



# University of Toronto

OFFICE OF THE VICE-PRESIDENT, BUSINESS AFFAIRS - FINANCE

**REVISED**

TO: Business Board

SPONSOR: Sheila Brown, Chief Financial Officer

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DATE: January 31, 2008 for February 4, 2008

AGENDA ITEM: 9

## **ITEM IDENTIFICATION:**

### **Government Support for Capital Needs of Graduate Expansion**

## **JURISDICTIONAL INFORMATION:**

The Business Board approves the financing of capital projects.

## **PREVIOUS ACTION TAKEN:**

The Government support for graduate expansion was noted in the Framework for Graduate Expansion approved by the Governing Council on December 14, 2006.

## **HIGHLIGHTS:**

The Ministry of Training Colleges and Universities announced in 2006 the allocation of capital funding to support the expansion of graduate education. Starting in 2007-08, funds are being provided in the form of annual payments calculated on the basis of a notional capital amortized over 20 years using a 6.5% interest rate. The funding is being determined annually based on the graduate FTE growth over its 2002-03 enrolment baseline. The University intends to use this notional capital as part of its overall capital plan to support projects critical to our graduate expansion.

The Provost will recommend the allocation of notional capital of \$78 million to capital projects and smaller renovations projects in support of graduate expansion over the next several years.

Individual capital projects over \$2 million supported by the allocation of the Graduate Expansion Funding will continue to be reviewed and approved by the Business Board as part of its regular approval process, and renovations projects supported by the allocation of Graduate Expansion Funding will also continue to be reviewed and approved by AFD. \$25 million in projects have already been approved. The remaining notional capital of \$53 million will be allocated over the next several years, and will be reflected in allocated borrowing in the years indicated:

\$16.0 million to be allocated in 2007-08,  
\$31.4 million to be allocated in 2008-09,  
\$ 5.6 million to be allocated in 2009-10.  
\$53.0 million

**FINANCIAL AND/OR PLANNING IMPLICATIONS:**

**RECOMMENDATION:**

Be it Resolved

THAT the Vice-President, Business Affairs be authorized to borrowing from either internal or external sources to fund graduate expansion capital projects and renovation projects in the year indicated below:

\$16.0 million 2007-08,  
\$31.4 million 2008-09,  
\$ 5.6 million 2009-10.  
\$53.0 million