

UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 204 OF THE BUSINESS BOARD

April 8, 2013

To the Governing Council,
University of Toronto.

Your Board reports that it met on Monday, April 8, 2013 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Mr. John Switzer (Chair)	
Ms Shirley Hoy (Vice-Chair)	Professor Cheryl Misak, Vice-President and Provost
Professor Scott Mabury, Vice-President, University Operations	Ms Sheila Brown, Chief Financial Officer
Professor Angela Hildyard, Vice-President, Human Resources & Equity	Ms Sally Garner, Executive Director, Planning & Budget Office
Ms Alexis Archbold	Ms Gail Milgrom, Assistant Vice-President, Campus and Facilities Planning
Mr. Jeff Collins	Mr. David Palmer, Vice-President, Advancement
Ms Celina Rayonne Caesar-Chavannes	Professor Jay Pratt, Acting Vice-Provost, Faculty and Academic Life
Mr. Ian Freedman	Ms Christina Sass-Kortsak, Assistant Vice-President, Human Resources
Mr. Arthur Heinmaa	
Professor Michael R. Marrus	Ms Sheree Drummond, Secretary
Ms Catherine Riddell	
Mr. Peter Robinson	
Ms Penny F. Somerville	
Mr. Chris Thatcher	
Mr. W. Keith Thomas	
Professor Steven J. Thorpe	
Ms Rita Tsang	
Ms B. Elizabeth Vosburgh	

Regrets:

Mr. Andrew Arifuzzaman	Mr. Howard Shearer
Mr. Paul Donoghue	Mr. Ron Swail
Mr. Gary P. Mooney	Ms Nana Zhou
Professor Andrea Sass-Kortsak	
Ms Zabeen Hirji	
Ms Paulette Kennedy	

In Attendance:

Mr. P.C. Choo, Governor
Ms Vinitha Gengatharan, Director, International Initiatives, University Relations
Mr. Michael Kurts, Assistant Vice-President, Strategic Communications
Ms Vanessa Laufer, Director, International Programs and Policy, University Relations

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Ms Gillian Morrison, Assistant Vice-President, Divisional Relations & Campaigns
Ms Marny Scully, Assistant Vice-President, Government, Institutional and Community Relations
Ms Meredith Strong, Director, Office of the Vice-President, University Relations

1. Revised Tuition Fee Schedule for Publicly-Funded Programs, 2013-14

The Chair noted that the Board had considered and recommended for approval by the Governing Council the Tuition Fee Schedule for Publicly-Funded Programs at its last meeting. That schedule had been prepared by the administration on the assumption that the tuition framework that was in place would be rolled over for the coming year, however, on March 28 the government announced a revised tuition framework. As a consequence, the Tuition Fee Schedule for Publicly-Funded Programs, 2013-14 has been revised based on the new framework. The Chair invited Professors Misak and Mabury to speak to this item.

Professor Misak advised members that while the Tuition Fee Schedule had been prepared on the basis that the framework would be rolled over, the administration also had planned for a variety of scenarios. She noted that the impact for some divisions would be more serious than for others.

Professor Mabury gave a brief presentation¹ that addressed the following:

- Institutional average tuition fee cap under the new framework was 3% (previous framework was 5%).
- Plans for tuition fees at the University of Toronto for 2013-14 would yield an estimated institutional average of 2.94%.
- In order to minimize the financial impact on divisions the decision had been made to hold tuition fee increases to 0% for research stream graduate students.
- Incremental revenue would be reduced by \$6.4 million in 2013-14 and would be handled on an 'in year' basis; the budget would not be changed.
- Discussions with Deans in the fall at academic budget review meetings on strategic planning on how to adapt to expected revenues going forward.
- Multi-year revenue impact of the new framework was significant relevant to the Long-Range Budget Guidelines as approved at the March 4, 2013 Business Board meeting. By 2016-17 the estimated base revenue reduction would be \$40.2 million and the cumulative reduction would be \$88 million.

A member asked about the graduate funding package and whether any consideration had been given to waive the funding commitment for doctoral stream students who had the means to pay. Professor Misak replied that there were provisions for this in some professional faculties but that in general the funding commitment was applied across the board and that any changes to the approach would be a matter for her successor.

