline of UofT submission approved by Governing Council
- November 19, 2004: UofT submission to Rae, ***The Choice for a Generation*** – also circulated broadly to provincial and federal government, university community and friends
- Rae GTA Roundtables and Town Halls:
 - November 15, 2004: GTA West
 - December 3, 2004: GTA North/East
 - December 8, 2004: GTA Central

- November 24, 2004: President's op-ed in Toronto Star
- December 3-4, 2004: UofT Symposium, ***Taking Public Universities Seriously***
- January 19, 2005: Presentation to the Standing Committee on Finance and Economic Affairs by President Iacobucci with Vice-President Tuohy (Appendix 1)
- Week of February 7, 2005: publication of book based on symposium proceedings, *Taking Public Universities Seriously*
- Weeks of February 7 and February 14, 2005: President's column in weekly newspapers
- February 7, 2005: Release of Rae Report, ***Ontario: a Leader in Learning***
- February 8, 2005: Participation in Finance Minister Sorbara's pre-budget roundtable consultation by President Iacobucci and Vice-President Tuohy

The great effort expended in these activities, and others undertaken by our colleagues throughout the postsecondary sector in Ontario, has not been in vain. Mr. Rae, his advisors and staff have listened, understood, and shown leadership in producing a report that constitutes an essential first step toward resolving the current crisis in postsecondary education in Ontario. The University has welcomed the Rae Report as a sound and balanced set of recommendations whose overall directions should be implemented as a package. The recommendations are consistent with the UofT submission, as outlined in a commentary distributed separately to members of the Business Board.

In the period leading up to the tabling of the **2005 Provincial Budget** and thereafter, the University's efforts will be focused on securing the level of provincial investment recommended in the Report, as well as clarifying and further developing other aspects of the report that require detailed implementation. Among these efforts, the President, the Vice-President, Government and Institutional Relations and other members of the senior administration will be meeting with relevant government officials, and with friends who can carry the University's case to government, and will undertake media commentaries and speaking engagements.

Programmatic decisions around implementation will have very significant implications for the University of Toronto; and it is of utmost importance that we continue to participate actively in the implementation process.

Research Funding

On matters related to research funding at the provincial level, as at the federal level, the Vice-President, Government and Institutional Relations (VP-GIR) works closely with the Vice-President, Research and Associate Provost (VP-RAP) and the President. In the period covered by this report, there were two key issues of importance:

- the preservation of **provincial matching funding** for research infrastructure awards from the Canada Foundation for Innovation (CFI). After vigorous intervention by the University of Toronto and other research-intensive universities in Ontario, together with the Council of Ontario Universities, the provincial government announced the preservation of \$300 million in research infrastructure funding which had been threatened as a result of fiscal constraint.
- the establishment of the **Ontario Research Fund (ORF)**, consolidating previously distinct programs of research support administered within the portfolio of the Minister of Economic Development and Trade. This is an on-going matter, principally carried by the Vice-President, Research and Associate Provost, with support from the VP-GIR. The key objectives are to ensure that research funding through the ORF is at least as great as the combined funding for its predecessor programs, and to ensure that ORF funding spans the full spectrum of academic disciplines and the full range of basic and applied areas of inquiry.

The Rae Report recommended an **Ontario Research Council** to advise the Premier on broad research strategy. The University will be engaged in further assessment and advocacy regarding this proposal through both the VP-RAP and the VP-GIR.

OUR RELATIONS WITH THE GOVERNMENT OF CANADA

As indicated in Chart 1 above, the University derives revenue from the federal government largely in the form of research funding, although the Canada Research Chairs program established in 2000 and the indirect cost program established in 2003-04 provide important sources of operating revenue as well. Relations with the federal government on research matters rest primarily with the Vice-President, Research and Associate Provost, with active support from the Government and Institutional Relations portfolio.

During the past year, the University has worked with two new governments at the federal level – the first, established after the selection of Paul Martin as leader of the Liberal Party and Prime Minister in November 2003, and the second, the Liberal government, elected in a minority position in June 2004. Our activities at the federal level have been devoted to developing and fostering relationships with key elected and bureaucratic officials throughout these changes in government, through formal submissions and personal meetings with Cabinet ministers and senior staff.

