

Budget 2014

Business Board
March 3, 2014



Overview

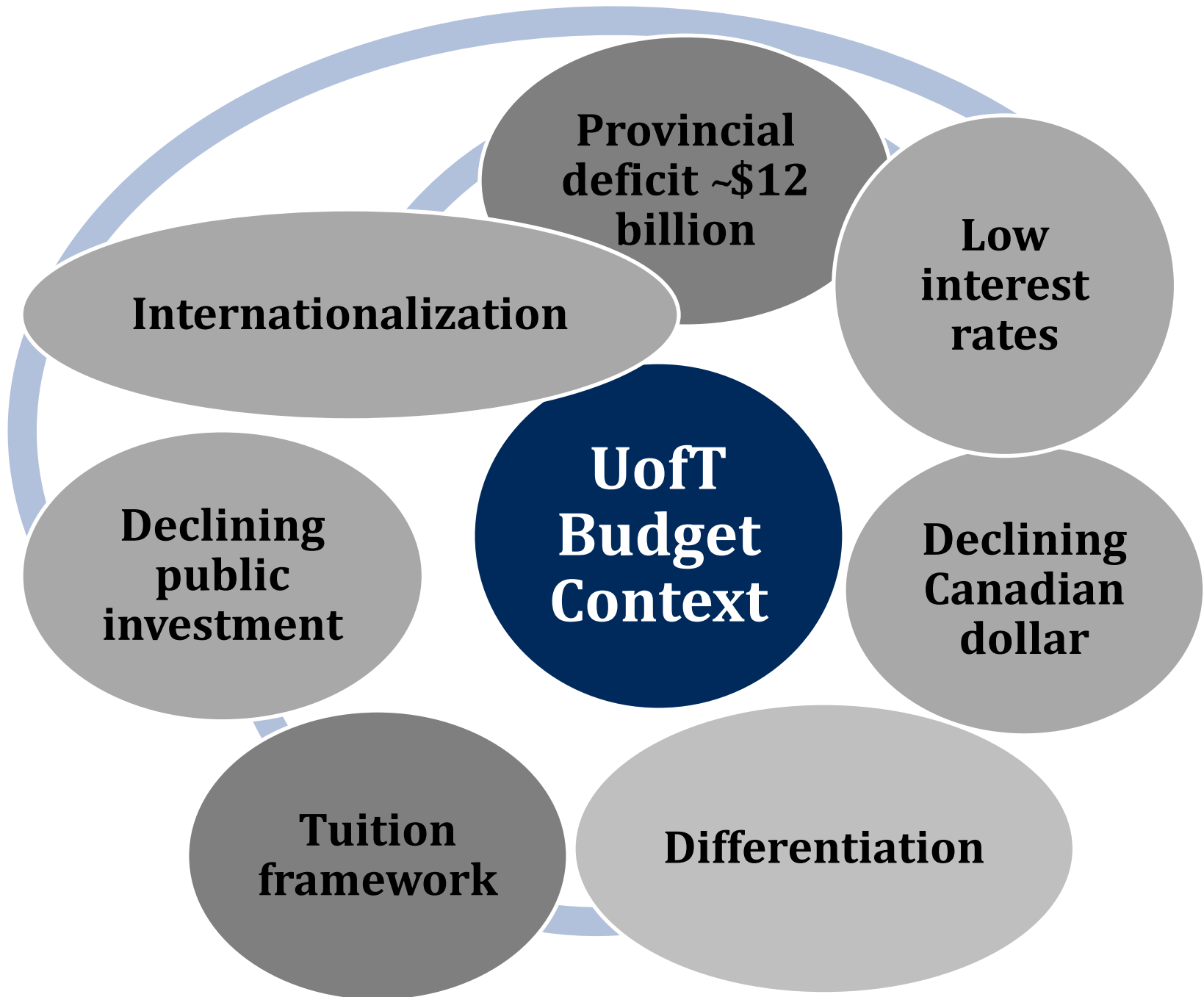
Budget Context

Enrolment

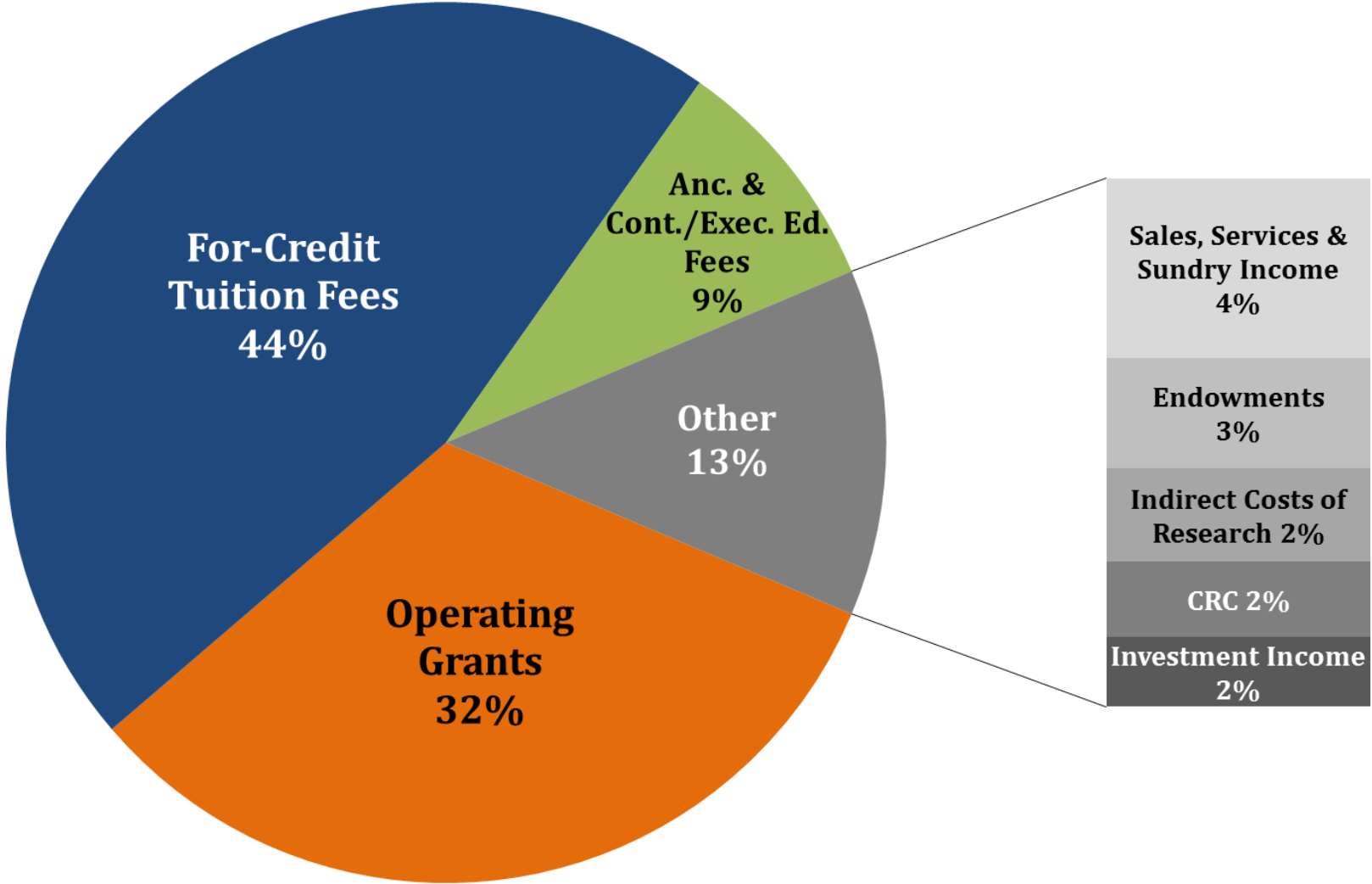
Revenue

Student Aid

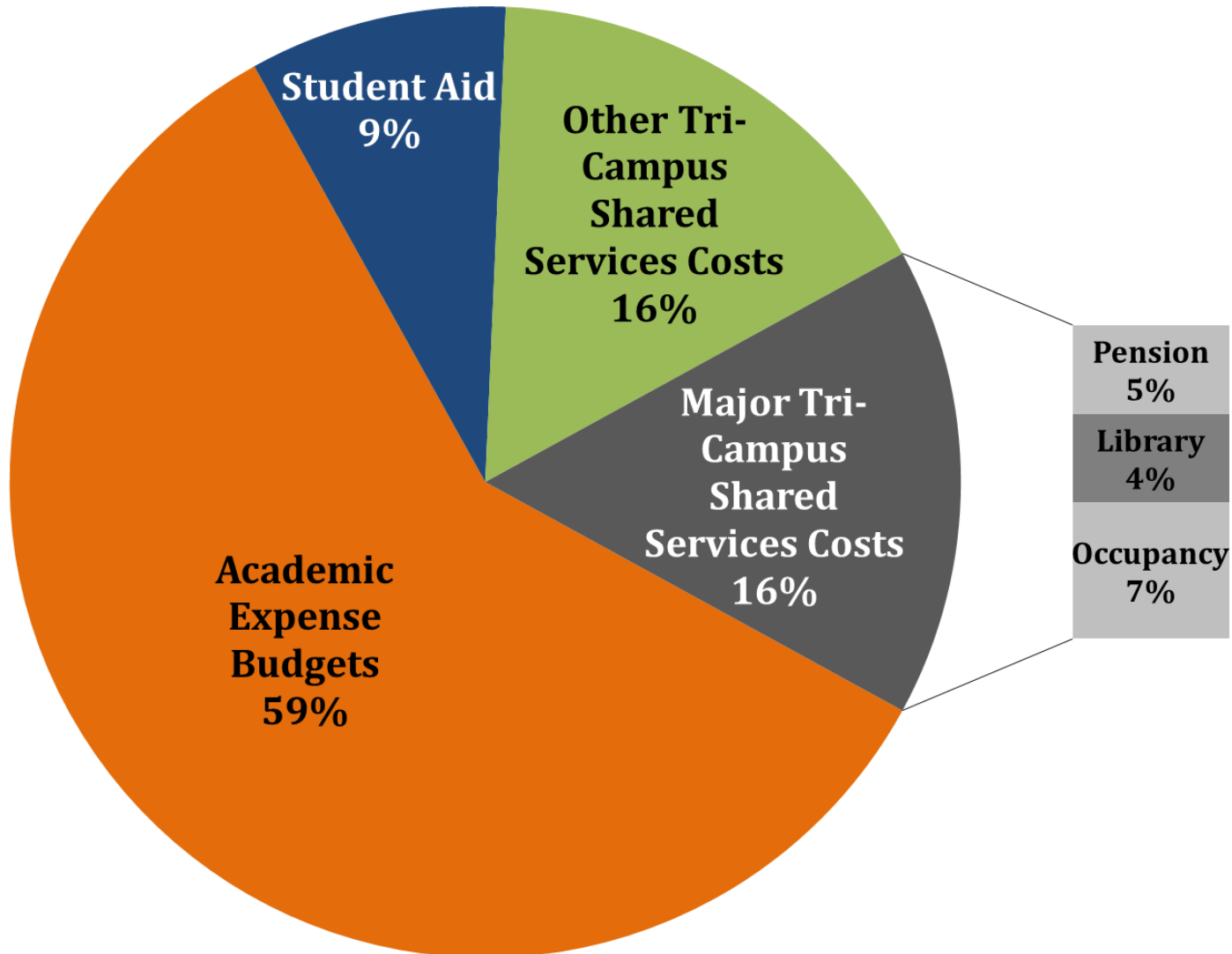
Expense



2014-15 a Balanced Budget Revenue \$2.0 billion



2014-15 Expenditure \$2.0 billion



Structural Budget Challenge at Steady State

	Share of Total Revenue / Expense	Avg Incr
Operating Grants	36.1%	0.0%
Tuition Fees (Domestic)	27.9%	3.0%
Other Revenue & Recoveries	21.7%	1.8%
Tuition Fees (International)	14.3%	9.2%
Weighted Avg Rev Increase		2.6%
Compensation	67.7%	5.0%
Other Expenses	23.3%	2.0%
Student Aid	9.0%	2.7%
Weighted Avg Exp Increase		4.1%
STRUCTURAL DEFICIT		-1.5%



