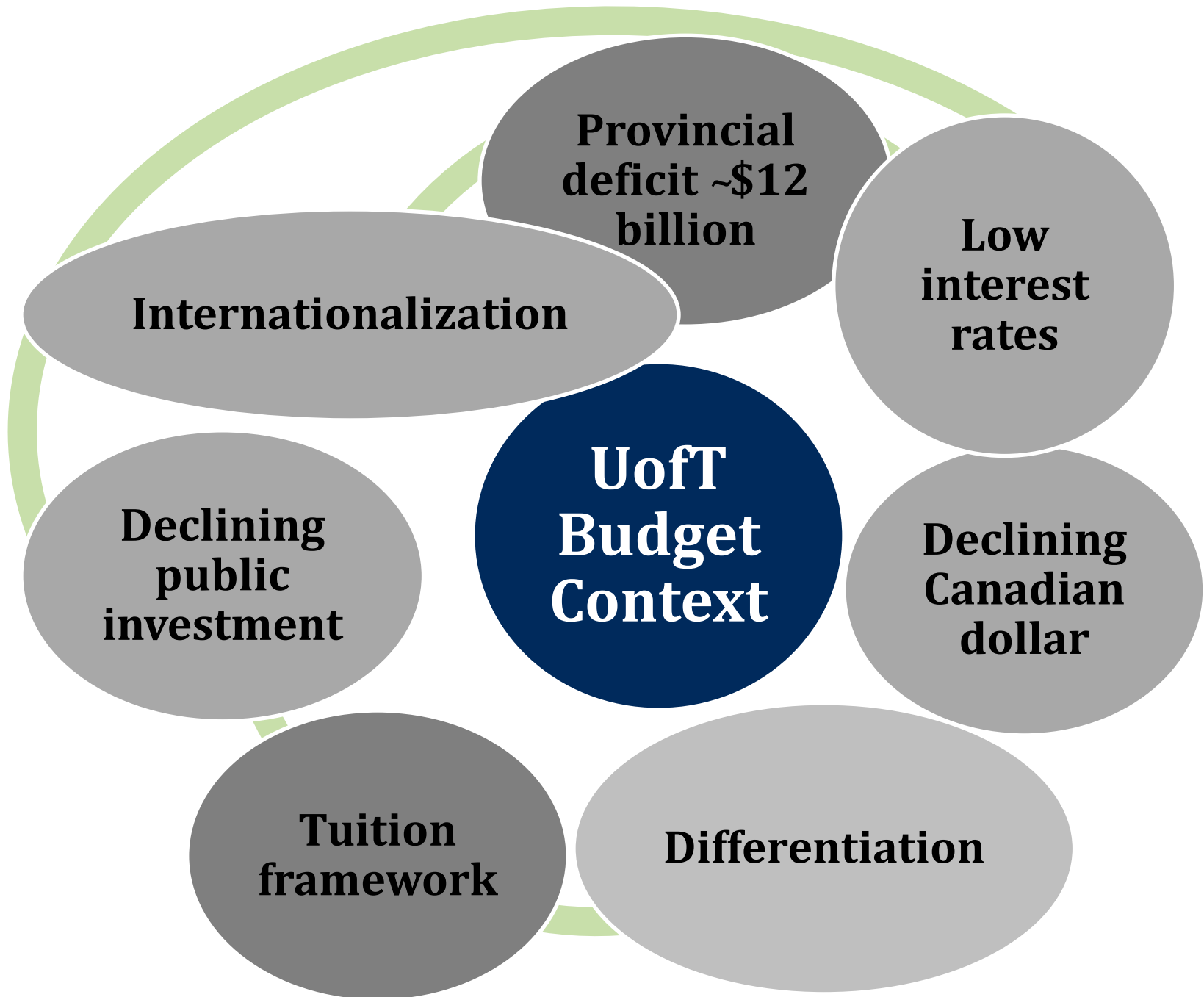


Budget 2014

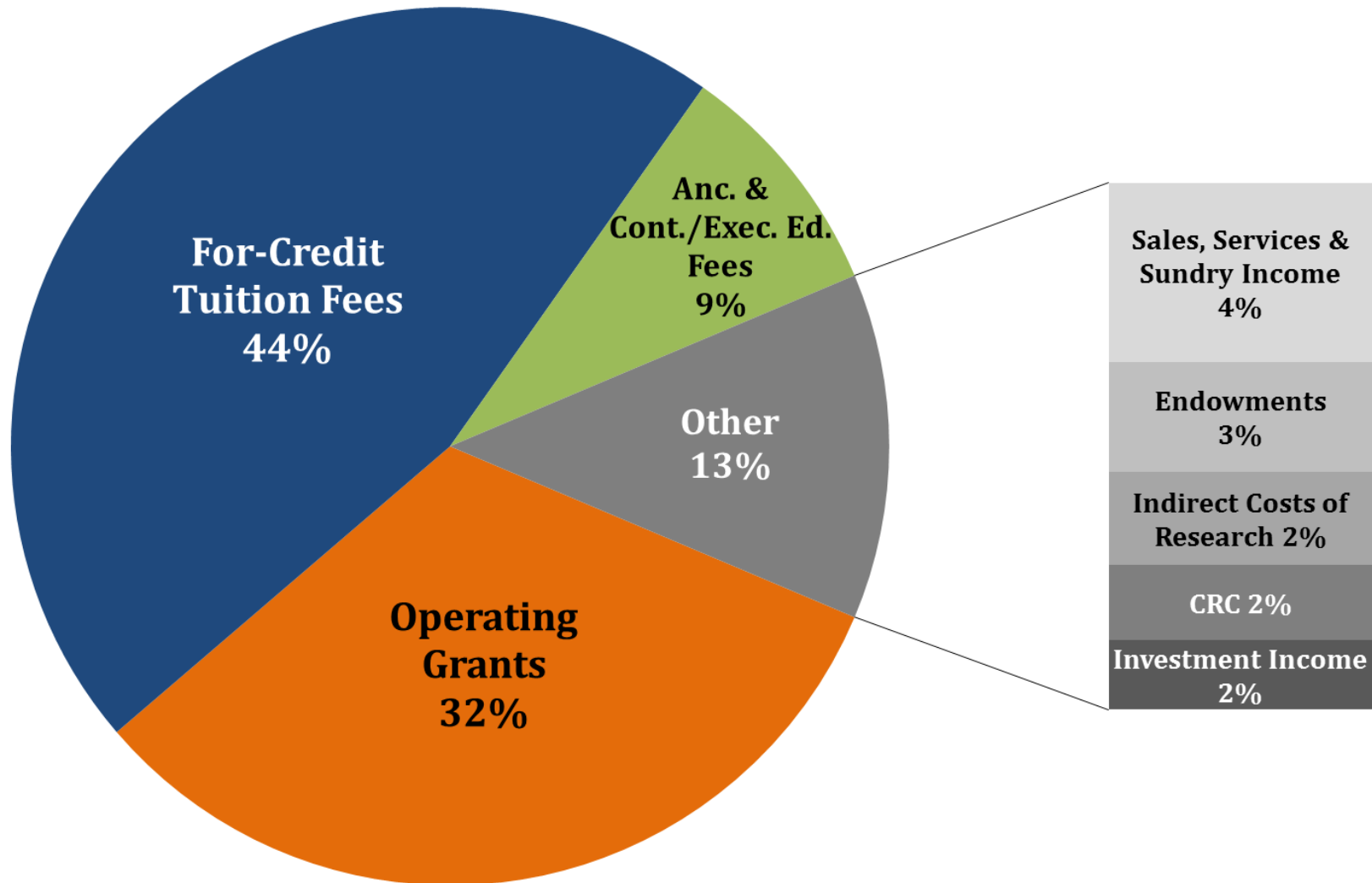
Planning and Budget Committee
February 26, 2014