In the past eight years, as noted above, the climate for government support of university-based research has been very positive, with the enhancement of funding through the granting councils and the establishment of a number of programs directed toward infrastructure and personnel support, notably the **Canada Research Chairs** program, support for the **indirect costs** of research, the **Canada Foundation for Innovation**, and the **Canada Graduate Scholarships**. Our principal priorities have been to ensure that these programs are maintained and enhanced, and that the federal government expand its support for graduate education, as intimately linked to its role in support of research.

The Rae report also argued strongly for an enhanced federal role in support of postsecondary education. The University of Toronto will continue to advance this case with the federal government, with particular regard to graduate education.

The University submission in advance of the 2005 federal budget is included as Appendix 2 to this report. Activities in support of overall and specific research priorities will be included in the annual report of the Vice-President, Research and Associate Provost.

OUR MUNICIPAL RELATIONS

The University of Toronto and the Greater Toronto Region

The University is a major presence in the GTA. Our well-being and success, and that of our home community, are intimately intertwined. For example:

- UofT is the 14th largest employer GTA returning an estimated \$5 billion annually into the local economy
- About 6.6% of the adult population in GTA is linked to UofT as employees, students or alumni.
- The Academic Bridging Program and the Transitional Year Program, provide community members with the confidence and skills needed to earn a degree.
- The University participates in community programs like *Pathways to Education*, which helps Regent Park's youth finish high school.
- The School of Continuing Studies, provides business, professional and English as a Second Language certificates, and encourage the wider community to engage in a range of cultural exploration with experts on campus .

City of Toronto

Relations with the City of Toronto touch upon every senior administrative portfolio at the University, as well as the academic divisions on the St. George and Scarborough campuses. At the institutional level, these relations have been dominated by the role of the University as a major land-owner in the midst of the City and the city planning issues that that presence entails. These relationships rest primarily with the Vice-President Business Affairs. The key priority of the VP-GIR is to play a coordinating role that broadens the base of our relationship as an institution with the government of our "home town."

As at the provincial and federal level, the elected government of the City of Toronto was relatively new at the beginning of the period covered by this report. At the senior level, we have developed excellent relationships with Mayor David Miller, who has participated in a number of events on campus. We have agreed to establish a regular agenda of meetings between the President and the Mayor.

For the St. George campus, a key forum for dealing with city planning issues affecting the St. George campus and the surrounding community is the **Community Liaison Committee**, co-chaired by City Councilor Olivia Chow and Vice-President Tuohy and including representatives of the University and of local rate-payer associations. The Committee is supported by the Office of the Vice-Provost, Space and Facilities Planning. Discussions of the committee in the past year were dominated by the Varsity project (discussed below) during the period covered by this report and are now resuming a normal schedule of meetings and agendas.

The VP-GIR has established a “Brainstorming Group” of colleagues in central and divisional leadership positions to consider how our City and community relations can be facilitated and fostered. Strategies and initiatives suggested by this discussion will then be pursued further within the University and with city and community partners.

Highlights of campus activities relating to the City of Toronto and involving participation and/or support from the VP-GIR include the following (principal responsibility indicated in parentheses):

- *Research Symposium in Support of the Mayor’s Panel on Community Safety*, June 2004 (Vice-Provost, Students; Dean, Faculty of Physical Education and Health; UTSC)
- *Natural Cities Conference*, June 23-25, 2004, attended by Mayor and other city officials as well as provincial and federal government representatives (Division of the Environment, Faculty of Arts and Science)
- Opening of *Children’s Conservatory* in Allan Gardens, relocated from site of new Leslie Dan Pharmacy Building, October 13, 2004 (Vice-President, Business Affairs)
- *“If Pigs Could Fly”* Conversation between Mayor David Miller and Andy Barrie, January 14, 2005 (School of Continuing Studies)

Numerous other activities are organized at the central or divisional level. Notable examples are the UofT’s participation in the annual *Doors Open Toronto* event in October 2004, organized by Public Affairs, and the February 2, 2005 roundtable on the City of Toronto Act convened by the Global Cities Programs at the Munk Centre for International Studies, involving experts from UofT and others from the legal and city planning communities.

