

**UNIVERSITY OF TORONTO**

**BUDGET REPORT**

**2006-07**

March 13, 2006

**University of Toronto  
Budget Report  
2006-07  
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## 1. Introduction

The 2006-07 Budget Report presents the third budget in the six-year planning cycle 2004-10. It provides updates to the *Long Range Budget Guidelines 2004-2010*, originally issued in March, 2004, and it has been prepared in the context of the *Stepping Up* academic planning process. Updated assumptions on revenue and expenditure are included in Appendix A.

The Budget Report describes the operating budget for the University as a whole (Appendix B), as well as the budgets for various divisions (Appendix E). It also provides a summary of expenditures on Contractual Obligations and Policy Commitments (Appendix C).

A summary of the University's capital budget is presented at the end of the report. Capital expenditures are presented to Governing Council Boards and Committees separately for consideration and approval. Hence, this section of the present report (Appendix D) is included for information only. Approval of this report does not constitute approval of any of the projects referenced in that section.

## 2. Fiscal Context

As they entered the 1990's the University of Toronto and all other Ontario universities were experiencing a period of relative financial stability and recovery; government grants and tuition were increasing at rates slightly above the general inflation rate, and the need for expense reductions were, relatively speaking, modest in scale. With the full onset of the economic recession in 1992 through 1994, operating grants were frozen and then reduced through the Social Contract (\$17.3 million) and the Expenditure Control Plan (\$5 million). Tuition fees increased by 8 to 10 per cent annually to partially compensate for the loss of grant revenue. The Ontario Student Assistance Plan was modified by government from a combined grant/loan program to an all-loan program as a cost reduction measure.

In 1995 the new government fulfilled its election promise to further reduce operating grants to universities by \$280 million — a loss of \$53.9 million to the University of Toronto. Again as a partial offset to the loss of grant revenue, government permitted significant increases in tuition fee rates; 20 per cent in 1996-97 and 10 per cent on average in each subsequent year up to and including 1999-2000. Tuition fees were deregulated for international students, and for students in some professional and all graduate programs.

The University's operating grant revenue reached a peak at approximately \$400 million in 1992-93, fell to \$339 million in 1997-98 and has risen to \$511M in 2005-06 with the introduction of a number of new funding envelopes targeted to enrolment increases and performance indicators. However, during the past decade, the system-wide government operating funding per student has decreased in absolute terms by over 16% and in real terms by 30%. At the same time, the University's tuition revenue has increased from \$100 million in 1992-93 to \$385 million in 2005-06, as a result of both tuition fee rate and enrolment increases. Starting in 1996-97 the Government mandated that 10% of the revenue from tuition fee increases be spent on student aid; this was increased to 30% in 1997-98 and subsequent years.

The practical effect of the Government funding policy has been that the University has had to introduce expense reductions to absorb a significant portion of cost increases for compensation, library acquisitions, graduate student funding, and utilities. The university's expenditure patterns have also changed significantly over this period. Support for student aid has increased dramatically, from \$7.7 million in 1991 to \$106.6 million in 2005-06. Overall, the increase in expenditures on student financial aid is approximately 40% of the increase in tuition revenue, making the University of Toronto one of the most accessible in the country. Library acquisition costs have continued to increase sharply throughout the period, from \$9 million in 1991 to \$24.1 million in 2005-06.

In 2000 the Government announced a cap on tuition fee increases for all regulated programs at 2% per year, not compounded, in each of the five years 2000-01 to 2004-05 . During that period, the University also limited tuition fee increases for all continuing students in deregulated programs to 5%. Fee increases for new students in these programs were generally set at 5%, except for professional programs in business, dentistry, computer science, engineering, information technology, medicine, pharmacy and law, where higher fee increases were needed in some years to enhance quality. In 2004-05 and 2005-06 there was no tuition increase in any grant-eligible program as a result of a tuition freeze imposed by the provincial government.

These circumstances, taken together, have dramatically altered the size and composition of the operating budget. Provincial government operating grants now represent about 44 per cent of total revenue, down from 70 per cent in 1991-92. Tuition revenue has doubled in proportional terms, from 16 per cent to 34 per cent of the total. Other sources of revenue, such as endowment payout, federal government support and divisionally-generated income, have increased and diversified considerably. These sources now represent 22 per cent of the revenue base. As a result, the University is much less dependent upon a single dominant source of revenue, but at the same time is exposed to a wider array of risks such as stock market performance.

The University admitted a significantly higher number of students during the past three years to accommodate the double cohort. Although no further increases in undergraduate intake levels are planned, total enrolment will continue to rise as a result of flow-through to upper years. Enrolment is expected to peak in 2006-07, and then drop slightly. The major challenge facing the University in the current planning period continues to be to ensure the availability of resources to maintain the high quality of our programs and to meet student needs.

### **3. Planning Assumptions for 2004-10**

A major provision in the Ontario budget of May 2005 is the establishment of a \$220M funding envelope to expand graduate education. Following the recommendations of the Rae Review and the Task Force on Competitiveness, Productivity and Economic Progress chaired by Dean Roger Martin, this envelope is intended to support an increase of about 14,000 graduate students in all graduate programs.

As the leading university for graduate education and research in the Province, and consistent with its own academic objectives as put forward in *Stepping UP*, the University of Toronto is proposing to increase its graduate enrolment by 4400 FTE (Full-Time Equivalent) students by the end the planning period covered by this report. Plans for this expansion are in preparation and will be finalized once the province determines how it will allocate place to universities. The underlying guiding principles will be presented to Governing Council for consideration later in the spring, in the form of a framework document similar to that which guided the undergraduate expansion of the past four years. The long-range budget projections presented in this report assume that the proposed targets for graduate expansion will be approved.

On March 8, 2006, the Government of Ontario announced a new tuition framework for the Province. According to the provisions of this framework, universities may increase tuition fees by up to 4.5% for entering students in most programs and by no more than 4% for in-program students. Tuition may increase by a maximum of 8% in higher-cost professional programs such as Law, Medicine and Engineering, provided that the average increase across the university does not exceed 5%. A new tuition schedule for the University of Toronto has been prepared based on this framework and the University's own policies on tuition and accessibility, and it will be presented to Governing Council for consideration as per usual. The budget projections in the present report assume that the proposed tuition schedule will be approved.