ENROLMENT

2013 Enrolment Results and 2014 Plans

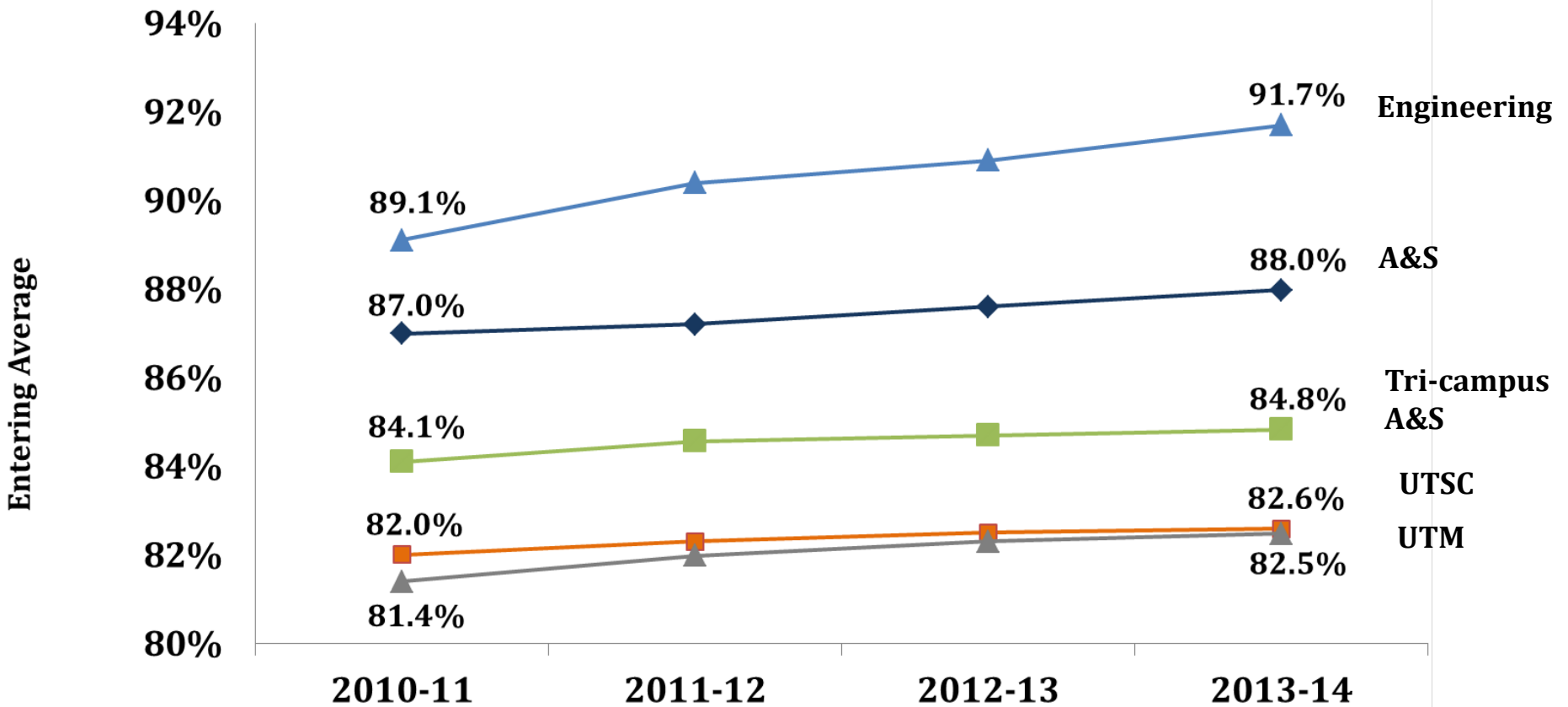
	2013 Actual	2013 Var.	2013 Var.%	2014 Plan
UG Domestic	48,876	(113)	-0.2%	49,376
UG International	9,043	408	4.7%	9,975
Eligible Masters	7,106	(120)	-1.7%	7,785
Eligible Doctoral	3,669	(150)	-3.9%	3,833
Ineligible Grad Domestic	2,092	161	8.3%	1,884
Grad International	2,293	227	11.0%	2,333
TOTAL	73,079	413	0.6%	75,186

Planned growth for 2014-15 = 2,107 FTE

Longer Range View of Undergraduate Tri-Campus Enrolment

FTE	2013 Actual	2018 Plan	Increase (Decrease)
UTM Undergrad	10,642	12,895	2,253
UTSC Undergrad	9,680	11,539	1,859
St G Undergrad	37,205	36,979	(226)
Total UG	57,527	61,413	3,886

Strong UG Enrolment Quality



Applications up 15% over 2009 10

Int'l Enrolment as % of Total Undergrad

Total UG Students 2013-14 = 10,276 (15.3% of UG)

Division	2013-14 International as % of TOTAL enrolment	2013-14 Actual International as % of INTAKE	2014-15 Planned International as % of INTAKE
Engineering	25%	30%	27%
A&S	17%	23%	24%
UTM	15%	19%	17%
UTSC	14%	17%	18%
Architecture	21%	23%	19%

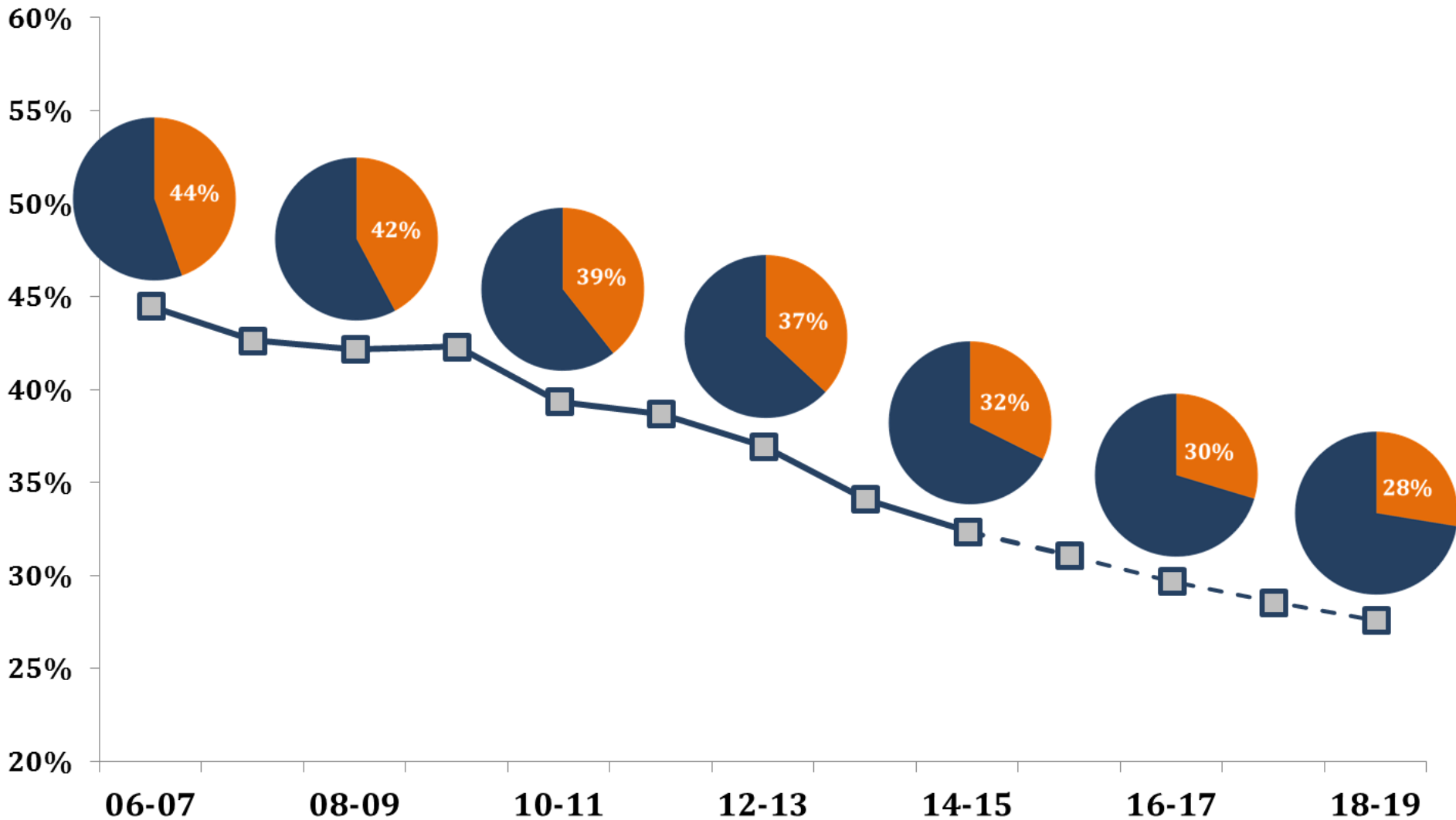
Graduate Enrolment (Total FTE)

FTE	2013 Actual	2018 Plan	Planned Growth	% Growth
Professional Masters	6,099	8,125	2,026	33%
DS Masters	2,839	2,984	145	5%
PhD	6,222	6,837	615	10%
Total Graduate	15,160	17,946	2,786	18%
% of total FTE	20.7%	22.5%		