With the amalgamation of the former City of Scarborough into the new City of Toronto in 2000, the University of Toronto at Scarborough (UTSC) campus had to adjust to a new set of relationships at the municipal level. UTSC is developing strong linkages with Toronto **City Councillors representing the Scarborough area**, especially through on-going participation in the *Stand UP Scarborough* initiative, launched on December 9, 2003. UTSC is also building its relationships with neighbouring municipalities, notably the City of Pickering, whose Mayor has participated in several campus events.

City of Mississauga:

Relations with the City of Mississauga are managed by the University of Toronto at Mississauga (UTM), which has established very strong and productive ties with the city. Recent examples of this relationship are:

- The naming of the **Hazel McCallion Academic Learning Centre** in honour of the long-serving mayor of Mississauga, officially celebrated on November 3, 2004 and at the Mayor's Annual Gala on November 6, 2004.
- The **BioConvergence Centre (BioCC)** at UTM, bringing together expertise in biosciences and biotechnology at UTM with biomedical, biotechnology, medical device and pharmaceutical companies located in Mississauga. The BioCC website notes that "Biotechnology has formally been identified by the City of Mississauga as one of five major target areas for economic development, and the City has partnered with and funded the University to promote activities in biosciences and biotechnology. ...BioCC has recently received funding from the Ontario Biotechnology Cluster Innovation Program to develop a plan for the implementation of the BioCC activities, with a focus on the local communities of Mississauga and Brampton."
- The **Mississauga Technology Business Accelerator (MTBA)** is focused on the information technology, life sciences, and advanced manufacturing sectors, which are well represented in the Mississauga business and academic communities. The MTBA, located at Sheridan Science and Technology Park, is designed to help companies in these sectors accelerate their development and greatly improve their chances for long-term success,

and acts as a hub for university/industry interaction as it relates to UTM and other academic institutions.

- The "**Healthy City**" **Stewardship Centre**, with an Advisory Board drawn from the City, hospitals, health services, boards of education, academia and the private sector, has the goal of bridging the gap between research and policy in health and environment in the municipal context. UTM and the community hospitals (Credit Valley, Trillium,) are the core educational and research resources for the Advisory Board.

OUR INSTITUTIONAL PARTNERSHIPS

The VP-GIR portfolio also participates in and otherwise supports a number of the University's relations with other institutions with which we have common interest.

Council of Ontario Universities:

The VP-GIR portfolio manages the University's relationship with the Council of Ontario Universities, the overall advocacy group for universities in Ontario. The primary focus of this relationship during the period covered by this report has been the Rae Review and the lead-up to the 2005 Provincial Budget, and accordingly the relationship has been particularly active.

The President serves as a member of the COU Council, the group of Executive Heads of Ontario Universities, the COU Executive Committee and the joint COU-MTCU Working Group and University Capacity. The Vice-President represents the President in his occasional absence at meetings of these groups, and is also a member of the Standing Committee of Relations with Other Postsecondary Institutions, a resource person to the Government and Community Relations Committee, and a member of various other *ad hoc* working groups as they are established (such as the Quality and Financing Task Force whose work informed the COU submission to the Rae Review). The portfolio provides staff support for the participation of the President and the Vice-President in these forums.

- In addition, the University participates in a number of COU-affiliated groups. Vice-President Tuohy is a member of the Board of Directors of the **Office of Partnerships for Advanced Skills (OPAS)**, a COU-affiliated university-business liaison organization: As part of its participation in OPAS, the University hosted the 8th annual OPAS Visionary Award ceremony on November 8, 2004, honouring and featuring an address by Pamela Wallin, Canadian Consul General to New York City, and broadcast live to over 35 universities in Canada and webcast simultaneously.
- The University participates in OPAS Business Leaders Forums, including a breakfast featuring the Honourable Bob Rae on February 22, 2005.

Other Vice-Presidents participate in COU affiliates relevant to their respective portfolios:

- **Ontario Council of Vice-Presidents Academic (OCAV)** – Vice-President and Provost
- **Council on University Planning and Analysis (CUPA)** – Vice-Provost, Planning and Budget
- **Ontario Council on University Research (OCUR)** – Vice-President, Research and Associate Provost
- **Council of Senior Administrative Officers (CSAO)** – Vice-President, Business Affairs

University of Toronto deans also participate in COU-affiliated decanal councils relevant to their academic divisions, and the Dean of Graduate Studies is a member of the **Ontario Council on Graduate Studies (OCGS)**. These activities are managed and supported at the divisional level.