At the same time, the government announced plans to introduce a Student Access Guarantee — a partnership between the province and the universities to ensure that no student is denied access to higher education for financial reasons. The Government's intent in this area is completely in line with the long-established policy of the University of Toronto. The University remains committed to the goal of accessibility and will continue to set aside sufficient funds to achieve this goal.

Budget projections for the period 2004-05 to 2009-10 were first prepared in March 2004, based on the information available at that time. The University's expenditures so far have remained very close to these projections in most categories but there have been some sources of increased expense outlined in Section 5. The present report provides an update of the original guidelines taking into account the provisions of the Ontario Budget, including graduate expansion, the introduction of the Quality fund and the University proposed tuition schedule. As will be described in the remainder of this report, the new revenues have associated expenses, coupled with increased expenses; the expense containment measures that were planned in the original report remain largely unchanged. Appendix A gives the original assumptions used in the 2004-05 report, together with a description of any changes that have been made for the purpose of preparing this year's projections.

It should be emphasized that the assumptions described in Appendix A must not be construed as representing an adequate level of funding for the University or as goals for our revenue generation efforts. Our main objective in preparing these assumptions is to ensure fiscal prudence. With regard to the cost of compensation, which represents a major portion of the University's expenditures, the assumptions made are intended solely to present a reference point. They are not to be viewed as targets for negotiations with various employee groups.

Updated budget projections are given in Appendix B. Tables B1 and B2 present two different views of the University budget. Table B1 provides a summary of all sources of revenue and a breakdown of expenditures by major expense category. The categories used are the same as those that appear in the University's financial statements, for ease of reference. Table B2 shows year-over-year increases in expense, with expense categories broken down to give a much higher level of detail. Table B3 provides detailed information on changes in the budget from 2005-06 to 2006-07.

Appendix C includes information on the Contractual Obligations and Policy Commitment (COPC) items. These are expenses that must be honoured, and hence are protected from cost containment measures.

The expense containment schedule is summarized in Table 1 and illustrated graphically in Figure 1. As mentioned earlier, an expense containment strategy continues to be needed despite the increase in revenue, because of the concomitant increases in expense. The containment schedule has been designed to ensure that by the end of the planning cycle the University will meet the limitations on annual and accumulated deficits mandated by Governing Council. Figure 2 shows the annual and accumulated surplus/deficit over the 6-year period, together with the allowable accumulated deficit at the end of the period.

With no expenditure containment, the projected expenses would rise to \$1562M by 2009-10 against revenues of \$1496M, resulting in an annual deficit of \$68M. The expense containment measures included in the budget plan reduce both the annual deficit and the accumulated deficit to acceptable levels. The guidelines for budget planning as approved by Governing Council require that by the end of the budget cycle (2009-10), the annual deficit be eliminated and the accumulated deficit not exceed 1.5% of gross revenue (\$22.4M).

The plan for reducing expenses as outlined in the original Long Range Budget Guidelines was prepared taking into account the following observations:

- University divisions needed sufficient time to plan so as to minimize the negative impact of significant expense containment requirements on their operations.

- Budget planning should support and be an integral component of the *Stepping Up* academic planning process.
- Because of the nature of the operation of the university, it is extremely difficult, if not impossible, to reduce expenses by a very large amount in one year.
- If the accumulated deficit is allowed to rise too high, it becomes difficult to reduce it back to the mandated level by the end of the planning period.

These considerations continue to hold. Also, the changes in revenue and expense do not justify a significant departure from the original budget strategy. The new recommended expense containment schedule is shown in Table 1 and Figures 1 and 2. Based on this schedule, a 5% expense containment, or \$30.6M, will be implemented in 2006-07. In the subsequent three years, base budget containment measures will be reduced to a total of 6%, down from the 7% proposed in last year's report. However, as a result of a slight increase in the size of the University's projections for the accumulated deficit, the total one-time-only containment measures needed over the three years have been increased from 3% to 6.5%.

The University of Toronto, often in concert with other universities, is engaged in on-going advocacy with both the Provincial and Federal Governments to address the substantial short fall in funding that all universities face. Important areas where current government funding is significantly below expense include the indirect costs of research, student aid, and graduate student support.

#### **4. Implementation of a New Approach to Budgeting**

The University is preparing to implement a new approach to budgeting for the budget year 2007-08. Reports on the new budget model will be presented for briefing to relevant Governing Council's committees and boards in the spring.

The new model has been recommended by the Task Force to Review Approach to Budgeting, which presented its final report in February, 2006. It has recommended a budget model that aims to achieve the following objectives:

- Ensure the best alignment between resource allocations and academic priorities,
- Increase the transparency of the budget process to all University Divisions and to Governance,
- Provide better information about revenues and expenses to support decision making, and
- Provide incentives to increase revenues and control expenses.

Several committees are currently examining implementation details, with a target date of September 2006 to complete their work.

#### **5. 2006-07 Budget**

The 2006-07 budget is the third budget of the current six-year plan. Its major revenue and expense components are described below. The remaining sections of this report provide details of the special budget envelopes and of the allocations to various University Divisions.

##### **Revenue**

Total revenue is projected to increase by 11%, from \$1152M in 2005-06 to \$1275 in 2006-07. Major revenue assumptions and the factors contributing to revenue increase include:

- The provincial government operating grants do not include an inflationary increase.
- The University will receive full average operating funding for undergraduate enrolment growth (\$10.1M).
- The Provincial Government announced in the May 2005 budget that additional funding will be provided for graduate expansion. Graduate enrolment in professional masters and doctoral stream programs is assumed to grow over 2004-05 levels by 790 eligible FTEs.
- In its budget of May, 2005, the Provincial Government announced the creation of the Quality Improvement Fund to replace the Quality Assurance Fund. Potential revenue for the University of Toronto from this fund has been estimated based on information currently available and is projected to be \$35M.
- The Provincial Government has announced that it will provide additional funding for new undergraduate medical students. Budget projections include funding of approximately \$1.3M for 26 new spaces by 2006-07. In addition, enhancement funding will be provided for 84 existing spaces, an increase of \$2.3M by 2006-07.
- Tuition replacement funding is projected to continue at the current level of \$23M.
- Tuition fees are projected to rise by an average of 4.1% in 2006-07, as a result of the government's recently announced tuition fee framework.
- Investment income is projected to increase by \$2.5M in 2006-07 as a result of improved market conditions. Previous investment losses will continue to be amortized for one more year at \$4.8M.
- Other Income will increase by \$1.5M primarily as a result of increased application fees.
- Divisional income has been adjusted to reflect prior-year actual income and is offset by an equivalent increase in divisional expense.

