

THE GOVERNING COUNCIL

REPORT NUMBER 172 OF THE ACADEMIC BOARD

March 17, 2011

To the Governing Council,
University of Toronto

Your Board reports that it held a meeting on Thursday, March 17, 2011 at 4:10 p.m. in the Council Chamber, Simcoe Hall at which the following were present:

Professor Louise Lemieux-Charles (In the Chair)
Professor David Naylor, President
Professor Cheryl Misak, Vice-President and Provost
Professor Scott Mabury, Vice-Provost, Academic Operations
Professor Cheryl Regehr, Vice-Provost Academic Programs
Professor Varouj Aivazian
Professor Derek Allen
Professor Catherine Amara
Mr. Hanif Bayat-Movahed
Professor Ronald Beiner
Ms Patricia Bellamy
Professor Phil Byer
Mr. Louis Charpentier
Professor Gerald Cupchik
Mr. Tyler Currie
Professor Christopher Damaren
Professor Karen Davis

Regrets:

Professor Cristina Amon
Professor Maydianne Andrade
Professor Jan Angus
Professor Dwayne Barber
Professor Jan Barnsley
Professor Sylvia Bashevkin
Mr. Justin Basinger
Professor Denise Belsham
Professor Katherine Berg
Ms Annie Claire Bergeron-Oliver
Professor Parth Bhatt
Ms Marilyn Booth
Professor Terry Carleton
Professor Sujit Choudhry
Professor Will Cluett
Professor David Cook
Professor Brian Corman
Professor Elizabeth Cowper

Mr. Ken Davy
Professor Charles Deber
Professor Joseph Desloges
Professor Miriam Diamond
Professor Meric Gertler
Professor Avrum Gotlieb
Ms Emily Holland
Mrs. Bonnie Horne
Ms Cathy Hughes
Professor Ira Jacobs
Ms Jemy Joseph
Professor Alison Keith
Professor Christina Kramer
Mr. Kent Kuran
Mr. Nykolaj Kuryluk
Professor Jim Lai
Ms Cecilia Livingston
Professor Michael Luke
Professor Heather MacNeil
Professor Henry Mann
Dr. Thomas Mathien
Professor Angelo Melino
Professor Alister Cumming
Professor Gabriele D'Eleuterio
Mr. Shaun Datt
Ms Caroline Di Giovanni
Professor Darryl Edwards
Professor Suzanne Erb
Mr. John A. Fraser
Professor Alan Galey
Professor Robert Gibbs
Professor Rick Halpern
Professor Ellen Hodnett
Ms Min Hee (Margaret) Kim
Dr. Chris Koenig-Woodyard
Dr. Nancy Kreiger
Mr. Rishi Maharaj
Professor Roger L. Martin
Professor Douglas McDougall
Professor Mark McGowan
Professor Don McLean
Professor Faye Mishna

Professor David Mock
Ms Carole Moore
Professor Amy Mullin
Professor Michelle Murphy
Professor Sioban Nelson
Mr. Jeff Peters
Ms Judith Poë
Mr. Shakir Rahim
Dr. Susan Rappolt
Professor Yves Roberge
Professor Andrea Sass-Kortsak
Ms Helen Slade
Professor Sandy Smith
Ms Lynn Snowden
Miss Maureen J. Somerville
Professor Richard Sommer
Professor Romin Tafarodi
Mr. Daniel Taranovsky
Dr. Shelly Weiss
Mr. Gregory West
Professor Charmaine Williams

Professor Matthew Mitchell
Mr. Liam Mitchell
Professor Mayo Moran
Professor Carol Moukheiber
Professor Linda Northrup
Professor Julia O'Sullivan
Professor Janet Paterson
Professor Ito Peng
Professor Ato Quayson
Professor Jeffrey Rosenthal
Professor Seamus Ross
Professor Lock Rowe
Miss Priatharsini Sivananthajothy
Dr. Roslyn Thomas-Long
Professor Njoki Wane
Professor Wendy Ward
Dr. Donald A. Wasylenki
Professor Catharine Whiteside
Mr. Dickson Yang

Non-voting Assessors:

Professor Angela Hildyard, Vice-President, Human Resources and Equity
Mr. David Palmer, Vice-President, Advancement

Ms Cathy Riggall, Vice-President, Business Affairs
Ms Sally Garner, Executive Director, Planning and Budget

Ms Elizabeth Sisam, Assistant Vice-President, Campus and Facilities Planning

Secretariat:

Ms Mae-Yu Tan

In Attendance:

