

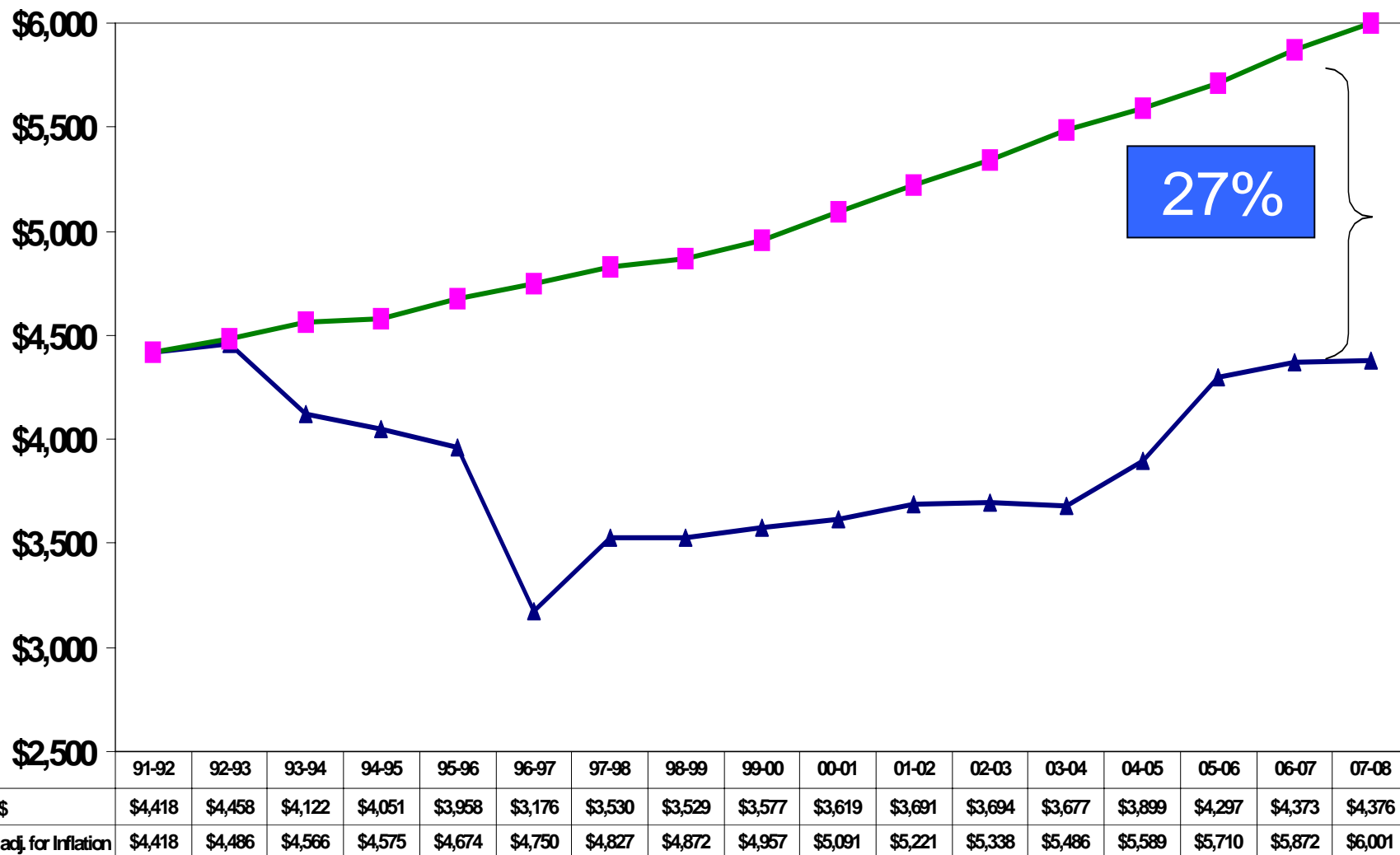
- Appendix “A” to the Minutes of the Governing Council Meeting of April 16, 2009