## **Expenditures**

Total expenditures will increase from \$1168M in 2005-06 to \$1284 in 2006-07 (\$116M or 10%), after applying a base budget containment of \$30.6M. This is equivalent to a 5% containment on a relevant base of \$612M. Expenditures include both university-wide costs and allocations to divisions as a result of increased revenue from grants and fees. The major factors contributing to expenditure or allocation increases are:

- Utility costs are projected to increase by \$16.3M, due primarily to increased electricity and gas rates. An additional \$3M is provided for increased operating costs of new space and policy compliance requirements. The budget also provides \$3M on a one-time-only basis for a new hydro connection.
- The COPC contingency budget has been reduced by \$0.7M, primarily due to a decrease in the contingency amount required for the library book acquisition fund resulting from the improvement in the Canadian dollar against the US dollar. Details of COPC expenditures are given in Appendix C.
- Compensation costs are projected to rise by \$25.1M reflecting the latest settlements. A projection for increased faculty compensation costs has been made based on the University's current offer in the negotiations.
- The pension deficit amortization has been increased by \$.8M to reflect the cost of recent agreements.

- Benefit costs are projected to increase by \$3.1M resulting primarily from increased contributions to the pension plan.
- Due to the elimination of mandatory retirement effective June 30, 2005, the savings due to faculty retirements for 2006-07 are projected based on retirements for only those faculty who have confirmed they will retire.
- An additional \$6.8M has been committed to undergraduate and graduate student aid. This is consistent with the assumptions on tuition and enrolment projections. Funding for graduate support for domestic enrolment expansion will be provided directly by the divisions from the academic allocations associated with graduate expansion.
- The University has allocated \$3.3M in 2006-07 in support of enhancing the student experience. This fund is intended to support both university-wide and divisional initiatives that are primarily intended to create a better learning environment and to enhance the student life in general.
- A more detailed discussion of allocations to divisions is included in Section 6: Operating Budget Special Funds: Revenue Sharing Arrangements.
- Allocations from the enrolment growth fund (\$2.0M) represent revenue sharing agreements for increased grant and fee revenue associated with enrolment increases. The increase in the 2006-07 allocations reflects the flow through of the double cohort, offset by a decrease in enrolment intake levels for some Divisions. Allocations for international enrolment growth that had previously been included in the enrolment growth fund have now been included in the International Tuition Sharing Fund (see below).
- Academic allocations as a result of graduate expansion are based on the same enrolment levels used for operating grant and tuition revenue projections. In general, Divisions will receive 75% of the tuition fee revenue (net of mandated student aid for professional masters) plus 75% of the operating grant revenue generated by the approved increases in graduate domestic enrolment. The allocation for 2006-07 is projected to be \$19.7M.
- A total of \$5.9M of increased revenue from graduate expansion has been allocated to support university wide services associated with the expansion, including library support, information technology, SGS, student services and student experience. \$1.4M is held in a general account for further allocation, \$1.5M for Academic Services, \$1M for Information Technology. \$1M for Administrative Priorities and \$1M for Transitional Funding to assist smaller divisions still in the process of developing new graduate programs.
- As was done prior to the tuition freeze, an additional \$0.5M is allocated directly to programs where fees have been increased by greater than 5%. Allocations are towards ensuring quality enhancement in these programs.
- Allocations from the International Tuition Sharing fund (\$24.9M) represent revenue sharing agreements for increased international tuition fee revenue. This significantly higher level of funding to the divisions is a result of increased international enrolment and the need to provide enhanced support at the divisional level.
- An allocation of \$3M in 2006-07 will be used for the restructuring of the Innovations Foundation.
- An allocation of \$0.8M has been made to fund higher debt service costs for additional projects in the capital budget (see Section 7 for further details of the capital budget).



**Table 1. Expense containment schedule**  
(\$millions)

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
Base containment in dollars	\$10.5	\$11.4	\$30.6	\$20.0	\$14.3	\$7.8
Percentage containment	2.0%	2.0%	<b>5.0%</b>	<b>3%</b>	<b>2%</b>	<b>1.0%</b>
<i>Base projection at this time last year</i>			5.0%	2.0%	2.0%	3.0%
One-time-only containment				\$10.0	\$21.5	\$15.6
Percentage OTO containment				<b>1.5%</b>	<b>3%</b>	<b>2.0%</b>
<i>OTO projection at this time last year</i>				2.0%	1.0%	0.0%

