UNIVERSITY OF TORONTO

THE GOVERNING COUNCIL

REPORT NUMBER 117 OF THE BUSINESS BOARD

April 8, 2002

To the Governing Council,
University of Toronto.

Your Board reports that it met on Monday, April 8, 2002 at 5:00 p.m. in the Council Chamber, Simcoe Hall, with the following members present:

Mr. Amir Shalaby (In the Chair)
Ms Rose M. Patten (Vice-Chair)
Ms Wendy M. Cecil, Chairman of the Governing Council
Dr. Thomas H. Simpson, Vice-Chair of the Governing Council
Professor Robert J. Birgeneau, President
Mr. Felix P. Chee, Vice-President - Business Affairs
Professor Angela Hildyard, Vice-President - Human Resources
Professor W. Raymond Cummins
Mr. Brian Davis
Dr. Claude S. Davis
Mr. H. Garfield Emerson
Ms Susan Eng
Mr. Paul V. Godfrey
Mr. David Keeling
Ms Françoise Ko
Professor Brian A. Langille
Mr. Gerald A. Lokash
Mr. Frank MacGrath
Mr. Andrew Morgan
Professor Heather Munroe-Blum
Mr. George E. Myhal
Mr. Richard Nunn
Ms Jacqueline C. Orange
Mr. Robert S. Weiss

Dr. Jon S. Dellandrea, Vice-President and Chief Advancement Officer
Dr. Sheldon Levy, Vice-President - Government and Institutional Relations; Interim Vice-Provost, Students
Professor Adel S. Sedra, Vice-President and Provost
Mr. John Bisanti, Chief Capital Projects Officer
Mr. Louis R. Charpentier, Secretary of the Governing Council
Professor Derek McCammond, Vice-Provost, Planning and Budget
Professor Ronald D. Venter, Vice-Provost, Space and Facilities Planning

Secretariat:

Mr. Neil Dobbs
Ms Beverley Stefureak

Regrets:

Ms Mary Anne V. Chambers
Mr. Martin Offman
Mr. Roger P. Parkinson
The Hon. David R. Peterson
Ms Carol Stephenson
Mr. John H. Tory

In Attendance:

Dr. Robert Bennett, member, the Governing Council
Dr. John Nestor, member, the Governing Council
Mr. Chris Ramsaroop, member-elect, the Governing Council
Professor Rona Abramovitch, Director, Transitional Year Program; Provost's Adviser on Pro-Active Faculty Recruitment
Professor Carl G. Amrhein, Dean, Faculty of Arts and Science
Ms Grace Angellotti, Business Analyst, Real Estate
Mr. Don Beaton, Director, Real Estate
Ms Susan Bloch-Nevitte, Director, Public Affairs
Ms Sheila Brown, Controller and Director of Financial Services

In Attendance (Cont'd)

Professor William R. Cluett, Vice-Dean, Faculty of Applied Science and Engineering
Professor Ronald J. Daniels, Dean, Faculty of Law
Mr. Martin D. England, Assistant Vice-Provost, Strategic Planning
Dr. Beata FitzPatrick, Director of the Office of the President and Assistant Vice-President
Mr. Eric Fleming, Director, Risk Management and Insurance
Ms Rivi Frankle, Assistant Vice-President, Alumni and Development
Ms Maureen Giuliani, President, Graduate Students' Association, OISE/UT
Ms Anne M. Lewis, Manager, Student Accounts
Ms Lesley Lewis, Assistant Vice-Provost, Professional Faculties
Professor Rhonda L. Love, President, University of Toronto Faculty Association
Professor George J. Luste, Vice-President, Salaries, Benefits and Pensions, University of Toronto Faculty Association
Mr. Brian Marshall, Director of Human Resources
Professor Roger L. Martin, Dean, Rotman School of Management
Ms Mary McGee, Assistant Provost
Professor Robert H. McNutt, Principal, University of Toronto at Mississauga
Professor David Mock, Dean, Faculty of Dentistry
Mr. James Pencharz, Executive Member at Large, Graduate Students' Union
Professor Edward C. Relph, Associate Principal, Campus Development, University of Toronto at Scarborough
Professor Wendy Rotenberg, Director, Commerce Program, Faculty of Arts and Science
Ms Emily Sadowski, President, Association of Part-time Undergraduate Students
Ms Marny Scully, Director of Enrolment Planning and Statistics
Ms Deborah Simon-Edwards, Executive Assistant to the Vice-President, Business Affairs
Ms Karel Swift, University Registrar and Director of Awards and Admissions

ITEMS 2 AND 3 ARE RECOMMENDED TO THE GOVERNING COUNCIL FOR APPROVAL.

ITEM 4 INCLUDES A CONCURRENCE WITH A RECOMMENDATION OF THE ACADEMIC BOARD.

1. Report of the Previous Meeting

Report Number 116 (January 21, 2002) was approved.

2. Tuition-Fee Schedule for Publicly Funded Programs, 2002 - 2003

Following Professor McCammond's review of the Enrolment Report (see item 4 below) and Ms Swift's review of the Report on Student Financial Support (see item 5 below), Professor Sedra presented the proposed Tuition Fee Schedule for Publicly Funded Programs. He said that the schedule was in conformity with the Tuition Fee Policy, approved by the Governing Council in April 1998. For students in programs with government-regulated fees (such programs as arts and science, bachelor of education, music, nursing, and physical education and health) the fee increase for all students would amount to 1.94%. For most other programs with de-regulated fees, including doctoral-stream graduate programs, the proposed increase was 5%. In accordance with the commitment made to students who had already entered the University, the fee increase for continuing students in all of the programs with de-regulated fees was proposed to be 5%. The commitment to limit fee increases in programs with de-regulated fees to 5% was to be continued for students entering the University for the 2002-03 academic year. In a few

2. Tuition-Fee Schedule for Publicly Funded Programs, 2002 - 2003 (Cont'd)

programs the fees for new students would increase by more than 5%. Those programs included: applied science and engineering; computer science; Mississauga's program in culture, communications and information technology; dentistry; law; and management. In those cases, the academic units had concluded that maintaining and improving program quality would require a higher level of tuition-fee revenue. Professor Sedra said that the Board was being asked to recommend to the Governing Council approval of the tuition fees for 2002-03 only. Where, however, a division planned to introduce a substantial fee increase to be phased in over several years, the administration had undertaken to make the Governing Council aware of the plan from the beginning. Such plans were in place in a number of programs including engineering, computer science, law, and the master of business administration program. In all programs, 30% of additional revenue from tuition fee increases was appropriated to increase student financial support. In addition, in the programs where fees were not regulated and where they were to be increased by more than the fees in the regulated programs, 65% of the remainder was appropriated to the division to enable it to enhance program quality. The University submitted an annual report to the Government of Ontario on the use of the funds from increases in deregulated fees to enhance program quality.