REVENUE

Provincial Operating Grant as a Share of Total Operating Revenue



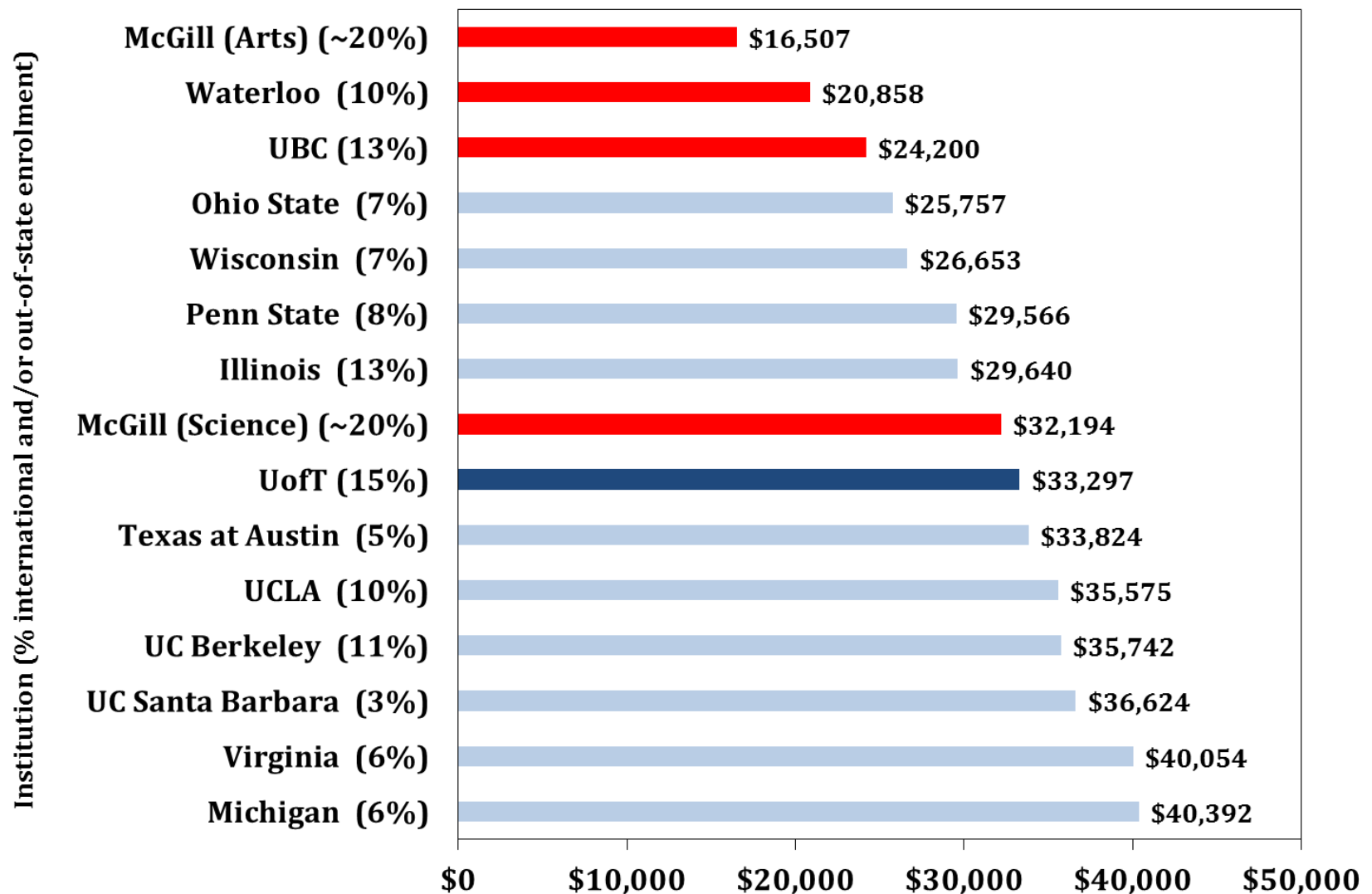
Tuition Increases

(Domestic overall cap = 3%)	Incoming Students	Continuing Students
Domestic General UG	3%	3%
Domestic Prof and Graduate*	5%	5%
International**	10%	5%

***The SGS fee will be reduced by \$45**

****Weighted-average international fee increase 6.5%**

International Undergraduate A&S Tuition Fees 2013-14, Select AAU and Canadian



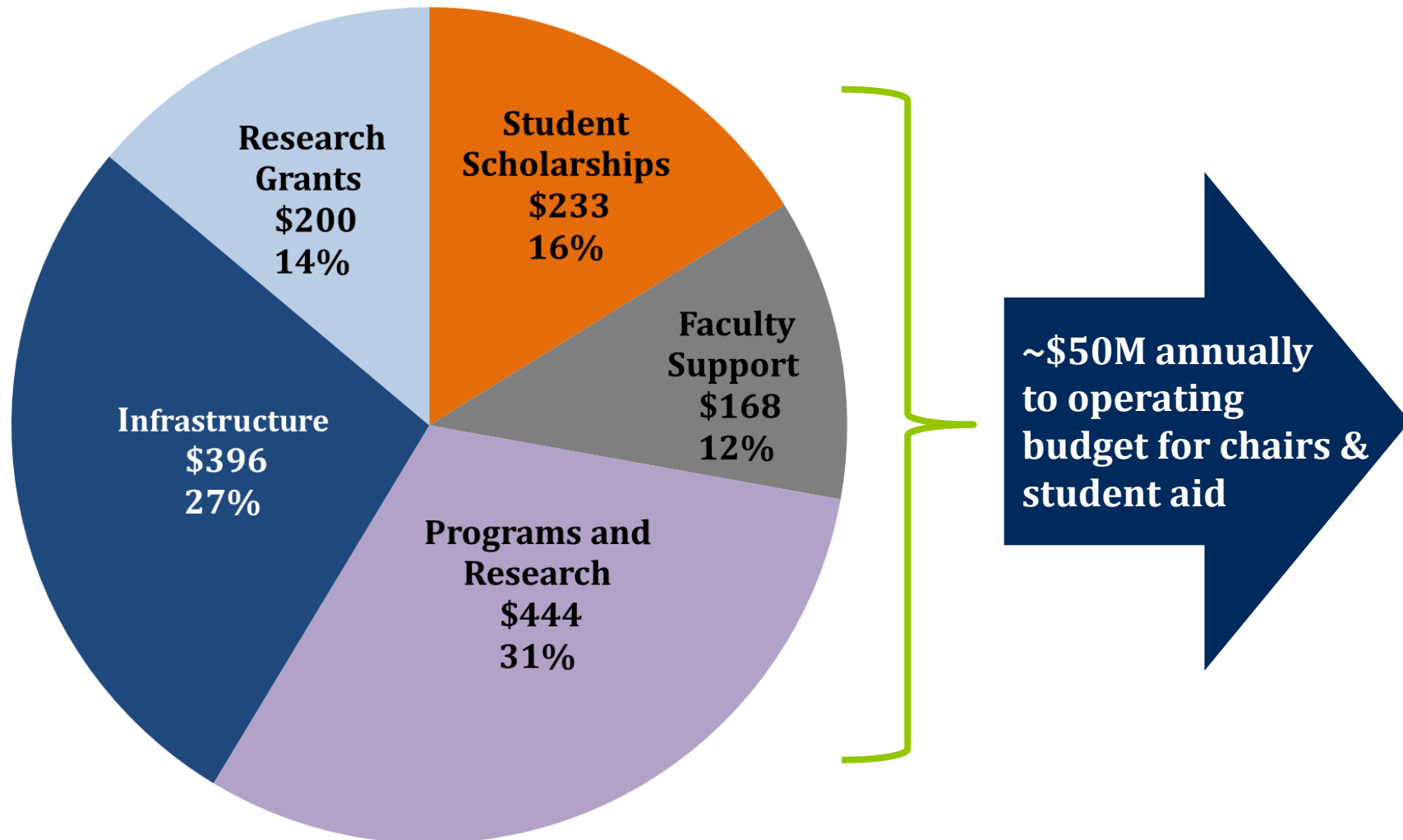
Boundless Campaign

Funds raised to Dec. 31 2013 (goal \$1.4 billion)	\$1.441 billion
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Funds raised in 2013	\$211 million
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Expendable vs. Endowed	67% vs. 33%
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Campaign Priority Areas (\$M)



Other Key Revenue Assumptions

BIU

Decrease in BIU value of ~1% in 2014-15 (“policy levers” and international student recovery)

Enrolment growth

Funding for all undergraduate growth (\$10M)

Graduate funded to our estimated MTCU allocation (\$35M)

Endowment income

Constant payout of \$7.56 per unit over period pending endowment review

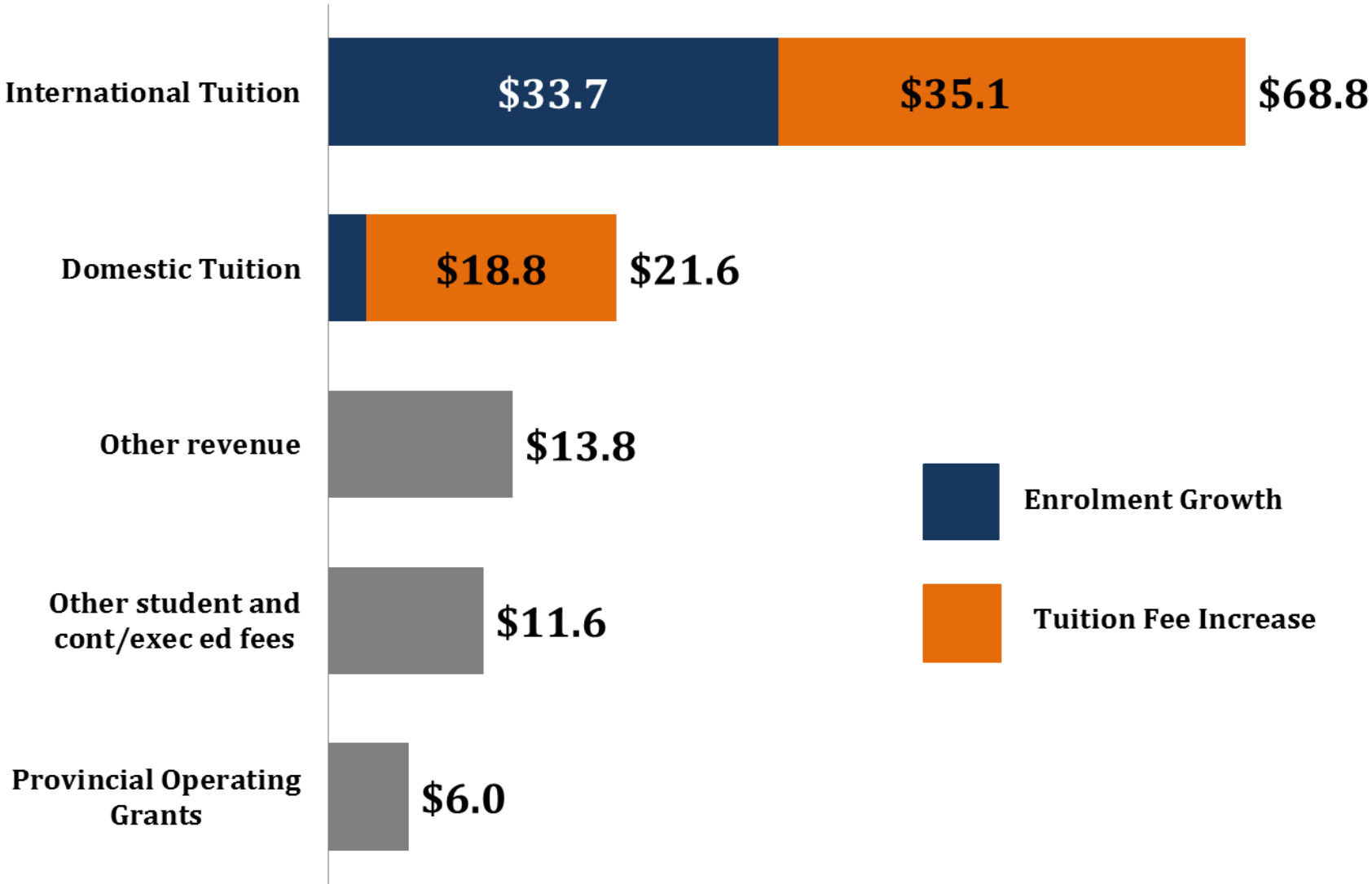
Indirect Costs of Research

Federal rate declining to 17.4%

Volume of contracts growing

Sources of Incremental Revenue 2014-15

\$122M (6.3% increase over prior year)