¹ <http://www.governingcouncil.utoronto.ca/AssetFactory.aspx?did=9685>

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In response to a question as to whether any staff lay-offs were anticipated, Professor Misak replied that it was hard to imagine that there would not be a wide range of implications given the base revenue reduction, particularly in the outer years.

A member asked whether there might be any initiatives from the province to alleviate the pain of this reduction. Ms Wolfson replied that it was unlikely that there would be anything in the short-term.

A member remarked that in addition to these reductions in revenue that it was anticipated that there would also need to be additional pension payments of as much as \$9 million and asked whether there would be opportunities to communicate to the government that more assistance is required. Professor Misak commented that it would be helpful if the government were to remove the solvency requirements in relation to the pension plan. Ms Brown further added that beyond the solvency issue it would be helpful if the government extended the period over which the University was required to make payments.

Professor Mabury reiterated the relative importance of domestic tuition fees to the overall sources of revenue for the University. He emphasized the importance of the annual academic budget review meetings and the expectation of Deans that they use the tools in place with the budget model to find ways to become more efficient and more productive.

The Chair remarked on the benefits of having a system in place that allowed for a high-degree of creativity and ownership at the unit level.

On a motion duly moved, seconded, and carried,

On the recommendation of the Vice-President, University Operations,

YOUR BOARD RECOMMENDS

THAT the Revised Tuition Fee Schedule for Publicly-Funded Programs in 2013-14 as described in *Tuition Fee Schedule for Publicly-Funded Programs 2013-14 (April 3, 2013)* and

THAT the tuition fees in 2013-14 and 2014-15 for the special programs identified in Tables B2 and C2 of Appendices B and C of the aforementioned report be approved.

2. Annual Report of the Vice-President, University Relations, 2011-12

The Chair noted that the main theme of the meeting was University Relations. He invited Ms Wolfson to introduce any colleagues from her division who were present and then to present her report.

Ms Wolfson introduced: Mr. Michael Kurts, Assistant Vice-President, Strategic Communications and Marketing; Ms Marny Scully, Assistant Vice-President, Government, Institutional and

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Community Relations; Ms Vanessa Laufer, Director, International Programs and Policy, University Relations; Ms Vinitha Gengatharan, Director, International Initiatives, University Relations; and Ms Meredith Strong, Director, Office of the Vice-President, University Relations.

Ms Wolfson then gave a presentation² which included the following key points:

- The focus of University Relations is on external relationship building - it depends on vibrant and strong internal relationships, communicating all aspects of the university, and advocating on behalf of all aspects of the university.
- Resources: Advocacy is important in order to take advantage of the various opportunities available to support research, infrastructure and students. For example, the federal government provides support for the research and innovation agenda of the University. Provincial government provides support through the operating grant.
- Reputation: Continued importance of rankings and in particular their impact on international student recruitment.
- Reach: Strategically expanding a more coordinated, focused international strategy.
- Communications: Priority in the past year has been on integrated messaging. A continued area of focus has been on the University's web presence. Significant growth in social media – with an emphasis on ensuring that the University is engaged with tools that its audience uses.
- Impact: The *Community Impact Report* details the University's impact in the world through its research and student initiatives. The *Economic Impact Report* provides further detail on the University's total economic impact, job creation, research dollars, and spin-off companies.

A member asked whether the fact that we have three campuses contributes to the University's ability to demonstrate its profile and impact. Ms Wolfson replied in the affirmative and noted that on page 13 of the *Community Impact Report* there was data about the University's community involvement in the Greater Toronto Area, for example.

The Chair asked for further information about the National Taiwan University ranking rubric. Ms Scully replied that data for this ranking exercise is gathered from third party sources and not directly from universities. She also noted that it is a science related ranking (with a focus on research and productivity).

A member asked how the work of the University Relations portfolio fits in with domestic student recruitment. Mr. Kurts replied that Strategic Communications and Marketing works closely with Vice-Provost, Students and the University Registrar to support their recruitment efforts.