2009-10 Tuition Fees and Budget Report

**Governing Council
16 April, 2009**

Funding Per BIU

Government Operating Funding per BIU Adjusted For Inflation



Cost Increases — Compensation

	\$M
USW	8.9
CUPE (TAs)	1.3
Other unions	2.3
Total	12.5

Cost Increases — Compensation

		\$M
Senior Administration	0%	0
Faculty, ATB	1%	4.2
Faculty, ATB	3%	12.6
Faculty, PTR (merit)		8.4
Total		0 – 21.0



Cost Increases — Compensation

PM/Confidential		\$M
ATB	1%	0.8
ATB	3%	2.8
Merit		1.8
Total		0 – 4.6

Other Cost Increases

	\$M
Utilities	3.6
Other non-discretionary	5.2
Graduate student funding	5.3
Endowment pay-out replacement	46.0

Cost Increases

- Unavoidable increases in expenditures:

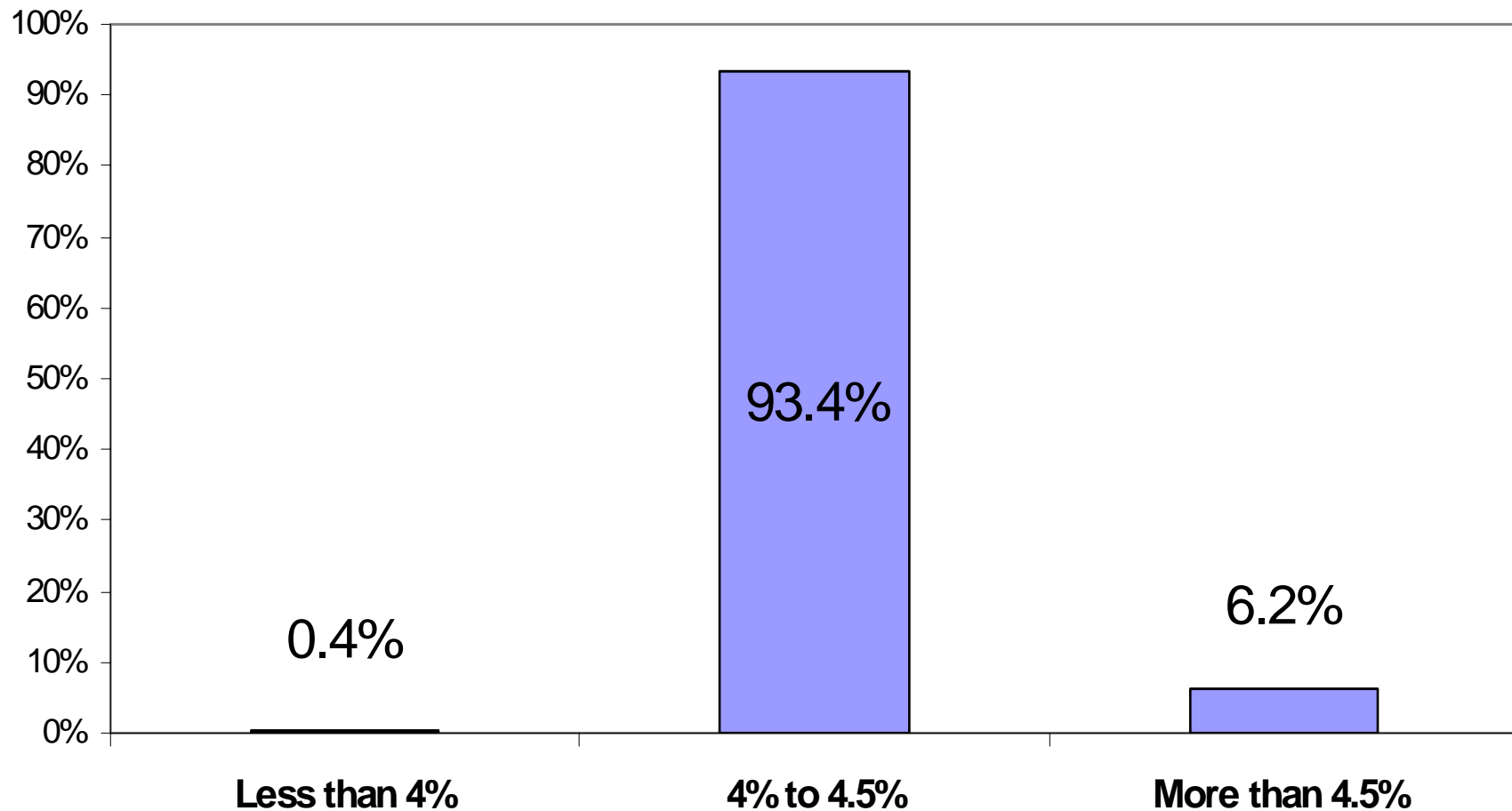
\$75M – \$100M

Proposed Tuition Increase: 2009-10

- Average domestic increase 4.31%
- Average international increase 5.9%
- Consistent with U of T policy
- Consistent with Government's Framework

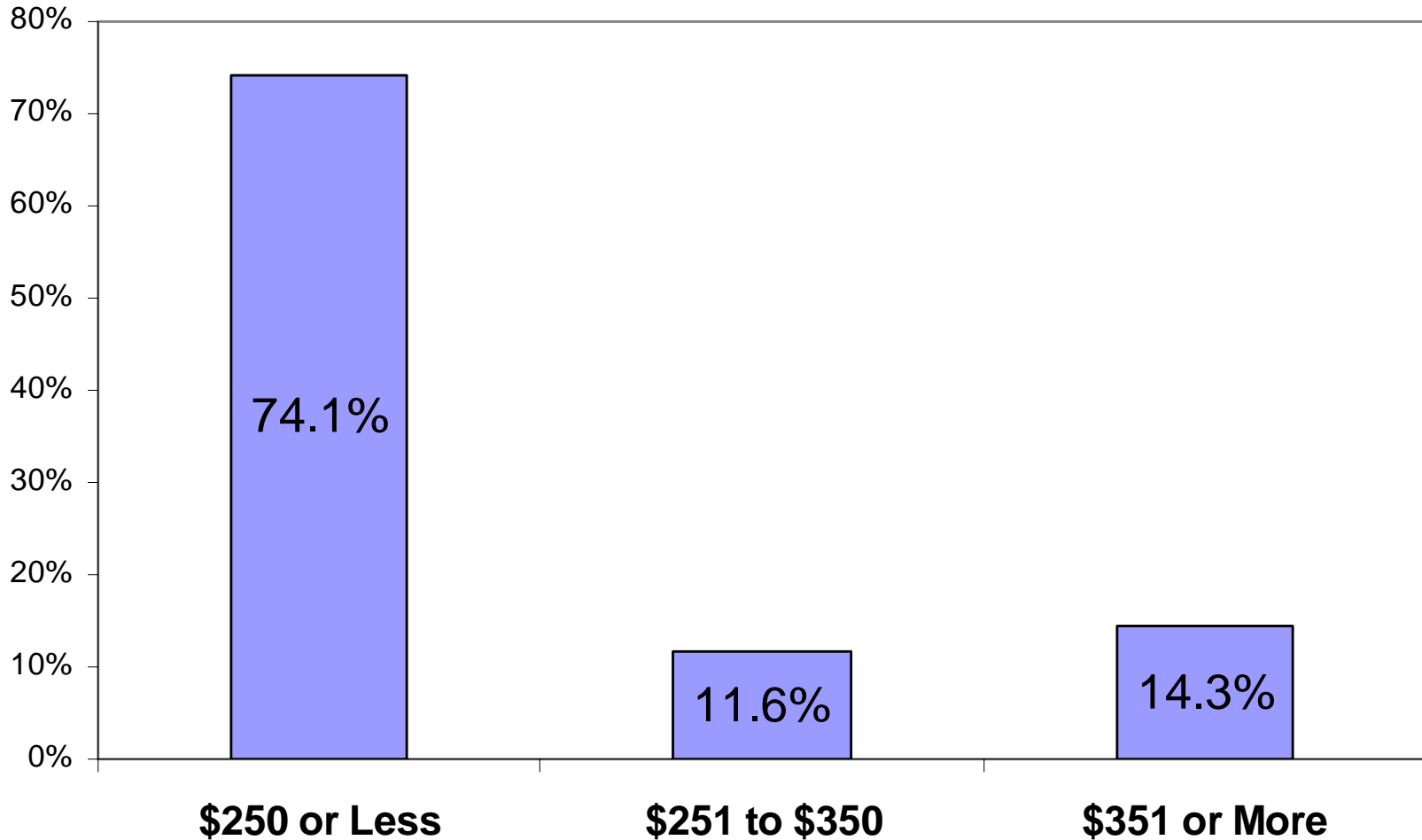
2009-10 Distribution of Percentage Increases in Tuition