Professor Peter Lewis, Associate Vice-President, Research
Mr. Adam Awad, President, University of Toronto Students' Union (UTSU)
Mr. Steve Bailey, Director, Office of Space Management
Ms Ko Clementson, Administrative Secretary, Office of the President
Mr. Jim Delaney, Director, Office of the Vice-Provost, Students

Mr. Neil Dobbs, Deputy Secretary of the Governing Council
Ms Sheree Drummond, Assistant Provost
Dr. Anthony Gray, Special Advisor to the President
Mr. Anwar Kazimi, Committee Secretary, Office of the Governing Council

Mr. Henry Mulhall, Assistant Secretary of the Governing Council
Ms Angela Regnier, Executive Director, University of Toronto Students' Union (UTSU)

In this report, items 5, 6, and 7 are recommended to the Governing Council for approval. The remaining items are reported for information.

Chair's Remarks

Professor Louise Lemieux-Charles stated that she was serving as Chair for the meeting, on behalf of Professor Ellen Hodnett, who was out of the country. She then welcomed members and guests to the meeting. At the suggestion of the Chair, members agreed to alter the order of the agenda in order to accommodate one of the presenters, Professor Scott Mabury, who had to teach a class until 5:00 p.m. Item 5, the 2011-12 Budget Report and the Long Range Budget Guidelines, was moved towards the end of the agenda, following Item 8, Items for Information.

Academic Board Election Results

The Chair announced that two additional teaching staff seats on the Board had been filled; each was for a three-year term beginning July 1, 2011. The list of members-elect is provided below.

- 1) Faculty of Applied Science and Engineering – Dr. Graeme Norval
- 2) University of Toronto Mississauga – Professor Emmanuel Nikiema

The Chair also stated that, as the result of a by-election for a Faculty of Medicine teaching staff seat, Dr. Shelly Weiss was a new member of the Board. Her term, which had begun immediately upon election, would end on June 30, 2013. The Chair welcomed the new and incoming members to the Board.

Chair's Remarks (cont'd)

2011-2012 Committee Selection for Continuing Members

The Chair noted that, recently, the Secretary had sent an email to all continuing Board members asking them to complete an online form to indicate on which committee they would like to serve next year. Members were asked to fill out the form by Friday, March 25, 2011, so that the Board's Striking Committee could consider member's requests when preparing recommendations for 2011-2012 committee membership.

1. Approval of Report Number 171 of the Meeting held on January 27, 2011

Report Number 171 of the meeting held on January 27, 2011 was approved.

2. Business Arising from the Report of the Previous Meeting

Item 12, Quarterly Report on Donations: August 1 - October 31, 2010

The Chair informed members that, following the previous meeting, where a few questions had been raised about the *Quarterly Report on Donations*, further information had been provided to a member by the Office of the Assistant Vice-President, Development. She added that Mr. David Palmer, the Vice-President, Advancement, would provide a report to the Board at its meeting of June 1, 2011.

3. Reports Number 169 (February 11, 2011) and Number 170 (March 8, 2011) of the Agenda Committee

Reports Number 169 and 170 of the Agenda Committee were received for information. The Chair said that the Agenda Committee would consider, at its meeting of April 15, 2011, the Semi-Annual Report on the Reviews of Academic Programs and Units, July – December, 2010. At that time, the Committee would determine whether or not there were any matters arising from the Report that should be brought to the Board's attention at its meeting of April 26th. The March 1, 2011 Report of the Committee on Academic Policy and Programs (AP&P), which would contain a summary of the Committee's discussion of the Semi-Annual Report, would also be provided to the Board for its April 26th meeting.

There were no questions.

4. Report of the Vice-President and Provost

Professor Misak indicated that she would confine her remarks to prefacing the Budget Report.

5. Budget Report, 2011-12 and Long Range Budget Guidelines

The Chair said that the 2011-12 Budget Report and Long Range Budget Guidelines had been considered by the Planning and Budget Committee (P&B) at its meeting on March 2nd. As well, on March 7th, the Business Board had considered the Budget and had concurred with the Academic Board's prospective recommendation. If recommended by the Academic Board, the proposal would be considered for approval by the Governing Council on April 7th.