Professor McCammond reviewed the proposed tuition fee schedule in detail.

- **Regulated fees**. Fees would increase by 1.94% in programs such as arts and science, music, nursing and physical education and health, where fee increases were limited by the Government. After appropriating 30% of the proceeds of the increased fee to student financial support, the operating budget would receive 1.36% more revenue per student in the fee-regulated programs. In the arts and science, which included over half of the University's students, fees would increase by $78 to $4,107.

- **Most de-regulated fees** would increase by 5%. That included the fees of all students currently registered at the University and proceeding to a higher year in the same program. After the appropriation for student financial support, the operating budget would receive 3.5% more per student in such programs. The 5% fee increase would apply to about 40% of the student population, meaning that 90% of students would pay fee increases of 5% or less. The remaining 10% of students, entering such programs as the M.B.A. or the law program, would have fee increases of more than 5%.

- **Master of Business Administration**. The fees for the M.B.A. program were in the process of an increase that was being staged over several years. For students entering the program in 2002-03, fees would increase from $20,000 to $23,500. The Rotman School of Management was in the process of improving the quality of its programs.

- **Engineering, computer science and U.T.M. program in culture, communications and information technology (C.C.I.T.)** Tuition fees for students entering these programs in 2002-03 would be $6,250, an increase of 13%, and would be $7,000 for students entering in 2003-04, a further increase of 12%. In the case of computer science and C.C.I.T., students would pay the normal Arts and Science fee of $4,107 in their first year and the higher fee in their upper years.

- **Undergraduate commerce and business administration**. Students entering the University in 2002-03 would pay a tuition fee of $8,000 per year beginning in their second year of study. The first-year fee would be the same as that for other students in the Faculty of Arts and Science and the University of Toronto at Scarborough.

2. Tuition-Fee Schedule for Publicly Funded Programs, 2002 - 2003 (Cont'd)

- **Dentistry**. The fee for students entering the Doctor of Dentistry program in 2002-03 would increase by 12% to $16,500. Because of its heavy clinical element, the dentistry program was one of the most costly for the University to offer.

- **Law**. The Faculty of Law proposed to make substantial improvements to its student aid programs and its academic programs, and it faced increasing competition to retain and attract first-class faculty. It was therefore seeking to enhance its revenue from tuition fees by commencing a series of increases, with fees increasing by $2,000 per year for each entering class up to and including 2006-07. Fees for each class, once admitted, would increase by the usual 5% per year. Tuition fees for students entering the Doctor Juris program in 2002-03 would increase to $14,000. The administration would include the future annual increases in the tuition-fee schedule only if it was satisfied that there had been no impediment to accessibility, that the Faculty had used the additional proceeds to make substantial quality improvements, and that there was no steering effect to particular areas of the law because of concerns about accumulated debt from student loans.

- **International students**. The enrolment of international students generated no government operating grants for the University, and such students were therefore charged a higher fee than Canadian students. The University had followed a practice of increasing their fees by an identical dollar amount to Canadian students, which had had the effect of a lower percent increase. It was now proposed, where possible, to assess international students a fee that would be equal to a combination of the fee paid by Canadian students plus the operating grant received per student. The outcome in a number of cases was an additional fee increase over that generated by the previous formula. For example, in the Faculty of Physical Education and Health, the fee for international students entering the program in 2002-03 would increase by $37 more than it would have under the previous formula. For music, the extra increase would be $3,038.

The President congratulated Professor Sedra and Professor McCammond on producing a thoughtful tuition-fee schedule in difficult circumstances. He stressed that it was important to view the tuition-fee schedule in the context of the budget. In the programs where fees were regulated, covering half of the student population, the Province had not only failed to provide any increase in the operating grant, it had also limited tuition-fee increases. The increased revenue to teach students in those programs would, after the deduction of 30% of the fee increase for student financial support, amount to only 1.4% of the tuition-fee revenue. Given the increase in the University's costs, the outcome would be a reduction of between 3% and 4% in the real, or inflation-adjusted, value of the University's revenue. In the case of most programs where fees were not regulated, the 3.5% increase in fee revenue, after the deduction for student financial support, would only match the inflation in the University's costs, and there would again be no increase in the government operating grant, meaning a decline in the real or inflation-adjusted value of that funding of about 3.5%. Clearly, therefore, the University's funding base was eroding. In several programs with especially high costs, the divisions judged themselves to be facing a crisis and, to offset the erosion in their funding, had requested tuition-fee increases in excess of 5%. Those programs included computer science, dentistry, law and management. Apart from the revenue - and costs - derived from enrolment increases, the University would collect $14-million more from the proposed increases in tuition fees, of which $4.2-million would be devoted to student financial support, leaving $9.8-million to pay increased program costs. That amounted to just over 1% of the operating budget.

2. Tuition-Fee Schedule for Publicly Funded Programs, 2002 - 2003 (Cont'd)

The Chair reported that he had received speaking requests from representatives of three student organizations, and he invited the representatives to speak.

(a) Ms Maureen Giuliani, Graduate Students' Association, OISE/UT. Ms Giuliani recalled that the administration had argued that increased tuition fees for graduate students would not cause hardship because the full amount of tuition fees was included in graduate student funding packages. However, when the funding packages were introduced, only about half of students at OISE/U.T. had been awarded packages, and part-time graduate students were ineligible for them. Moreover, for students who did receive funding packages, much of the funding depended on work as teaching or research assistants, and the amount of this work had a highly negative impact on students' ability to complete their own academic work. The Graduate Students' Association had held town hall meetings at OISE/U.T. at which many students bore witness to the devastating impact of fee increases. The Association had been told year after year of students being forced by high tuition fees to drop out and of remaining students facing despair and disillusionment. The support for the protest march of February 6 had demonstrated clearly that the majority of Ontarians believed that fees were too high. It was unreasonable for members of the Business Board, who had themselves been able to complete their post-secondary education at a much lower cost, to support tuition-fee increases for this generation of students. It was wrong to regard the cost of post-secondary education only as students' investments in their own future; rather this cost should be regarded as an investment in Canada' future. A Statistics Canada study had shown an increasing differentiation in post-secondary attendance between students from low-income families and others. There was a clear a reduction in access and equity. The Government proclaimed that Canada needed an educated work force. Nonetheless, governments in many other jurisdictions spend 100% more than did Canada on post-secondary education, and Ontario spent even less than other parts of Canada. It was the duty of the Governing Council to pressure governments to live up to their duty - not to acquiesce to the shifting of the burden of higher costs onto the backs of students.