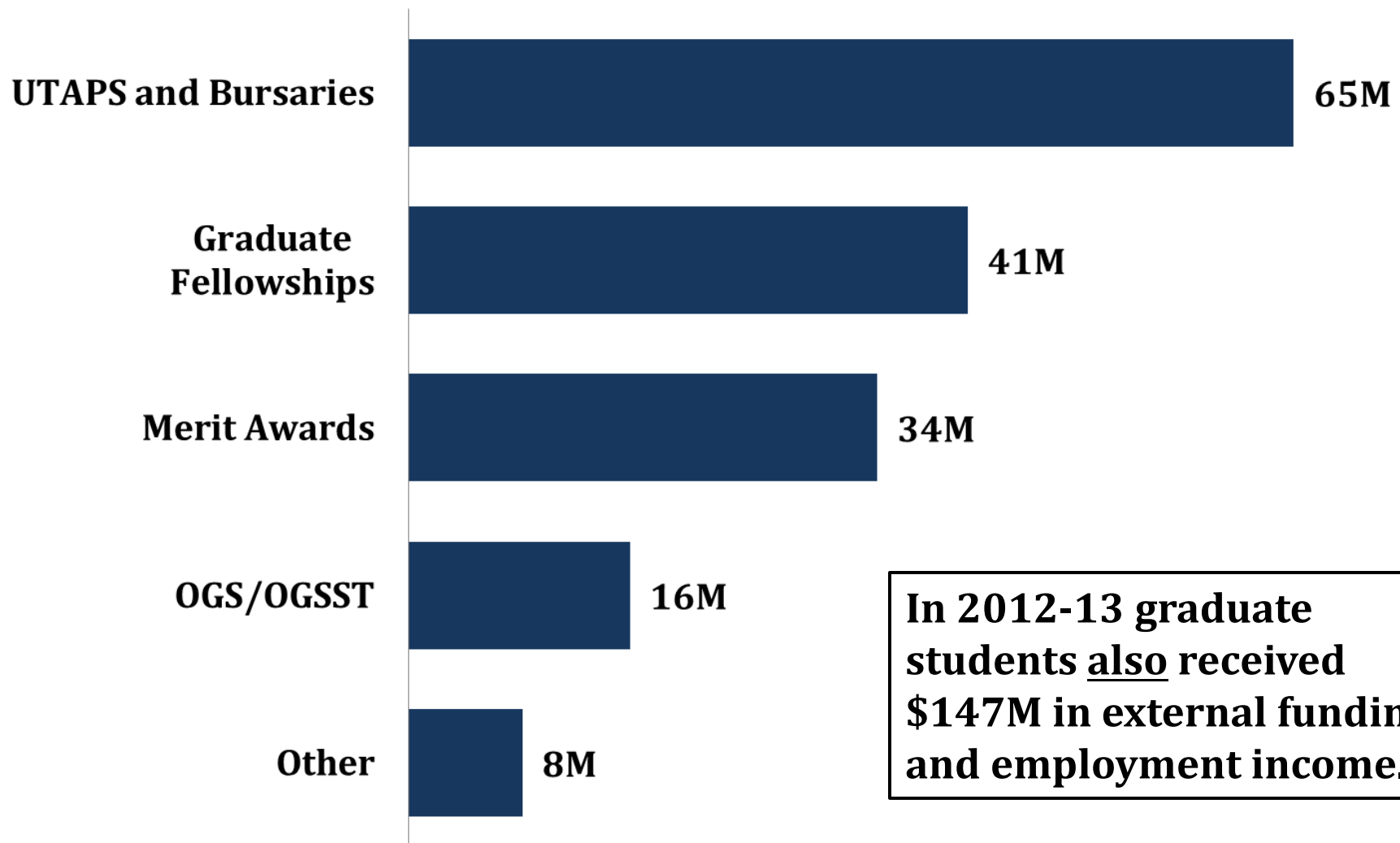




STUDENT AID

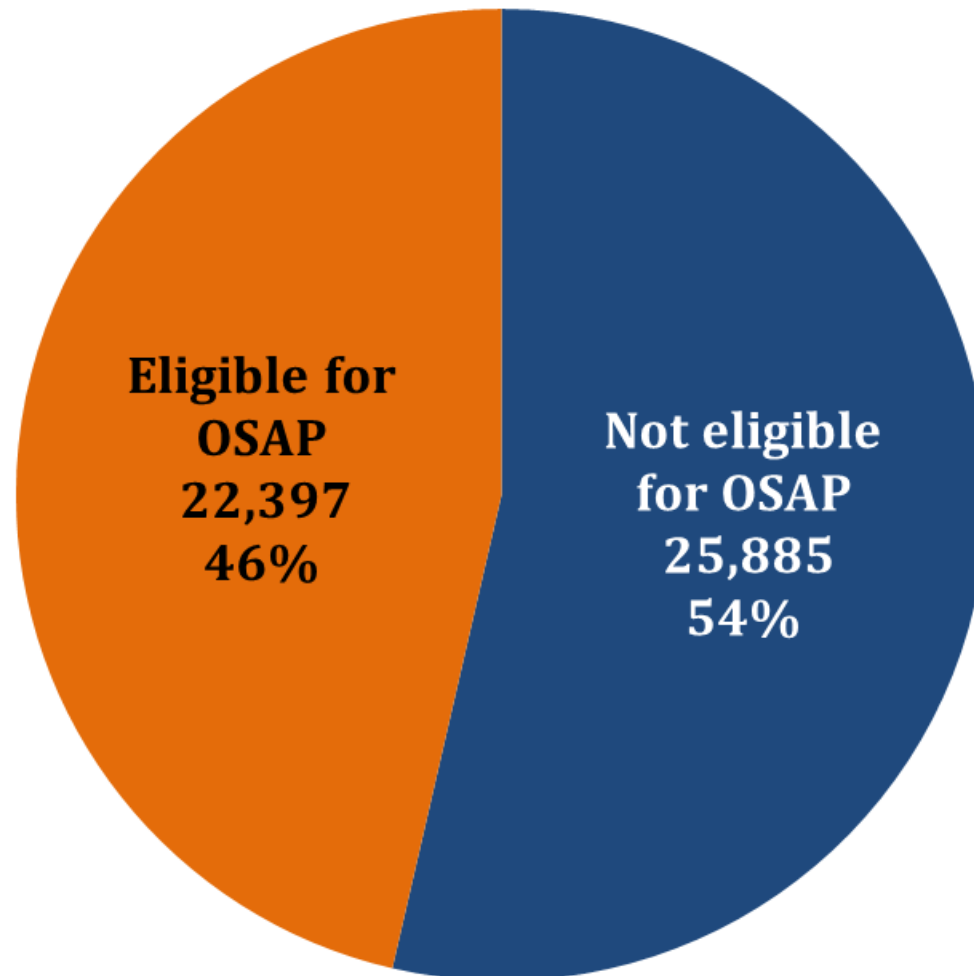
University of Toronto Student Assistance 2012-2013

Total = \$164M



In 2012-13 graduate students also received \$147M in external funding and employment income.

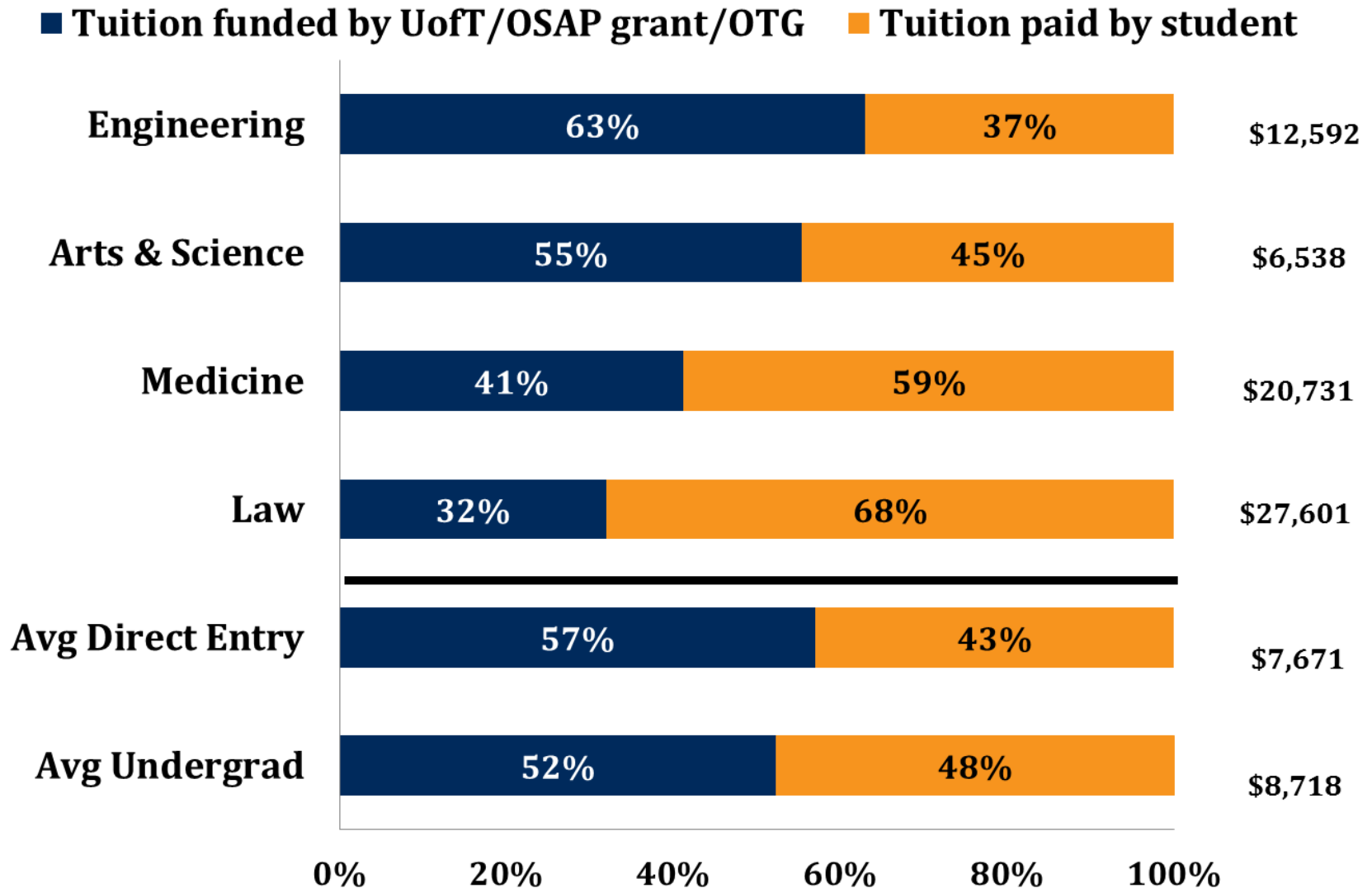
At UofT 46% of undergraduate students* are eligible for OSAP