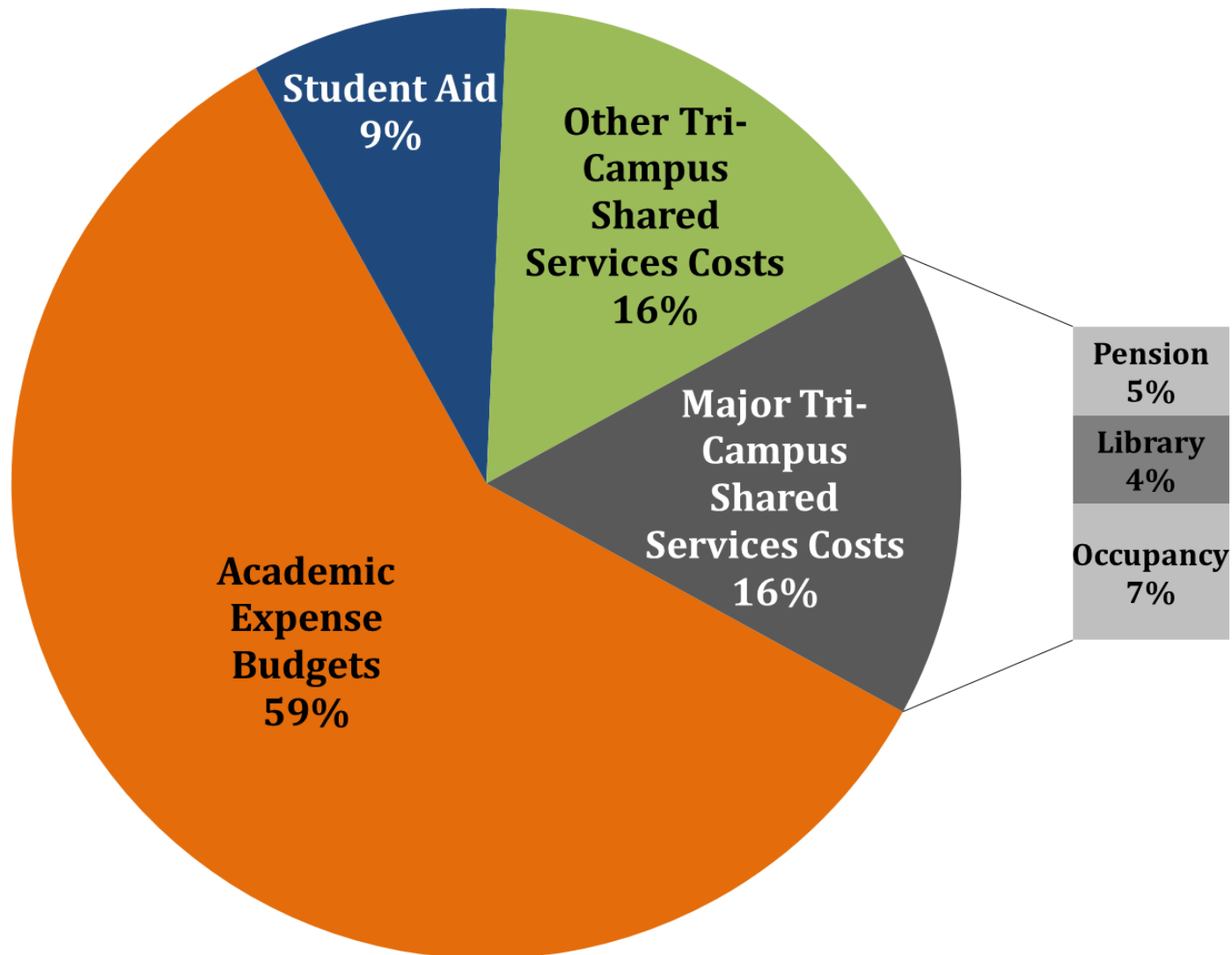


2014-15 a Balanced Budget

Revenue \$2.0 billion



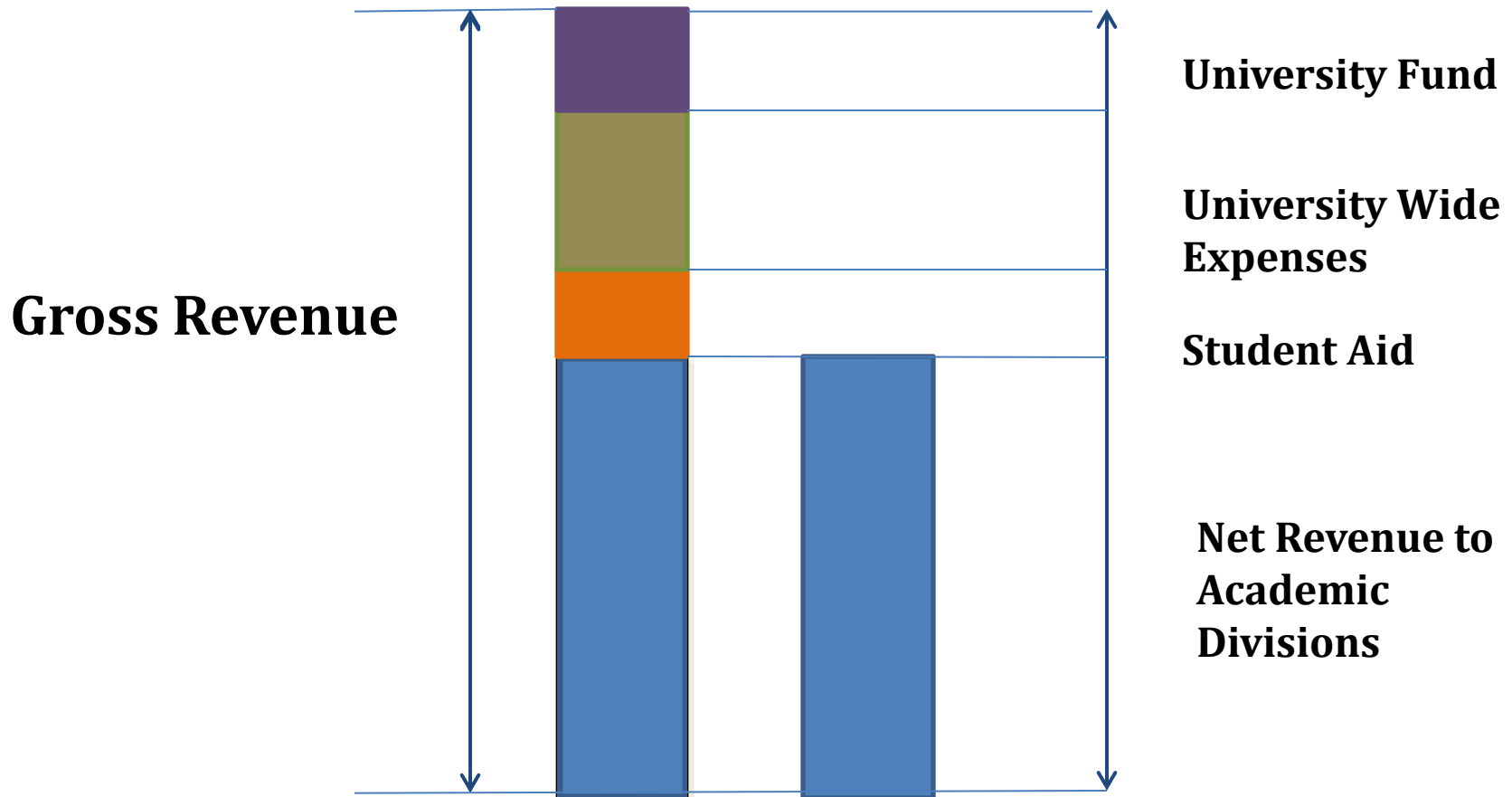
2014-15 Expenditure \$2.0 billion



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% |

Net Revenue Allocation



ENROLMENT

2013 Enrolment Results and 2014 Plans (FTE)

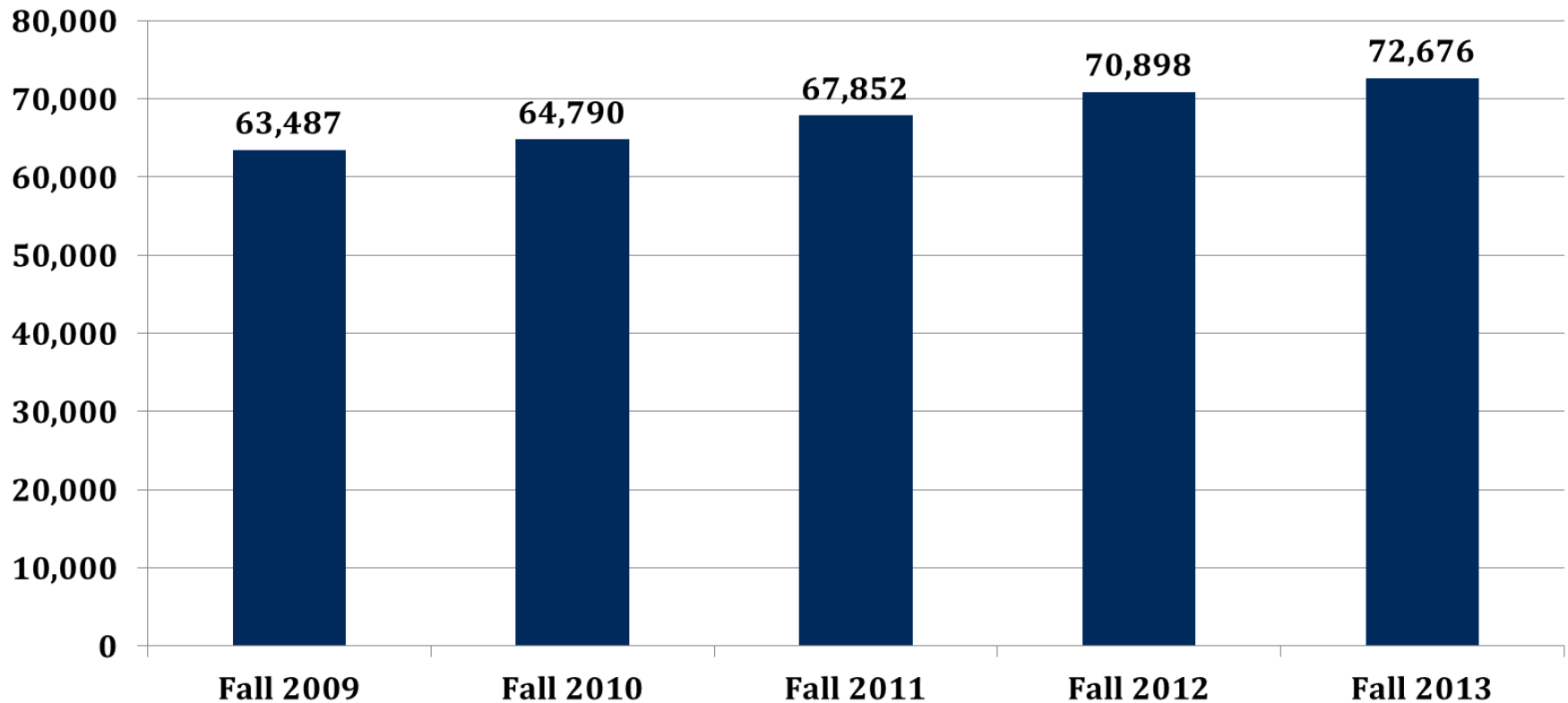
| | 2013 Actual | 2013 Var. | 2013 Var.% | 2014 Plan |
|--------------------------|----------------|--------------|---------------|---------------|
| UG Domestic | 48,876 | (113) | -0.2% | 49,376 |
| UG International | 9,043 | 408 | 4.7% | 9,975 |
| Eligible Masters | 7,106 | (120) | -1.7% | 7,785 |
| 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

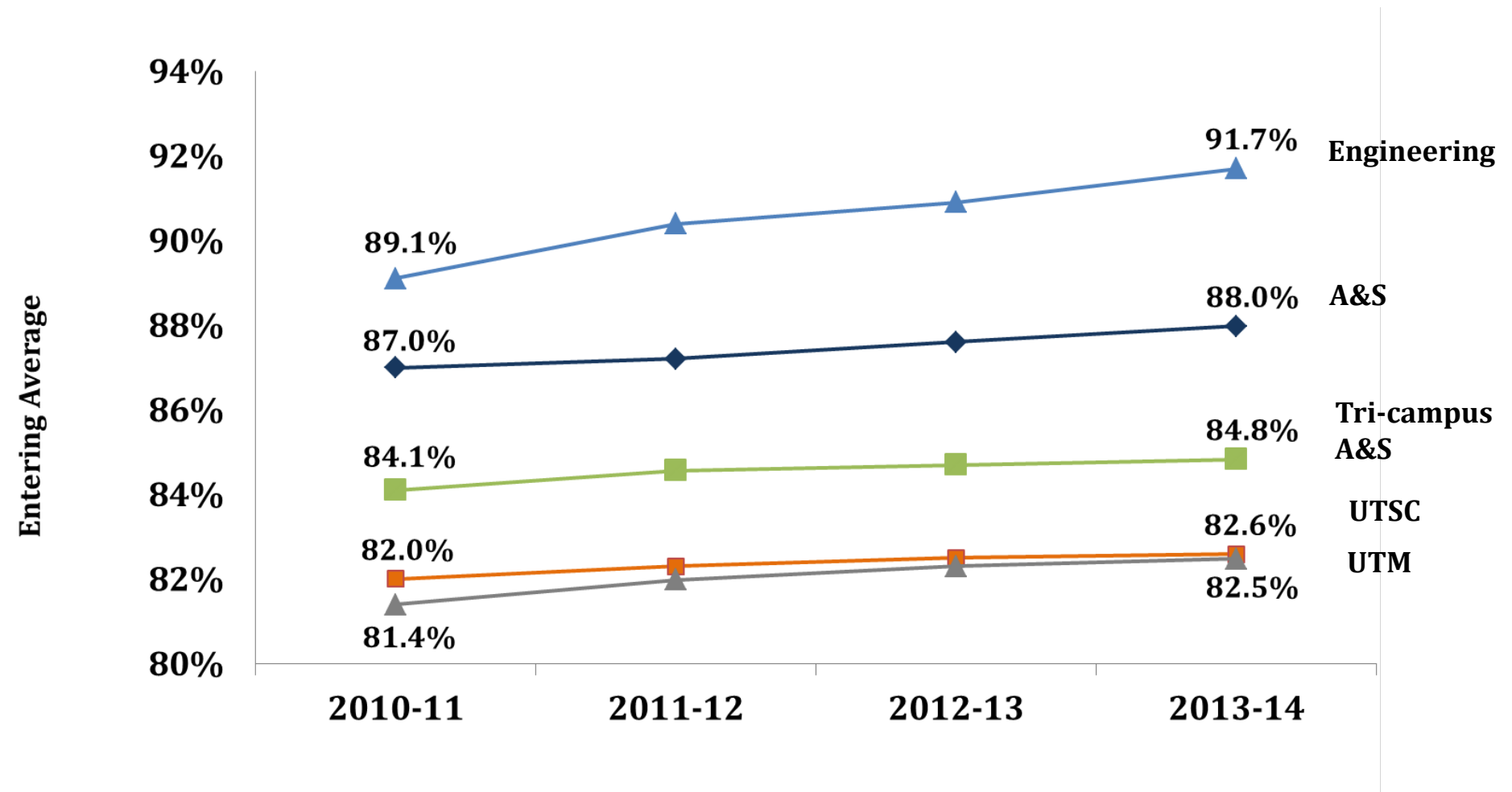
| FTE | 2013 Actual | 2018 Plan | Increase (Decrease) |
|-----------------------|------------------------|----------------------|--------------------------------|
| UTM Undergrad | 10,642 | 12,895 | 2,253 |
| UTSC Undergrad | 9,680 | 11,539 | 1,859 |
| St G Undergrad | 37,205 | 36,979 | (226) |
| Total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

Strong UG Enrolment Demand



Includes applications submitted through OUAC and directly to U of T; to first year and with advanced standing.

Strong UG Enrolment Quality



Int'l Enrolment as % of Total Undergrad

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

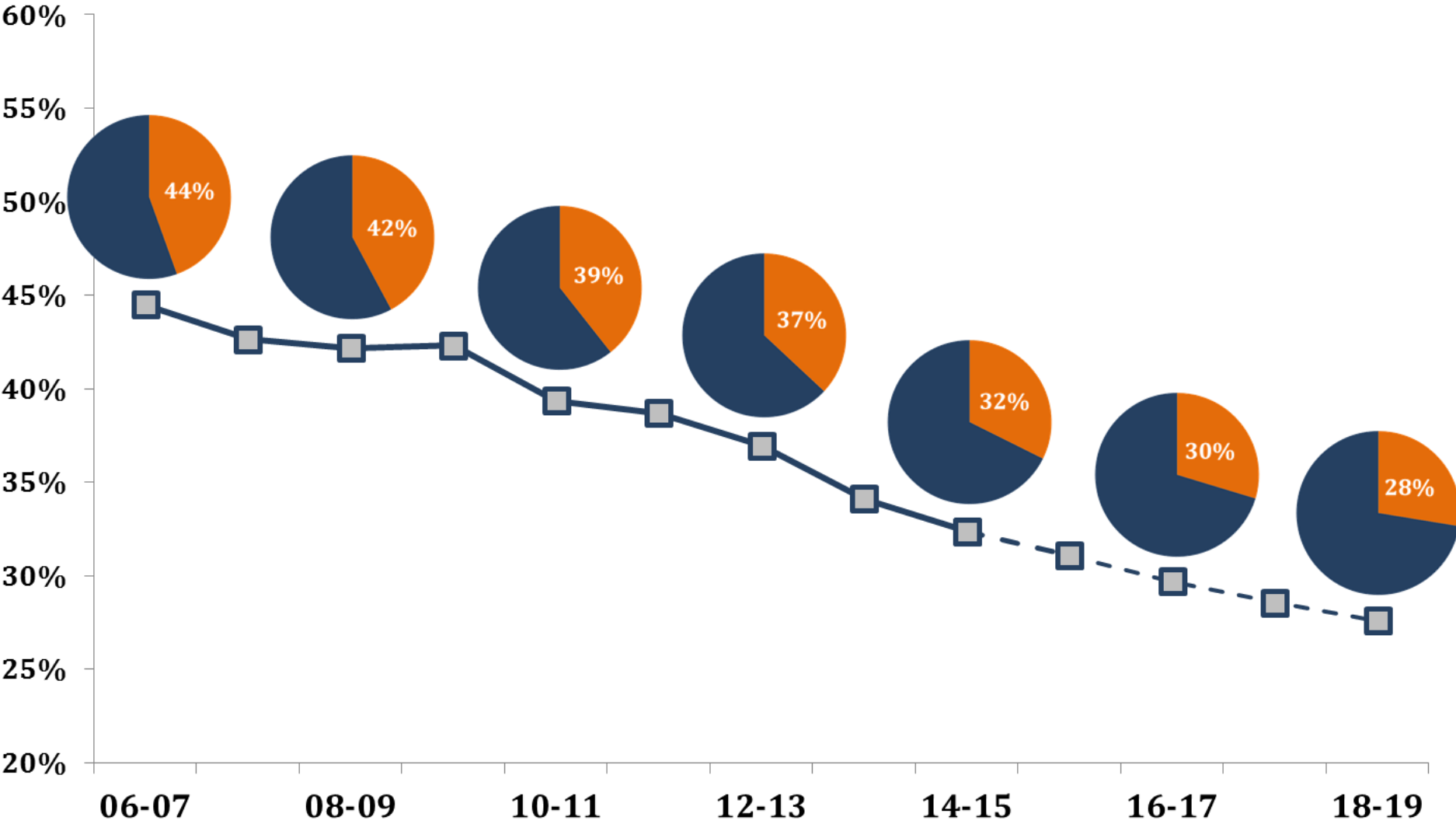
| Division | 2013-14 International as % of TOTAL enrolment | 2013-14 Actual International as % of INTAKE | 2014-15 Planned International as % of INTAKE |
|--------------|--|--|---|
| Engineering | 25% | 30% | 27% |
| A&S | 17% | 23% | 24% |
| UTM | 15% | 19% | 17% |
| UTSC | 14% | 17% | 18% |
| Architecture | 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% |
| Graduate as % of total FTE | 20.7% | 22.5% | | |