(b) Mr. James Pencharz, Graduate Students' Union. Mr. Pencharz said that the Graduate Students' Union asked that the Business Board reject the proposed tuition-fee schedule. The proposed fee increases would continue to erode the ability of qualified students to enter and complete academic programs at the University. Student fees had doubled since 1992-93 and had risen by 40% since 1996-97. This caused considerable harm to accessibility and diversity as many students could not afford to attend the University of Toronto because of rising costs. What a loss it would have been had such distinguished alumni as Margaret Atwood or Bob Rae been unable to attend the University of Toronto. While it was true that the study conducted by the Vice-Provost, Students showed a decline in the number of students facing high debt loads and an increase in the amount of student assistance, the hurdle of debt remained a very real problem to graduate students, who had not been included in the surveys. Among graduate students, there was an increasing use of the on-campus food bank, a longer time to degree completion, and a higher drop-out rate. While it was true that the University was facing declines in the value of Government funding, compensating by increases in tuition fees would be short-sighted. By accepting the funding reductions and finding revenue from tuition-fee increases, the University was doing what the Government of Ontario wanted - turning university education into a market product and leading towards a privatized university system. The Graduate Students' Union was encouraged by the program of guaranteed funding packages for graduate students. The administration argued that because of such packages, which included the cost of fees, graduate students would not be affected by fee increases. That might eventually be the case, but the University had not yet reached the point where all graduate students had sufficient assistance. Tuition fee increases would therefore cause real harm to graduate students. The University of

2. Tuition-Fee Schedule for Publicly Funded Programs, 2002 - 2003 (Cont'd)

Toronto was Canada's richest university, but it had lagged behind others that had frozen or even reduced tuition fees. Fee increases would keep good students away.

(c) Ms Emily Sadowski, Association of Part-time Undergraduate Students. Ms Sadowski observed that some students would face relatively small fee increases while others, in particular those who had not yet entered the University, would face very large fee increases. This appeared to be an effort to divide students, but it would not succeed. Her participation in the campaign against the levy for the proposed Varsity Centre for Field and Ice Sports had demonstrated to her that students where completely fed up with fee increases. While increases in student aid were touted as a solution, part-time students were not covered by the funding guarantee contained in the Policy on Student Financial Support. While the Vice-Provost, Students' report had shown the outcome of surveys dealing with accessibility among the University's students, the University had not surveyed potential students who had not been able to attend. The University's tuition-fee policy was discriminatory, contributing to the gap between rich and poor in society and sending a very negative message to potential students from low-income and immigrant families. The need to go through the financial aid process was humiliating, with long-line-ups and extensive paper work. That process too deterred students from attending the University. The University had money from its endowment which it should use to freeze tuition fees. By making it a priority to freeze tuition fees, the University of Toronto would blaze a trail that the government and other universities would follow. It was essential that the voice of students be heard and heeded on this matter.

The Chair introduced the Deans and other leaders of various academic units who were in attendance to answer questions about the tuition fees proposed by their unit. The Chair expressed his particular gratitude to Principal McNutt of the University of Toronto at Mississauga, who was nearing the end of his term and might well not appear again at a Board meeting.

Among the matters that arose in discussion were the following.

- **Cost of foregoing the proposed tuition fee increase**. Professor Sedra estimated that the 2.75% base budget reduction proposed for 2002-03 would have to be increased to 5%. The amount of foregone revenue would be equal to the salaries of 100 new junior faculty members. A continuing freeze as costs increased would increase this faculty shortfall each year.

- **Faculty of Law: need for internationally competitive salaries, given that most faculty members were Canadian and taught Canadian law.** Invited to reply, Dean Daniels said that the character of legal practice had changed and become much more international, meaning that faculty - who had usually completed graduate programs in other countries - now taught from an international perspective and were much more attractive to universities outside of Canada. He cited specific instances of efforts by leading foreign universities to recruit University of Toronto law faculty. He noted that the tuition fee proposal had emerged from a lengthy and broadly consultative planning process, in which students had been full participants.

- **Faculty of Law: due diligence with respect to future fee increases**. Professor Sedra assured a member that the approval of the tuition-fee schedule would mean approval of the fee increase for the Faculty of Law for 2002-03 only. Before bringing forward a recommendation for the planned increase for 2003-04, the administration would study the

2. **Tuition-Fee Schedule for Publicly Funded Programs, 2002 - 2003 (Cont'd)**

results of a survey to ensure that there had been no impediment to accessibility and it would satisfy itself that the proceeds of the fee increase were serving to preserve the quality of education in the Faculty.

- **Comparison of fees in high-fee programs to peer institutions**. Invited to respond, Dean Amrhein and Professor McCammond said that the proposed tuition fee for programs in commerce / business administration would remain lower than those at Queen's University and the University of Western Ontario, and the fee for the program in Engineering would remain competitive with that at the University of Waterloo, which was planning a substantial increase. The proposed tuition-fee schedule would not place the University of Toronto at a competitive disadvantage to institutions with which it competed.

- **Accessibility to the University of Toronto**. A member referred to a guest's citation of a national study providing empirical evidence of a Canada-wide decline in the accessibility of students from poorer families, which was contradicted by other empirical evidence showing that access had been maintained and indeed enhanced at the University of Toronto, presumably as the result of its student financial support program. Was there any contradictory empirical evidence, showing a decline of accessibility specifically at this University? Invited to comment, a member-elect of the Governing Council said that the University should not be an ivory tower, and he cited evidence of a general growth in the income gap between poorer Canadians and the general population, a gap that was particularly disadvantageous to members of visible minorities. The President noted that rich and poor alike would benefit from any tuition-fee freeze. On the other hand, 30 cents of every dollar raised by tuition fee increases was devoted to financial support to the neediest students, which would not only compensate them for the cost of the tuition-fee increases, but would also help defer the cost of the base amount of tuition fees and other costs, including living costs, which were higher than fees. For that reason, the outcome of tuition-fee increases had been a net benefit to the neediest students, increasing accessibility to the University of Toronto.