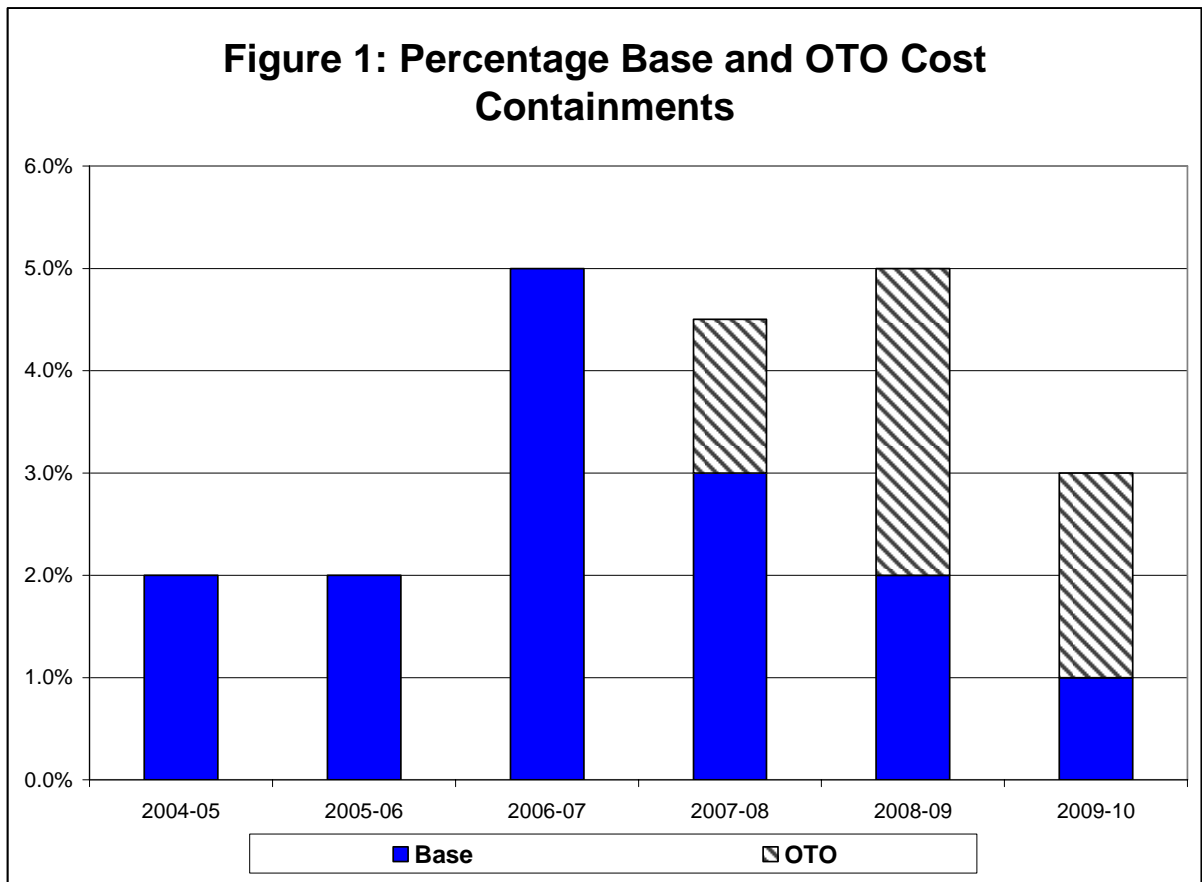
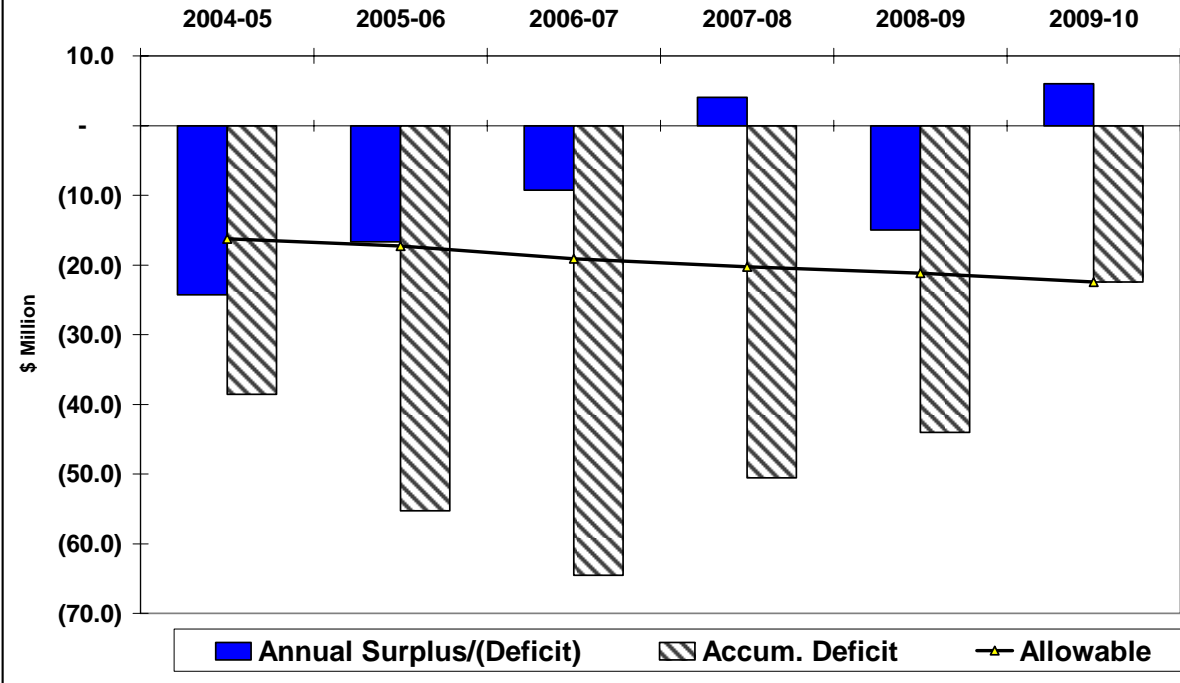


Figure 2: Surplus/Deficit



## **6. Operating Budget Special Funds**

The operating budget special funds receive base or one-time-only (OTO) transfers from operating revenues for the purpose of making allocations as part of the academic planning process. In most cases, funding flows to the divisions to support enrolment expansion, according to agreements prepared in response to academic plans. Other funds are intended to address specific needs, such as renovations and deferred maintenance. Major projects come before Governing Council separately for approval.

### **Revenue Sharing Arrangements**

Tuition fee and government operating grant revenues associated with some tuition increases, new program plans and approved enrolment growth flow to the various revenue sharing funds. These revenues are subsequently allocated to the respective academic divisions based on actual enrolments. The following revenue sharing arrangements are in place:

1. **Enrolment Growth Fund:** Allocations from this fund primarily reflect increases in domestic undergraduate enrolment. In general the Enrolment Growth Fund flows 75% of the revenue available from tuition fees and the Government Enrolment Expansion Accessibility Fund to the divisions to provide the resources needed to accommodate increased student numbers. Increases in tuition fee revenues are also shared with the divisions. Each year, 75% of the increase in tuition fee revenues associated with increases in domestic enrolment, net of student aid, flow to the divisions. This fund also includes some tuition-only sharing arrangements, implemented prior to the recent graduate expansion announcement, for professional masters programs.
2. **Graduate Expansion:** Allocations from this fund are based on the same enrolment levels used for operating grant and tuition revenue projections. In general, Divisions will receive 75% of the tuition fee revenue (net of mandated student aid for professional masters) plus 75% of the operating grant revenue generated by the approved increases in graduate domestic enrolment.
3. **Quality Enhancement Funds from Tuition Revenue:** allocations from this fund reflect the increase in tuition fees for programs with tuition fee increases greater than 5%. Funds are allocated to the specific programs to ensure quality enhancement.
4. **International Tuition Sharing and Recruitment:** 60% of the increases in tuition revenue above 2004-05 levels for international undergraduate and professional masters students will flow to the International Tuition Sharing Fund to be allocated to Divisions.
5. Revenue generated by increases in enrolment and tuition fees in programs in the Rotman School of Management, net of institutional overhead, will flow directly to the School under the Responsibility Centre Management protocol approved in the 2002-03 Budget Report.
6. Revenue generated by increases in tuition fees and increases in provincial grants in graduate programs at OISE/UT will flow directly to the Faculty under the Integration Agreement approved in 1995-1996. Changes resulting from the end of the Agreement, effective June 30, 2006 will be implemented during 2006-07.

