

**UNIVERSITY OF TORONTO
THE GOVERNING COUNCIL**

**REPORT NUMBER 185 OF THE PLANNING AND BUDGET COMMITTEE
Wednesday, February 27, 2019**

To the Governing Council,
University of Toronto

Your Board reports that it met on Wednesday February 27, 2019, at 4:10 p.m. in the Council Chamber, Simcoe Hall with the following members present:

David Dubins, Chair
Cara Krmopotich, Vice-Chair
Cheryl Regehr, Vice-President and Provost
Scott Mabury, Vice-President, Operations and Real Estate Partnerships
Trevor Rodgers, Assistant Vice-President, Planning & Budget
Christina Amon
Gilbert Delgado
Joseph R. Desloges
Gary D. Goldberg
Ira Jacobs
Ron Levi
Litos (Hanze) Li
Maureen MacDonald
Douglas McDougall

NON-VOTING ASSESSORS:

Gilbert Delgado, Chief of University, Planning, Design & Construction
Ernest W.N. Lam
Saher Fazilat, Chief Administrative Officer, UTM*
William A. Gough*

SECRETARIAT:

Tracey Gameiro, Secretary, Planning and Budget Committee

Anwar Kazimi, Deputy Secretary
Kristi Gourlay, Assistant Secretary & Ombuds Officer

REGRETS:

Ramona Alaggia
Andrew Arifuzzaman
Adalsteinn (Steini) I. D. Brown
Sheila Brown
Christine E. Burke
Andrea Chiappetta
Maria Cristina Cuervo
Ben Liu
David Palmer, Vice-President, Advancement
Mary Pugh
Bogdan Stovba

**via conference call*

IN ATTENDANCE:

Elizabeth Cragg, Director, Office of the Vice-President University Operations
Archana Sridhar, Assistant Provost, Office of the Vice-President and Provost
Rhonda McMichael, Executive Lead, Strategic Engagement, Government Relations Office

ITEMS 3, 5, 6 AND 10 ARE RECOMMENDED TO THE ACADEMIC BOARD FOR APPROVAL. ALL OTHER ITEMS ARE FOR INFORMATION.

ITEM 10 WAS CONSIDERED *IN CAMERA*.

OPEN SESSION

1. Chair's Remarks

The Chair welcomed members and guests to the meeting, and thanked those members who were able to attend the Budget Information Session held Monday, February 25, 2019.

2. Assessors' Reports

The Committee received reports from Professor Regehr and Professor Mabury.

Vice-President & Provost – New Tuition Framework and Student Choice Initiative (SCI)

Professor Regehr provided an update on the new tuition framework and Student Choice Initiative (SCI) recently announced by the Ontario Government. The new tuition framework will see domestic tuition fee levels reduced by 10% in 2019-20 and frozen at that level for 2020-21. The SCI represents a new approach to student fees, allowing students to opt out of ancillary (non-tuition) fees that are not classified by the government as essential. The Provost explained that the following fees have been classified by the government as 'essential' (and therefore compulsory):

- Athletics and recreation
- Career services
- Student buildings
- Health and counselling
- Academic support
- Student ID cards
- Transcripts, convocation, etc.
- Financial aid offices
- Walk safe programs
- Existing compulsory transit passes
- Health and dental plans are compulsory, but must allow students to opt-out if they provide proof of pre-existing coverage

In response to members' questions and comments, the Provost explained that the Vice-Provost, Students was reviewing all fees in relation to the "essential" categories, working with divisional partners and consulting with all forty-four U of T student societies, with a

view to providing students appropriate guidance for informed decision making in the opt-out process.

Vice-President, Operations and Real Estate Partnerships – Greenhouse Gas Retrofit Program (GGRP)

Professor Mabury provided an update on the GGRP initiative, noting that \$35M in funding had been awarded to U of T through provincial funding for projects across all three campuses. While all projects were challenged by aggressive scheduling, Professor Mabury confirmed that those on the UTSC and St. George campuses were set to be completed on time by March 31, 2019. He advised that UTM would have approximately 75% of its projects completed by this deadline and that funding would not be impacted by a later completion of the remaining projects.

3. Budget Report 2019-2020

Professor Cheryl Regehr, Professor Scott Mabury and Mr. Trevor Rodgers, Assistant Vice President, Planning & Budget, gave a comprehensive presentation addressing the *Budget Report for 2019-20*, the *Long Range Budget Guidelines 2019-20 to 2023-24*, and the *Enrolment Report, 2018-19*. A copy of the budget presentation is available [here](#).