- **Strategy with respect to the Province**. A member questioned the University's strategy of replacing lost government grant income with tuition-fee increases. Students were being forced to pay the cost of the University's failure to win better funding from the Province. The University was managing its declining funding too well. It should not continue this strategy, taking an easy way out rather than following the harder course of confronting the Government of Ontario. The President replied that the University had not somehow merely accepted inadequate Provincial funding. He and Dr. Levy worked unremittingly, along with other universities in the Province, to seek improvements and had made every effort to rally alumni and friends to increase pressure on the Government. Professor Sedra added that the University had also, very importantly, begun in the 1990s to diversify its revenue sources, adding a considerable stream of income from the growing endowment, used largely to support student financial aid and endowed faculty chairs. It was, therefore, incorrect to say that the decline in the value of government funding had been replaced solely by tuition-fee increases. Dr. Levy outlined the strenuous efforts the University had been making to encourage the improvement of the support provided by the Province. Invited to comment, Dean Amrhein stressed that the University could in no way be seen as taking any easy way out in its response to government funding. He described the extraordinary difficulty he faced daily (a) in competing for the best faculty on an uneven playing field when U.S. institutions enjoyed not only better funding but also a strong currency and a much easier immigration regime, and (b) in trying to mount competitive programs where funding forced the teaching

2. Tuition-Fee Schedule for Publicly Funded Programs, 2002 - 2003 (Cont'd)

of more students with fewer faculty. While he was not at all pleased to seek fee increases in programs such as commerce and computer science, there was no alternative to remain competitive. He noted that a guest speaker had cited the tuition freeze in British Columbia. He observed that the Economics Department at the University of British Columbia had fallen off strikingly, whereas the same Department at the University of Toronto was in the top ten in the public universities in the English-speaking world. It was also incorrect to argue that increased tuition fees had reduced access. He noted, for example, that 40% of the University's undergraduate students were born outside of Canada.

- **Long-term consequence of tuition-fee increases**. A member expressed concern that continuing fee increases above and beyond the general rate of inflation would bring the cost of fees in some programs to more than half the annual income of some University employees, something that could only discourage parents and students, impede access in the long term, and do harm to the University. The President replied that with provincial operating grants frozen, with regulated tuition-fee increases limited to a rate well below the rate of inflation in academic costs, and with most other fee increases only just keeping up with that inflation rate, the alternative to fee increases in some costly programs would be a long-term decline in the quality of those programs.

- **Effects of graduates' debt loads**. When students left the University with large debt loads, they would be forced into career choices that would enable them to repay their debts. The President shared the member's concern about students' debt, which was currently capped by OSAP at $28,000. The University was working hard on finding mechanisms to reduce student debt loads.

- **Program enhancements funded by the fee increases**. Professor Rotenberg was invited to respond to a member's request for specific examples of program enhancements funded by tuition-fee increases. The most important step concerned the attraction and retention of good faculty in the highly competitive areas of commerce and economics. The program had also been able to mount new courses and reduce class size. It had engaged more teaching assistants to improve the evaluation of student work, and it had sponsored a number of new co-curricular programs to help students become more a part of the program community. The activities were comparable to those offered at the competing programs at the University of Western Ontario and Queen's University.

On the recommendation of the Vice-President and Provost,

YOUR BOARD RECOMMENDS

THAT the proposed tuition-fee schedules for publicly funded programs for 2002-03, which are Tables 1 and 3 of Appendix "A" hereto, be approved.

3. Tuition-Fee Schedule for Self-Funded Programs

Professor McCammond said that the programs that did not receive government funding were required to cover their costs through tuition fees. The proposal was to increase fees by 5% or less in all cases but three: (a) the Executive Master of Business Administration (Global Option), where an increase of 10% would be required to cover the overseas component of the program; (b) the Master of Management and Professional Accounting, where an increase of

3. Tuition-Fee Schedule for Self-Funded Programs (Cont'd)

6.5% was required for domestic students; and (c) an increase in the fees for the schools operated by the Ontario Institute for Studies in Education (OISE/U.T.) The fee for the Institute for Child Study's Laboratory School for pre-school children would increase by 8.9%. The fee for the University of Toronto Schools (U.T.S.) - a secondary-level school - would increase by 17.9%, reflecting the second phase of a levy to cover capital development costs. In response to a question, Professor McCammond said that U.T.S. did not participate in the University's student financial support programs; U.T.S. did, however, operate its own program.

On the recommendation of the Vice-Provost, Planning and Budget,

YOUR BOARD RECOMMENDS

THAT the proposed tuition-fee schedule for self-funded programs for 2002-03, which is Table 1 of Appendix "B" hereto, be approved.

4. Budget Report, 2002 - 03

Mr. Chee provided an update on the operating budget for the current year (see item 8, below). The Chair then invited the President to provide introductory comments to the Budget Report, 2002-03.

The President began by indicating that this Budget Report was a combination of good and bad news. He was happy to report that net income to the divisions would increase by $60-million. The federal government's announcement of increased funding for the indirect costs of federally sponsored research, and its continued support through the Canada Research Chairs program, had been tremendously positive developments for the University. Moreover, the University would be able to achieve its objective of guaranteed minimum funding for doctoral-stream students (tuition fees plus $12,000 per year) by 2003-04, and he applauded Professor Sedra and Professor Orchard for their efforts in realizing this ambitious objective two years ahead of target. This funding model was a break-through in Canada. The direct results were already evident in the significant increase in applications and, more importantly, in acceptances of offers to doctoral-stream applicants. President Birgeneau added that this budget would also provide an additional $4 million per year for need-based grants to undergraduate students.

On a less positive note, the President regretted that the University had been unsuccessful to date in obtaining adequate provincial government support, both for much-needed capital funding for the enrolment expansion at the Mississauga and Scarborough campuses and for recognition of inflation in the operating grants.

The President surveyed the elements of risk in the Budget Report. If the federal government support for indirect costs of research decreased or if the stock market repeated the negative performance of 2000-01, the underlying assumptions of the Report would be challenged. Likewise, if the Province reneged on its commitment to provide full average funding for new students, there would be a problem. The administration did not believe that any one of these disappointments was likely to happen. This was a conservative budget overall.

4. Budget Report, 2002 - 03 (Cont'd)

Professor Sedra presented the highlights of the Budget Report.

- **Major revenue assumptions** recognized a reduction in investment revenue for 2001-02, which would be amortized over three years; a maximum two-percent increase in tuition revenue for the majority of students; no adjustment of provincial operating grants for inflation; and full average funding for undergraduate enrolment growth. Further, the administration hoped that there would be a relaxation of the cap on fees in regulated programs or special envelope funding that would generate an additional $3.2-million in grant/fee revenue. Enrolment intake was assumed to continue, for all practical purposes, at 2001-02 levels (despite a 20% increase in applications), and the one-time-only federal grant of $14.6-million for the recovery of the indirect costs of federally-funded research was assumed to continue for 2002-03. In the following year, this grant was projected to increase by 50%.