■ % of Domestic Students



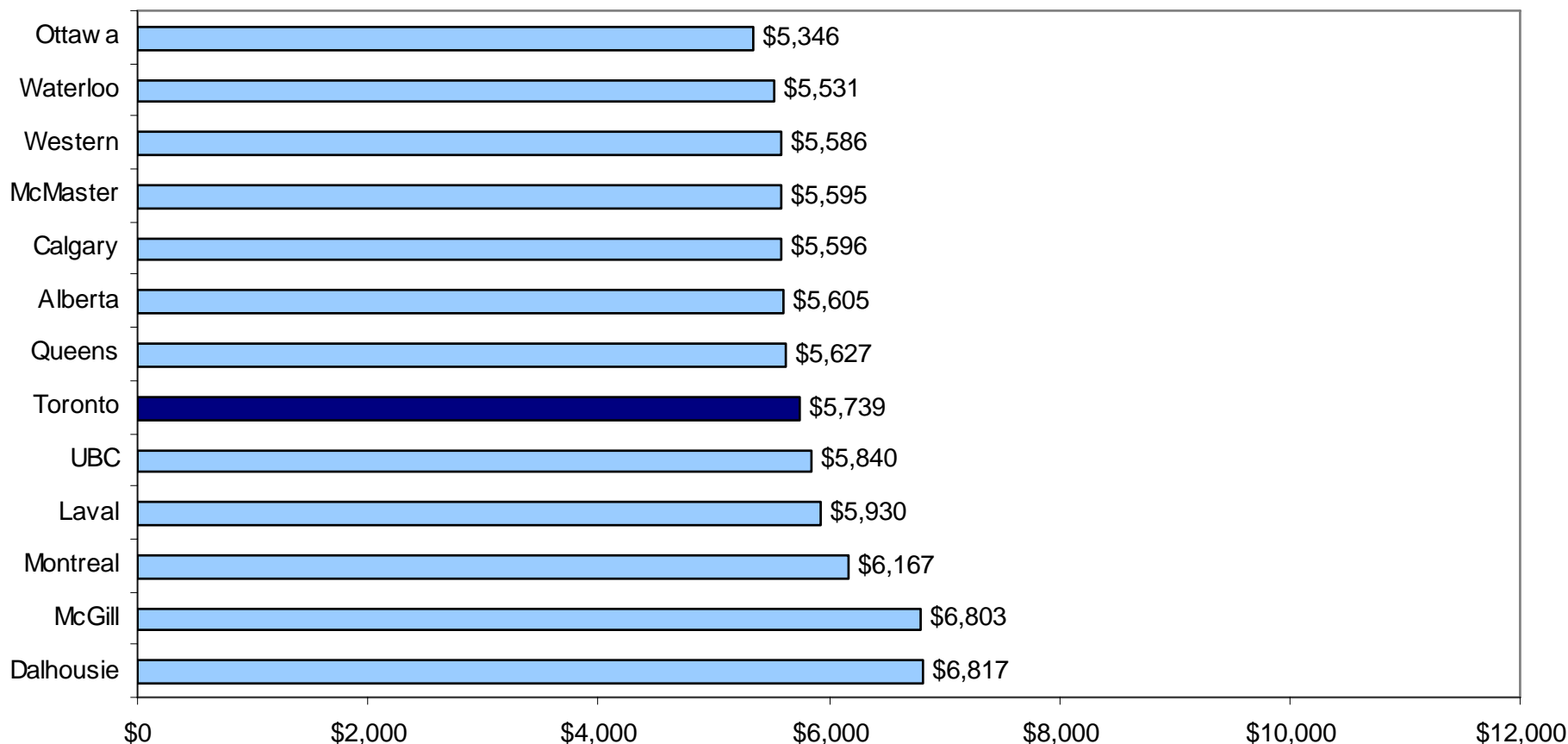
2009-10 Distribution of Dollar Increases in Tuition