5. Budget Report, 2011-12 and Long Range Budget Guidelines (cont'd)

Professor Misak gave an introduction to the Budget, stating that many universities worldwide were experiencing severe financial difficulties. The University was not immune to such challenges, and staff had been working very hard to ensure that the University's levels of excellence in teaching and research continued to grow. Revenues were projected to increase in 2011-2012, largely because of creative actions and decisions taken by divisional leaders to generate greater revenue. An expected increase in international enrolment would also provide more revenue for the University. However, there would be an accompanying expense, as the University put in place necessary support to enable the success of its international students. In 2011-2012, additional special payments would be made as part of the University's strategy to address the deficit in its pension plan. It would be important to demonstrate to the Province of Ontario that member contributions to the plan would also be increased; that would be a significant topic for discussion as the University entered into upcoming negotiations with a number of employee unions and associations. In summary, a balanced budget was being presented to the Board and would allow the University to continue to improve its delivery of undergraduate and graduate education and research activities.

Ms Sally Garner, Executive Director, Planning and Budget, and Professor Scott Mabury, Vice-Provost, Academic Operations, then provided an overview of the Budget Report. A copy of their Powerpoint slides is attached to this report as Appendix "D".

Following the presentation, Dr. Gotlieb said that Ms Garner and Professor Mabury had also given their thorough presentation to P&B at its previous meeting, and he thanked them for helping members to gain a greater understanding of the Budget. Dr. Gotlieb reported that the P&B had been advised of the importance of required measures to address the deficit in the defined pension benefit plans and had been informed that enhancements to the Noah Meltz Program for Part-Time Students had been proposed. During the P&B's discussion of the Budget Report, a member had sought clarification on the impact of the projected expansion of professional graduate programs. Professor Misak had explained that there was a high demand for such programs. While the University would continue to build on the strengths of its doctoral programs, it would also respond to emerging needs as necessary.

Among the matters that arose in questions and discussion at the Board meeting were the following.

Participation Rates

In response to a question as to whether or not the University collected data on the relationship between tuition fees and participation rates, Professor Misak confirmed that such information was gathered. The University's results mirrored that of the Higher Education Quality Council of Ontario (HEQCO)¹ and demonstrated that the University's participation rates had not been adversely affected by increased tuition fees; in fact, a rise in participation rates along with increased fees had been observed. Professor Naylor commented that a number of studies, including those conducted outside of Canada, had demonstrated such a relationship in past years. He cautioned that the data should not be interpreted to suggest that higher tuition would drive improved access. While tuition fees provided revenue to create capacity, it was not the sole driver. It was clear that the Province's very strong policy of student aid, provided through the Ontario Student Assistance Program (OSAP)

¹ HEQCO Issue Paper No. 6 - <http://www.heqco.ca/SiteCollectionDocuments/AtIssueTuitionENG.pdf>

5. Budget Report, 2011-12 and Long Range Budget Guidelines (cont'd)

Participation Rates (cont'd)

and bursary programs, assisted with access to higher education. However, a sensitive reallocation of resources would be desirable, preferably with an increase in the amount allocated for bursaries and a decrease in OSAP loans. In addition to such a reallocation, there was also a need for an increase in per-student grants provided by the Province. That need was even more apparent when comparing the amount of other provincial grants.

A member asked about the participation rate of students from middle-class families. Professor Misak replied that it was clear that middle-class families in Canada were finding themselves constrained financially. She noted that the University did not have access to data on participation rates for non-OSAP recipients and students were not asked to provide such information to the University. What was clear was that the University had a very high participation rate for lower-income students compared to other universities in Ontario.

University Fund

Noting that each academic division currently contributed 10% of its revenues to the University Fund, a member asked if consideration had been given to whether that amount might be altered in the future. Professor Misak said that a review of the budget model had been completed recently and no concerns or complaints about the appropriateness of the 10% contribution rate had been raised. However, that question was worthy of consideration during the next review of the budget model. Professor Misak added that divisions retained the majority of their share of revenue. Professor Naylor recalled that when the current budget model had been adopted in 2007-2008, a decision had been made not to undo historical decisions regarding the level of funding for academic priorities. Those decisions had served the University well, and the per-student grants and tuition levels were subject to regulation and not always correlated with the reasonable costs of programs. The 10% tax on new revenues was set in the first instance to sustain these original allocations or some divisions that had lower revenues would have no time to improve their net revenue position and would instead face immediate erosion of their real budgets. The central administration was closely attuned to the ongoing contributions of high-revenue earning divisions, and where possible, the Provost had been making allocations from the 10% pool back to these divisions. Thus, just as tuitions were better thought of as net fees rather than the original sticker price, this rebate meant that any analysis needed to consider the net tax rather than the 10% notional gross tax.