A member asked how issues management is addressed and remarked on the University's effectiveness in this area. Ms Wolfson replied that this was a group effort at the most senior level of the University.

² <http://www.governingcouncil.utoronto.ca/AssetFactory.aspx?did=9686>

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A member inquired as to how the portfolio leverages the capacity and breadth of the University's alumni. Ms Wolfson replied that increased efforts in this area will continue. University Relations works closely with the Division of University Advancement to try to dovetail its international activities with alumni activities. Mr. Palmer also noted that the Division of University Advancement makes extensive use of the promotional materials developed by University Relations, for example, the one-pagers, to engage with alumni.

The Chair thanked Ms Wolfson and her team for their work. He suggested that it would be useful if next year's annual report could address what initiatives were undertaken in regard to effectively leveraging the University's alumni.

3. Ancillary Operations**(a.) Service Ancillaries Operating Plans**

The Chair advised members that responsibility for the operating plans for the service ancillary operations – such as student residences, parking, and food services – resides with the University Affairs Board. That Board considered and approved the operating plans for 2012-13 at its meeting of March 19, 2013. The Business Board was responsible for the financial policies that set the ground rules for these operations. The plans were before Business Board for information and were provided to give a complete overview of the University's financial picture.

The Chair invited Ms Brown to comment. She noted that given that the amount in question was more than \$100 million it represented a significant business risk. She reminded members that there had been enormous expansion in this area over the last decade and that the University had taken on debt to finance this expansion. Importantly, after a lot of effort on behalf of a lot of people, these operations were approaching a break-even position.

A member asked about what appeared to be a systemic deficit for New College. Professor Mabury replied that the management of New College has invested a lot of effort into developing a variety of strategies to address this issue, including implementing significant rate increases and temporarily renting out part of their space, but that more work on this issue was needed. Professor Mabury also noted that the institution had learned a lot from the New College experience and would not build a residence again without any down-payment and would ensure that fees were set that took into account operating costs. He noted that the ultimate goal was to ensure that ancillary operations were delivering the quality experience that students needed.

(b.) Residential Housing – Operating Results for 2012-13 and Budget, 2013-14

The Chair invited Professor Mabury to comment. Professor Mabury reminded members that the University owned most of the properties in the Huron-Sussex neighbourhood. He reported that the University had just begun a process in looking at the neighbourhood with respect to (a.) how to better service the University and the community, and (b.) intensification. He assured members that the community was involved in this process. He indicated that he expected to come back to the Board in September with a detailed analysis.

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On a motion duly moved, seconded, and carried

YOUR BOARD APPROVED

THAT the operating budget for the St. George Campus Residential Housing Ancillary for 2013-14, as contained in the “2013-14 Budget” column of Schedule 1 to the “Overview of Operations and Business Plan for 2013-2018,” be approved.

4. Reports of the Administrative Assessors

There were no reports from the Administrative Assessors.

OPEN SESSION CONSENT AGENDA

On a motion duly moved, seconded, and carried

YOUR BOARD APPROVED

THAT the consent agenda be adopted.

- 5. Report of the Previous Meeting – Report Number 203 – March 4, 2013**
- 6. Business Arising from the Report of the Previous Meeting**
- 7. Status Report on Debt to March 31, 2013**
- 8. Standard & Poor’s Ratings Report – University of Toronto**
- 9. Report on Capital Projects as of March 31, 2013**
- 10. Project Closure Report – Varsity Pavilion**
- 11. Project Closure Report – UTM South Building Renovation Phase 1**
- 12. Project Closure Report: UTM Instructional Centre**

CLOSING ADMINISTRATIVE ITEMS

13. Date of Next Meeting

The Chair reminded members that the Board’s next regular meeting was scheduled for Monday, May 6, 2013 at 5:00 p.m.

No other business was raised.

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CLOSED SESSION / IN CAMERA ITEMS

14. Closed Session / In Camera Reports of the Administrative Assessors

There were not in camera reports of the Administrative Assessors.

The meeting adjourned at 6:31 p.m.

Secretary

Chair

April 26, 2013