FOR INFORMATION Public Open Session

TO: UTSC Campus Affairs Committee

SPONSOR: Andrew Arifuzzaman, Chief Administrative Officer, UTSC
CONTACT INFO: 416-2018-5103, arifuzzaman@utsc.utoronto.ca

PRESENTERS: See sponsor.
CONTACT INFO:

DATE: September 4, 2019 for September 11, 2019

AGENDA ITEM: 3

ITEM IDENTIFICATION: Current Year UTSC Campus Operating Budget

JURISDICTIONAL INFORMATION:

Section 5.7 of Campus Affairs Committees’ Terms of Reference provides that the “annual budget is considered by the Committee for recommendation to the Council for inclusion in the University’s annual operating budget.” Appendix A of the Terms notes that this responsibility is executed as part of the campus’ budget planning process.

GOVERNANCE PATH:

1. UTSC Campus Affairs Committee [For Information] (September 11, 2019)
2. UTSC Campus Council [For Information] (September 25, 2019)

PREVIOUS ACTION TAKEN:

At its meetings on September 12th and October 2nd the UTSC Campus Affairs Committee (CAC) and the UTSC Campus Council (CC) both received, for information, a presentation on the current-year campus and institutional operating budgets.

HIGHLIGHTS:

The presentations that will be made to the CAC on September 11th, and the CC on September 25th represent step one in the process for consideration of budget matters by local governance bodies, which includes four steps:

(1) an integrated budget presentation to the Campus Affairs Committees and Campus Councils;
(2) an overview of the proposed campus operating budget themes and priorities;
(3) the Provost’s budget review meetings; and
(4) governance consideration of the University’s operating budget.

The presentation provides the context for how the University’s budget is developed including: structure and process, enrolment, UofT Revenue, expense and university fund, and student financial support.

The “step one” discussion at the CAC will support UTSC’s annual budget preparations and the integration of campus budget plans into the University’s budget.

FINANCIAL IMPLICATIONS:

Note applicable.

RECOMMENDATION:

Presented for Information.

DOCUMENTATION PROVIDED:

PowerPoint Presentation.
Current Year UTSC Operating Budget
Institutional Context
2019-20
Balanced Budget
$2.77 BILLION
COMPENSATION

2019-20 Compensation Budget
$1.74 BILLION (estimated)

ACADEMIC COMPENSATION

- $734 MILLION FACULTY & LIBRARIANS
- $36 MILLION SESSIONAL LECTURERS
- $68 MILLION TEACHING ASSISTANTS
- $47 MILLION TEACHING STIPENDS
- $20 MILLION OTHER ACADEMIC

Staff Compensation $720M
Academic Compensation $905M
Pension Special Payment $117M

2018-2019 BUDGET
$1.64 BILLION
+
2019-2020 BUDGET INCREASE
$98 MILLION
Change in Sources of Revenue

1. Smaller proportion of government funding
2. Decrease in domestic tuition revenue
3. Increase in international tuition revenue
UTSC Budget Planning
Budget Types

Operating Budget
Funded by tuition, government grants, endowment payouts etc.
Day to day operating costs
Capital development

Student Services Fee
Funded directly through students for services such as health and wellness, Athletics, student clubs etc..
Includes student levies such as Student Centre, Toronto Pan Am Sports Centre

Ancillary Budget
User based services such as food services, parking, student residence
Planning and Priorities - Vice-President and Principal (spring to early summer)

Internal UTSC process
Establishes campus priorities for the upcoming year (both strategic and operational)
Requests and allocations made on a portfolio level

Academic Budget Review – Provost (Fall)
Consolidated campus plan for review and discussion

Divisional Advisory Committee – President (late fall early winter)
University wide shared services

University Budget - Spring
<table>
<thead>
<tr>
<th>Academic Budget Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrolment and academic programs</td>
</tr>
<tr>
<td>Tuition fees and student aid</td>
</tr>
<tr>
<td>Complement plans</td>
</tr>
<tr>
<td>Space and capital plans</td>
</tr>
<tr>
<td>Operating reserves</td>
</tr>
<tr>
<td>Cost containment and surplus/deficit plans</td>
</tr>
<tr>
<td>Ancillary operations (if applicable)</td>
</tr>
<tr>
<td>Advancement and government relations</td>
</tr>
</tbody>
</table>
Approval of key budget inputs

- Capital project funding (in principle)
- Faculty hiring (in principle)
- Tuition fees
- Shared service costs
- Enrolment Targets
- UF allocations
- Pension special payments
- Endowment payout rate
- UF allocations
New Budget Process

UTSC P&P -> ABR U of T wide -> UTSC Operating Budget
Key Priorities for the ABR

1. Strategic Plan
2. Support for Senior and Equity Hires
3. Indigeneity Initiatives
4. Support for Renewable Scholarships
5. Centres of Distinction - GTA-Rise and EaRTH District
6. Organizational Structures to support Strategic Plan
7. Supporting Research
   • Startup packages
   • Support Facilities
8. Capital Plans
Key Space Pressures

- Core Academic
- Classroom Space
- Teaching labs – more and upgraded
- Faculty and Admin Office space
- Research space is starting to emerge again
- Other Space
- Student Residence
- Parking Structure
- Arts Centre (Cultural Centre), Hotel Centre, Partnership/Incubator Centre
- 4 Corners Real estate Plan
Managing our Existing Facilities

Facility Condition Index (FCI)

An industry-standard measure used to compare relative building conditions

$$\text{FCI} = \frac{\text{total cost of existing deficiencies}}{\text{current replacement value}}$$

Using data gathered from facility condition assessments, the Facility Condition Index (FCI) is calculated automatically in VFA.facility.
<table>
<thead>
<tr>
<th>Asset Type Building</th>
<th>Number</th>
<th>Age</th>
<th>Use</th>
<th>Size</th>
<th>Replacement Value</th>
<th>Unit</th>
<th>FCI Cost</th>
<th>FCI</th>
<th>RI Cost</th>
<th>RI</th>
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<tbody>
<tr>
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<td>Library</td>
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Financial Risk Mitigating Strategies

Near term
- Strategic Enrollment Management system
- Deferral of expenses
- Targeted support for start-up and faculty hires

Longer term
- Expanded revenue sources
- Partnerships
Thank You