■ % of Domestic Students



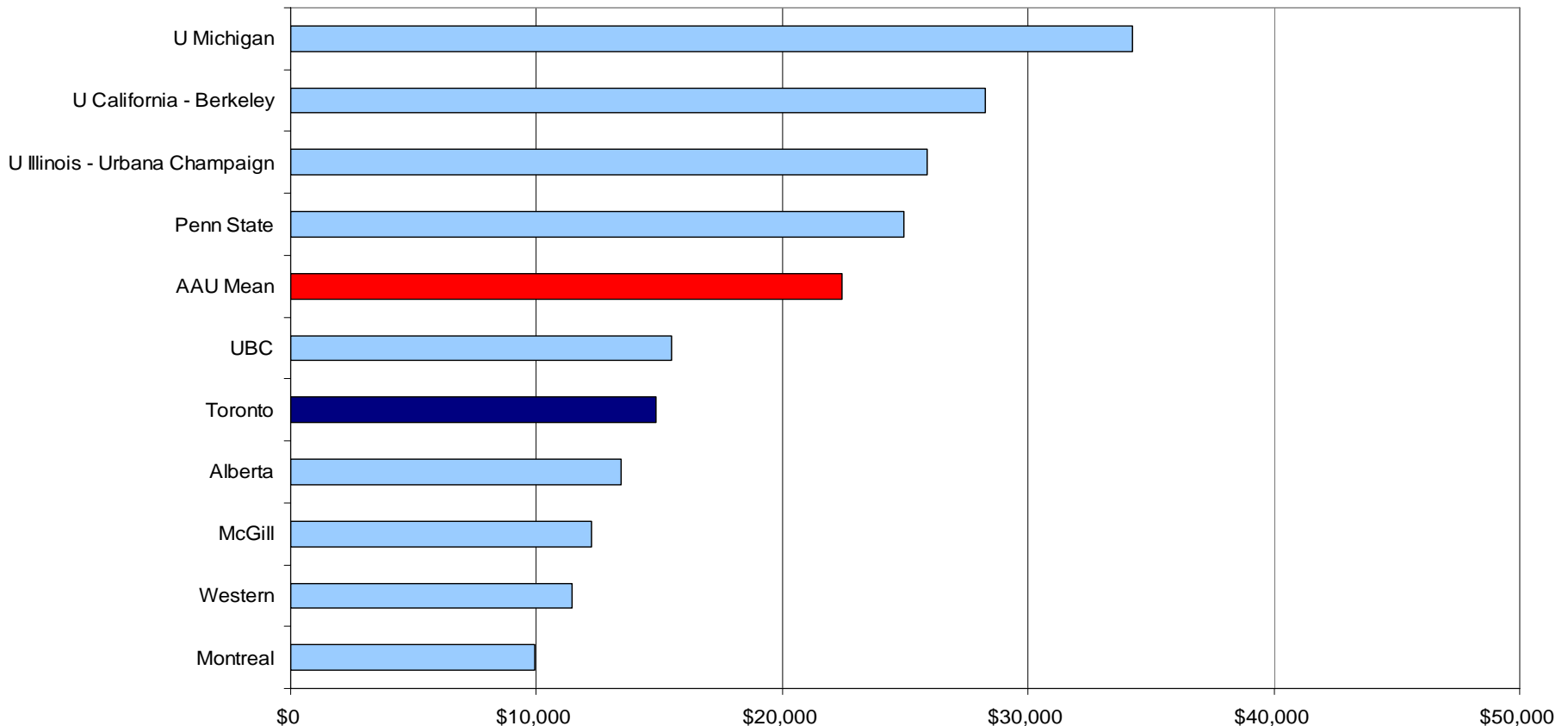
G13: A&S Tuition & Fees (Domestic)

G13 Domestic Tuition Fees 2008/09
Undergraduate Arts & Science



G13 and AAU: A & S Tuition Fees (Int'l)

**G13 and AAU Comparison: A&S Tuition Fees International (USD)
2008-09**



Note: Canadian Institution Fees are converted to USD using Purchasing Power Parity of 0.80.