- **Major revenue components**. Provincial grants and tuition-fee revenue were expected to increase by $17.4-million and $35.1-million respectively, primarily because of enrolment increases. Endowment income would increase modestly; revenue from the Canada Research Chairs program and the overhead payments on federally funded research were projected to result in increased revenue of $21.4-million. Income from the stewardship and investment management fees was expected to increase slightly; expectations for investment income had been lowered considerably. Divisional income would increase, but it would be offset by divisional expenditures and would therefore have no effect on the operating budget overall.

- **Revenue projection**. Operating revenue for 2002-03 would include $391.2-million in Provincial operating grants, $272.6-million in tuition fees and $223.5-million from other sources for total operating revenue of $887.3 million. A bar graph comparing revenue from all sources annually since 1998-99 showed that, as a percentage of the total, revenue from tuition fees and other sources had increased, while government grant revenue, on the other hand, had decreased from 51% to 40%. Professor Sedra spoke to a line graph that showed the system-wide trend of Basic Operating Grants per Basic Income Unit (B.I.U.) In nominal dollars, not adjusted for inflation, this grant per B.I.U. had declined from $4,429 in 1991-92 to a low of $3,176 in 1996-97, rising gradually to $3,691 in 2001-02. In the ten-year period, this represented, in effect, a 16% reduction in the funding per student. Factoring in the rate of inflation, the picture was much worse.

- **Major cost drivers**. A $4.2 million contingency fund had been established for Library acquisitions to compensate for the weak Canadian dollar; legal fees were increasing steadily as were employer health care costs. Utilities costs continued to be unpredictable with major increases in natural gas rates in 2001-02 and increases in costs of hydro electricity of about the same magnitude being projected for 2002-03. Compensation costs were assumed to increase by 3% for the next two years. (Professor Sedra stressed that this was an assumption for modeling purposes and not a strategy for salary negotiations.)

  The extraordinary pressure on the University Infrastructure Investment Fund would continue to be a significant cost driver. Thirty million dollars had been borrowed in 2001-02 and an additional $30 million would be borrowed in each of 2002-03 and 2003-04 to meet existing commitments only. The resulting carrying charges against the operating budget were expected to be approximately $8.5 million per year by 2003-04.

4. **Budget Report, 2002 - 03** (Cont'd)

For 2002-03, an additional $5.1 million would go toward implementing the guaranteed funding packages for doctoral-stream students. A further increase of $2.8-million would be required for 2003-04.

A new $13 million endowment had been established for graduate student aid using unrestricted donations matched by the Ontario Student Opportunity Trust Fund. The previous strategy of using increased investment revenue to create matching funds for financial aid would not be possible because investment income in the past year had fallen significantly short of what had been projected. Nevertheless, the income from the new endowment would be available to assist divisions in meeting the need for graduate student funding.

- **Budget outcome.** Expenditures for 2002-03 were originally projected to be $917.9-million. A base budget reduction of 2.75% would be required of all divisions, reducing spending by $13.6-million and leaving a proposed expenditure budget of $904.3-million. Recalling that projected operating revenue was $887.3-million, Professor Sedra said this would mean the University would have a shortfall of $17-million for the 2002-03 year.

  Pension contribution savings were expected to be $19.8-million. These could not be directed to the University Infrastructure Investment Fund as planned because they were needed to reduce the shortfall. The 2001-02 investment losses would be amortized over three years; $9-million had been absorbed in 2001-02, $7.2-million would be absorbed in 2002-03, and $5.6 million in 2003-04. The outcome was a projected deficit for 2002-03 of $4.4-million which, when added to the $16-million projected deficit as at April 30, 2002, would bring the cumulative deficit to $20.3-million at April 30, 2003. By the end of 2003-04, this would need to come down to $14.5-million, which was the level of accumulated deficit that was acceptable under the Governing Council policy requiring that the cumulative deficit at the end of a long-range budget planning period be no greater than 1.5% of operating revenue.

In summary, Professor Sedra thought the proposed Operating Budget was fiscally prudent. The risk on revenue projections was limited largely to the assumption of a $3.2-million increase in grant/fee revenue. Expenses were conservatively projected and realistic. An annual surplus was planned for 2003-04 so that the accumulated deficit would be brought back within the policy limit.

Members thanked and applauded Professor Sedra for the quality and clarity of the Budget Report.

Among the items that arose in discussion were the following: **(a) Borrowing for capital development and the deficit limit**. The debt in the capital fund was not taken into account in the deficit-limit policy, which applied only to the operating fund, except that the cost of debt service was a charge on the operating budget. This was appropriate given the availability of new federal funding for the indirect costs of research, including research facilities. This was also likely to be reflective of the way the Province would in the future fund capital development - by making smaller capital grants and then assisting universities in paying off loans rather than, as previously, making capital grants to cover two thirds to three quarters of the cost of buildings. **(b) "Structural issues."** Mr. England was invited to elaborate on the statement referring to the need to deal with "significant structural issues" in the forthcoming budget framework for 2003-04 to 2007-08. He said that those issues included, for example, higher utility costs that had

4. Budget Report, 2002 - 03 (Cont'd)

spiked unexpectedly and employer health care costs that were escalating at a rate of about $5-million per year. He assured the Board that those issues had been dealt with in the budget report; the University had not deferred covering those higher costs. The longer-term goal, however, was to establish a mechanism for providing for such volatile costs in the long-range budget plan in order to avoid difficult annual adjustments. **(c) Effect of the 2.75% budget reduction on divisions.** Some divisions would recover a part of this reduction or even more: divisions with growing enrolment; research-intensive divisions, which would receive one-quarter of the amount of the federal grant to cover the indirect cost of federally funded research; and divisions with tuition-fee increases greater than 5%. Others, however, including the administrative divisions, would have to reduce their spending. **(d) Move by Rotman School of Management to Responsibility-Centre Budgeting (R.C.B)**. The overall system of budgeting at the University had elements of both highly centralized systems and entirely decentralized systems like R.C.B. The Rotman School of Management had been placed on R.C.B. at its request, and Professor Sedra thought this was a positive change, both for the School and for the University. The School would have greater freedom of action and greater responsibility for the outcome of its decisions. Any future request for a similar change from another division would be considered on its merits. **(e) Consideration of outsourcing and productivity improvements**. Mr. Chee responded that he would be considering various opportunities. **(f) Rising legal costs as indicative of risk of increased liability**. Measures had been taken to control rising legal costs, both the increased scrutiny of all expenses and implementation of some controls, and the hiring of in-house counsel reporting jointly to the Vice-President, Human Resources and the Vice-President and Provost. The increase in litigation did not imply new financial risk; the increased legal costs had been generated by a limited number of high-profile actions by faculty members, which were well known to members. **(g) Unfunded liability for post-retirement benefits other than pensions**. New accounting rules required that a corporation accrue a liability for the cost of the all post-retirement benefits earned by its employees each year; previously, only pension benefits had to be recorded as a liability. The University of Toronto would continue to deal with these benefits (other than pension benefits) on a pay-as-you-go basis. Invited to amplify, Ms Brown reported that this liability was included in the financial statements. The liability amounted to about $20-million as at April 30, 2001. The recognition of the full liability was being phased in over fifteen years, beginning in 2000; the amount of the liability would increase to about $150-million at the end of the fifteen-year period.