It was noted that a balanced budget would be achieved for 2019-20. Professor Regehr addressed the challenges presented by the 10% tuition reduction, explaining that the cuts resulted in a 3% decrease to the overall university budget, and would impact programs differentially.

In providing context for the *Budget Report 2019-20*, the following areas were highlighted by Professor Mabury and Professor Regehr:

- student enrolment and divisional plans;
- expenses related to faculty and staff compensation, including pension plan deficit payments;
- support for capital projects and University-wide shared services;
- student financial aid; and
- University Fund allocations for 2019-20.

Mr. Rodgers reported that recently announced changes to OSAP included:

- reduced income thresholds;
- new definition of dependent student;
- increase in parental contribution; and
- elimination of the interest-free grace period.

Discussion

Members commended the administration for the in-depth budget presentation and the work towards keeping the institution financially agile in the face of a changing landscape.

As part of the discussion, the following matters were addressed:

- The administration continued to work with divisions as part of the academic budget planning process to develop strategies to address financial risks and challenges;
- As intended when the current budget model was adopted, the University Fund would continue to be used for various initiatives, including to support academic divisions in light of the differential impact of the recently announced tuition reduction;
- Recruitment efforts with regards to international student enrolment and diversification of applicants' countries;
- Resources that were available to faculty to improve engagement with, and the experience of, international students in the classroom;
- Despite uncertainty in the economy and the future of government funding levels, enrolment had remained strong, with the quality of applicants rising over time, both with respect to domestic and international students;
- The University was focused on maintaining the current overall student-to-faculty ratio;
- The University would continue to closely monitor changes associated with student financial aid and would continue to be committed to financial aid.

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDED

THAT the *Budget Report 2019-20* be approved, and

THAT the *Long Range Budget Guidelines 2019-20 to 2023-24* be approved in principle.

4. Enrolment Report, 2018-19

The *Enrolment Report, 2018-19*, was provided to members with the Budget Report presentation.

5. Capital Project: Report of the Project Planning Committee for University of Toronto Partners in Innovation and Entrepreneurship (PIE) Complex Phase 1

The Committee received a presentation by Professor Scott Mabury and Mr. Gilbert Delgado, Chief, University Planning Design and Construction. The presentation explained that the project was part of the *Four Corners* strategy, and sought to further the University's investment in advancing entrepreneurship and innovation.

Mr. Delgado presented an overview of the design and construction schedule.

Discussion addressed the following matters:

- The deliberate and considered phasing of the project into two parts to build the occupant pipeline;
- Significant funds need to be raised for Phase 2;
- The focus of Phase 1 occupancy was on Artificial Intelligence, while Phase 2 would include more laboratory space, making the cost of Phase 2 approximately 40 % more expensive than Phase 1;
- Conceptual differences between this project and that of an academic building;
- The intent to make the building more open to the city, more welcoming, and furthering the Presidential priority around better engagement and leveraging of the University's urban location; and
- The project involved external partnerships to an extent greater than any other building pre-dating it.

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDED

THAT the *Report of the Project Planning Committee for University of Toronto Partners in Innovation and Entrepreneurship (PIE) Complex Phase 1*, dated November 28, 2018, be approved in principle; and,

THAT the project totaling 23,480 gross square metres (gsm), be approved in principle, to be funded by Fundraising, Central and divisional reserves, Four Corners reserves, Borrowing (Institutional) and Borrowing (Four Corners).

6. Report of the Previous Meeting: Report Number 184 – January 10, 2019

Report Number 184, from the meeting of January 10, 2019 was approved.

7. Business Arising from the Report of the Previous Meeting

There was no business arising from the report of the previous meeting.

8. Date of the Next Meeting – Wednesday, April 3, 2019, 4:10 – 6:10 p.m.

The Chair reminded members that the next meeting would be held on Wednesday, April 3, 2019 at 4:10 p.m.

9. Other Business

There were no items of other business.

The Committee moved *IN CAMERA*.

10. Capital Project: Report of the Project Planning Committee for University of Toronto Partners in Innovation and Entrepreneurship (PIE) Complex Phase 1—Total Project Cost and Sources of Funding

On motion duly moved, seconded and carried

YOUR COMMITTEE RECOMMENDED

THAT the Vice-President, Operations and Real Estate Partnerships' recommendation, as outlined in the memorandum dated February 12, 2019, be approved.

The Committee returned to Open Session.

The Chair thanked members for their attendance and participation.

The meeting adjourned at 5:50 p.m.

Secretary

Chair

March 20, 2019