Association of Universities and Colleges of Canada (AUCC), and Association of American Universities (AAU):

The VP-GIR maintains contact on government relations matters with the leadership of the AUCC, the overall interest association for universities at the federal level in Canada, and the AAU, the association of the 60 major research universities in the United States and Canada, of which the University of Toronto is one of two Canadian members. Primary management of the relationship with these two associations rests with the President's Office; and both the Vice-President and Provost and the Vice-President, Research and Associate Provost participate in relevant groups affiliated with each association.

Toronto City Summit Alliance:

The University of Toronto participates in the Toronto City Summit Alliance, comprising civic leaders from the private, labour, voluntary and public sectors in the Toronto region, formed as a result of the Toronto City Summit held in June 2002. The University is particularly active in two of the initiatives of the Toronto City Summit:

- The Vice-President, Research and Associate Provost participates in the **Toronto Region Research Alliance**

- The Vice-President, Human Resources and Equity participates in the **Toronto Region Immigrant Employment Council**

ISSUES CROSSING GOVERNMENT BOUNDARIES

Some issues of importance to the University involve dealings with more than one level of government. In the period covered by this report, the most notable such issue was the project to redevelop the Varsity Stadium Complex on the St. George campus.

The Varsity Project

For at least two decades, the University had sought to replace the deteriorating Varsity Stadium with an athletic facility more suited to the size and needs of today's student population on the St. George campus. In the fall of 2003, an opportunity arose to enter into a collaborative venture for the development of a shared facility on this site, first with Maple Leaf Sports and Entertainment and the Toronto Argonaut Football Club, and then with the Argos and the Canadian Soccer Association.

This initiative was led by the Vice-President and Chief Advancement Officer and the President, with support from the VP-GIR. It involved funding from the federal and provincial governments as well as approvals from the City of Toronto and relations with local residents through the Community Liaison Committee, and therefore involved extensive consultations and discussions at each of these levels.

Although the initiative did not proceed to fruition, the University continues with planning for an athletic facility on the site.

DIVISIONAL PRIORITIES

The VP-GIR also leads and supports advocacy to advance priorities of academic divisions. In the past year some examples of the activities of the portfolio in this respect are:

- **Faculty of Dentistry:** Two inter-related issues regarding dental education were of high priority in our relations with the provincial government:

Joint program in *Dental Hygiene* with George Brown College, leading both to a Bachelor of Dental Hygiene (BDH) and a Diploma in Dental Hygiene, approved by the University of Toronto Governing Council in November 2003, and submitted for funding approval from the Ministry of Training, Colleges and Universities. The University has not yet been able to reach agreement with the Ministry on the financial terms for this program.

Funding for Dental Education: The programs offered by the Faculty of Dentistry are the most costly in the University of Toronto. Current government funding for dental education, even when supplemented by tuition fees, is not sufficient to meet these costs; and the Faculty and the University face a real crisis of sustainability in this key area. This matter has been brought forward by the President and the VP-GIR in discussions with the Minister of Training, Colleges and Universities and with the Rae Review. The Rae Report recommended \$100 million in additional funding for the postsecondary system to recognize the increased cost of clinical education. We will continue to pursue this issue as a matter of priority through the Ministries of Training, Colleges and Universities and of Health and Long Term Care.

- **Faculties of Medicine and Nursing – Centre for Health Improvement and System Performance:**

The University has purchased and is renovating the former Toronto Board of Education at 155 College to house together the Faculty of Nursing and the Faculty of Medicine's Departments of Public Health Sciences, of Health Policy, Management and Evaluation, and of Family and Community Medicine. This co-location offer extraordinary potential for interprofessional education and research in the areas of primary care, public health, patient safety, health human resources and evaluation and measurement. The University is seeking the provincial government's assistance with the capital costs of this new facility, located in the developing health science

corridor along College Street around the intersection with the hospital corridor along University Avenue.