Budget Impact

Price Increase	\$M
Domestic	17.6
International	7.5
Total Revenue	25.1

Student Aid & Accessibility



UNIVERSITY OF
TORONTO

UofT Policy and Guidelines

- 1998 Policy on Student Financial Support
 - “No student offered admission to a program at UofT should be unable to enter or complete the program due to lack of financial means”
- 2005 Statement of Commitment Regarding International Students

2007-08 Student Aid

■ U of T need-based aid	\$48.0M
■ Graduate student funding	\$185.0M
■ Intl. students, need-based	\$ 3.4M

OSAP Debt Load

First-entry programs	07-08
Graduated with no debt	55%
Average OSAP debt	\$19,400
% with debt > \$25,000	14%

Default Rates

	2008
University of Toronto	3.4%
Ontario universities	4.3%
Colleges of Arts and Technology	10.6%
Private Career Colleges	18.0%
Total postsecondary institutions	8.4%

Concluding Remarks: Tuition

- Tuition increases are necessary to maintain quality
- Accessibility is being maintained
- Proposed tuition is competitive with that of peer institutions

University of Toronto

2009-10 Budget Report

Governing Council Policy

- Last year GC policy was changed to allow long-range budget planning using a rolling-window
- University committed to a balanced budget each year, except in extraordinary circumstances
- Accumulated deficit to be repaid over a five-year period

2009-10 Budget Overview

- Per-student Government grants are flat
- Increase in tuition as proposed
- Offset by endowment and investment revenue loss in the next couple of years
- Extraordinary cost to meet endowment commitments
- A short-term deficit is necessary