REVENUE

Provincial Operating Grant as a Share of Total Operating Revenue



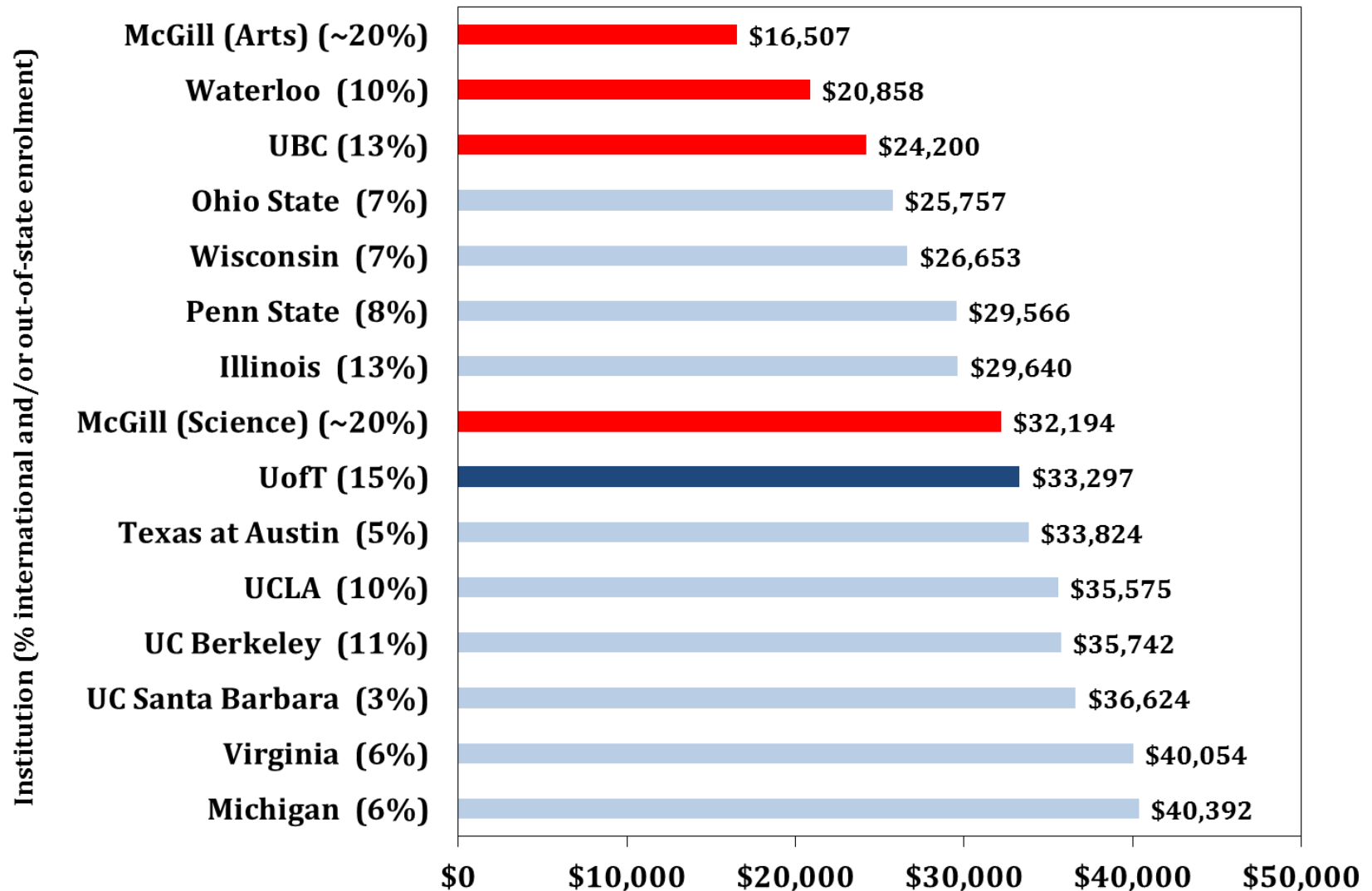
Tuition Increases

| (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



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

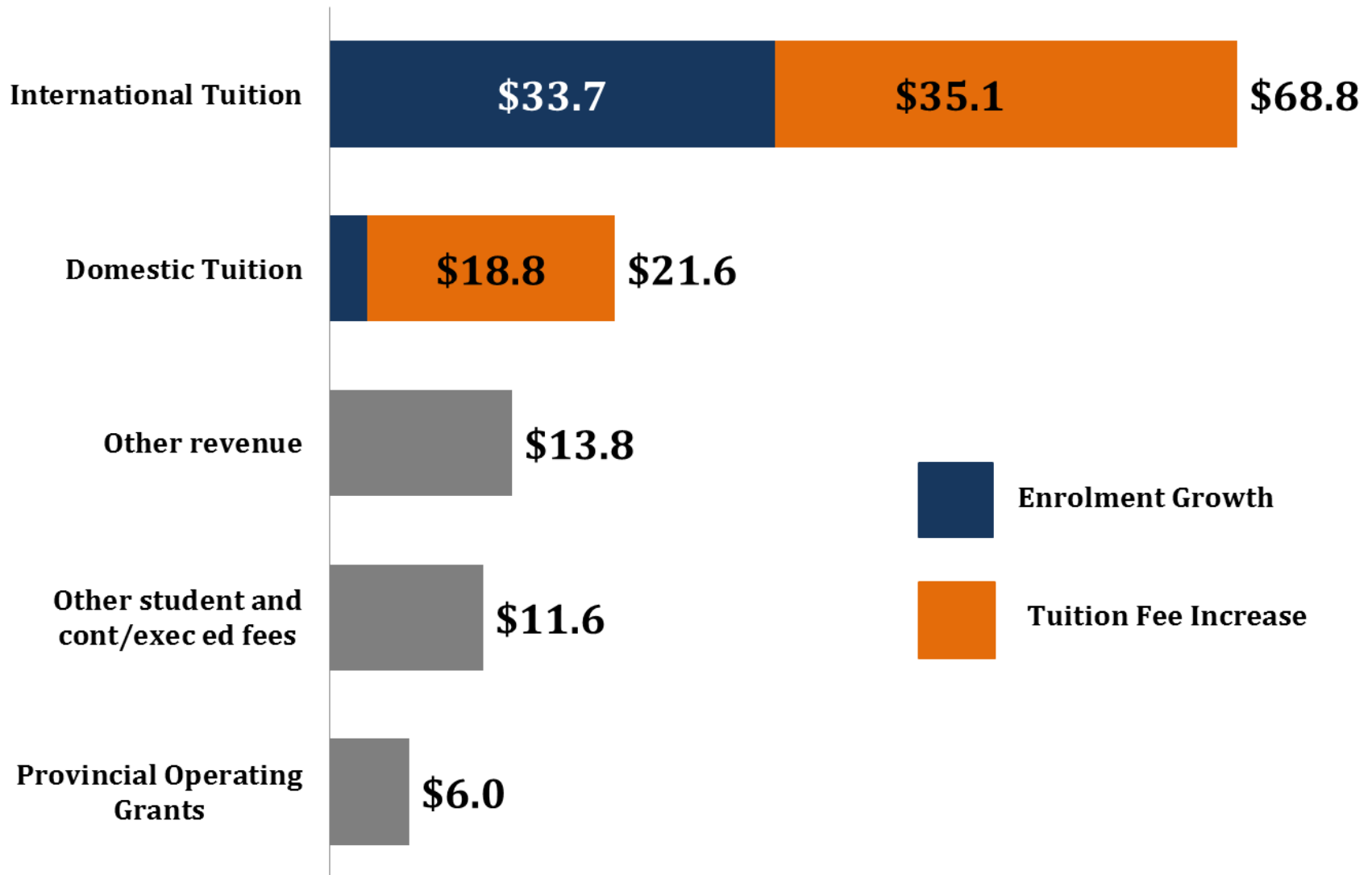
Indirect Costs of Research

Federal rate declining to 17.4%

Volume of contracts growing

Sources of Incremental Revenue 2014-15

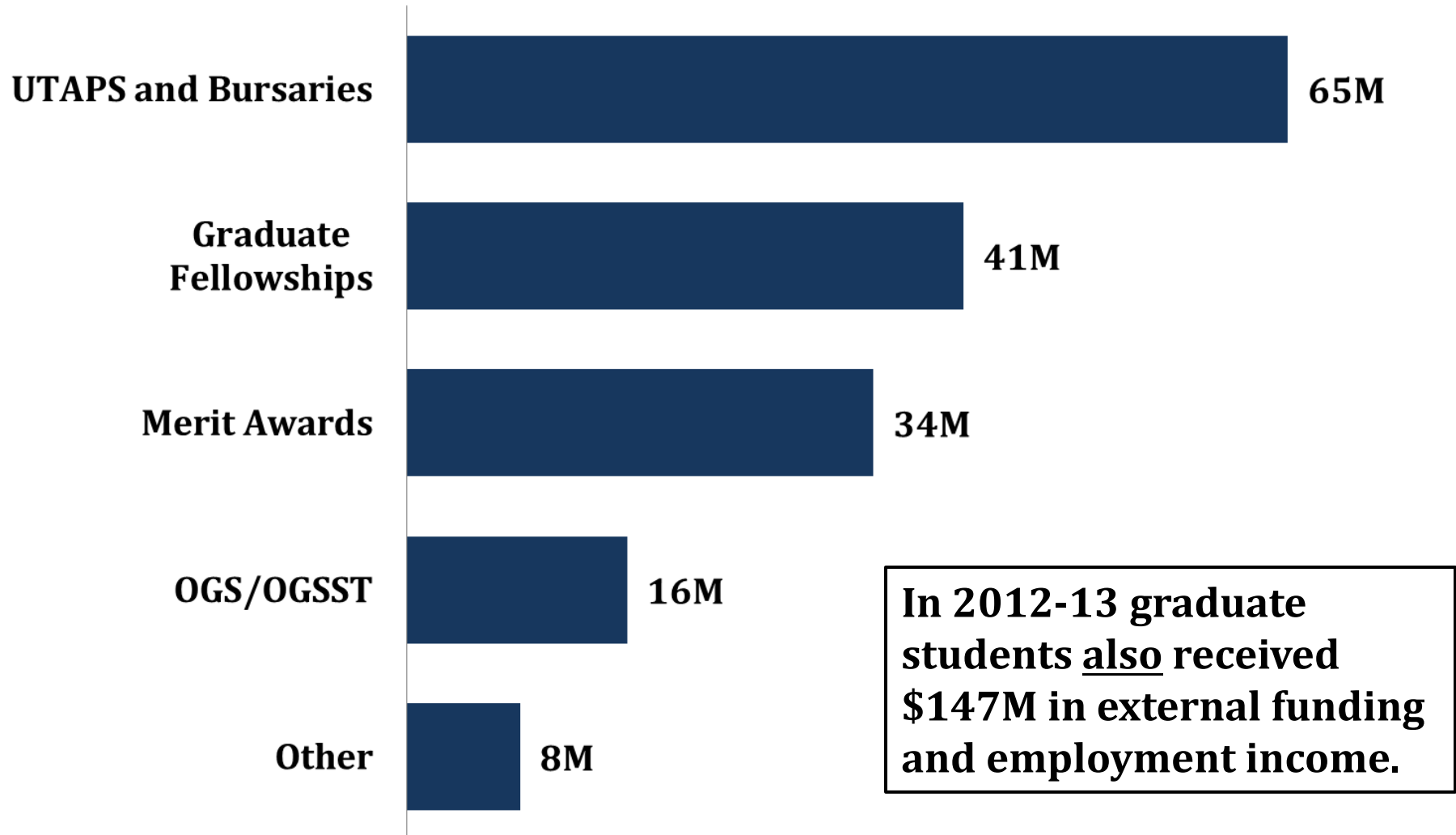
\$122M (6.3% increase over prior year)