Revenue

Commenting that tuition fees represented the largest proportion of the total University revenue, a member asked why the University had not sought other sources of funding. Professor Misak agreed that other revenue sources were necessary and said that the University did seek alternate sources such as those measures being taken by the divisions, which she had described earlier in the meeting. Those initiatives provided approximately 2% of the total revenue, as did the endowment. Through the upcoming campaign, it was hoped that the amount contributed to the operating budget by the endowment would be increased. Professor Naylor added that one of the fundraising strategies that the Vice-President, Advancement, had advocated was a greater focus on annual giving, which could result in more immediate funds for the University.

5. Budget Report, 2011-12 and Long Range Budget Guidelines (cont'd)

Revenue (cont'd)

With the permission of the Chair, a guest addressed the Board. He remarked that, given the likelihood of an upcoming provincial election, it would be an appropriate time for the administration to join the University student groups in lobbying the Province for increased per-student grants and lower tuition fees. Professor Misak expressed a willingness to lobby together for the former, but not the latter, given the existing challenges for the University's operating budget.

Expenses

Professor Naylor remarked that, while efforts would be made to contain compensation costs, it was necessary for the University to offer market rates in order to retain globally competitive faculty and staff. As well, with increased student enrolment, there would be a need to hire more staff, resulting in greater compensation costs. A member suggested that faculty compensation costs could decrease, given the declining salaries in the United States. Professor Misak acknowledged that there might be a ripple effect in Canada. Yet it would still be important to remain competitive in order to continue to hire outstanding faculty. Professor Naylor added that there was a preference for reliance on full-time faculty in the teaching and research streams within the University, although there would continue to be a need for part-time and sessional faculty. Professor Hildyard commented that, when engaging in discussions with the University of Toronto Faculty Association (UTFA), the administration used comparative data on absolute and incremental increases in compensation from peer institutions.

In response to a question about the pension deficit amortization, Professor Misak emphasized the need for payments to eliminate its solvency deficit to be made over a fifteen-year period. A requirement for a shorter amortization period would be catastrophic for the University – it would have to pay down its solvency deficit with special payments of approximately \$200 million per year for five years. Universities in such extreme financial circumstances had had to resort to such measures as deep cuts, drastic tuition increases, and closure of entire departments. Professor Hildyard said that the University would file its actuarial valuation by March 2012. Following that, information regarding the precise metrics required by the Financial Services Commission of Ontario would be provided, based on the data provided in the University's plan. In the next stage, a plan addressing those metrics would have to be created and subsequently implemented over a three-year period. If the University was unable to implement its plan, it would not be granted solvency relief. As the University was now beginning the bargaining process, it would discuss possible metrics with each of the unions and bargaining units.

In response to a question raised by a guest, Professor Misak explained that the Undergraduate Course Development Fund was a special fund that had been established in her Office. It was designed to provide incentives for graduate faculties or graduate divisions to provide teaching to undergraduate divisions. That would provide an opportunity for graduate units to have access to undergraduate students and undergraduate students to have access to more of the University's best teachers and researchers.

5. Budget Report, 2011-12 and Long Range Budget Guidelines (cont'd)

Fundraising Campaign

Professor Misak responded to an inquiry about the upcoming campaign. She said that the consultation process which would inform the full campaign plan was in the beginning stages. Direction for the campaign would be provided by the divisions; the Deans and their colleagues would determine their needs and priorities for the campaign. It was anticipated that components of the campaign would focus on student aid, entry-level faculty positions, and more senior, endowed chairs.

International Students

Members asked for additional information about international student enrolment at the University. Professor Misak commented that British Columbia and some other provinces provided funding for international students; hence, they had a greater number of international students than Ontario. She said there was a keen desire across departments at the University for increased international graduate student enrolment. The administration continued to lobby the Government for the provision of funding for international graduate students. However, at present, fundraising remained the most likely means of obtaining funding for that cohort.

On motion duly moved, seconded, and carried

YOUR BOARD RECOMMENDS

THAT the Budget Report 2011-12 be approved, and
THAT the Long Range Budget Guidelines 2011-2012 to 2015-2016 be approved in principle.

Documentation is attached hereto as Appendix "A".

The Chair thanked Ms Garner and Professor Mabury for their excellent presentation.

6. Capital Project: Interim Project Planning Report for the Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design

The Chair said that the proposal for the Interim Project Planning Report for the Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design had been considered by the P&B at its meeting on March 2, 2011. If recommended by the Academic Board, the proposal would be considered for approval by the Governing Council on April 7th.