On the recommendation of the President and the Vice-President and Provost,

YOUR BOARD CONCURRED

with the prospective recommendation of the Academic Board

THAT the Budget Report, 2002 - 03, be approved.

5. Chair's Remarks

The Chair welcomed Mr. John Bisanti, the recently appointed Chief Capital Projects Officer, to his first meeting of the Business Board. He also paid tribute to Miss Janice Oliver, who had recently retired, for her seventeen years of outstanding service as Assistant Vice-President and as an assessor to the Board.

6. Enrolment Report, 2001-02

Professor McCammond recalled that the Business Board reviewed the Enrolment Report annually as background to its consideration of both the Budget Report and the Tuition-Fee Schedule. Enrolment was of great importance to the revenue forecasted in the budget because both operating grants and tuition-fee revenue depended directly on enrolment. The Enrolment Report was also very important to the Board's consideration of the tuition-fee schedule. In particular, the Board would wish to be sure that the level of tuition fees was having no negative effect on enrolment. Professor McCammond recalled that applications to the Ontario university system in general and for the University of Toronto in particular had increased significantly for 2001-02. In order to encourage enrolment expansion, the Government of Ontario had undertaken to provide full operating funding for actual enrolment for the year, in contrast to providing only funding for a previously approved enrolment corridor irrespective of enrolment growth. To accommodate additional students and to take advantage of the additional funding, the University had increased its enrolment targets significantly. Professor McCammond reported that the University's enrolment in publicly funded programs was 3.6% above the budgeted level. That represented an increase of 2,075 full-time-equivalent students above the enrolment for 2000-01.

Professor McCammond reviewed 2001-02 enrolment in the divisions. The Faculty of Arts and Science had exceeded its enrolment target by 1,060 full-time equivalent (f.t.e.) students. Enrolment at the Scarborough campus had exceeded its target by 220 f.t.e. students and at Mississauga by 190 f.t.e. students. In the Faculty of Applied Science and Engineering, enrolment had grown by 170 undergraduate students. A substantial part of the increase had taken place in the program in Electrical and Computer Engineering and in other high-demand engineering programs that had received special Provincial funding to encourage enrolment growth under the Province's Access to Opportunities Program (ATOP). The Province had also provided special funding to encourage enrolment increases in Bachelor of Education programs, and enrolment in that program had grown by over 80 f.t.e. students. In masters degree programs in professional areas, enrolment overall was very close to target. There had been some softness in the enrolment in the new masters degree programs in the Faculty of Architecture, Landscape, and Design, which had replaced previous undergraduate programs. Similarly, the master's degree program in information studies had experienced a shortfall of 44 f.t.e. students, partly compensated for by enrolment of 15 f.t.e. students above target in the doctoral program. Enrolment overall in the various second-entry professional programs such as dentistry, law and medicine was on target, with some programs slightly above and others slightly below target.

Professor McCammond reported that for 2002-03, applications were strong. Applications from Ontario secondary schools had increased by 16% for universities across the province. Applicants indicating the University of Toronto as their first choice had increased by 20%. Applications were strong across the University, with Arts and Science applicants to the St. George Campus colleges increasing by 20%, to the Mississauga Campus by 22% and the Scarborough Campus by 29%. Applications to the other large first-entry program, Applied Science and Engineering, had increased by 11.8% across the Province with first-choice applications to the University of Toronto increasing by 13%. The University's enrolment was therefore likely to remain very healthy, with applications well above the system average.

In response to a question about enrolment in the programs with the proposals for the largest fee increases, Professor McCammond said that enrolment in the Master's program in Business Administration had increased by 42 f.t.e. students, which was 2% under the Rotman School's target. Enrolment in the Faculty of Law had increased by 21 f.t.e. students, which was almost 4% above target.

7. Student Financial Support, 2000-01: Report of the Vice-Provost, Students

Ms Swift recalled that the University of Toronto's Policy on Student Financial Support provided the important and unique guarantee that "no student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means." The University's commitment to that guarantee had been dramatic. In 1990-91, the University had provided need-based financial support of about $1.5-million. By 2000-01, the University's need-based financial aid had grown to nearly $30-million.

Over $10-million of that money was used to provide aid through the University of Toronto Advanced Planning for Students (or UTAPS) program. The UTAPS program enabled needy students to know in advance of the academic year the amount of support they could expect from the OSAP and UTAPS programs combined. The UTAPS program used the same need-assessment process as the Ontario Student Assistance Program (OSAP), but it used more generous cost allowances, allowing the actual cost for fees, books, supplies and instruments. Assessed need that was not met by OSAP would be provided by UTAPS. Prior to the implementation of the Policy on Student Financial Support, grants were capped at $2,000. For undergraduate and doctoral-stream graduate students, that cap had been removed and additional support was in the form of a grant. For students in professional second-entry programs - Dentistry, Law, Medicine, Management and Pharmacy - there was a cap on grants, with unmet need being met by a combination of grants and institutionally negotiated bank loans, with the University paying the interest on the loans until the students graduated. In addition, there were provisions for loan remission for the small number of graduates who could not manage their debt.

Ms Swift reported that a further $20-million was awarded by the academic divisions to students who demonstrated financial need during the academic year. The OSAP and UTAPS assessments did not always reflect students' true need, and this program enabled the University to assist students who encountered special financial problems or unusual expenses.

Ms Swift commented on the debt load of graduates. She recalled that the maximum annual loan under the OSAP program was $7,000. Of students graduating from first-entry programs in 2001, 56% had no OSAP debt whatever. The proportion of such students with debts over $15,000 had declined to 21% from 24% in 1998.