ORGANIZING THE PORTFOLIO

As noted in the introduction, a key priority for the portfolio in the past year was the establishment of a strong and continuing structure of professional staff support for government relations at the central level of the University.

An important step in this regard was the establishment of the position of **Director of Government Liaison**: This position is based in the VP-GIR portfolio and shared with the Vice-President, Research and Associate Provost. The Director of Government Liaison maintains on-going relationships with key political and bureaucratic staff at federal, provincial and municipal levels and provides professional support and advice to the President, the VP-GIR, the Vice-President, Research and Associate Provost, other members of the central administration and divisional leaders to advance the University's priorities in its dealings with government. We were very fortunate to recruit into this position Ms. Elizabeth Finney, who comes to the University with nine years experience as a political and policy advisor at the federal level, most recently in the office of then Foreign Affairs Minister Bill Graham.

The portfolio was also strengthened with the establishment of the continuing position of **Policy and Research Officer**, to provide monitoring and analysis of developments relevant to the activities of the portfolio and to support COU-related activities. This position was ably filled by Mr. Ari Linds, who is fluent in French as well as English and who has had considerable experience with the portfolio and in policy-related positions in government and industry.

The VP-GIR and staff in the portfolio have a close working relationship with staff in **Public Affairs** and continue to explore ways in which this relationship can be further developed and enhanced.

The portfolio relies heavily on the work of the **Office of the Vice-Provost, Planning and Budget** for institutional analysis and other analytical work in support of the University's government relations and advocacy. The excellent working relationship with the Vice-Provost and his staff has been further strengthened in the course of engaging with the Rae Review.

THE YEAR AHEAD

Priorities in the coming year will be to:

- Ensure that the University's priorities are advanced in the implementation of provincial policies toward postsecondary education in the wake of the Rae Review.
- Work toward the establishment of a favourable provincial framework for university-based research in Ontario as the Government of Ontario moves forward with the establishment of the Ontario Research Fund and considers the recommendation for the establishment of an Ontario Research Council.
- Secure fuller support for postsecondary education, and particularly for graduate education, from the Government of Canada.
- Maintain the strong momentum of support for research, research infrastructure and personnel support, and the indirect costs of research from the Government of Canada
- Continue to build a broadly-based set of institutional relationships between the University and the City of Toronto
- Continue to develop a strong structure of professional support for government relations at the University

Appendix 1

Remarks by Frank Iacobucci
to the
Standing Committee on Finance and Economic Affairs
Pre-Budget Hearings

Main Legislative Building
Queen's Park, Toronto

January 19, 2005

Mr. Chair (Hoy), Mr. Vice-Chair (Wilkinson), Members of The Standing Committee on Finance and Economic Affairs: I am most pleased and honoured to be able to participate in the Committee's 2005 Pre-Budget Consultations today on behalf of the University of Toronto. I am joined by Carolyn Tuohy, Vice-President, Government and Institutional Relations.

These are momentous times for Higher Education in the Province of Ontario. In just a few short weeks, the Honourable Bob Rae is expected to publicly release his recommendations for shaping the future of postsecondary education in this province.

We recognize the fiscal constraints facing this province, and we recognize that this government must address competing demands for scarce resources. But, members of the Committee, we must not be so bound by these constraints that we bind the future too. If we fail to make investments in universities now, we will be weaker as a province in the future, and less able to maintain and improve our health care, education, communities and environment. There is simply no better investment than higher education. For this very reason, some (such as Bob Rae) have said that "education is *the* most important social policy."

It is therefore our profound hope that his recommendations will make a difference, and to this end we urge you as members of this Committee to take account of the need for reform of postsecondary as you consider the fiscal and economic policies of the Province.

Like Mr. Rae, we believe that our system of postsecondary education is in "serious jeopardy." The University of Toronto's Submission to the Rae Review—The Choice for a Generation: Investing in Higher Education and Ontario's Future (copies of which have been made available to members of the Committee)—is premised on the belief that postsecondary education in Ontario is at the tipping point. What we choose to do now as a province will affect generations to come. We will shortchange a new generation and jeopardize the future that depends on its leadership, unless we address the pressing issues facing this sector.