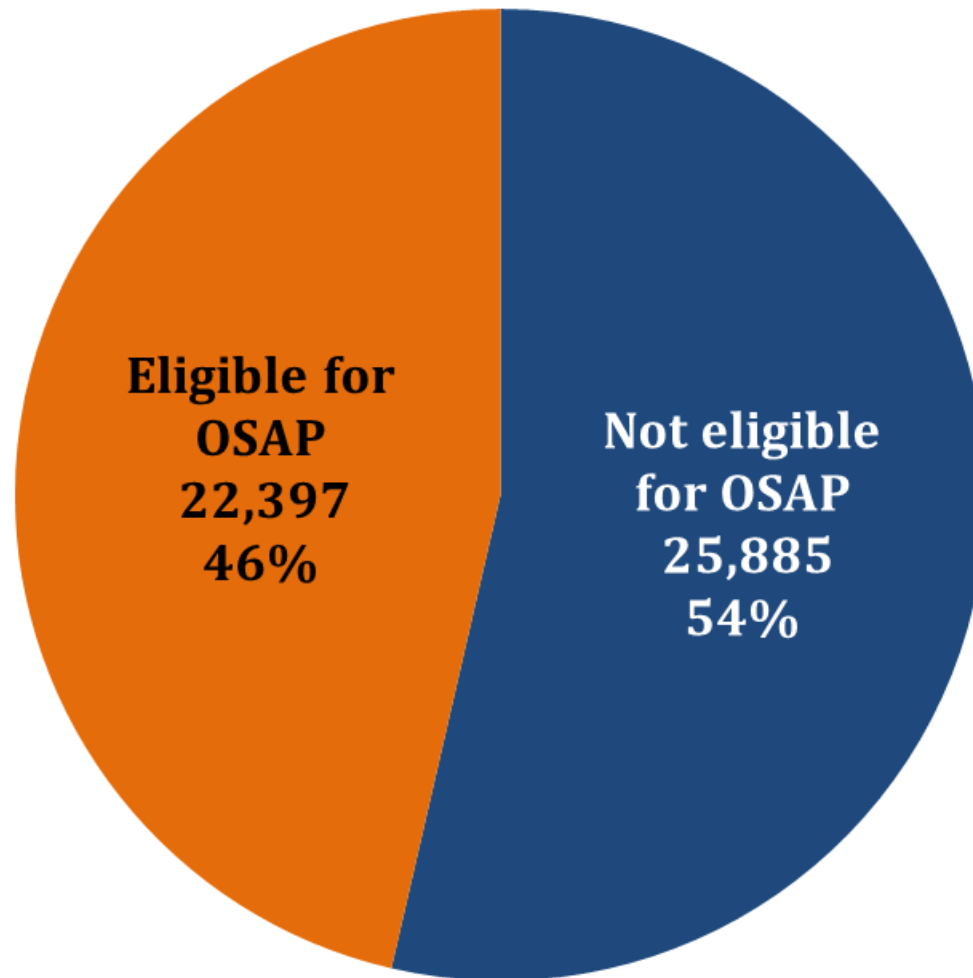
STUDENT AID

University of Toronto Student Assistance 2012-2013

Total = \$164M



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

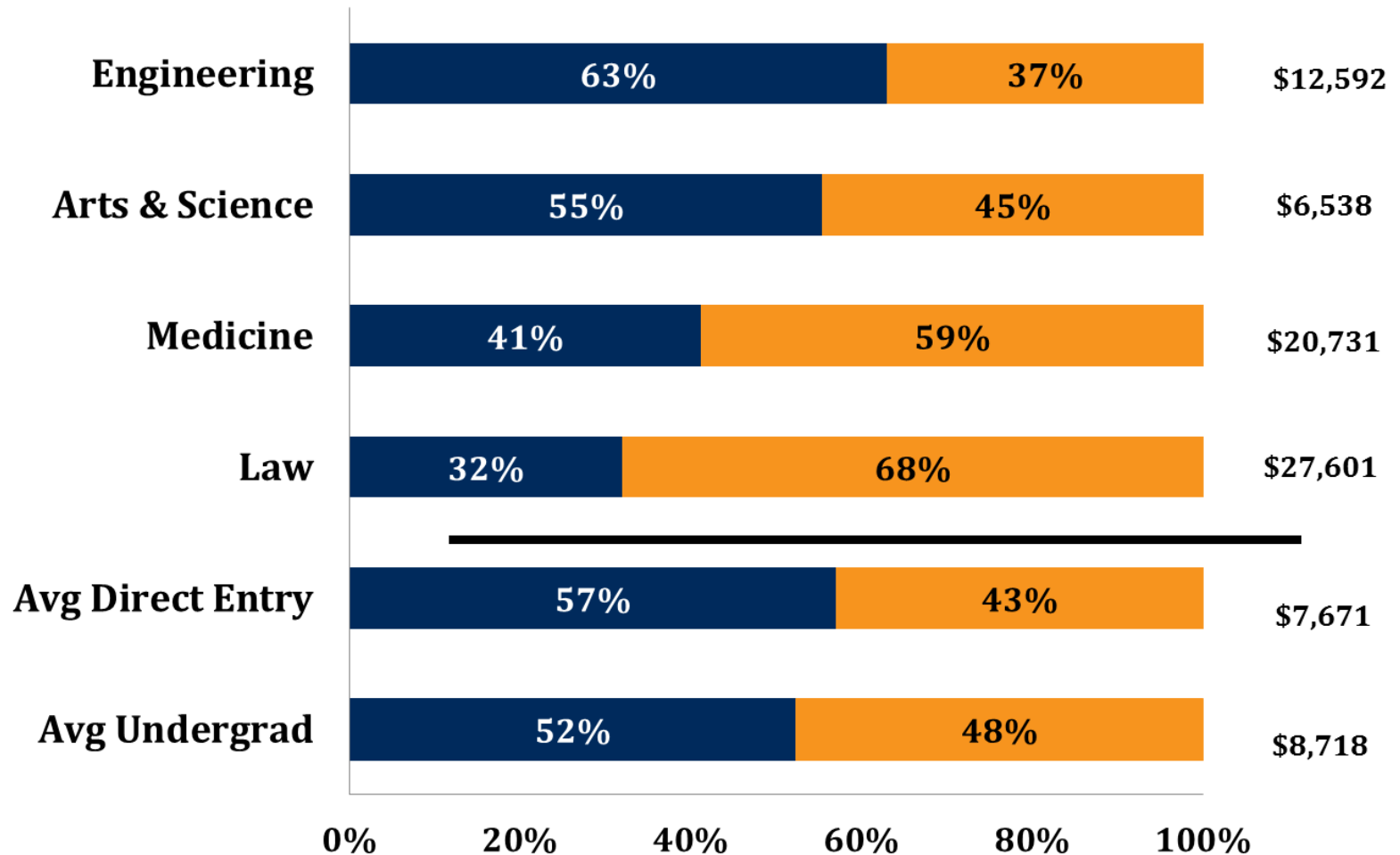


***Direct and second-entry undergraduate students**

What do students pay?

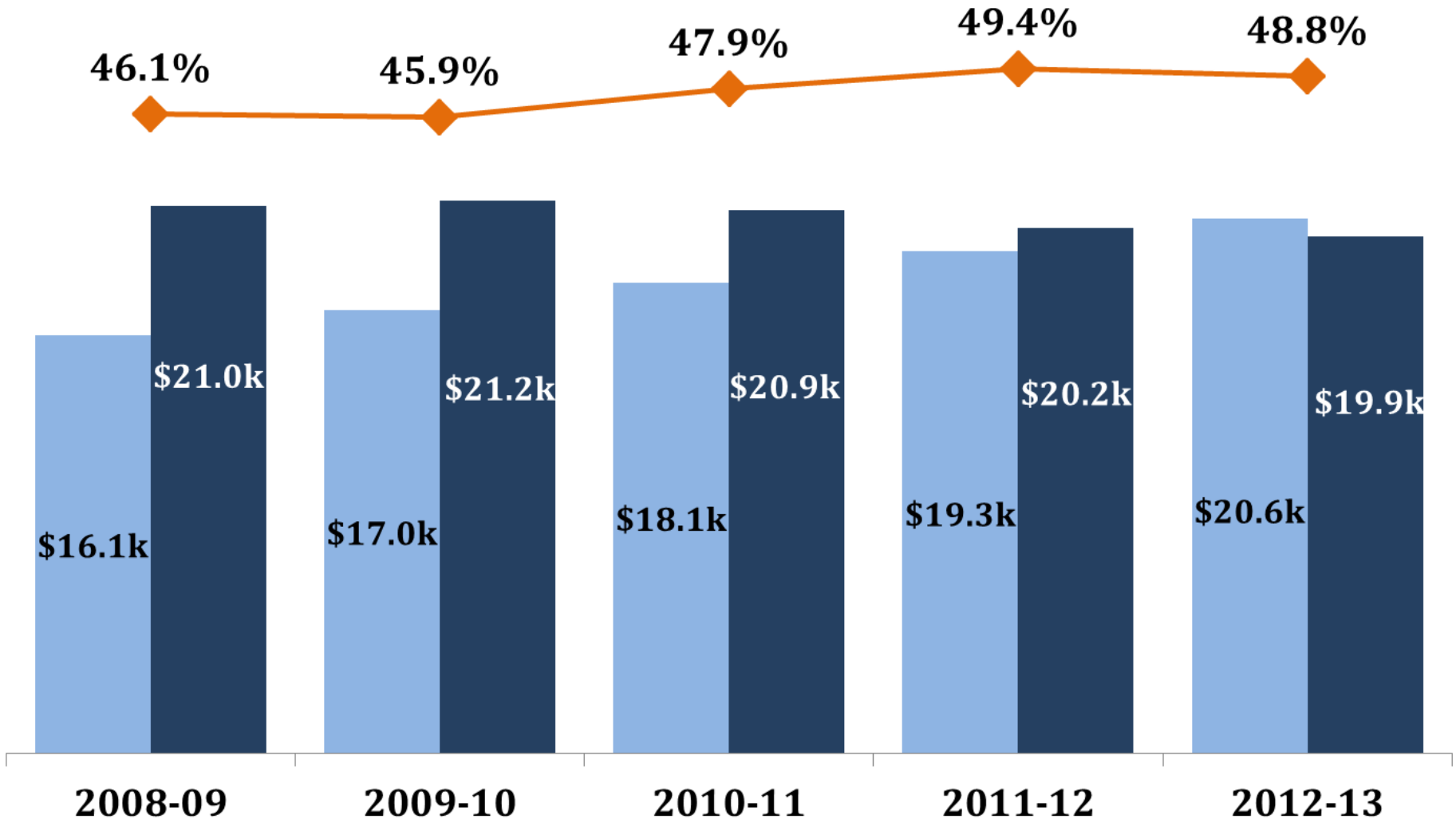
The OSAP Population by Program Area and %

■ Tuition funded by UofT/OSAP grant/OTG ■ Tuition paid by student

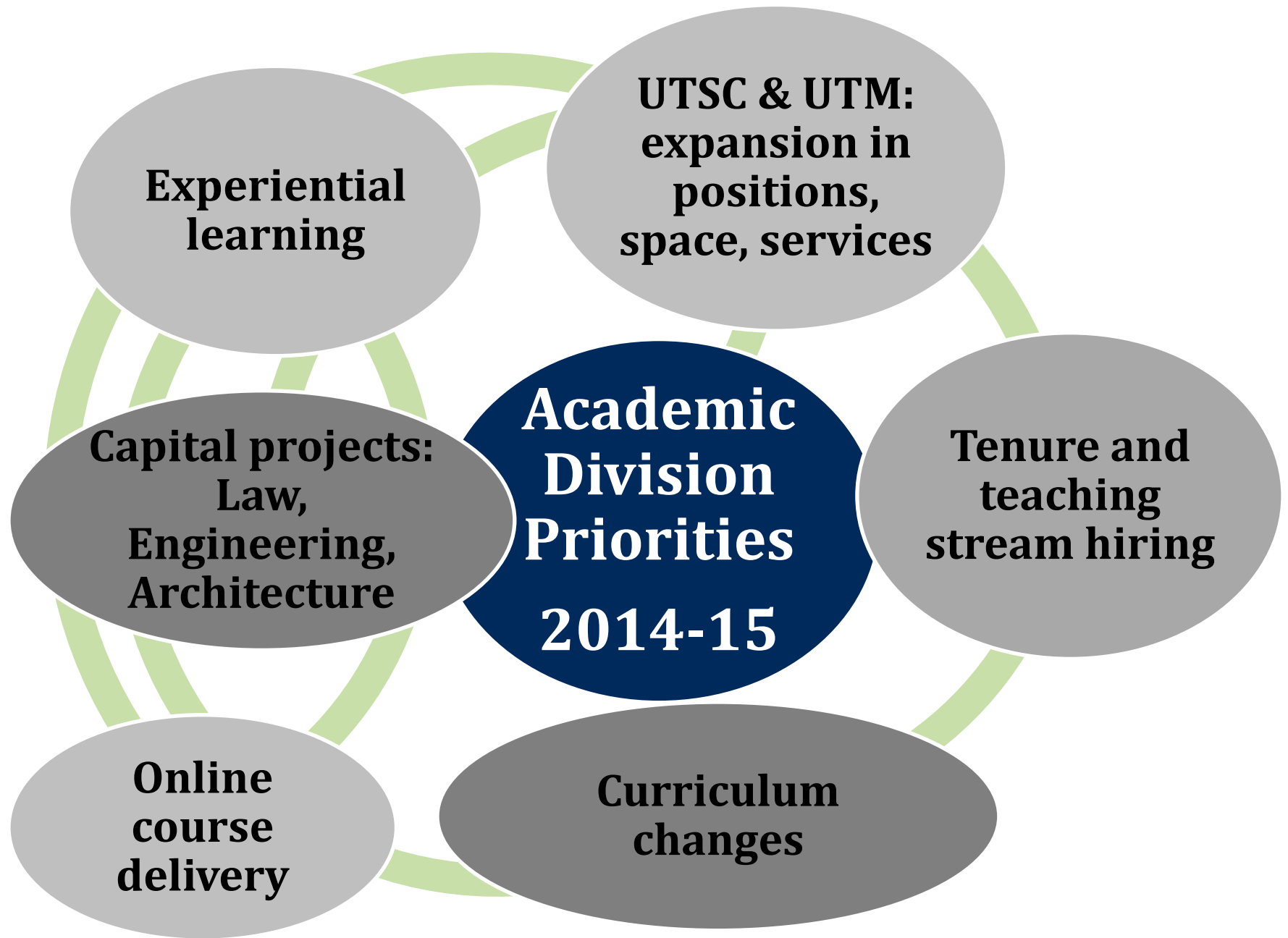


UofT: Proportion of Graduating Students with OSAP Debt and Average Amount Repayable (2012\$)

■ Total Tuition (4 Years) ■ Average Debt Repayable ◆ % of Graduates with OSAP Debt