Ms Swift recalled that the Policy on Student Financial Support called for regular surveys of students to monitor the accessibility of the University's programs. Such surveys were being completed for both undergraduate students and those in professional faculties. (A similar survey was being developed for doctoral-stream graduate students, and a pilot survey had been conducted in 2001. Given the small sample, the results were not used in the report.) The surveys indicted that accessibility was being maintained, with no decline in the representation of students as measured by any of the accessibility measures: gender, parental income, parental education, ethno-cultural background and reliance on OSAP. For example, 20% of undergraduate respondents to the surveys and 18% of the students in professional faculties reported that they came from families with parental incomes of $30,000 or less.

Ms Swift concluded that the difference before and after the implementation of the Policy was dramatic. Before the Policy, resources were limited and the University was able to award only a few hundred bursaries. In 2000-01, nearly $30-million was available for need-based aid to undergraduates, with the University being able to assist thousands of students.

7. Student Financial Support, 2000-01: Report of the Vice-Provost, Students (Cont'd)

Among the matters that arose in questions and discussion were the following. **(a) Measuring accessibility for non-registrants**. A province-wide survey compared university populations with the general population, using income data derived from Statistics Canada according to postal codes. Among all Ontario universities, the University of Toronto had the most even distribution of its student body according to income groups. **(b) University policy and the provincial requirement to devote 30% of the proceeds of fee increases to financial aid**. The University's provision of financial aid exceeded the Province's requirement by a substantial margin. The University had been helped by its success in building its endowment for student support to approximately $500-million, with the aid of donations, matching funds from the Ontario Student Opportunity Trust Fund (O.S.O.T.F.), and matching funds provided by the University itself. The Premier-designate had indicated his support for a new O.S.O.T.F. program, which would be warmly welcomed by the University. **(c) Teaching assistantships and financial aid**. The nearly $30-million in need-based aid did not include the University's funding for graduate student fellowships or its budget for teaching assistantships.

8. Budget: Operating Fund Forecast for the Year Ending April 30, 2002

Mr. Chee reviewed the sources and uses of funds for the operating fund for 2000-01, noting that the University had completed the year with a deficit of $5.8-million on that year's operations, bringing the cumulative deficit to $11.1-million. For 2001-02, the budget had planned for a deficit of $3.2-million on the year's operations. Mr. Chee forecast that the University would instead incur a deficit of $4.9-million, bringing the cumulative operating deficit as at April 30, 2002 to $16-million. Revenue for the year would be $9.2-million above budget. The Government of Canada's grant to cover the indirect costs of research would provide $14.6-mllion, which had not been budgeted. Increased student fees, arising from the higher-than-planned enrolment, would provide a further $10.5-million above budget. Other revenue had been $300,000 higher than budget. The increased revenues had, however, been offset by lower-than-budget investment income on the operating fund float. The first year's accounting for the investment-income shortfall, which was to be amortized over three years, was $16.2-million less than budget. While operating revenue, overall, would be higher than budget, that positive variance been more than offset by higher expenditures, which were projected to be $10.9-million more than budget. An unbudgeted amount of $5.4-million had been spent to provide support to graduate students, in addition to a further $7.2-million, which had been budgeted, but as an offset against higher investment income, which would not materialize. Spending of an additional $6.9-million had been required to deal with the higher-than-anticipated enrolment. A further $5.2-million had been spent for increased faculty hiring and retention. Utility costs were projected to be $2.2-million above budget and legal costs $1.7-million above budget. There would also be two favourable variances. Staff benefit costs would likely come in at $2.2-million less than budget and various other costs at $1.1-million under budget. Mr. Chee referred to the decision to amortize the investment-income shortfall, with about 60% of the shortfall being written off in the current year, 30% in 2002-03 and 10% in 2003-04. This was a somewhat faster-than-usual amortization of investment losses, which would normally be written off at 25% per year over four years. Were the University to write off the whole shortfall without smoothing, the $4.9-million deficit on 2001-02 operations would become a $14.6-million deficit.

The President, Mr. Chee and Professor Sedra responded to questions on three topics: **(a) Amortization of the investment-income shortfall.** The faster-than-normal amortization represented conservative accounting; a full write-off of the shortfall would, however, have brought the cumulative deficit to an unacceptable level. **(b) Capital debt.** In addition to the

8. Budget: Operating Fund Forecast for the Year Ending April 30, 2002 (Cont'd)

$160-million debenture issue, the University had other external loans of about $20-million. Those amounts did not include internal loans to divisions for capital purposes. The average interest rate was about 7%, requiring annual debt-service payments of $12-million. This was a manageable amount. Much of the debt was used to fund research facilities, and federal research-overhead payments would quite properly be used to pay down that portion of the debt. **(c) The supplemental retirement arrangement.** The University was setting aside money to match its liability for this plan, using a part of its benefits budget not required for registered pension-plan contributions owing to the pension-plan surplus; the amount set aside would match the accrued liability within five years).

9. Capital Project: Faculty of Arts and Science - Sidney Smith Hall Infill

Mr. Chee recalled that the Sidney Smith Hall Infill Project had been approved at a cost of $1.8-million. The cost had over the past year increased by $1.2-million. Because Sidney Smith Hall was a very important building - the home of the Faculty of Arts and Science - in a prominent location, the University had engaged a second architect to improve the design. The University had also found structural problems with the roof of the podium on which the infill was to be built, and had discovered that it would be more costly than anticipated to remove asbestos. Mr. Chee requested the Board's approval to proceed with the project at the increased cost in order to enable the University to begin and complete the project expeditiously in order to provide urgently needed office space to the expanding faculty in the departments of history and political science. The University was, however, actively examining other options to provide this space in a more cost-effective manner. The University would proceed with the Sidney Smith Hall project only if it was agreed by Mr. Chee, the Vice-President and Provost and the Chair that it represented the best option.

Three members expressed concern about the proposal. The structural problem with the roof and the asbestos situation should have been known at the time of the original proposal. There had been too-frequent requests to increase the cost of projects for reasons that could have been foreseen. It was inappropriate to spend more for a project at a time when the University was facing operating-fund deficits. Space should be found elsewhere, especially given the University's recent acquisition of a number of office buildings. Completing the Sidney Smith Hall project would not only be very expensive, but the problem of removing asbestos from the podium area would cause a lengthy period where access to the building would be impeded. Mr. Chee agreed entirely that the problems with respect to the project should have been known before the original proposal was forwarded, and he assured the Board that new procedures were being put into place. The increased cost had led to the revaluation of the appropriateness of proceeding with the project and the consideration of alternatives.