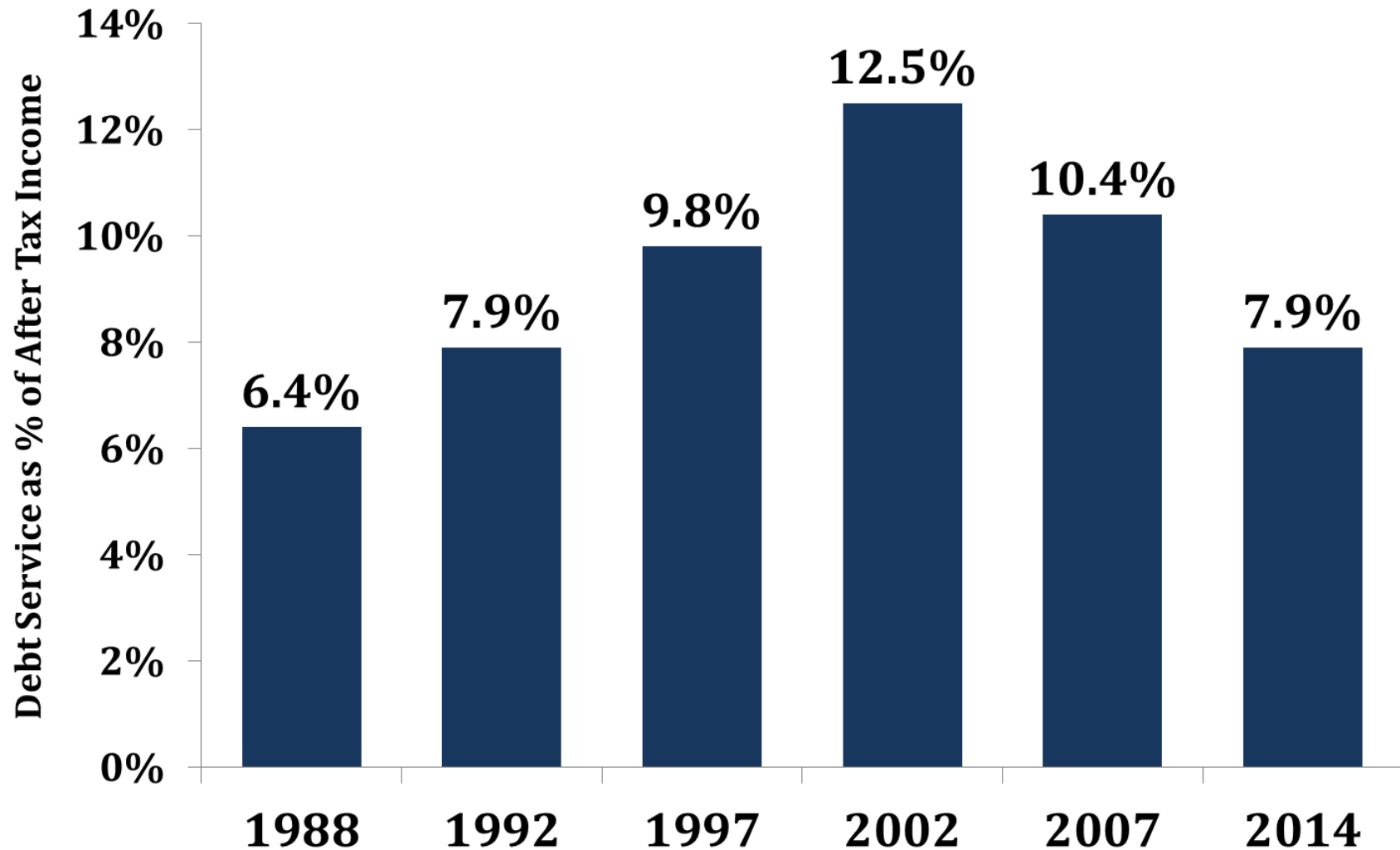
***Direct and second-entry undergraduate students**

What do students pay?

The OSAP Population by Program Area and %

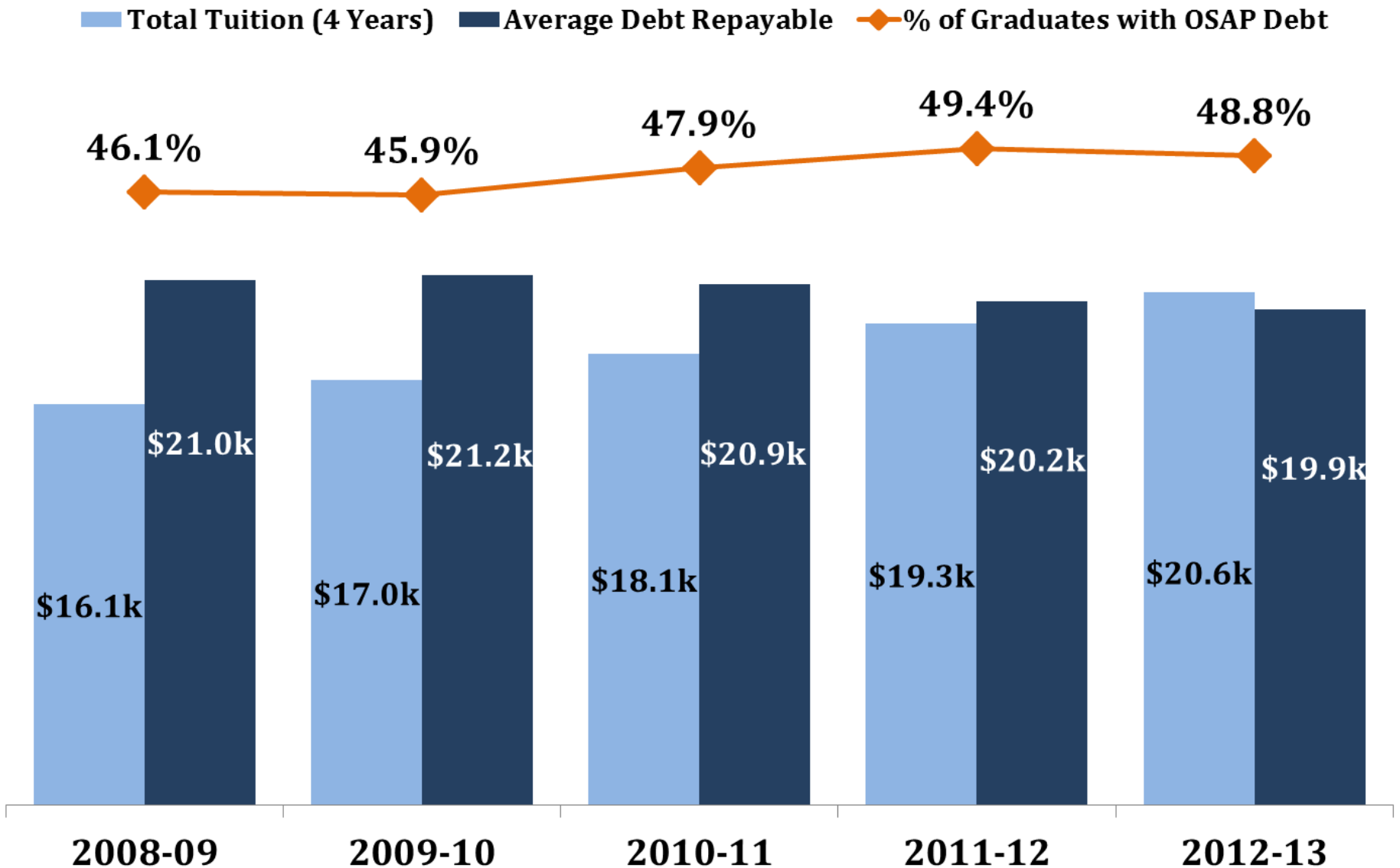


Canada: Student Debt Service Declining as % of After-Tax Income



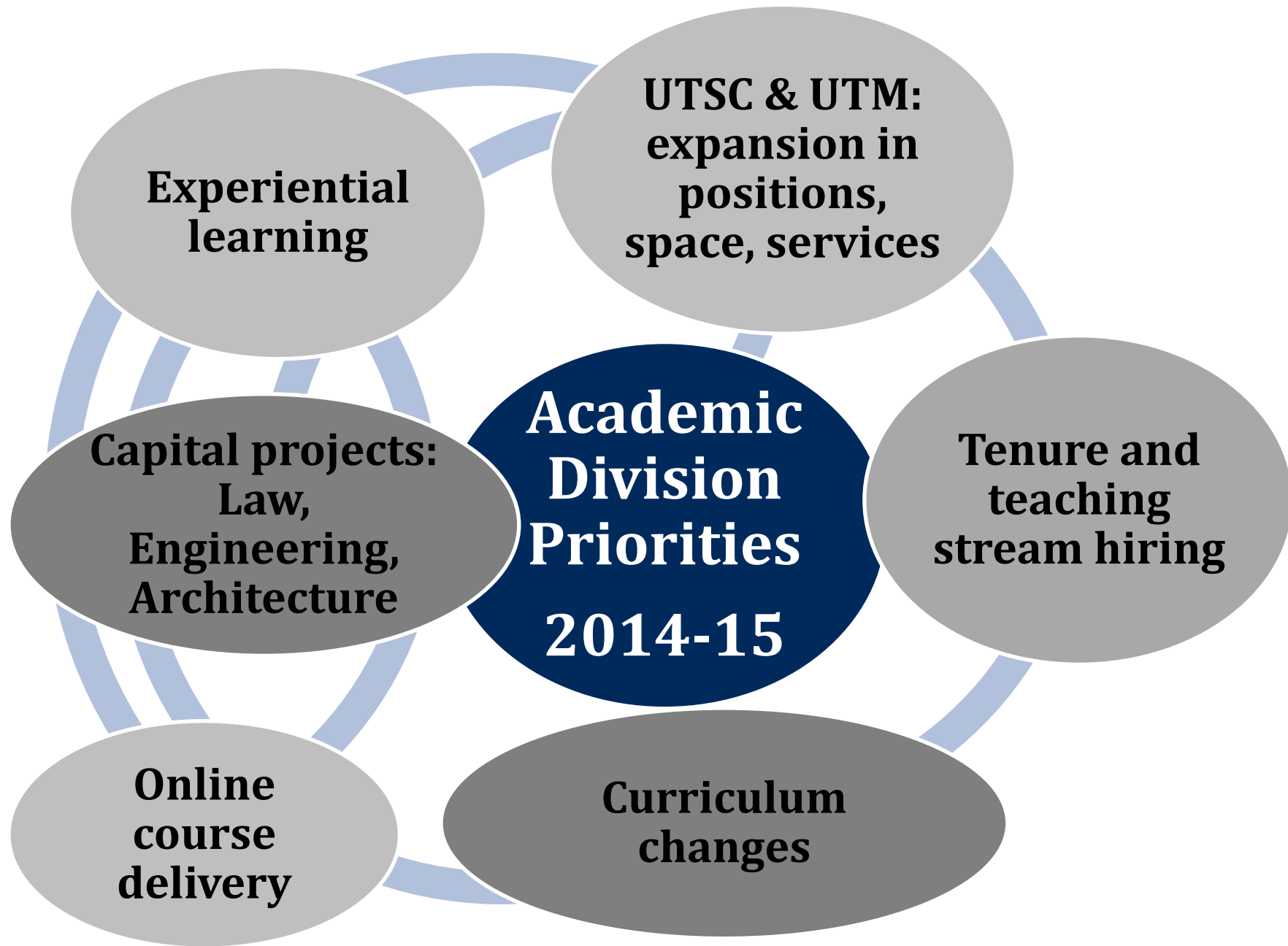
Source: HESA, Average Student Debt Service as a % of After-Tax Income, 2 years Post-Graduation, 1988-2014

UofT: Proportion of Graduating Students with OSAP Debt and Average Amount Repayable (2012\$)