I know that you are hearing this message from my fellow university presidents and from the Council of Ontario Universities. Let me reinforce for you that what they are describing is real – they are not crying wolf. I can tell you this from the perspective of one who has returned to the University after a twenty-year absence. The difference is striking.

First, the student body itself is dramatically different. To look out at one of our orientation sessions for new students, or one of our graduation ceremonies, is to look at the face of the new Canada. At UofT, 40 percent of our undergraduate students were born outside Canada, and about one-third are the first members of their families to attend university. This is the new generation.

The second difference I see is not a happy one. This new generation is not receiving the quality of education that those who attended twenty, thirty and forty years ago received. Class sizes are larger; first-year students have less opportunity for small seminar courses and upper-year students have less chance to work with professors on individual research projects. Buildings are deteriorating, and classrooms and labs are becoming outmoded. We are indeed at risk of short-changing a generation.

Underfunding our universities has diminished Ontario's competitiveness within Canada and globally. Universities cultivate the ideas and leaders that drive our economy and sustain our society. They educate doctors, nurses, teachers and administrators that are crucial to Ontario's health care and education systems. At the University of Toronto, more health care professionals graduate each year from degree programs than anywhere else in Canada. Our graduates also replenish the ranks of the professoriate in this country: 1 in 6 professors in anglophone universities in Canada has a UofT degree.

So what must be done? For the remainder of my time today, I would like to focus on four issues—funding for Ontario's universities, student financial assistance, graduate education, university-based research—with particular reference to some of the solutions recommended by recent experience at Canada's largest university. Following which Vice-President Tuohy and I would be pleased to answer your questions.

With regard to funding: At last count, the University of Toronto's current enrolment stood at approximately 67,000—an astounding increase from our 54,000 enrolled students in 1992-93. The University's massive growth and the increasing diversity of its student body has occurred at a time when UofT's operating grant and tuition revenue per full-time student has declined by 14% in real terms over the same period. Only through careful planning and sacrifice have we—as have all of Ontario's public universities over the same period—avoided disaster.

Members of the Committee, funding for the university sector in this province has been on a downward track for the last decade, leaving Ontario last among the provinces in terms of public funding to universities. This steady decline has had its price: as funding decreases, so too does quality.

We must act to reverse this decline. A start would be to strategically reinvest in higher education through multi-year funding and accountability agreements to bring public funding for universities in Ontario to at least the national average, as strongly advocated in the COU brief. At UofT, this would mean a \$180 million increase in our operating grant. In addition, there must be funding to address the deferred maintenance costs, currently \$315 million at the UofT, as well as to allow us to maintain our buildings so that another backlog does not develop in future.

The second issue I would like to raise for the Committee today is student financial assistance. Tuition fees are not the problem. It is only fair that students pay a portion of

the costs of their education: otherwise, those who do not go to university must fully subsidize those who do go. And evidence from across Canada and around the world shows that tuition fees do not deter access *when they are accompanied by excellent programs of student aid*. But in Ontario, student aid is the problem.

Like Mr. Rae, the University of Toronto believes that our system of student financial aid is “broken.” The Ontario Student Assistance Program (OSAP), and other government student assistance programs do not take the full costs of obtaining a postsecondary education into account, do not provide a sufficient response to student debt, leave out middle-income students, and are unnecessarily complex. And because many university-based programs of need-based student aid build upon the OSAP platform (as does ours at UofT) it is doubly important that that platform be reformed. We can make better use of existing resources, as well as increased investments, if government and university programs are better integrated.

At the University of Toronto, our Policy on Student Financial Support, and our Tuition Fee Policy, work hand-in-hand to ensure that no student offered admission to a program will be unable to enter or complete their program due to lack of financial means. Upon entry our students receive a fee level commitment – each student knows that his or her tuition will not go up by more than a specified amount (until the freeze, it was by no more than 5%) in each year of their program. In addition, the University is required to report annually to its Governing Council on student accessibility. We have demonstrated that we can be both responsive and responsible in setting tuition and providing the necessary aid. For these reasons, we believe the provincial government should endorse institutional self-regulation of tuition fees within a framework that holds institutions accountable for ensuring accessibility for all students.