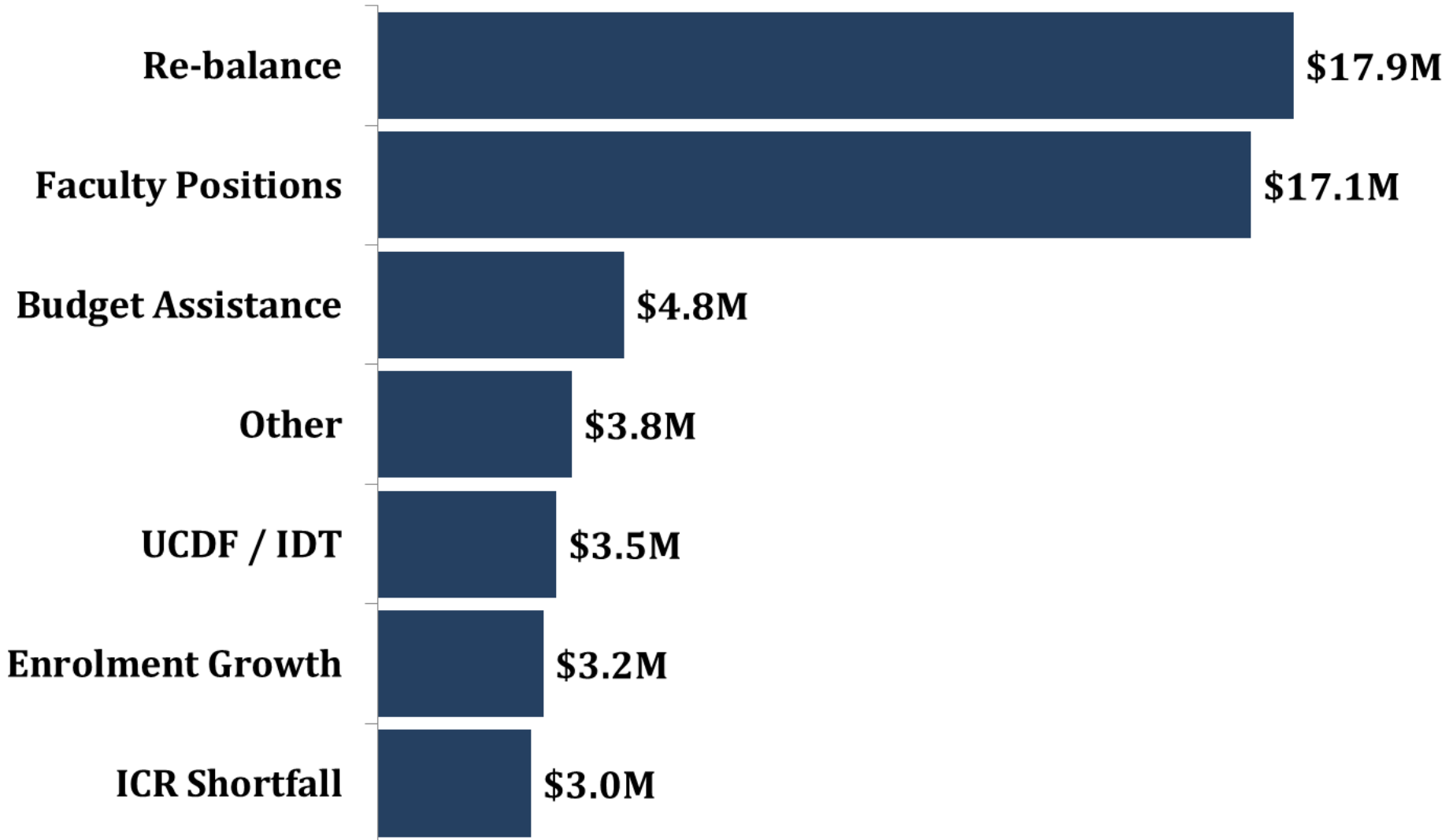


EXPENSE



University Fund Allocations

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



University Fund Allocations

2014-15 \$10.55M

- \$4.0M capital matching funds 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
- (\$0.6M) adjustments to prior year allocations

Student services

Deferred maintenance

IT Upgrades

**Shared Service
Priorities
2014-15**

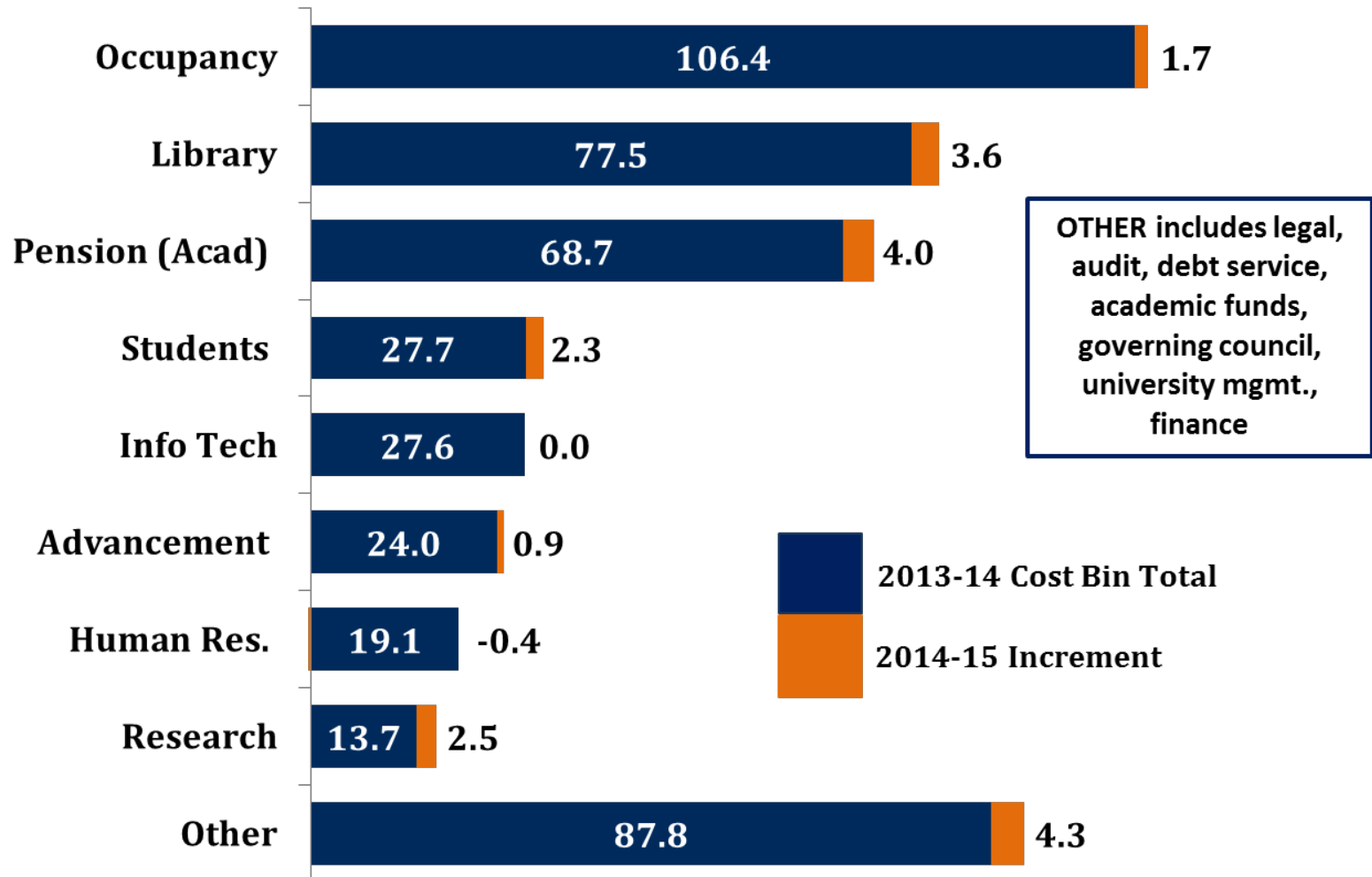
Divisional campaign support

Copyright compliance

Library collections

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

(excluding Federated Block Grant)



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

Operational Excellence: Utilities Reduction Revolving Fund (URRF)

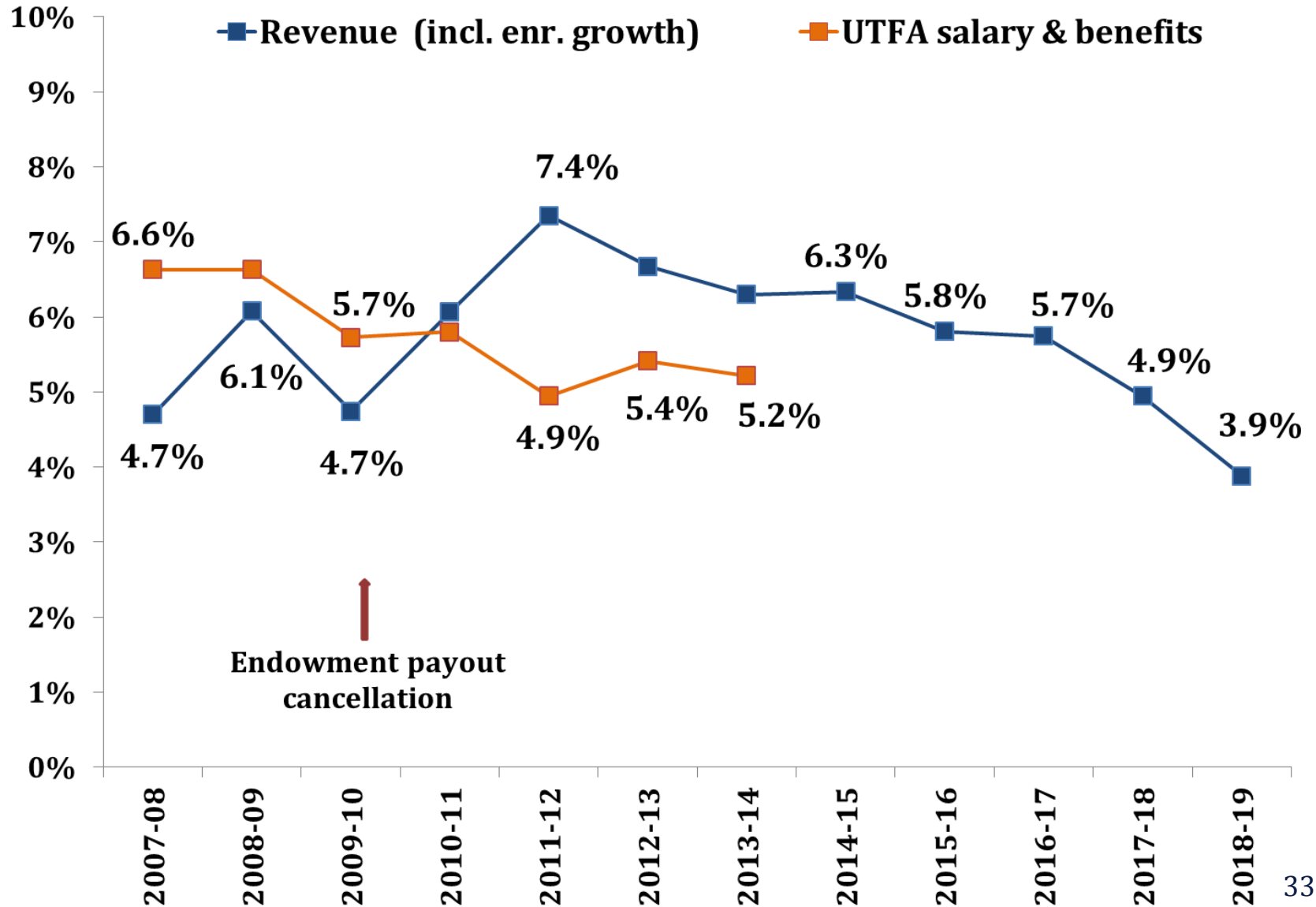


| URRF Project | Medical Sciences Building | OISE* | Robarts Library* |
|---|---------------------------|-------------|------------------|
| Total Project Cost Net of Rebates (oto) | \$1,495,371 | \$1,196,499 | \$2,495,732 |
| Total Energy Savings (per annum) | \$1,040,000 | \$403,400 | \$1,007,413 |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