### **Academic Initiatives Fund**

The University has undertaken a major new academic planning initiative, guided by the recently issued White Paper entitled *Stepping Up*. As part of this initiative, an allocation of \$5M in base is available for academic planning initiatives.

**Academic Services Fund**

The sum of \$1.5M in base will be transferred to the Academic Services fund from general university revenue in 2006-07. This fund supports such services as libraries (other than book acquisitions) and academic computing, where the added funding is needed to meet the increased demands resulting from enrolment expansion.

**Administrative Priorities Fund**

A base amount of \$1M is allocated to the Administrative Priorities fund to meet the increased demands resulting from enrolment expansion.

**Information Technology Initiatives and Updates Fund**

An amount of \$1M is allocated for University-wide information technology initiatives and upgrades. This fund is intended to fund new initiatives such as web services and enhanced security and to help alleviate the significant pressures on the computing environment resulting from such threats as viruses and email SPAM.

**Transitional Fund**

While significant graduate expansion is planned over the next four years, budget containments are also projected. Several smaller divisions are in the early stages of developing plans for new graduate programs. This fund will be used to assist those divisions who are in transition as they implement academic planning and cost containment initiatives

**Facilities Renovations and Upgrades Fund / Deferred Maintenance Fund**

With the approval of the Vice President and Provost, allocations from the Facilities Renovation fund flow to renovation and upgrade capital projects in support of divisional academic plans across the three campuses. This fund also received a special provincial facility renewal grant in 2004-5 in the amount of about \$26 million.

Expenditures from the Deferred Maintenance Fund are used to address top-priority deferred-maintenance needs, as determined by the Vice President Business Affairs. About 1% of operating revenue is allocated to the combined Deferred Maintenance Fund and Facilities Renovations and Upgrades Fund. The funds have been allocated across the three campuses of the university given respective net assignable square metres.

## 7. Capital Project Funding

Prior to 2001, academic capital projects were funded from a combination of campaign donations, Federal and Provincial government capital grant allocations, and the University's operating budget. Debt financing was restricted to resolving cash-flow shortfalls during construction of academic buildings. Debt was also routinely used to provide the majority of the cost of residence construction where the debt service charges were recovered from room rental revenue. The University Infrastructure Investment Fund (UIIF) was created as the vehicle through which operating budget funds are allocated to capital projects.

Since 2001, it became clear that the traditional sources of funding were no longer sufficient to meet the capital construction demands driven by research initiatives and enrolment expansion. The 2001 update to the *Long-Range Budget Guidelines (1998-2004)* provided \$30M of funding to the UIIF in each of 2001-02, 2002-03 and 2003-04 in the form of loans, with the debt service costs charged to the operating budget. Funding shortfalls in individual project budgets, after deployment of government, campaign and UIIF funding were to be the responsibility of the occupying divisions. This was the first recognition that capital construction of academic buildings could no longer be funded on a cash basis and that the use of debt financing would be necessary in the future. The Guidelines also argued for the evolution to a Capital Budget separate from the Operating Budget, but where the Operating Budget would be one source of revenue for the debt service charges associated with the Capital Budget.

### Capital Budget for 2004-10 and Summary of Debt Service Charges

The Capital Budget is a comprehensive one, encompassing construction projects for academic and administrative divisions, residences, parking garages and student activities. Capital projects are approved separately and are presented in this report for information only. All capital projects that have been approved by Governance have been incorporated in this budget, including those where the approval to proceed is conditional on raising campaign donations.

Table D1 shows the aggregated cash flow for total approved capital projects on a year-by-year basis. It illustrates the incremental capital requirements, sources of revenue, the annual funding surplus or deficit and the debt service costs associated with these projects. Capital requirements and debt service costs are funded by the central operating budget, divisional budgets, ancillary budgets and student levies. Centrally funded debt service charges increase slightly in 2006-07 as a result of the final assumption of debt service by the University for the Medical Arts Building purchase and again in 2007-08 with the assumption of debt service for the Varsity and Multifaith projects

Table D2 presents a detailed summary of each approved capital project, broken down by source of funding.

Table D3 shows the funds flowed through the UIIF since its inception in 1999. Funding for most projects on the table has been completed. Currently the UIIF has a balance of \$3.5M.

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
1.	Period of Budget Guidelines	2004-05 to 2009-10		
2.	General Rate of Inflation (CPI)	CPI assumed to be 2.0% annually. While the CPI for 2002-03 was greater than 2%, the projections from the Provincial and Federal Governments and the Institute for Policy Analysis range between 1.97 and 2.04 for the period 2004-10.	Updated CPI projections from 3 economic forecasting agencies indicate that 2% remains an appropriate assumption.	No change
<b>Revenue Assumptions</b>				
3.	Domestic U/G Enrolment	Enrolment is assumed to follow the plans described as Phases 1 and 2 in <i>Update on Enrolment Expansion</i> , which has received Governing Council approval. A further increase of 750 was added in Phase 3 of this plan. Two additional increases in intake of 750 and 85 students in 2003-04 were included in the March 2003 and April 2003 Enrolment Target Agreements with the Provincial Government.	Enrolment will continue to grow according to plan to 2006-07 as a result of the flow through of the double cohort. In 2007-08 and beyond, domestic undergraduate enrolment will decline as a result of a planned reduction in overall total undergraduate enrolment. At the same time there will be increase in international enrolment (see #4.)	Minor adjustments in domestic undergraduate enrolment projections to reflect most recent divisional plans.
4.	International U/G Enrolment	International enrolment intake assumptions will be maintained at least at the 2000-01 level. In 2003-04 international enrolment increased. Flow through of this increase is reflected in outer year projections.	International enrolment intake assumptions have been updated to reflect higher the 2004-05 level. Additional growth beyond this level is projected for some divisions.	International undergraduate enrolment projections have been updated to reflect most recent divisional plans. Growth is planned for some divisions.
5.	Graduate Enrolment	For the purposes of budget projections, modest growth has been assumed. Domestic and international doctoral stream enrolment targets and revenue sharing arrangements will be negotiated as part of new Divisional plans.		The Provincial Government announced in the May 2005 budget that additional funding will be provided for graduate expansion. Graduate enrolment in professional masters and doctoral stream programs is assumed to grow by 4400 eligible FTEs by 2009-10.