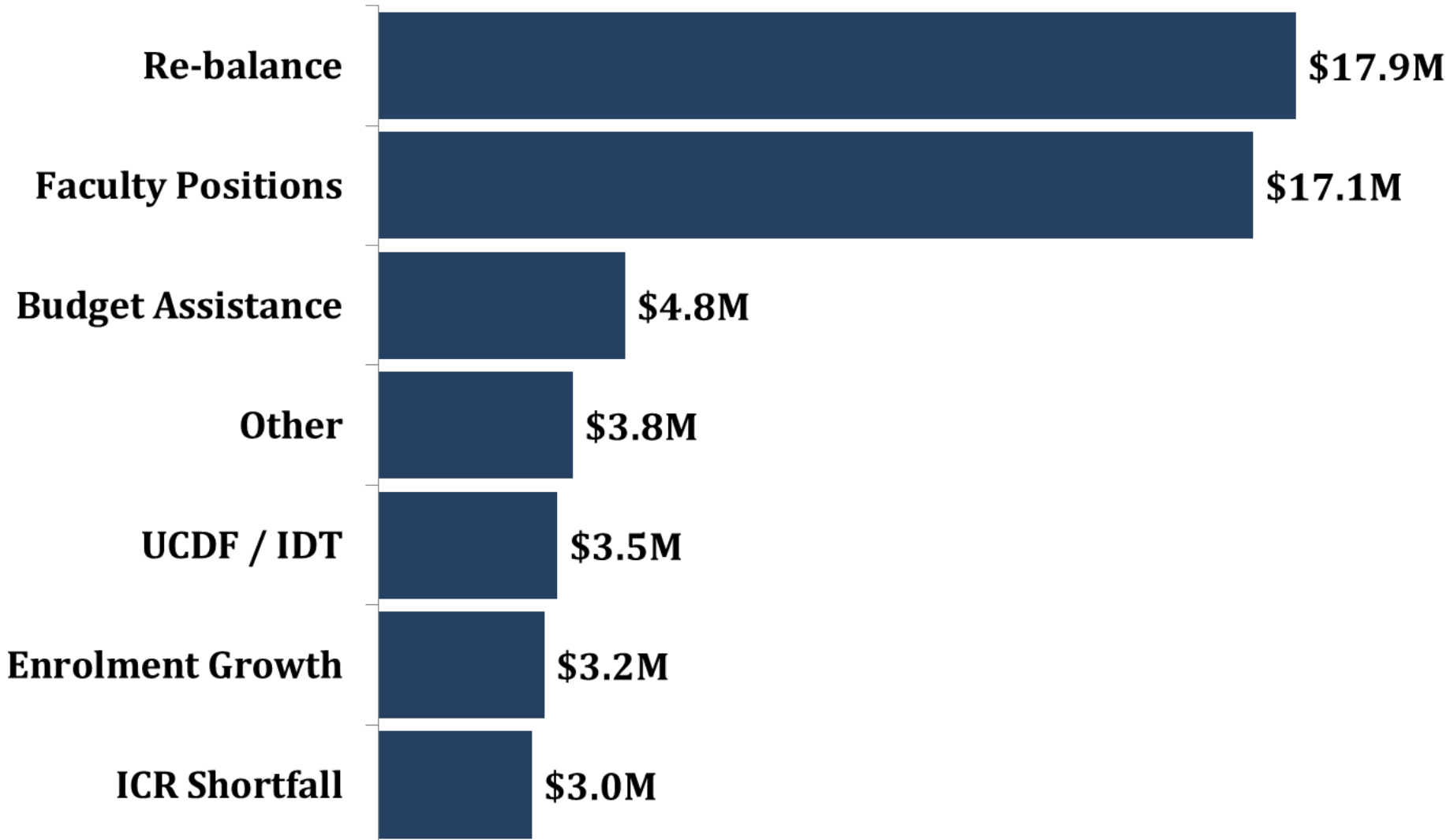


EXPENSE



University Fund Allocations

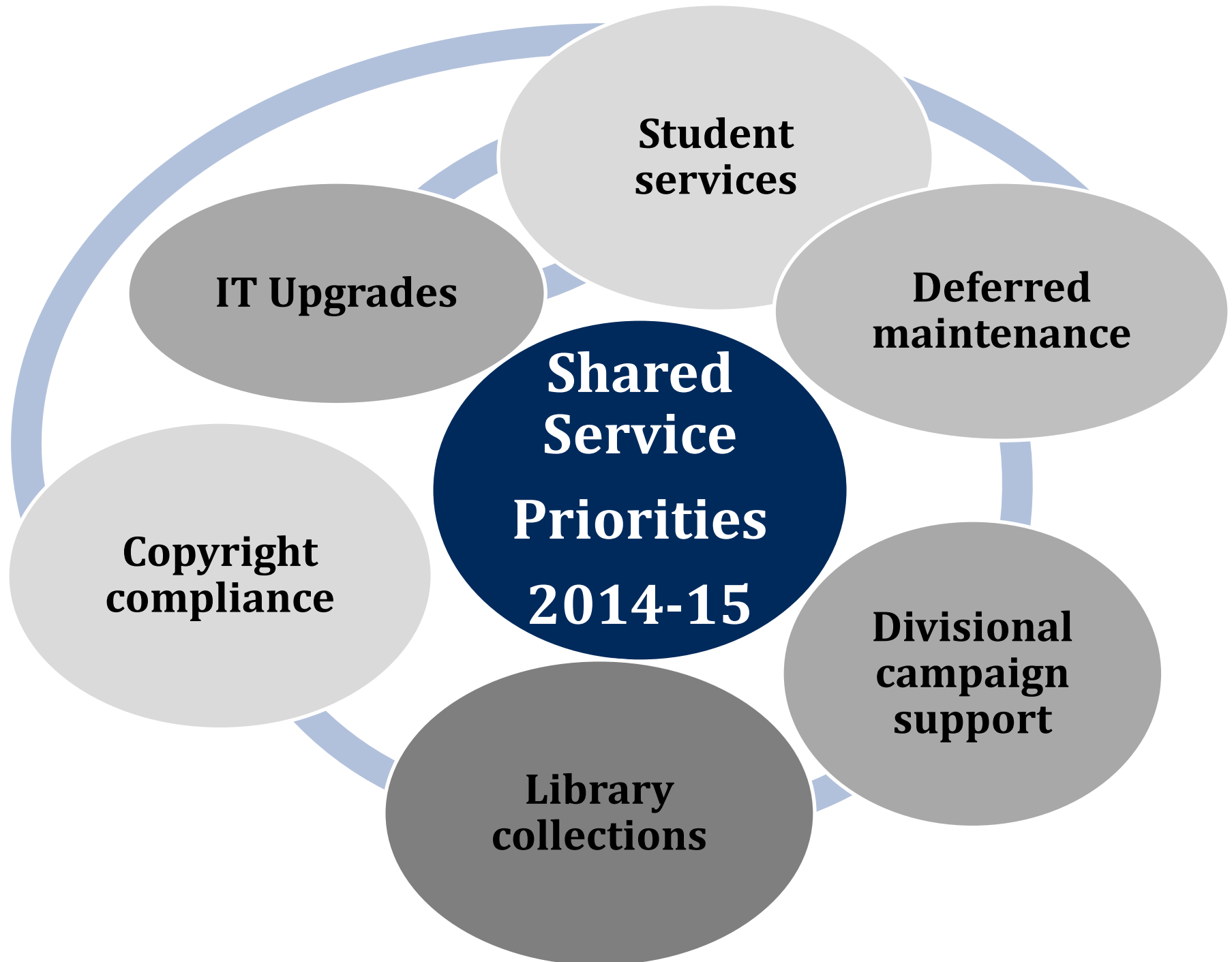
2007-08 to 2013-14 = **\$53.4M**



University Fund Allocations

2014-15 \$10.5M

- \$4.0M OTO capital matching for UTM and UTSC
- \$3.3M tri-campus A&S tuition framework relief
- \$1.0M expansion of UCDF
- \$0.8M matching funds for Music student levy
- \$0.6M for ongoing grad expansion success in APSE
- \$0.25M for program expansion in Dentistry
- \$0.55M net adjustments to prior year



Student services

Deferred maintenance

Divisional campaign support

Library collections

Copyright compliance

IT Upgrades

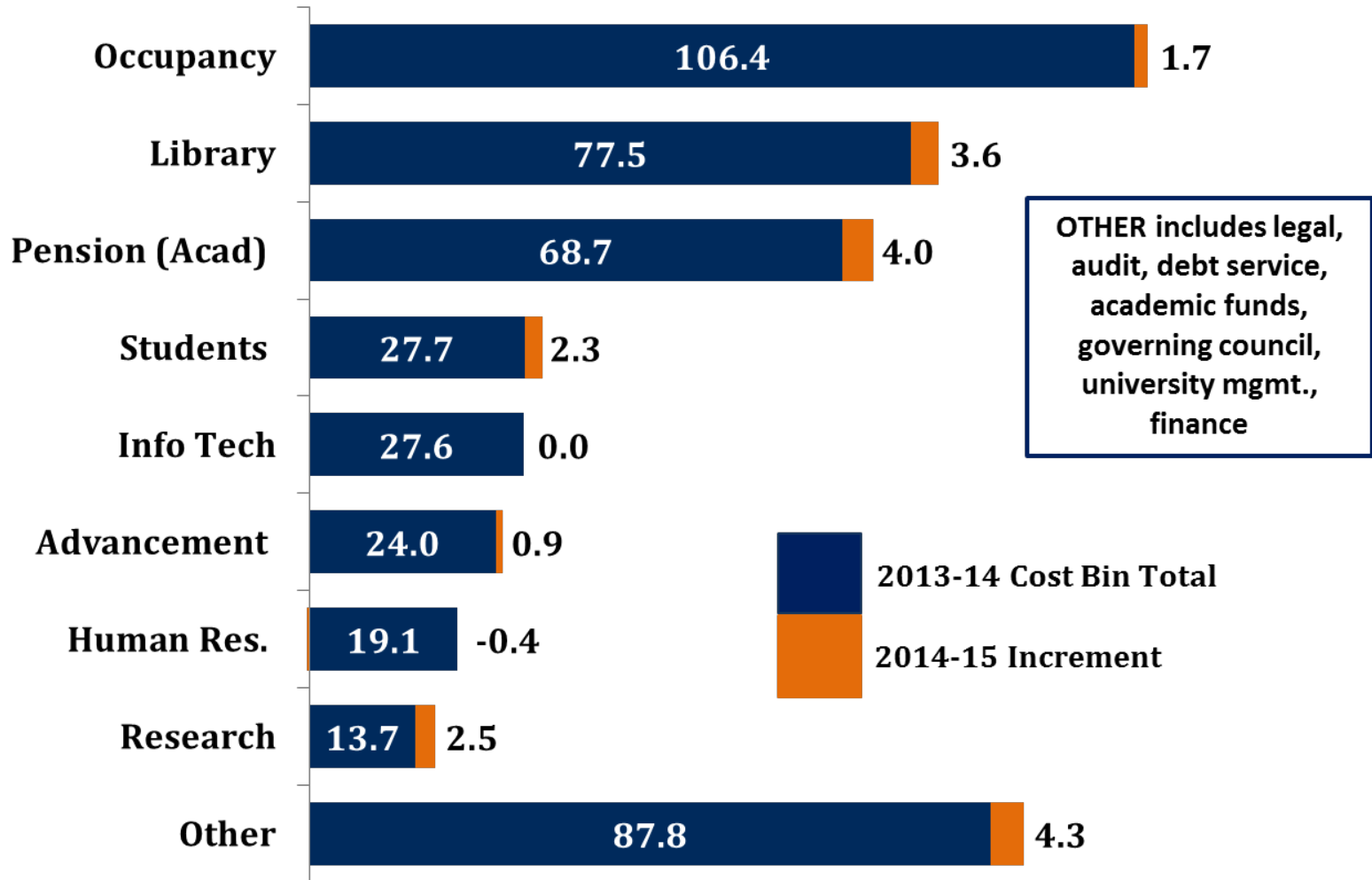
Allocations to Shared Services

Key Metrics

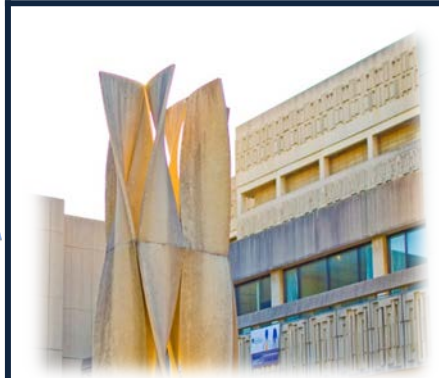
Metric	Academic Divisions	Shared Services
2013-14 proportion of budget	84%	16%
Share of new revenue	88%	12%
Rate of increase over prior year	7%	5%