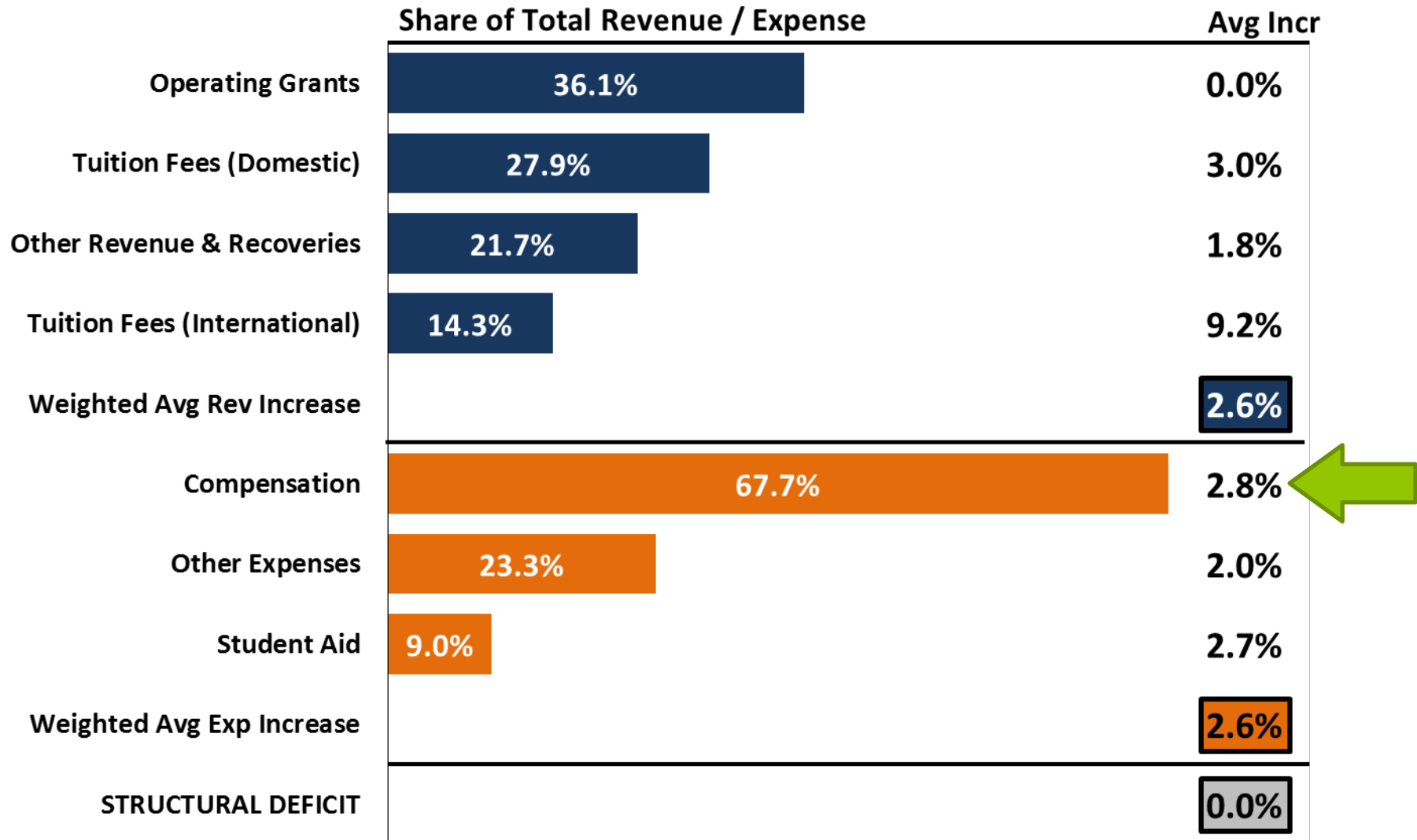
*Estimated

Rate of Growth

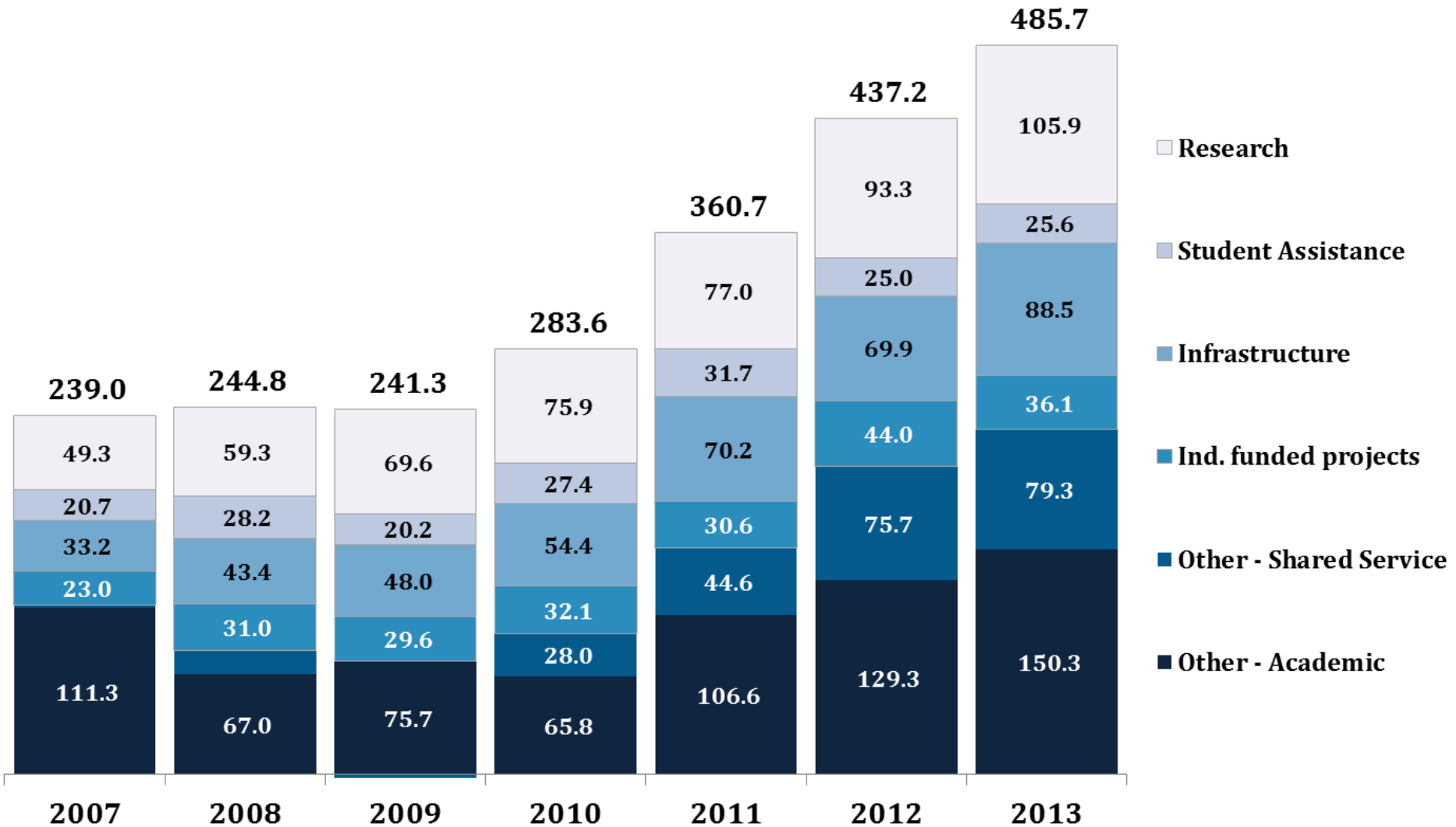
Revenue vs. UTFA Salary and Benefits



Structural Budget Solution



Divisional Reserves (\$ million)



New Categories for Reporting Divisional Reserves

THIS SLIDE FOR P&D ONLY

- **Infrastructure Reserve**
- **Endowment Matching**
- **Operating Contingency**
- **Research Support**
- **Student Aid**