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
6.	Government Operating Grants	<p>It is assumed that Government will continue to provide full funding for increased enrolment associated with the double cohort and its flow through the system. Funding per student will be held at the same level as in 2003-04, but beyond 2006-07, the revenue from Government Operating Grants will increase year over year by CPI to cover increased costs. This increase will be in addition to any revenue from enrolment increases.</p> <p>It is also assumed that there will be no change in the cap on graduate funding over the period of the guidelines. As a result, some graduate BIUs will continue to be unfunded. Only tuition revenue will be realized for any increase in graduate enrolment.</p>	<p>Undergraduate Accessibility Fund projections have been updated to reflect the latest enrolment projections.</p> <p>The Provincial Government announced in the March 2004 budget that the ATOP fund would be reduced by approximately 12%. The university's portion is projected to decrease in 2005-06 and beyond from \$10.2M to \$9.0.</p> <p>The OGSST grant (\$1.7M) and the Special Medical Research Grant from the Ministry of Health and Long term Care (\$3.5M) are projected to end in 2007-08.</p>	<p>Undergraduate Accessibility Fund projections have been updated to reflect the latest enrolment plans.</p> <p>Graduate Accessibility Fund Projections have been updated to reflect proposed expansion of 4400. (\$62M by 2009-10)</p> <p>Unfunded BIUs will be funded by MTCU over the next three years.</p>
7.	Ontario Quality Assurance/Quality Improvement Fund	<p>The Double Cohort Quality Assurance Fund will be maintained at the levels announced last year. The University will receive its pro-rata share of this Fund, starting at \$14.7M in 2003-04 and rising to steady state of \$39.1M by 2006-07.</p>	<p>The Provincial Government announced in the March 2004 budget that the Quality Assurance Fund would be capped at 2003-04 levels (\$14.7M for UofT). The University assumes that the provincial government will announce new funding to replace the Quality Assurance Fund to achieve the steady state planned amount of \$39.1M by 2006-07.</p>	<p>The Provincial Government announced in the May 2005 budget the creation of the Quality Improvement Fund to replace the capped Quality Assurance Fund. Projections have been estimated based on information currently available (\$63M by 2009-10).</p>

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
8.	Replacement Funding for Tuition Freeze	It is assumed that the provincial government will provide replacement funding to compensate for tuition fees lost as a result of the two-year freeze. The foregone revenue has been estimated as \$11M in 2004-05 and \$24M in 2005-06. However, for budgeting purposes, lower estimates of \$6.3M and \$13.3M, respectively, have been used to reflect the uncertainty.	The Provincial Government has announced that it will provide replacement funding to compensate for tuition fees lost as a result of the two-year freeze. Funding received in 2004-05 was \$9.6M. It is assumed this will approximately double to \$20M in the second year of the freeze.	Tuition replacement funding is projected to continue at the current level of \$23M.
9.	MD Expansion and Enhancement Grant			The Provincial Government has announced that it will provide additional funding for 98 new undergraduate medical students by the end of the planning period in 2009-10. In addition, enhancement funding will be provided on 84 existing spaces. Total MD grant revenue is projected to increase by \$9M by 2009-10.
10.	Tuition Fee Rates: Domestic	Fees in all programs are assumed to be frozen in 2004-05 and 2005-06 at 2003-04 levels. However, flow through of previous increases is allowed. Fees to be increased by CPI (estimated to be 2%) in 2006-07 and beyond.		As a result of the Provincial Government's release of the new multi-year tuition policy framework, tuition fees are assumed to increase on average approximately 4.1% per year for 2006-07 and beyond.
11.	Tuition Fee Rates: International	A new tuition fee schedule for international students will be introduced, with a 5% increase in 2004-05 and further increases in 2005-06.	A new tuition fee schedule for international students will be introduced, with a median increase in 2005-06 of 23%. In 2006-07 it is assumed international fees will increase by 5%. In 2007-08 and beyond, the increase assumption remains unchanged at 2%.	International tuition fees are assumed to increase by 5% per year in 2006-07 and beyond.



**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
12.	Endowment Revenue for Chairs and Student Aid	The endowment income is based on projected payout rates of \$6.73 for 2003-04, rising by 2% a year to \$7.58 by 2009-10. Revenue includes endowed income from student aid and divisional income from endowed chairs.		No change.
13.	Canada Research Chairs Program	The Canada Research Chairs program will be renewed with the same terms after its expiry in 2007-08, and the University of Toronto will maintain its current share of the program.		The CRC program will be renewed at the same level of funding
14.	Indirect Cost Recovery on Research Grants and Contracts	Revenue from indirect cost recovery flows to general university income, from : <ul style="list-style-type: none"> <li>• Provincial Centres of Excellence</li> <li>• Connaught and I'Anson Funds</li> <li>• Other Grants and Contracts</li> <li>• ORDCF</li> <li>• Canada Research Chairs</li> <li>• Ontario Research Performance Fund</li> <li>• Federal Granting Councils</li> </ul>		Beginning in 2007-08 the Ontario research Fund (ORF) will replace ORDCF.
15.	Other Grants and Contracts	Revenue projected to increase by approximately 1% per year.		No change
16.	Ontario Research Performance Fund	This is projected to be \$5.4 M in 2004-05 through to 2009-10.	The RPF program is expected to end in 2006-07. A conservative estimate has been made of funding to be received from the newly created Ontario Research Fund.	The RPF program is expected to end in 2007-08. A conservative estimate has been made of funding to be received from the newly created Ontario Research Fund.