University Wide Costs by Bin 2013-14 to 2014-15

(excluding Federated Block Grant)



Operational Excellence: Utilities Reduction Revolving Fund (URRF)



URRF Project	Medical Sciences Building	OISE*	Robarts Library*
Total Project Cost (oto)	\$1,495,371	\$1,196,499	\$2,495,732
Total Energy Savings (per annum)	\$1,040,000	\$403,400	\$1,007,413
Simple Payback (in years)	1.4	3.0	2.5

*Estimated

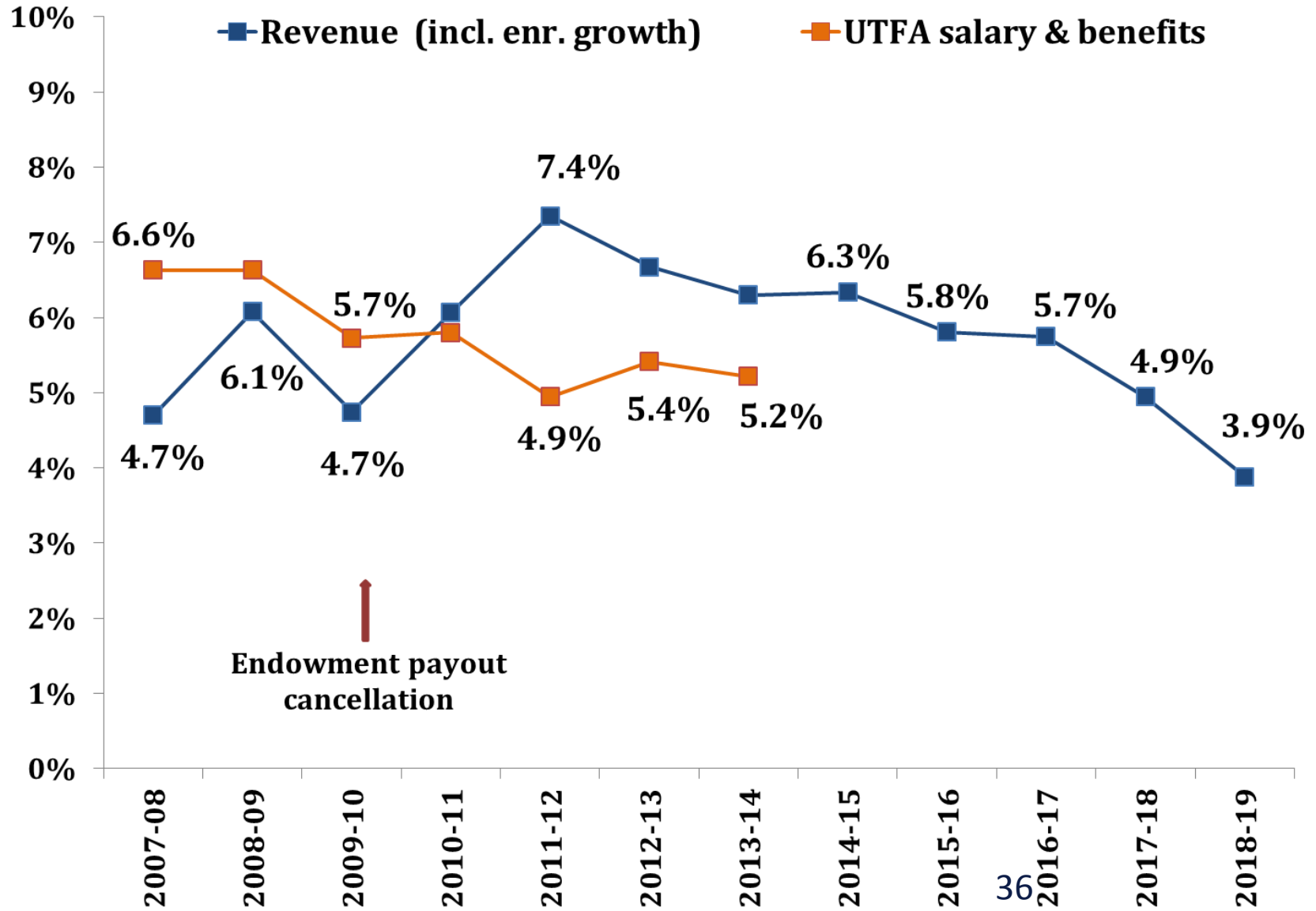
Pension Special Payments and other related costs

	Annual \$M	Cumulative \$M
Up to 2010-11	27	27
2011-12	30	57
2012-13	20	77
2013-14	10	87
2014-15	5	92
2015-16	5	97
2016-17	5	102
2017-18	5	107
2018-19	5	112

Placeholder

Rate of Growth

Revenue vs. UTFA Salary and Benefits



Faculty Salaries (AAUP; Fall 2012)

University	Full Prof.	Assoc. Prof.	Asst. Prof.
UofT (9 month)	\$151,347	\$118,351	\$96,820
UofT (11 month)	\$181,959	\$142,290	\$116,403
Michigan	\$148,700	\$101,100	\$88,800
Texas-Austin	\$144,000	\$92,800	\$86,000
UC-Berkeley	\$158,900	\$107,300	\$94,700
UCLA	\$167,000	\$110,000	\$88,800
Virginia	\$143,200	\$93,800	\$82,900
Chicago	\$203,600	\$117,600	\$102,700
Columbia	\$212,300	\$132,400	\$105,800
Princeton	\$200,000	\$129,100	\$96,800
Stanford	\$207,300	\$135,100	\$111,300

Notes Faculty Salary Survey: a) excludes Faculty of Medicine; b) Excludes Senior Academic Admin (PVP, Associate Deans & up); c) Excludes Part-time; d) Converted to 9 month salary using 0.81; e) Converted to USD BofC rate on Sept 28, 2012 (1.0166)