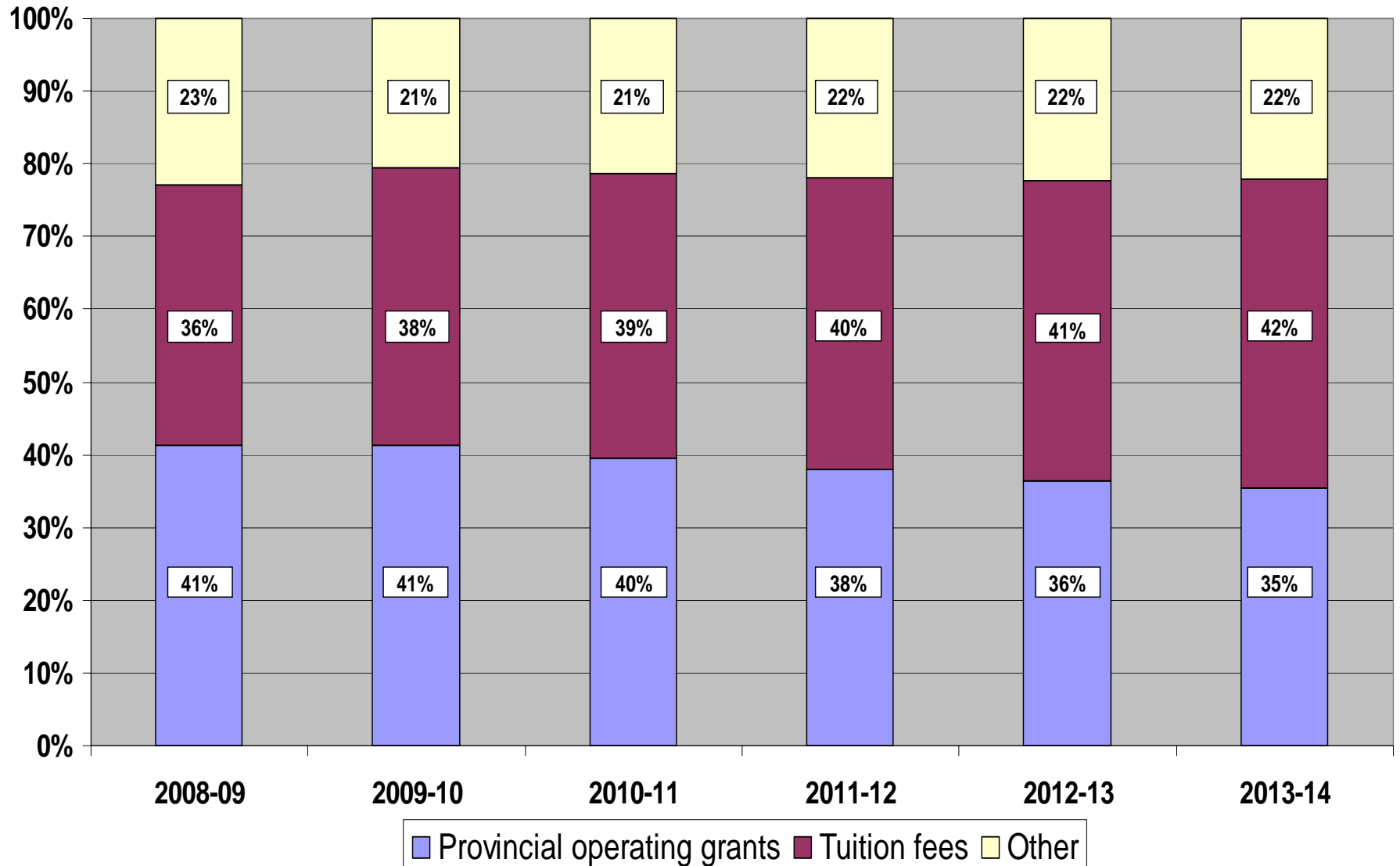
Endowment Revenue Loss

- Total endowment payout was slated to be \$62M in 2009
- Of this, \$46M flows through the operating budget to support chairs and student aid
- The remaining \$16M stays in restricted funds to support research and some departmental expenses

Increase in Revenue Relative to 2008-09

	2009-10	To 2013-14
Grants	11.0	13.4
Tuition	39.9	210.5
Other	(50.4)	15.1
Total revenue	0.5	239.0

Breakdown of Total Revenue



Expense

- There are two major components:
 - Shared services ~ \$ 310M
 - Academic divisions ~ \$ 850M
- Objective is to maximize funding for academic divisions to maintain quality of the student experience

Shared Services

- Budgets for shared services reviewed by the President's Budget Planning and Priorities Committee
- Review aims to ensure alignment between services, academic needs, budgets
- Only budget requests judged to be absolutely essential were approved

Student Aid

- University is committed to guarantee accessibility as per GC policy
- Higher demand anticipated next year for needs-based aid

Student Aid: 2009-10

	\$M
08-09 student aid budget	90
Re-directed from other sources	5.0
Est. reduction in expenditures from 09-10 operating budget	(5.0)
2009-10 student aid funds available	90

Academic Divisions

	2009-10	To 2013-14
Net revenue to academic divisions	6.2	183
Estimated divisional costs	(61.0)	(288)
Expense containment required	(54.8)	(105)