In Summary

Declining provincial support

Campus expansion

Differentiation/graduate

International enrolment risk

Structural budget challenge

EXTRA SLIDES NOT USED



UNIVERSITY OF
TORONTO

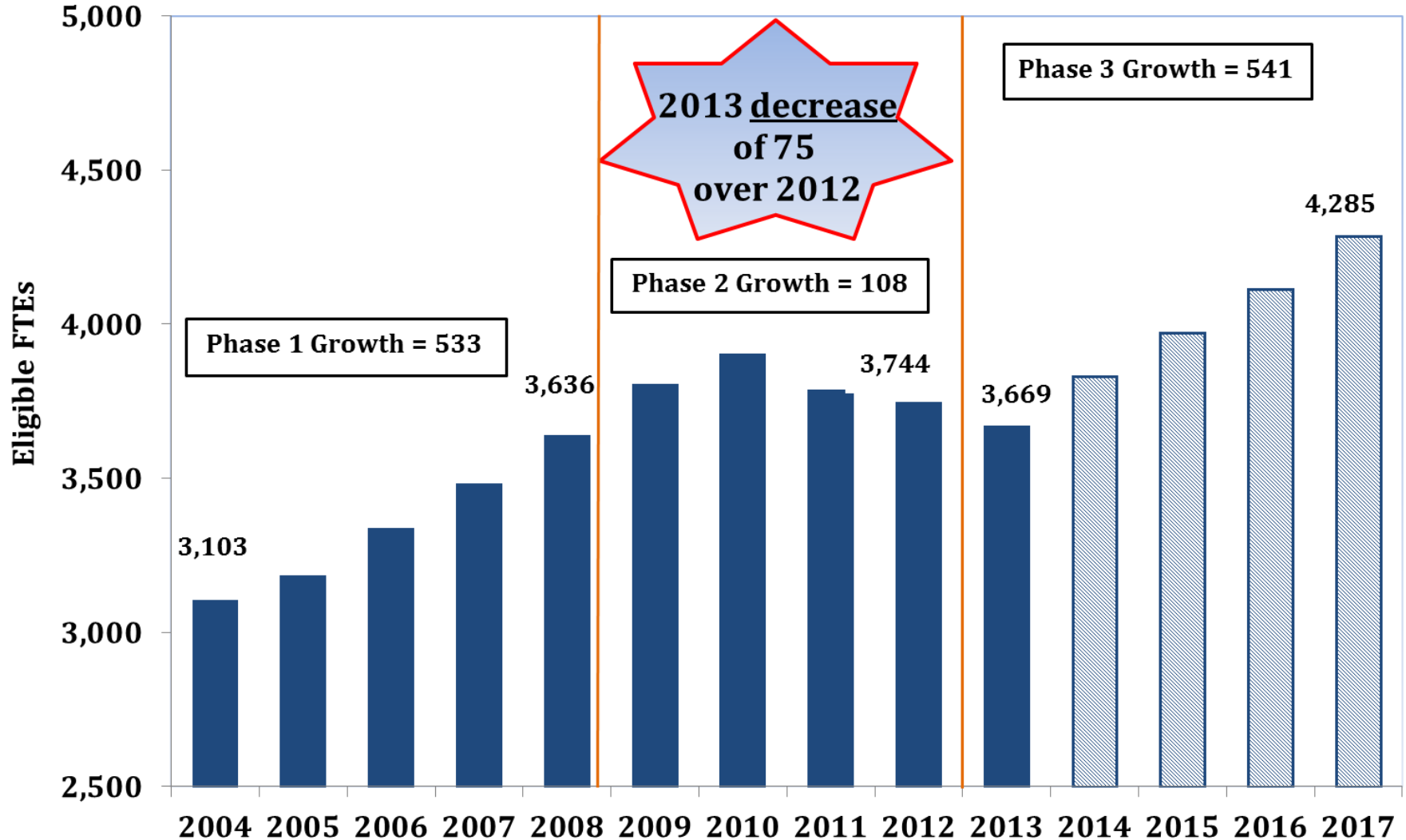
Professional Masters Expansion



Research Masters Expansion

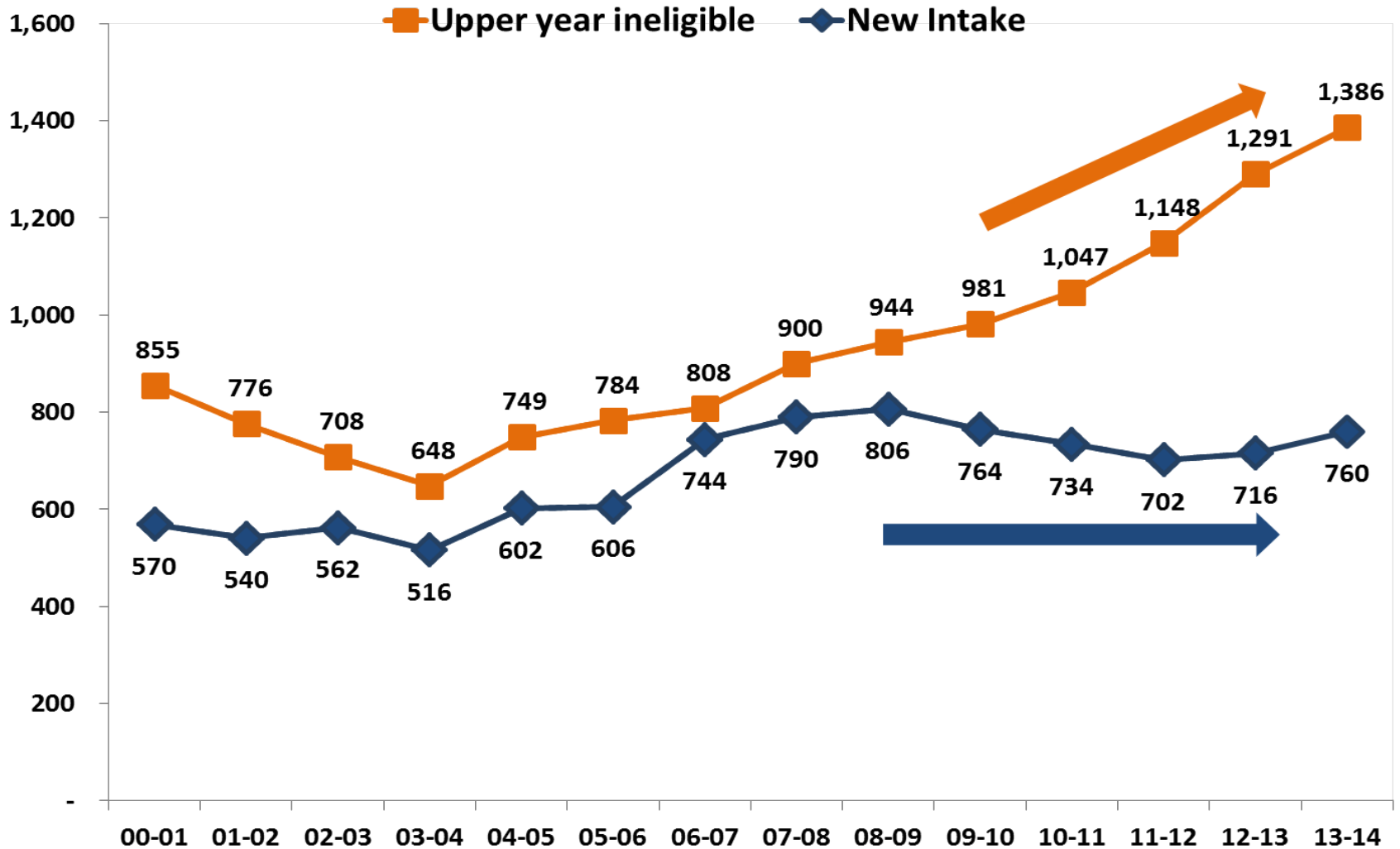


Doctoral Expansion

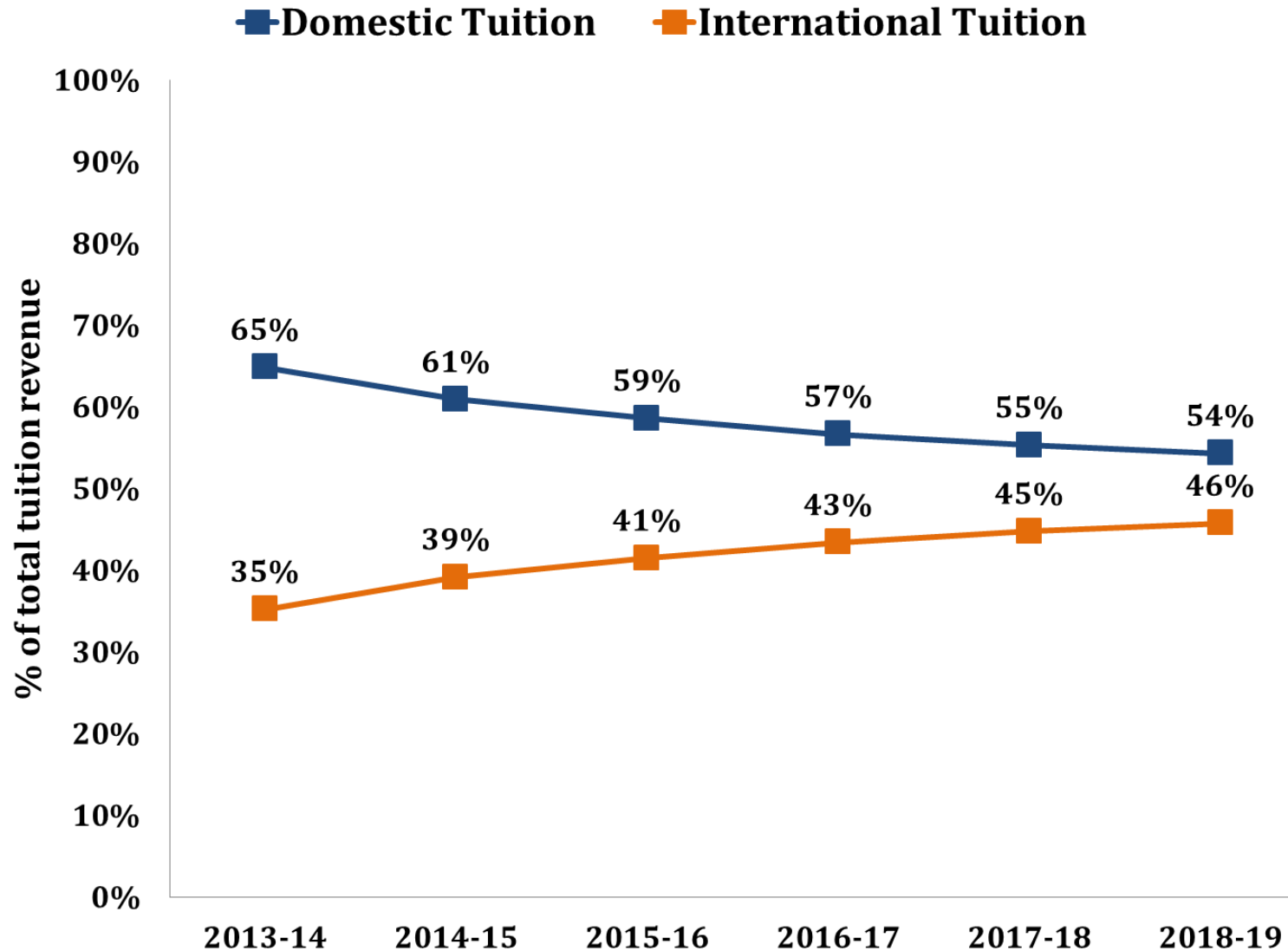


Domestic Doctoral FTE

Upper-year ineligible growing faster than new intake



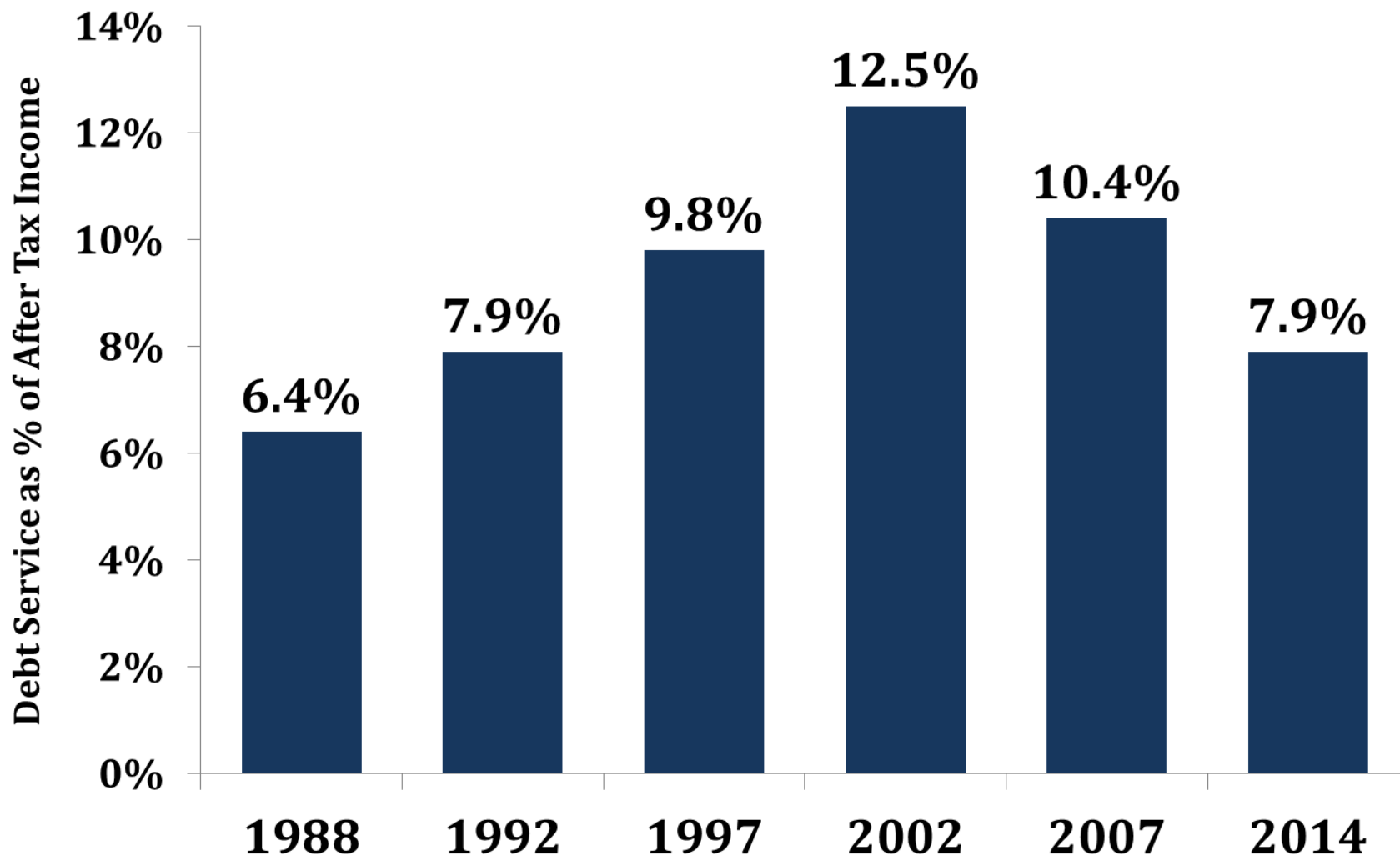
International vs. Domestic Tuition Revenue (Includes undergraduate and graduate tuition) **FOR P&D ONLY**



Potential Impact of Program Fee Changes for Arts & Science **FOR P&D ONLY**

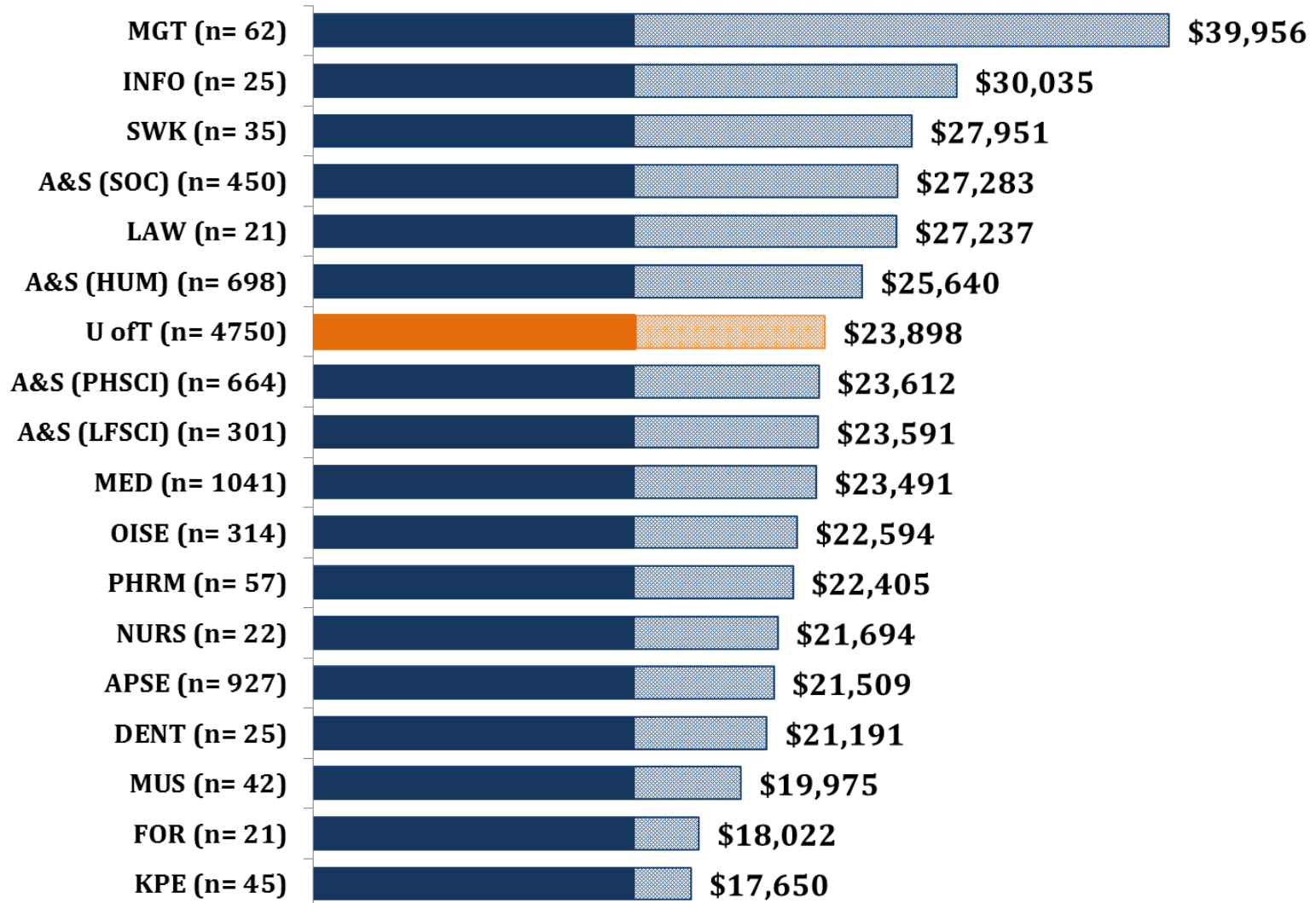
| | Revenue Loss at Steady State |
|--|---|
| Domestic tuition loss | ~ \$7M |
| International tuition loss | ~ \$8M |
| Total tuition loss | ~ \$15M |
| Tuition loss as % of UG tuition revenue | 4.5% |

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

2011-12 Funded Cohort Graduate Student Average Incomes (Net of Tuition Fees)



University Fund

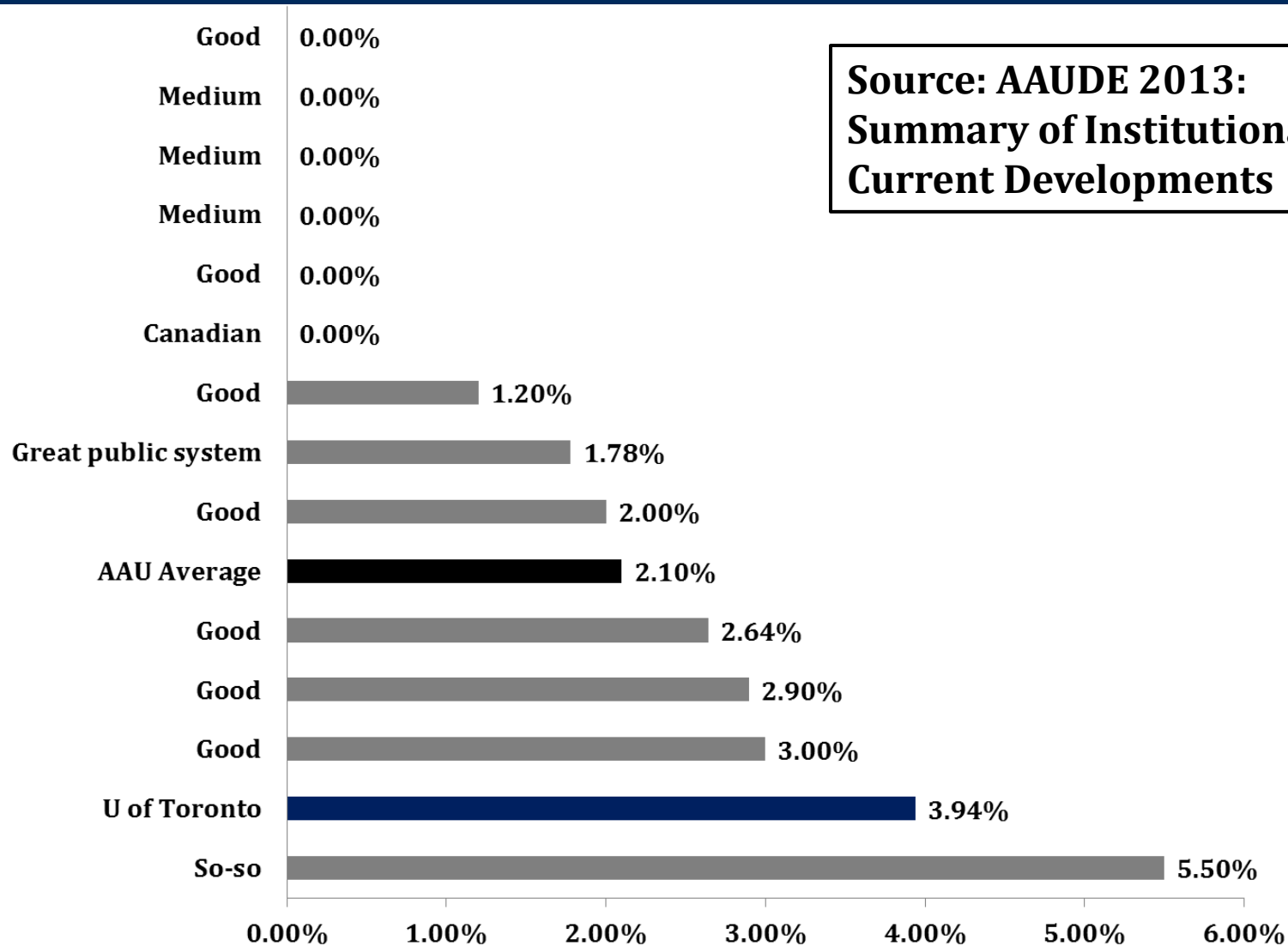
| | |
|--|----------------|
| Incremental UF available | \$15.4M |
| Continuing Commitments from 2013-14 | \$4.8M |
| New allocations for 2014-15 | \$10.5M |