The third issue I would like to raise for the Committee today is graduate education. Unlike ever before, a university education has become a prerequisite for access to Canada’s knowledge economy. But while Ontario’s participation rates in undergraduate university education have increased steadily over time, making these rates comparable with other jurisdictions, our participation rates in graduate university education have not. In comparison with our peer U.S. states, Ontario confers less than half the number of master’s degrees and only three quarters of the PhD degrees. This continuing lag reduces Ontario’s ability to compete internationally – affecting not only our universities but our overall economy.

In order to remain competitive, Ontario’s shortfalls in graduate education must be addressed and the current cap on graduate enrolment must be lifted. With increased funding for graduate enrolment, the University of Toronto would increase our master’s enrolment by 50% and our PhD-level enrolment by about 30%. This investment would enable Ontario to accommodate the demand that will stem from the double cohort, respond to the need for highly qualified personnel and become an international centre for graduate education of the highest quality.

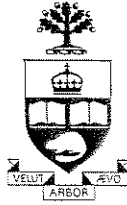
This brings me to my fourth and final point. High-quality graduate education can be provided only with a strong base in research. The one area in which a positive momentum has been built over the past few years, through federal as well as provincial government funding, is in the support of university-based research. This momentum must be maintained. The jurisdictions with which we compete are not standing still. We must not slide back; rather, we must move vigorously forward.

At the University of Toronto, between 10-15% of faculty positions are funded through research-based personnel awards. Occasionally, these are derived directly from grants, but generally such awards are generated through Council programs such as the CIHR Investigator Awards, or through the Canada Research Chair program. Why am I telling you about federal funding? These faculty make substantial contributions to our undergraduate and graduate teaching programs in addition to conducting valuable research. Our ability, at the University of Toronto, to fund faculty through these means has offset some of the shortfall in funding from the operating grant. Indeed, without research faculty I sense that we might already have fallen off the precipice I described earlier.

In Ontario, our ability to recruit rising stars from outside the province or country depends upon our ability to provide infrastructure support and start-up awards. In part these monies are derived from federal programs, dependent on an appropriate level of matching money from provincial/university sources. It is in this light that we ask you to ensure that the funds available through the new Ontario Research Fund are equal to if not greater than the sum of the current programs. We also urge your Committee to support funding of the indirect costs of provincially-funded research to the level of 40%.

Members of the Committee, let me conclude. I am not being overly dramatic when I say that the future of this province depends on how we address the issues that I, together with my fellow university presidents, am placing before you. In higher education, a foundation that is crumbling must be restored and built upon. It is the best investment we can make, and it is the only responsible course.

I wish you well in your remaining consultations, and I look forward to any questions you may have. Thank you for your attention.



University of Toronto

The Honourable Frank Jacobucci
Interim President

December 21, 2004

The Honourable Ralph Goodale, P.C., M.P.
Minister of Finance
Finance Canada
140 O'Connor, East Tower, 21st Floor
Ottawa, Ontario
K1A 0G5

Dear Minister:

I write to you with pleasure from the perspective of one of Canada's significant national institutions, the University of Toronto, during this time of pre-budget considerations.

As Canada's largest research and teaching university, our mission is fully aligned with the key goals of the federal government, as highlighted in the Speech from the Throne: building a strong economy; fostering the health of Canadians and the development of our children; and ensuring our Aboriginal population shares in Canada's prosperity; exercising environmental stewardship; strengthening our cities; and ensuring Canada's role in the world as one of pride and influence. It is from this perspective that we approach the choices to be made by the government in developing the 2005 Budget.

The University of Toronto is a national resource and a Canadian presence on the world stage. Our research and scholarship have a national and international impact. Our graduate students are drawn from across Canada and around the world. In undergraduate and professional education, we seek to provide an educational opportunity in Canada that ranks with the best in the world.