COACHE Survey 2012



FACULTY EXPRESSED SATISFACTION WITH COMPENSATION AND BENEFITS

**University
of Toronto**

79.4%
COMPENSATION

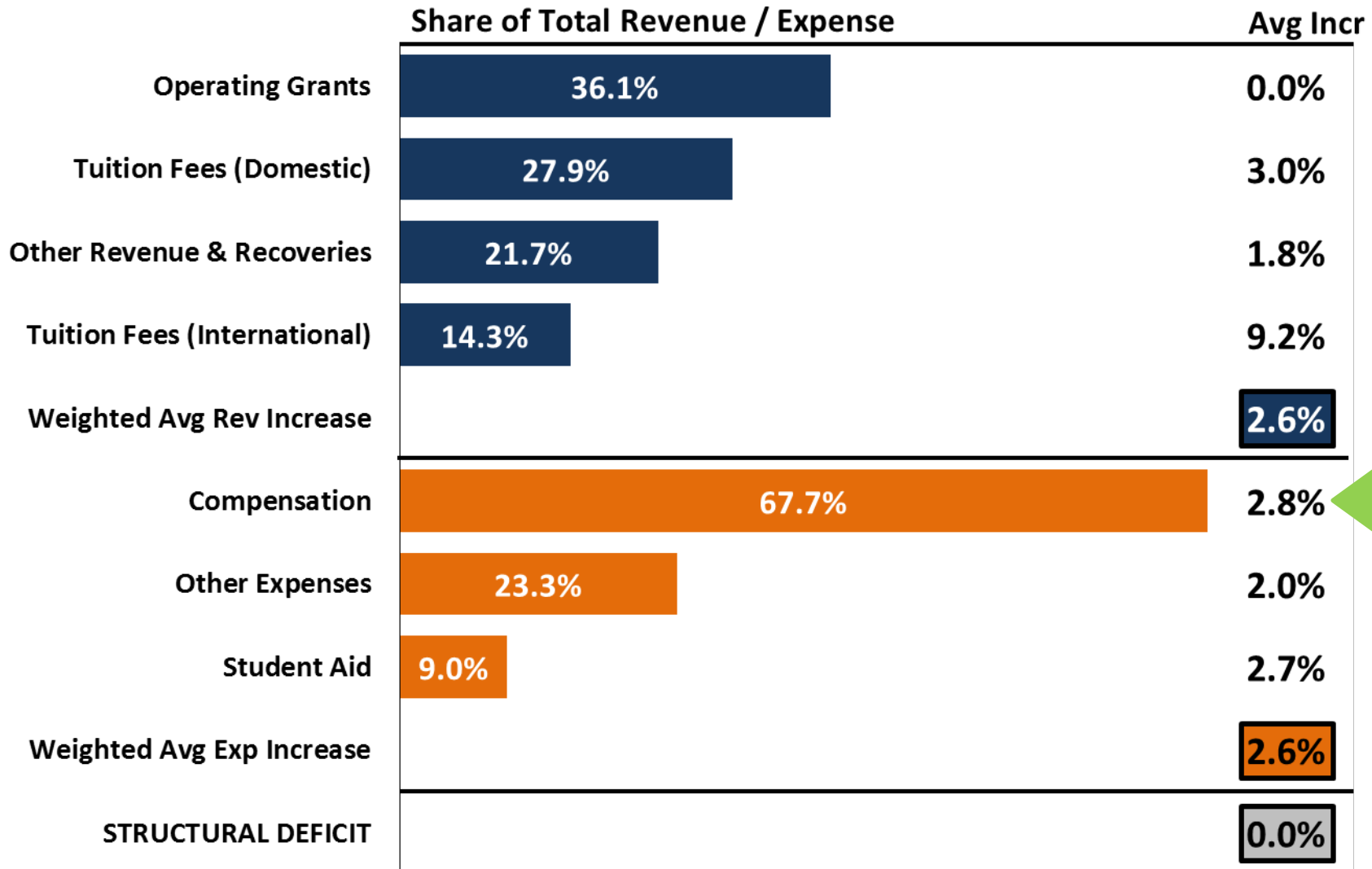
82.5%
BENEFITS FOR
SELF AND FAMILY

46.2%
COMPENSATION

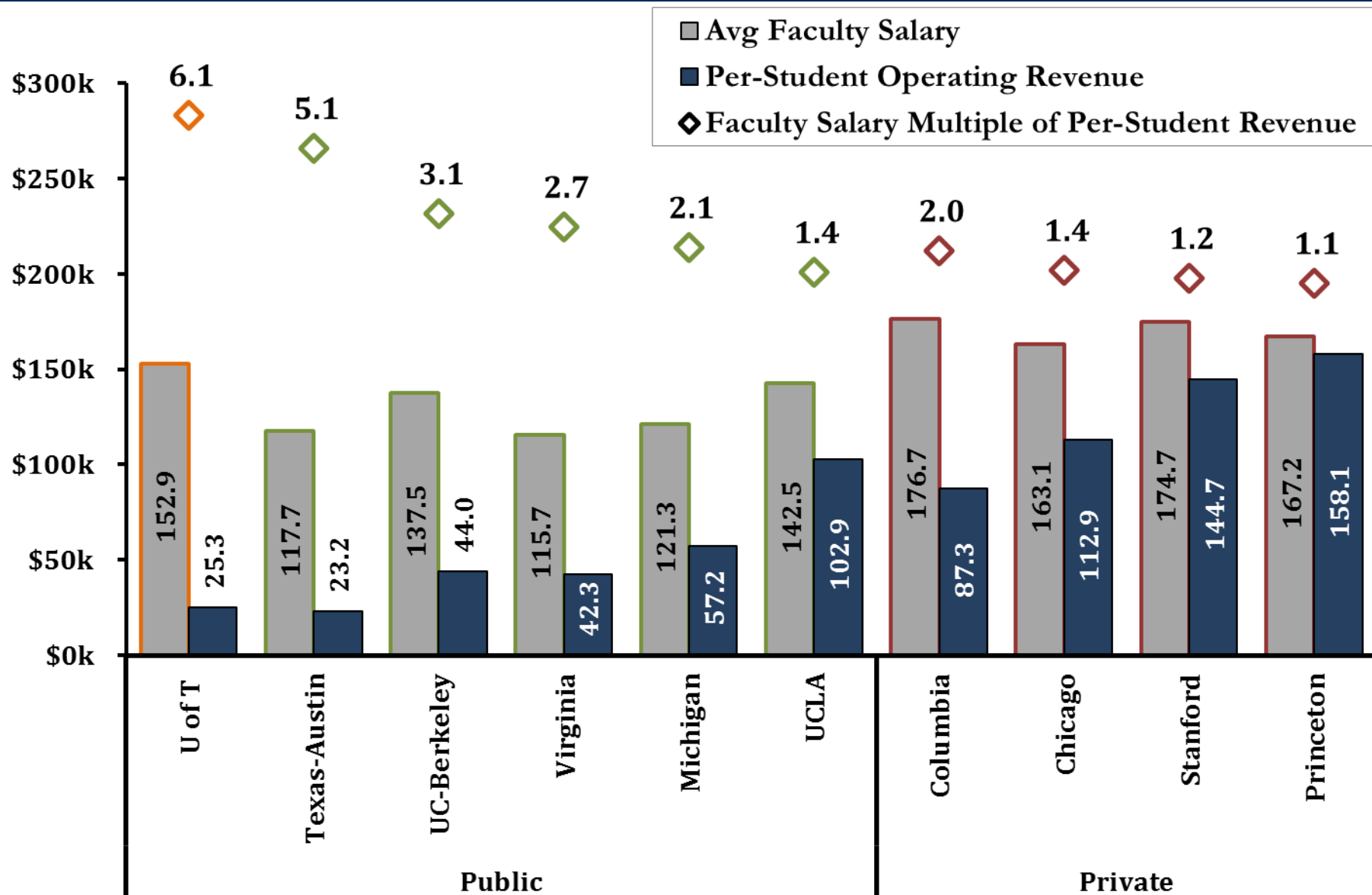
62.0%
BENEFITS FOR
SELF AND FAMILY

**5
Comparators**
Indiana
UC-Davis
UNC-CH
Virginia
SUNY-SB

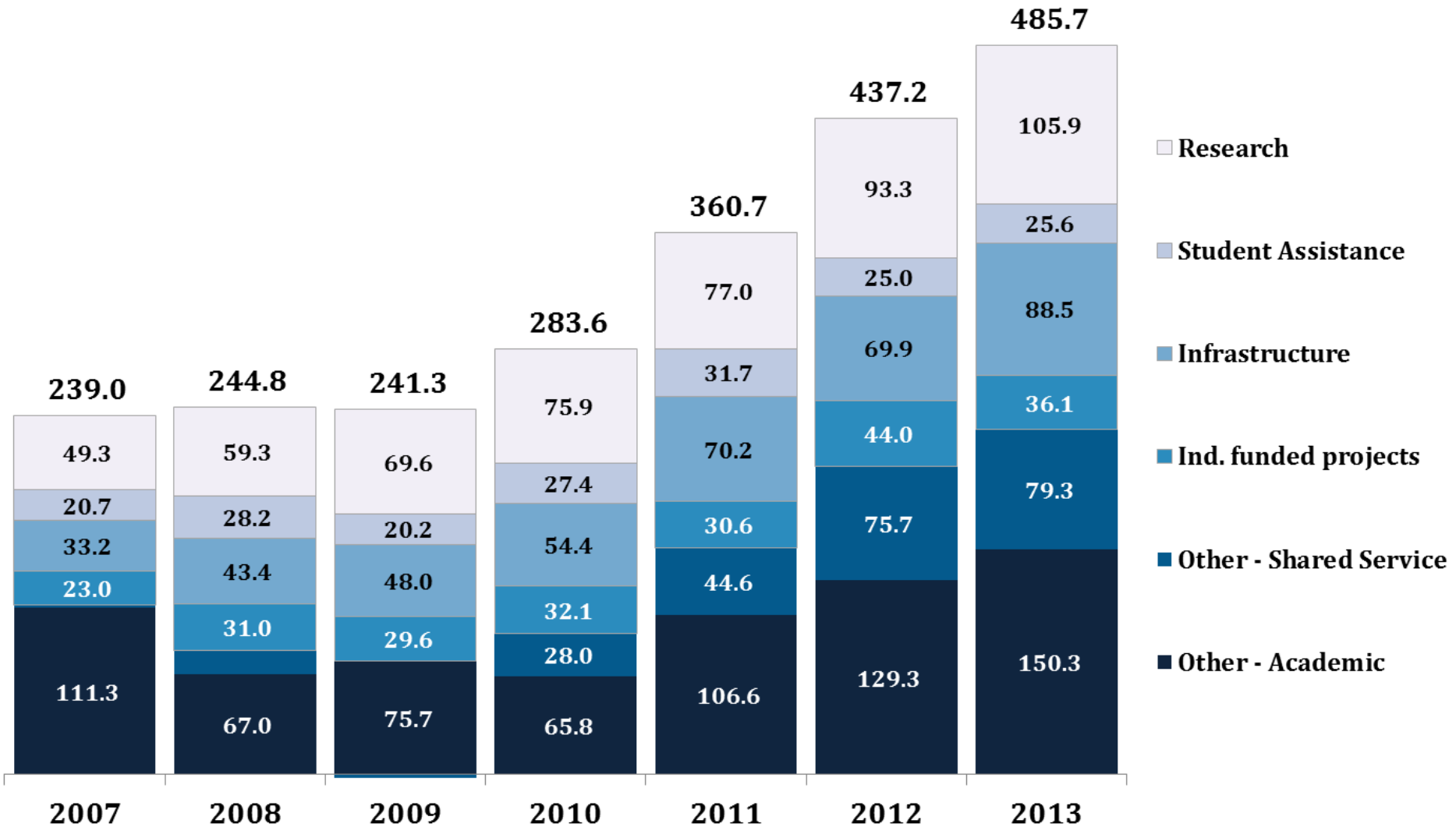
A Structural Budget Solution



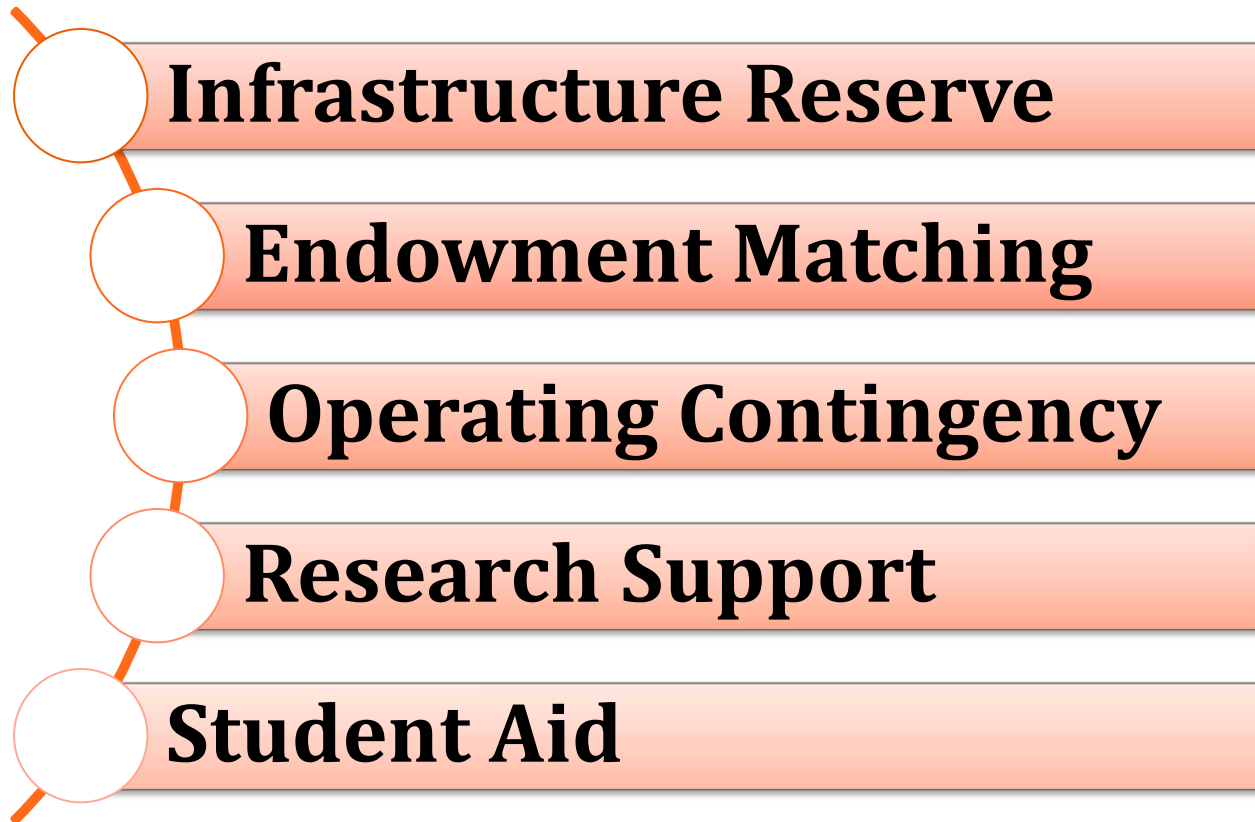
Faculty salary multiple of per-student revenue



Divisional Reserves (\$ million)



New Categories for Reporting Divisional Reserves



In Summary

Declining provincial support

Campus expansion

Differentiation/graduate

International enrolment risk

Structural budget challenge

Decisions matter