Continuing Commitments from 2013-14 \$4.8M

- \$1.5M UCDF original 60 courses
- \$2.0M IDT Engineering and A&S
- \$1.0M Creation of Dalla Lana as a Faculty
- \$0.3M Writing Centres
- \$0.7M Tuition Framework adjustments

Faculty Compensation Increases 2012-13

Select AAU



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

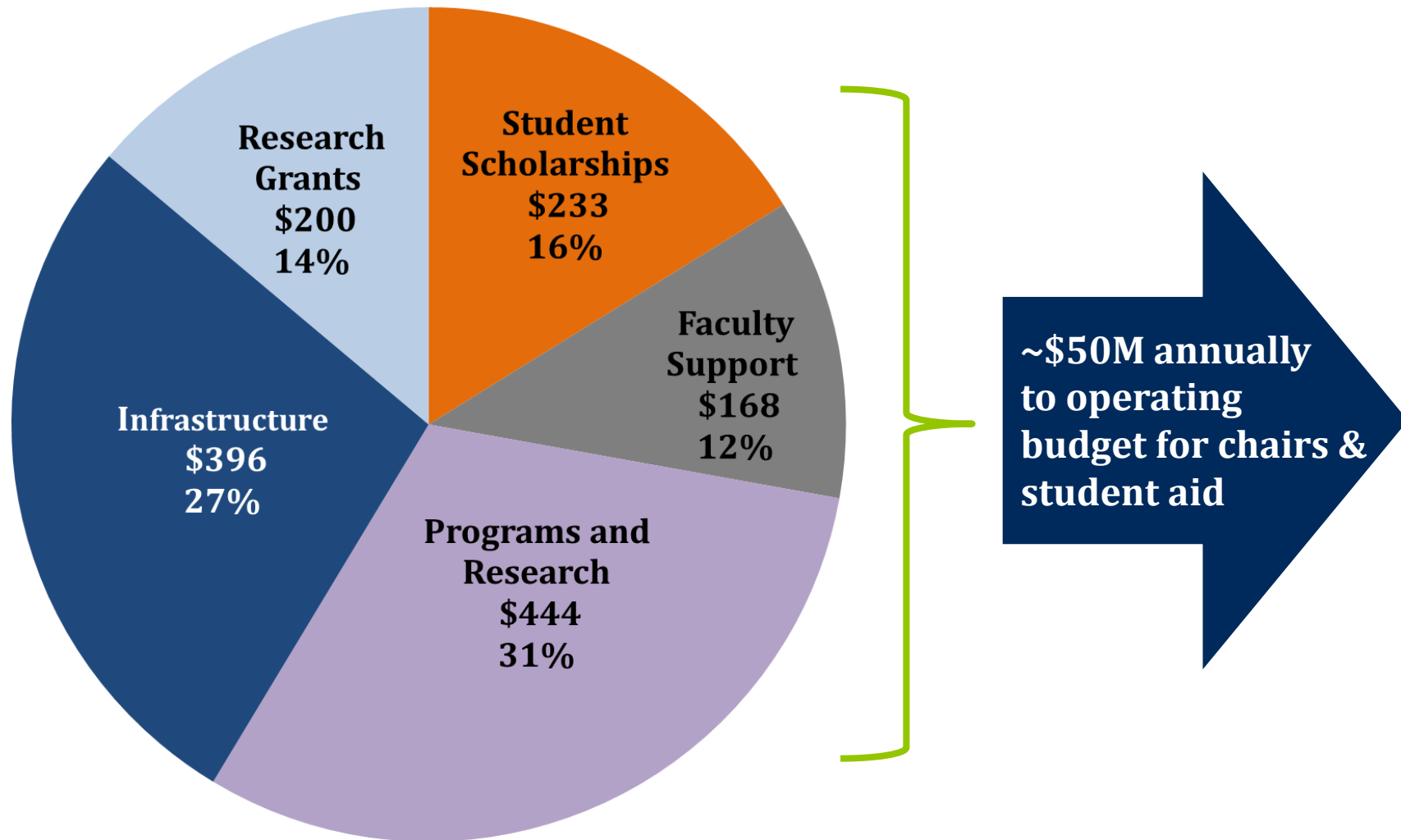
Boundless Campaign

| | |
|--|-----------------|
| Funds raised to Dec. 31 2013 (goal \$1.4 billion) | \$1.441 billion |
|--|-----------------|

| | |
|----------------------|---------------|
| Funds raised in 2013 | \$211 million |
|----------------------|---------------|

| | |
|------------------------|-------------|
| Expendable vs. Endowed | 67% vs. 33% |
|------------------------|-------------|

Campaign Priority Areas (\$M)



Projected 2013-14 Year-end Results

Adjustment-to-actuals rolls into 2014-15 for Academic Divisions

THIS SLIDE IS FOR P&D ONLY

| Revenue/ expense | \$ Million | Reason for adjustment |
|---------------------|-----------------|---|
| Grants | (\$4.3) | Grad enrolment shortfall (eligible) |
| Tuition | (\$5.9) | Tuition framework, grad shortfall, offset by positive international |
| UTAPS | (\$2.5) | Higher than anticipated spending (OTG and PMAS) |
| Utilities | (\$3.1) | Precipitous increase in hydro rates |
| Other | (\$3.5) | Legal and misc. other negative offset by positive benefits |
| TOTAL | (\$12.3) | |

Allocations to Shared Services

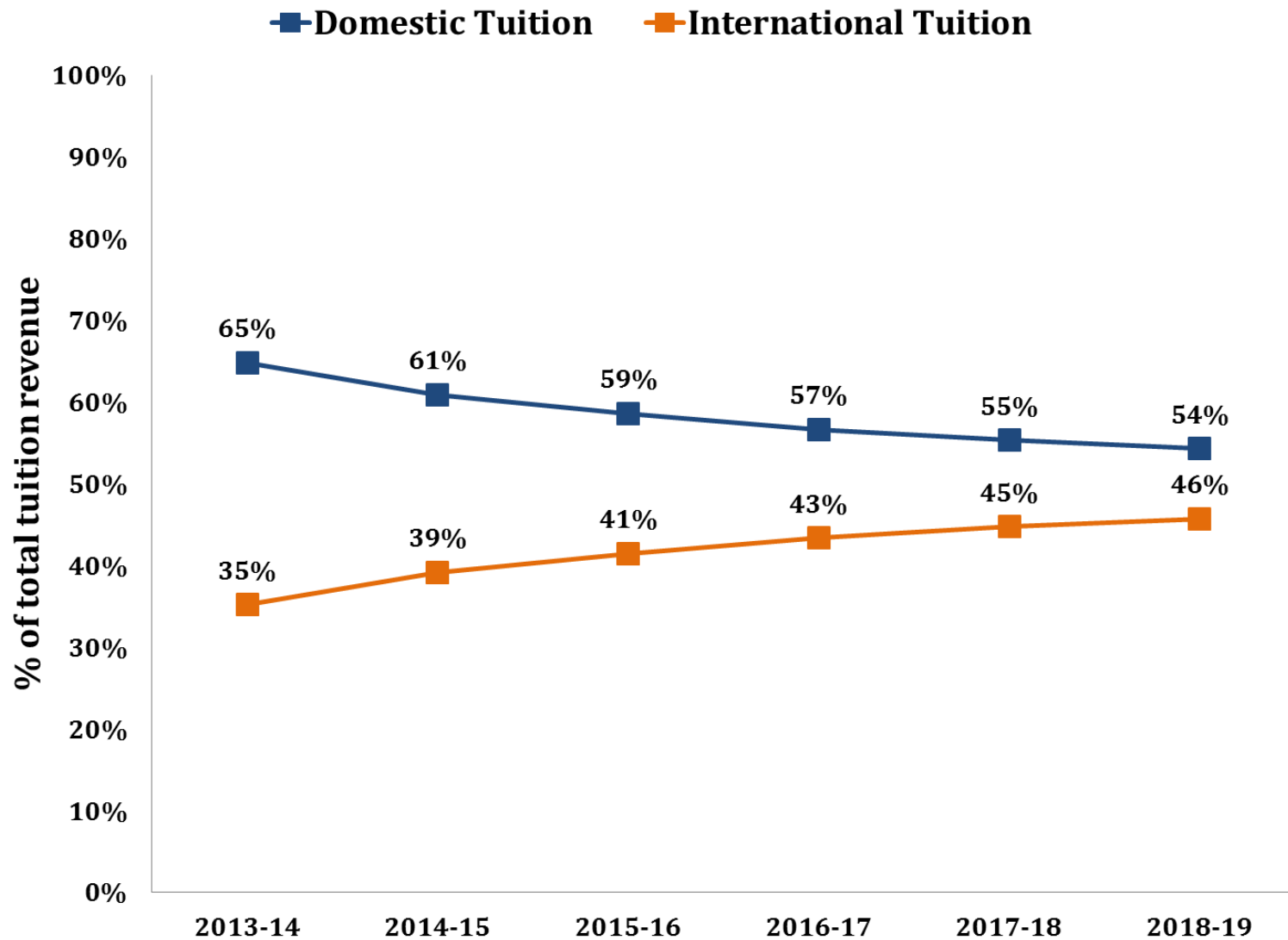
Key Metrics

| 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% |

Notes:

- Above metrics EXCLUDE institutional costs such as student aid, utilities, legal (~\$200M)
- Institutional revenue increase = 6.3%

International vs. Domestic Tuition Revenue



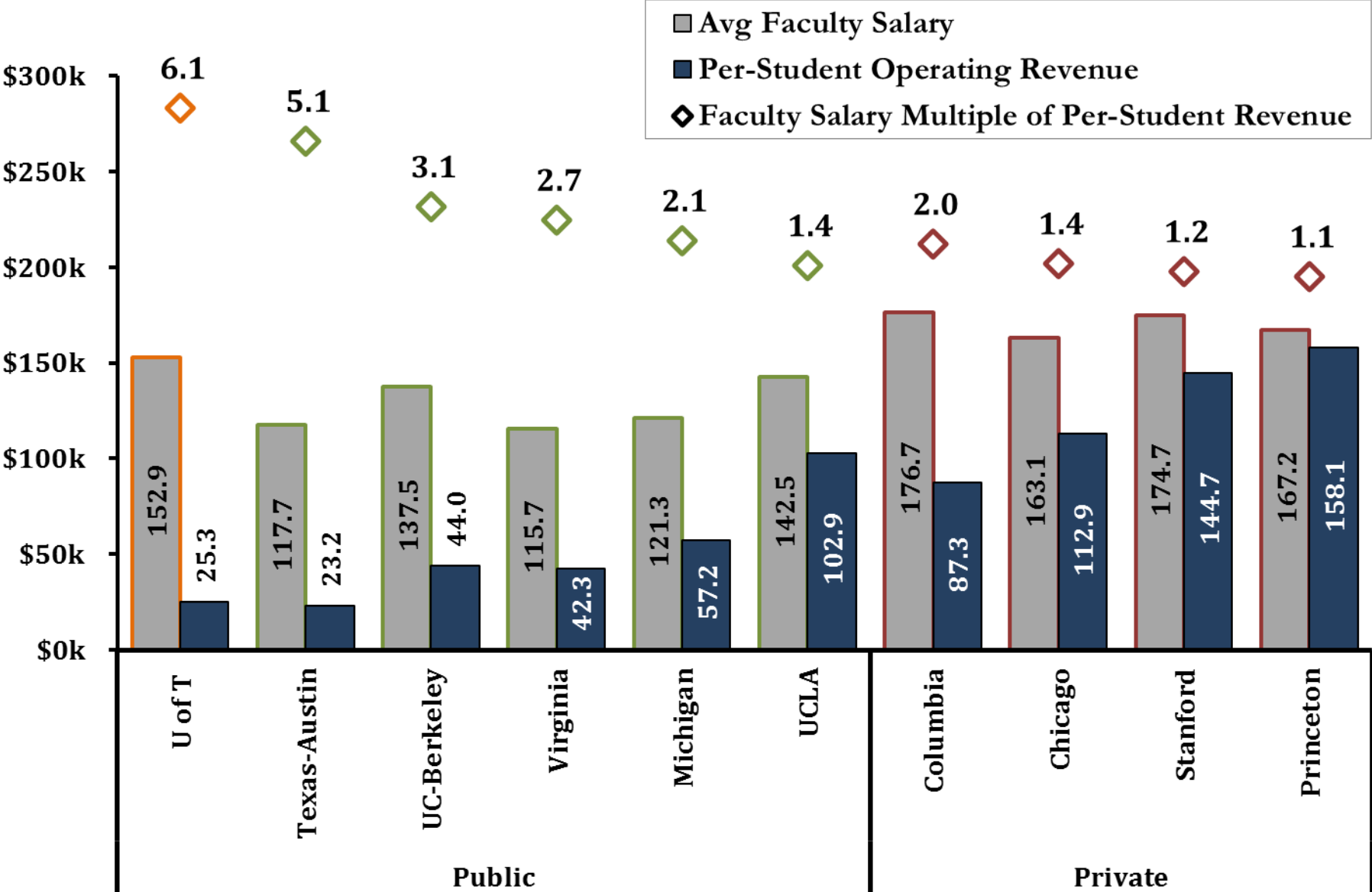
Major Research Project Management Fund

| | |
|--------------------------------|----------------|
| MRPM funds paid out | \$971K |
| Research grants awarded | \$37.7M |
| MRPM leverage | 39X |

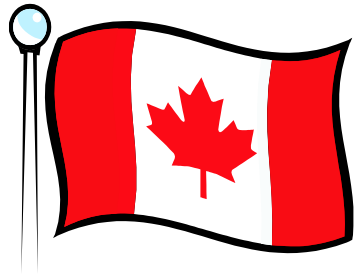
Objective → Help with administrative support, enhance competitiveness of application, leverage other funding for multi-PI, multi-departmental, and/or multi-institutional projects

Criteria → CRC quota, new research, matched by cash

Faculty salary multiple of per-student revenue



Student Faculty Ratios 2011



Canadian

**Cdn. Peers
21.2**

UofT 28.4*

U.S.

**AAU Peers
23.5**

UofT 38.6*



***acknowledging there are many more complex factors at play**