As a university, we have a major stake in Canada's success; and we believe our success is, in turn, key to the strength of the country. We account for over 15 percent of funding from the national granting councils. We are a major provider of highly qualified personnel: one in six professors at Canadian universities holds at least one degree from the University of Toronto. Our academic health science centre, including our nine affiliated teaching hospitals, is one of the five largest in North America as measured by numbers of faculty and the scope of the research enterprise. We account for over 15% of PhD enrolment in Canada. Overall, we rank second only to Harvard in numbers of scientific research publications (1998-2002). Our library ranks fourth among major North American research libraries, behind Harvard, Yale and Berkeley. Scholars

from across the province are able to access our library holdings twenty-four hours a day, seven days a week. We participate in 19 of the 21 federal Networks of Centres of Excellence, and all four programs of the provincial Networks here in Ontario.

We recognize that governments must live within their means and make choices that will realize the best value from their investments. As the Throne Speech emphasized, Canada's future lies in a robust, competitive and innovative economy, growing and thriving in a knowledge-based, technology driven and highly skilled world and rooted in fiscal policy that is prudent and disciplined. For this reason, I want to underscore the need for making choices not only across sectors but *within* them – in particular, ensuring that the dollars spent in postsecondary education are spent on those priorities that have the greatest effect. In this regard, I would like to make the following points:

Funding through the three federal granting councils has increased substantially and government has committed to doubling that support by 2010. **This funding is the bedrock of university based research, contributing in essential and often completely unpredictable ways to the knowledge economy, and must not only be maintained but further enhanced.**

Funding for the indirect costs of research has been a great step in the expansion of university research capacity. Prior to this program, we were spending 40 cents from our educational budget for every dollar received from the federal granting councils in research funding, to cover overhead costs. Now, government has begun to provide support for these indirect costs, currently at the level of just over 18 percent at the University of Toronto. **We urge the government to move as quickly as possible to provide the full indirect as well as the direct costs of research.**

The Canada Foundation for Innovation has awarded a total of \$307 million to U of T and its affiliated teaching hospitals, with which we have been able to leverage a further \$307 million from the Ontario Innovation Trust. This, together with the Canada Research Chairs program has enabled us to recruit and retain the very best research minds in Canada and beyond. These are leading scholars attracted to Canada from other countries (many are re-patriated Canadians), the best young graduates of Canadian PhD programs, or our best researchers retained at U of T. **For the quality of our universities to be maintained and the economic benefits to Canada realized, these programs must be continued and the operating costs they have created be addressed.**

The key area of underinvestment in postsecondary education in Canada, relative to international competitors, is in graduate education. This is where federal investments can have the greatest impact. The Canada Graduate Scholarships have made significant gains in universities' ability to attract and retain the best graduate students in Canada. But as an influential international research player Canada also needs to attract and support the best international graduate students and post-doctoral fellows. **I encourage you to review the current programs of support for graduate students and explore new programs to assist post-doctoral fellows, both domestic and international, in recognition of the national importance of graduate education.**

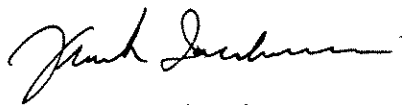
We need to ensure that universities have the operating capacity to ensure the best education possible. It is not enough to support students at levels that compare with the best universities internationally unless those students can receive a quality of education that ranks with the best anywhere. The current reviews of postsecondary education in Ontario and several other provinces may provide the opportunity of a generation to **renew the relationships between the provincial and federal governments** in this area which is so crucial to Canada's prosperity. We are eager to work with the governments of Canada and Ontario to develop the mechanisms necessary to this renewal.

Our researchers need the infrastructure support necessary to be able to participate in major international research projects (such as the Large Optical Telescope). **If Canada is to be an influential presence in international research communities, the federal government should demonstrate its commitment to big science and international collaborations.**

The programs established by the Government of Canada in the past eight years, together with the appointment of the National Science Advisor, form a solid foundation for research and are mutually reinforcing. Building upon the success of these programs and developing broader coherence to move forward to the next level is critical. The nations with whom we deal internationally are not standing still.

I apologize for going on at some length, but I must say that in returning to the University, the most impressive and important change I have seen has been the tremendous support and momentum that have been established for the research mission of our universities. In this respect, the University of Toronto looks forward to continuing to work with your government to find the most effective ways for the federal government, within the federal-provincial context, to invest in Canadian universities.

Sincerely,



Frank Jacobucci

cc Massimo Pacetti, MP – Chair, Standing Committee on Finance

FI/lf