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
17.	Federal Government Indirect Cost of Research program	The Federal Government confirmed a fund of \$225M for the indirect costs of federally supported research in 2003-04 and beyond. The University's share, excluding the affiliated teaching hospitals, is projected at \$15.1M. The program is a 3-year program with an IDC rate of 20%. This will be reviewed in 2005-06 with advocacy toward increasing the rate to 40%. The long range plan is based on a 20% rate.	In their last budget the Federal Government announced an increase to the fund of \$20M. Due to the distribution formula for the additional funding, it is projected that the university's share will not increase materially and projected revenue has been held constant at the 2004-05 budget level.	
18.	Endowment Administration and Investment Management Fees	In 2000-01 the University introduced an investment management overhead fee on EFIP, LTCAP and pension funds and an endowment administration fee on LTCAP to recover from those funds the indirect costs incurred by the University for these purposes. The projected investment management fee revenue is \$0.6M and the projected endowment administration fee is \$5.4M in 2004-05. Fees are projected to rise at 4% per year thereafter.	Investment management fees are projected to rise by 4.5% a year and endowment administration fees by 4.25% a year for 2005-06 and beyond	Endowment administration fees will no longer be charged to the endowment fund by the operating fund. Central revenue has been projected to decrease by approximately \$5M in 2006-07 as a result of this.  Investment management fees are projected to rise by 2% a year.
19.	Investment Income	UBS Cash-in-Action: 2.93% for 2004-05 and beyond Investments managed by UTAM: 4.5% for 2004-05 and beyond Internal loans with signed agreements: 5.76% for 2004-05, 6.11% for 2005-06, 6.31% 2006-07, 6.34% for 2007-08 and beyond.		Investment income is projected to increase as compared to projections made a year ago. The increase is due to: increase in average capital available for investing and decrease in distribution to participants, offset by lower investment rates of return. Rates of return on the University's total portfolio (cash, investments managed by UTAM and internal loans), net of fees and amortization of the investment loss, are projected as follows: 3.74% for 2006-07,

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
				4.57% for 2008-09, 4.71% for 2008-09 and 4.88% for 2009-10.
20.	Amortization of Investment Losses	The recent market loss in EFIP investment is being amortized at \$10.6M a year for 3 years.	Amortization of the market loss in EFIP investments has been reduced from \$10.6M to \$4.8M in 2006-07.	No change
21.	Other Income	<p>This includes revenue from:</p> <ul style="list-style-type: none"> <li>• Surcharge on unpaid fees</li> <li>• Application fees</li> <li>• Central overhead charges to self-funded academic programs</li> </ul> <p>Projections for the surcharge and application fees are calculated based on projected enrolment levels. Projections for overhead revenue are based on an established overhead model.</p>		
22.	Divisional Income	Increased divisional revenues are offset by increased divisional expense allocations. Divisional income is projected to increase at 2% a year.		Divisional income has been adjusted in 2006-07 to reflect prior year actual income. It is projected to increase at 2% a year in 2007-08 and beyond.
23.	Contractual Obligations and Policy Commitments (COPC)	This section includes expenditures which are protected because they are required through contractual obligations or policy. For further detail, refer to the 2004-05 COPC Report.		For further detail, refer to the 2006-07 COPC Report in Appendix B

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
24.	Compensation	<p>The following assumptions are for modeling purposes only and do not represent a strategy for salary negotiations.</p> <ul style="list-style-type: none"> <li>• Compensation increases for 2003-04 and 2004-05 for UTFA are included.</li> <li>• Compensation increases for all university employees, including the costs associated with benefit improvements, are assumed to be as follows for 2005-06 and beyond: <ul style="list-style-type: none"> <li>UTFA: CPI plus cost of PTR annually,</li> <li>Professional/ management: CPI plus merit</li> <li>Other employees: CPI annually (step increases are funded by the Divisions)</li> </ul> </li> <li>• Cost increases associated with the provision of the existing level of employee benefits are captured in assumption # 26.</li> <li>• The sum of \$0.5M in base will be transferred annually from general university revenue to the Faculty Retention Fund.</li> </ul>		<p>The following assumptions are for modeling purposes only and do not represent a strategy for salary negotiations.</p> <ul style="list-style-type: none"> <li>• Compensation increases for all university employees are assumed to be as per negotiated agreements or, in the case of ongoing negotiations, as per the University's offer. Beyond that, increases are assumed to be CPI plus PTR or merit.</li> <li>• Cost increases associated with the provision of the existing level of employee benefits are captured in assumption # 26.</li> </ul>
25.	Pension Deficit Amortization	<p>The deficit in the pension fund is being amortized at \$26.5M a year for 15 years.</p>		<p>The annual amortization has been increased by \$.8M starting in 2006-07 to reflect the costs of recent agreements.</p>

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
26.	Employer Benefits Costs	<p>It is assumed that the standard benefit rates will increase to 20.75% for appointed employees and at 9.75% for non-appointed employees. The higher rates do not include the pension amortization payments that are required beginning 2004-05.</p> <p>The Guidelines include the full current service costs for the regular pension plan and the supplementary retirement allowance (SRA) in base. Projections have been updated based on latest consultations with actuaries which have resulted in the Pension Strategy that was approved by the Business Board on January 19, 2004.</p>	<p>It is assumed that the standard benefit rates will increase to 22.25% for appointed employees and at 10% for non-appointed employees.</p>	<p>Benefit costs have been updated to reflect the decision to increase the standard benefit rate to 22.50% for appointed employees and maintain a 10% rate for non-appointed employees.</p>
27.	Compensation Savings Due to Faculty Retirements			<p>Due to the elimination of mandatory retirement effective June 30, 2005, the savings due to faculty retirements for 2006-07 are projected based on retirements for only those faculty who have confirmed they will retire. For 2007-08 and beyond it is assumed that a similar pattern of retirement will continue.</p>

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
28.	Student Aid Reinvestment	<p>A portion of tuition revenue will continue to be set aside for undergraduate student aid. The retained portion consists of 30% of the incremental tuition revenue due to tuition fee increases above the 1995-96 levels. Projections have been updated to reflect the impact of the tuition freeze.</p> <p>The Stepping Up academic plan includes as an important objective a substantial increase in student aid. The amount set aside from incremental tuition fee revenue will form part of this increase. In addition, the University will strive to achieve its objectives in this area through the OSOTF program and other development efforts.</p>		<p>The University remains committed to the goal of accessibility and to ensuring that no student is denied access for financial reasons. The University also supports the Provincial Government's Student Access Guarantee, as outlined in the recently announced multi-year tuition policy framework. In this regard, the University will continue to set aside sufficient funds so as to be able to achieve these goals.</p>
29.	Graduate Student Support/International Graduate Student Aid	<p>A portion of tuition revenue will continue to be set aside for graduate student support. The retained portion consists of 100% of the incremental tuition revenue due to tuition fee increases above the 1995-96 levels. Projections have been updated to reflect the impact of the tuition freeze.</p>		<p>Funding for graduate support will be provided directly by the divisions from the academic allocations associated with graduate expansion (see # 32 below.)</p>
30.	Matching Programs	<p>\$2.5M in base is allocated for various matching programs.</p>		<p>No change</p>