9. Capital Project: Faculty of Arts and Science - Sidney Smith Hall Infill (Cont'd)

On the recommendation of the Vice-President, Business Affairs,

YOUR BOARD APPROVED

Subject to Governing Council approval in principle of the revised Sidney Smith Infill project at a cost of $3,075,000 and the allocation of an additional $711,000 for the project from the University Infrastructure Investment Fund, and

Subject to the decision of the Vice-President and Provost, the Vice-President, Business Affairs and the Chair of Business Board that this project is the most cost effective way of providing the needed additional faculty office space for the departments of History and Political Science,

THAT the Vice-President, Business Affairs be authorized to execute the Sidney Smith Hall Infill project at a cost not to exceed $3,075,000.

10. Capital Project: New College Residence - Appropriation Increase

The Chair stated that the Board was being asked to confirm the outcome of a mailed proposal and ballot.

On the recommendation of the Vice-President, Business Affairs,

YOUR BOARD CONFIRMED

(a) THAT the Vice-President, Business Affairs be authorized to expend up to $26,760,000 for the construction of a new residence at New College subject to the understandings (a) that the total cost of the project will be the maximum cost, (b) that every effort be made to seek cost reductions, and (c) that strict controls be placed on the use of the contingency reserve and that any user changes have the express approval of the Vice-President, Business Affairs; and

(b) THAT the Vice-President, Business Affairs undertake a review of existing processes to minimize recurrence of the need for appropriation increases for future projects.

11. Administrative User Fees and Fines, 2002-03

On the recommendation of the Vice-Provost, Planning and Budget,

YOUR BOARD APPROVED

The following amendments to the University Schedule of Administrative User Fees and Fines, 2002-03:

(a) That the following fees be added to the Administrative User Fee Schedule

- the Occupational Therapy licensing fees
- the Physical Therapy licensing fees
- the Scarborough Humanities Co-op fee (Year 1 and Year 2 entry)
- the Scarborough Cell and Molecular Biology Co-op fees (Year 1 and Year 2 entry)
- the Scarborough Psychology Co-op fees (Year 1 and Year 2 entry)
- the Scarborough Social Sciences Co-op fees (Year 1 and Year 2 entry), which now includes the International Study and Public Policy Co-op Program fees, approved in 2001
- the Scarborough Teaching Placement fee for students entering the program in September 2002 and thereafter
- the Woodsworth College International Summer Program to Tours placement fee and course fee
- the Woodsworth College International Summer Program to Berlin placement fee and course fee
- the Woodsworth College International Summer Program to Jordan placement fee and course fee
- the Occupational Therapy fieldwork placement fees
- the Social Work Application fee

and

(b) That the following fees be discontinued:

- the Post-Graduate Medical Education Calendar Replacement (in person or by mail) fee
- the Post-Graduate Medical Education Duplicate Tax Receipt fee (as a separate fee from the University-wide fee)

12. Ancillary Operations: Real Estate - Operating Results and 2002-03 Budget

On the recommendation of the Vice-President, Business Affairs,

YOUR BOARD APPROVED

The operating budget for the Real Estate Ancillary for 2002-03, as contained in the fourth column of the Five-Year Operating Plan, included in Appendix “C” hereto.

13. Budget: Interim Operating Budget Appropriation

On the recommendation of the Vice-President, Business Affairs,

YOUR BOARD APPROVED

THAT the administration be authorized to spend up to $155-million for the normal operation of the University of Toronto for the period May 1st, 2002 to June 30th, 2002.

14. Human Resources: Extension of Application Deadline for the Early Retirement Window for Non-Unionized Administrative Staff

On the recommendation of the Vice-President, Human Resources

YOUR BOARD APPROVED

THAT the University extend to June 30th, 2003 the application deadline for the current early retirement window for members of the non-unionized administrative staff whose age plus years of service equal at least 75.

15. Human Resources: Policies for English-as-a-Second-Language Instructors at the School of Continuing Studies

On the recommendation of the Vice-President, Human Resources

YOUR BOARD APPROVED

The proposed Policies for English-as-a-Second-Language Instructors at the School of Continuing Studies, a copy of which is attached hereto as Appendix "D", be approved.

16. Vice-President, Human Resources: Annual Report, 2000-01

Professor Hildyard noted that the annual report dealt with the activities of the Human Resources portfolio in the final year of Professor Finlayson's term as Vice-President. Mr. Marshall would, however, be able to answer members' questions. The Chair had observed that the University's accident statistics were still not good enough, and Professor Hildyard had therefore engaged an external consultant to review the University's practices and to determine whether improvements could be made. The consultant would work with a small committee, which would include Mr. David Keeling, Administrative Officer of the Faculty of Medicine and member of the Business Board. Professor Hildyard also reported that she was about to undertake a review of the central Human Resources operation.

17. Employment Equity: Annual Report, 2000-01

Professor Hildyard said that the annual report on employment equity had adhered to the same format for a number of years. Beginning with the report for 2001-02, it would adopt a new format, focusing more on new initiatives.

17. Employment Equity: Annual Report, 2000-01 (Cont'd)

A member observed that she hoped that the Board might have the opportunity, perhaps at a meeting in 2002-03, to take time to gain a better understanding of employment equity at the University.

18. Cost-Recovery Ancillary Fees, 2002-03

The Board received, for information, the annul report on cost-recovery ancillary fees for 2002-03.

19. Report on Gifts over $250,000, November 1, 2001 - January 31, 2002

The Board received, for information, the quarterly report on gifts over $250,000 for the period November 1, 2001 to January 31, 2002.

20. Date of Next Meeting

The Chair reminded members that the next regular meeting was scheduled for Monday, May 6, 2002 at 5:00 p.m.

21. Striking Committee, 2002: Appointment

THE BOARD MOVED INTO CLOSED SESSION

The Chair noted that the membership of the Business Board consisted primarily of members of the Governing Council, who were appointed by the Governing Council. There was, however, need for the Board to appoint a small number of non-Governing Council or "co-opted" members. In addition, the Audit Committee usually included a number of co-opted members, and the Business Board appointed the Chair and Vice-Chair (if any) of the Audit Committee. The Board's task at this time was to appoint a representative nominating committee, called a "Striking Committee." That Committee would recommend co-opted members to the Board at either the May or June meeting.

21. Striking Committee, 2002: Appointment (Cont'd)

On motion duly made and seconded,

YOUR BOARD APPROVED

THAT the following be appointed to the Business Board Striking Committee to recommend appointments for 2002-03:

Mr. Amir Shalaby (Chair)
Ms Rose Patten (appointee of the Lieutenant Governor in Council, Vice-Chair)
Professor W. Raymond Cummins (teaching staff)
Mr. Brian Davis (administrative staff)
Mr. Andrew Morgan (student)
Ms Jacqueline C. Orange (alumna)

The meeting adjourned at 7:55 p.m.

Secretary

Chair

April 22, 2002