Deficit Financing

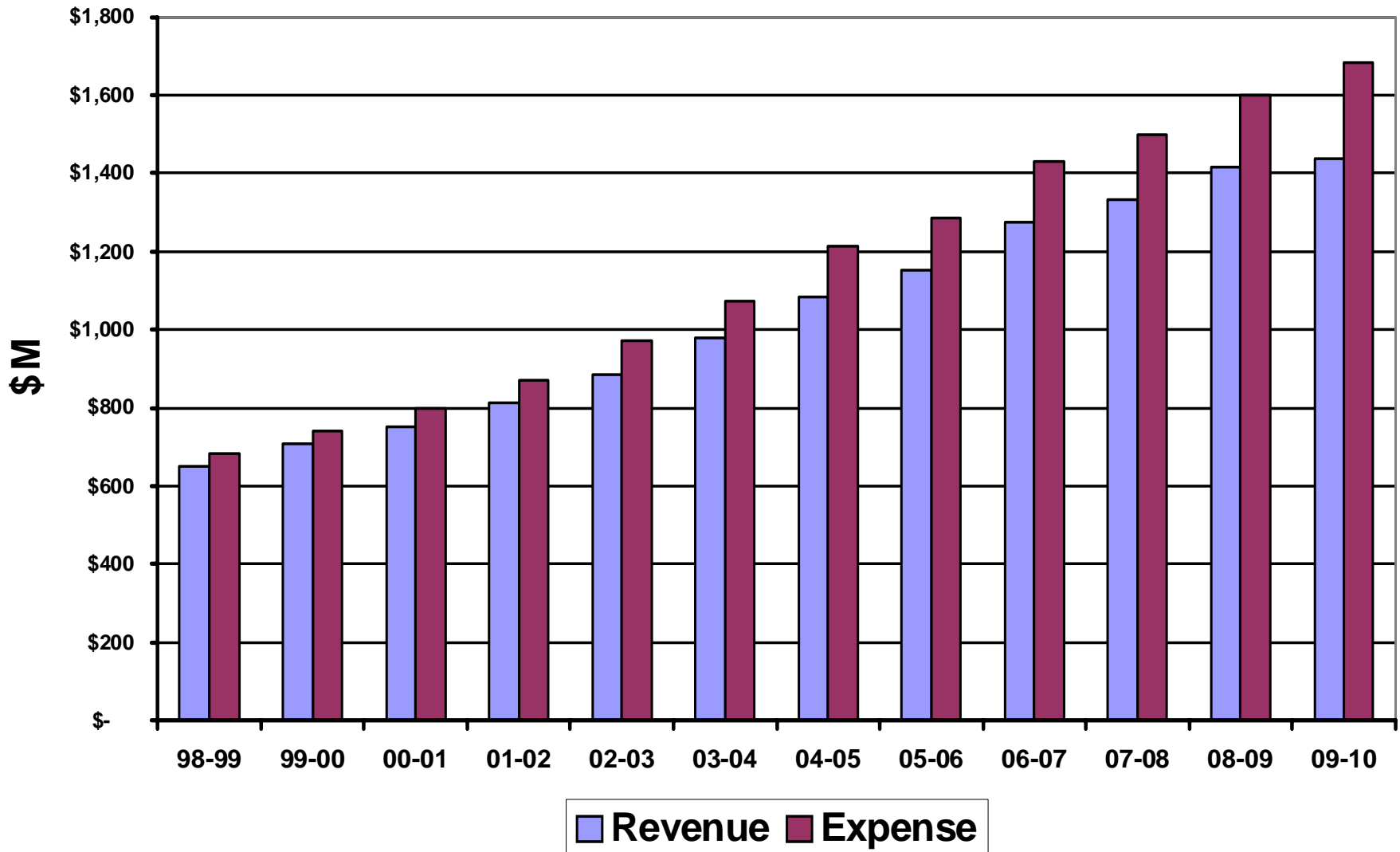
	2009-10	To 2013-14
Expense containment required	(54.8)	(105)
Deficit financing	45.0	9
Remaining expense containment required	(9.8)	(96)

Distribution of Deficit

- A division may request approval for deficit financing from the Provost to assist in managing endowment and investment losses
- Repayment will be in equal installments over five years

Impact and Mitigation

Revenue vs. Expense, if no cost containment



Response to Endowment Shortfall & Budget Pressures

- Redirection of carry-forward funds
- Increased contribution from research grants to graduate student support
- Short-term adjustments to enrolment targets
- Travel reduced

Response to Endowment Shortfall & Budget Pressures

- Faculty searches cancelled
- Staff positions left unfilled
- Increased summer teaching

Service Divisions

- Re-lamping and chiller replacement estimated to have reduced consumption by 16 GWh, saving \$1.6M annually
- Review of printing costs is underway
- Resources Committee
- CIO position — integrated approach to IT

Concluding remarks

- The University continues to suffer the lack of adequate government funding
- The added pressure of endowment loss necessitated deficit financing
- Many innovative approaches to revenue generation and expense reduction
- We are seeking new ways to reduce expenses through restructuring