Dr. Gotlieb introduced the proposal, noting that a report that addressed the Faculty's space shortages and building renewal had been approved by the Governing Council in 2009. Subsequently, an international competition for a design team for the project had resulted in the submission of proposed renovations with an estimated cost in excess of the approved budget. The physical constraints of the Faculty's current location at 230 College Street were so great that the proposals from the 2009 report could no longer be implemented to support expansion of the Faculty's programs. The proposed site at 1 Spadina Crescent presented a unique opportunity for the Faculty. Dr. Gotlieb closed by stating that the final costs and sources of funding for the proposed project would be presented in the final Project Planning Report.

6. Capital Project: Interim Project Planning Report for the Relocation of the John H. Daniels Faculty of Architecture, Landscape and Design (cont'd)

Invited to comment, Professor Richard Sommer, Dean of the John H. Daniels Faculty of Architecture, Landscape and Design, drew attention to the Faculty's transition over the years from a focus on undergraduate programs to the development of strong graduate professional programs. As the Faculty looked forward to the creation of doctoral programs, the contemplation of the extraordinary location of 1 Spadina Crescent was most appropriate. Professor Misak expressed support for the proposal, noting that the project would also provide a fundraising opportunity to transform the historical site.

In response to a question from a member, Professor Sommer explained that, due to limited resources a number of years ago, the undergraduate program in architecture had been moved to the Faculty of Arts and Science. However, a proposal to transfer the program back to the John H. Daniels Faculty of Architecture, Landscape, and Design was currently being considered.

On motion duly moved, seconded, and carried

YOUR BOARD RECOMMENDS

THAT the plans for relocation of the John H. Daniels Faculty of Architecture, Landscape, and Design to new facilities as outlined within the Interim Project Planning Report, dated February 2011, a copy of which is attached hereto as Appendix "B", be approved in principle with implementation subject to approval of a detailed final project planning report.

7. Capital Projects: Site Reassignments for the St. George Campus

The Chair said that the proposal for the site reassignments for the St. George campus had also been considered by the P&B at its meeting on March 2nd. If recommended by the Academic Board, the proposal would be considered for approval by the Governing Council on April 7th.

Dr. Gotlieb provided an overview of the proposal, noting that it consisted of three site reassignments on the St. George campus. The first was the relocation of the John H. Daniels Faculty of Architecture, Landscape, and Design from 230 College Street to 1 Spadina Crescent. The second was relocation of the Student Commons Building from 100 Devonshire Place (Site 12) to 230 College Street. The third was the assignment of Site 12 to the Varsity Centre for High Performance Sport.

Invited to comment, Ms Angela Regnier, Executive Director of the University of Toronto Students' Union (UTSU), stated that a UTSU Internal Student Commons Planning Committee had met regularly in the fall to examine the possibility of locating the Student Commons at 230 College Street. The UTSU Board of Directors had unanimously approved the recommended site and was very excited at the prospect of moving forward with the project for additional student space.

7. Capital Projects: Site Reassignments for the St. George Campus (cont'd)

On motion duly moved, seconded, and carried

YOUR BOARD RECOMMENDS

THAT the following sites be assigned to capital projects now in the project planning phase:

- (i) Site 12 (100 Devonshire Place) to the Varsity Centre for High Performance Sport;
- (ii) Site 7 (1 Spadina Crescent) to the John H. Daniels Faculty of Architecture, Landscape and Design with the Faculty of Arts and Science's program in Visual Art; and
- (iii) 230 College Street to the Student Commons.

Documentation is attached hereto as Appendix "C".

8. Items for Information

Members received the following reports for information.

- (a) Appointments: President's Teaching Award Selection Committee
- (b) Appointments and Status Changes
- (c) Report Number 148 of the Committee on Academic Policy and Programs (January 11, 2011)
- (d) Report Number 141 of the Planning and Budget Committee (January 27, 2011)
- (e) Report Number 142 of the Planning and Budget Committee (March 2, 2011)

There were no questions about the Reports.

9. Date of Next Meeting

The Chair said that the next meeting of the Board was scheduled for Tuesday, April 26, 2011, at 4:10 p.m. in the Council Chamber

10. Other Business

There were no items of other business.

The Board moved *in camera*.

11. Quarterly Report on Donations: November 1, 2010 – January 31, 2011

Members received this report for information.

The Board returned to open session.

The Chair thanked members for their attendance at the Board meeting.

The meeting adjourned at 6:08 p.m.

Secretary
March 19, 2011

Chair