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
31.	Enrolment Growth Fund	<p>Expenditures from this fund are based on the same enrolment levels used for operating grant and tuition revenue projections. In general, Divisions will receive:</p> <ul style="list-style-type: none"> <li>• 75% of the tuition fee revenue net of mandated student aid plus 75% of the operating grant revenue generated by the approved increased undergraduate domestic enrolment,</li> <li>• 60% of tuition fee revenue generated by the increased undergraduate international enrolment,</li> <li>• In certain approved cases, 75% of the tuition fee revenue net of mandated student aid generated by increased enrolment in professional masters programs.</li> </ul> <p>Funding will not be allocated for enrolment increases planned prior to 2000-01, nor those increases funded from other funding envelopes.</p>	<p>Enrolment Growth Fund projections have been updated to reflect the latest domestic and international enrolment projections.</p>	<p>Enrolment Growth Fund projections have been updated to reflect the latest domestic enrolment projections. Revenue sharing on international enrolment is now included as a separate item under International Tuition Sharing (see # 35 below)</p>
32.	Graduate Expansion – Academic Allocation			<p>Expenditures from this fund are based on the same enrolment levels used for operating grant and tuition revenue projections. In general, Divisions will receive 75% of the tuition fee revenue (net of mandated student aid for professional masters) plus 75% of the</p>

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
				operating grant revenue generated by the approved increases in graduate domestic enrolment.
33.	Graduate Expansion – University Wide Services			Approximately \$27M of increased revenue from graduate expansion will be used to support university wide services associated with the expansion. Approximately \$17M is allocated to services including library support, information technology, SGS, student services and student experience. The remainder is held in a central envelope to be distributed once final allocations are determined.
34.	Quality Enhancement Funds from Tuition Sharing	Revenue from tuition fee increases greater than 5%, net of mandated student aid, will flow to the Tuition Sharing Fund to be allocated to Divisions in response to plans for quality improvement. Projections have been updated to reflect the impact of tuition freeze.	Revenue from funding received from MTCU for tuition replacement as a result of the tuition freeze (5.6%), for undergraduate deregulated programs, net of 5%, will flow to the Tuition Sharing Fund to be allocated to Divisions. No additional student aid will be funded as the government funding of 5.6% is already net of the 30% student aid requirement.	Allocation of funds to divisions will resume as per the original assumption (prior to tuition freeze.)



**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
35.	International Tuition Sharing and Recruitment	Revenue from international tuition fee increases greater than 5%, net of 30% for student aid and recruitment, will flow to the International Tuition Sharing Fund to be allocated to Divisions.	Revenue from international tuition fee increases resulting from the increase from the 2004-05 level to the proposed 2005-06 level, in the undergraduate and professional masters programs, will flow to the International Tuition Sharing Fund and be allocated 60% to Divisions and 40% to the Centre. The Centre will allocate 10% of the total increase to international student aid and 10% to international recruitment. 100% of the increase in international doctoral stream tuition fees, including the proposed 5% increase in 2006-07 and the 2% increase beyond, will be allocated to graduate student aid.	60% of the increases in tuition revenue above 2004-05 levels for international undergraduate and professional masters students will flow to the International Tuition Sharing Fund to be allocated to Divisions. 100% of the increase in international doctoral stream tuition fees will continue to be allocated to graduate student aid. Funding for international student recruitment will be increased to \$1M.
36.	Academic Initiatives Fund	\$5M in base is allocated for academic planning program initiatives under Stepping Up.		No change
37.	Academic Services	\$0.5M in base will be transferred to the Academic Service Initiatives fund from general university revenue in 2004-05 and 2005-06 and \$0.25M in 2006-07. This fund supports such services as libraries (other than book acquisition) and academic computing, and the added funding is needed to meet the increased demands resulting from enrolment expansion.		An additional \$10M has been allocated over four years in support of graduate expansion. (See # 33 above)
38.	Student Experience Fund			OTO allocations of \$3.3M in 2006-07, \$6.6M in 2007-08 and \$9.9M in 2008-09 (totaling approximately \$20M) have been made in support of enhancing the student experience.

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
39.	Administrative Priorities	\$0.5M in base will be transferred to the Administrative Priorities fund from general university revenue each year to meet the increased demands resulting from enrolment expansion.		An additional \$3.2M has been allocated over four years in support of graduate expansion. (See # 33 above)
40.	Information Technology Initiatives and Upgrades	\$2M in base is allocated for administrative information technology initiatives and upgrades.		An additional \$4M has been allocated over four years in support of graduate expansion. (See # 33 above)
41.	Innovations Foundation Restructuring			An allocation of \$3M in base has been made in 2006-07 in support of the transfer of UTIF activities into the portfolio of the Vice President Research.
42.	Transitional Funding	This fund is used to assist a limited number of divisions who are in transition. The provision of funding will be dependent on attainment of transitional objectives developed by agreement with the Provost.		An additional \$1.2M has been allocated over four years in support of smaller divisions planning graduate expansion. (See # 33 above)
43.	Operating Fund Debt Service Support of Capital Budget		The operating fund supports the debt service costs relating to capital projects funded from the operating budget through the UIIF. Net debt service costs related to the centrally funded portion of the Medical Arts Building will increase over the next two years as lease revenue declines when current tenants vacate the building. (Note: this is not a change in assumption but rather a change in presentation, moving the debt service cost off the COPC Report)	Net debt service costs related to the centrally funded portion of the Medical Arts Building will increase in 2006-07 as lease revenue declines when the final tenants vacate the building.  The operating fund will support the debt service costs relating to the Varsity centre and the Multifaith Centre, starting in 2008-09.

**Appendix A**  
**Revenue and Expense Assumptions for the Period 2004-05 to 2009-10**  
**An Update, March 2006**

#	Budget Model Line	Assumption March 2004	Assumption Update February 2005	Assumption Update March 2006
44.	UIIF; Renovations and Deferred Maintenance	About 1% of the Operating Budget has been allocated to renovations and deferred maintenance on all campuses, \$3.7M in base in 2004-05 and a further \$4.7M in 2005-06. This is in addition to funding expected from the Provincial Government for deferred maintenance, via the Facilities Renewal Program (FRP). Expenditure of these funds will be approved by the Accommodation and Facilities Directorate (AFD) and in accordance with FRP regulations.	The allocation to renovations and deferred maintenance will increase by \$.1M to \$4.8M in 2005-06.	The allocation to renovations and deferred maintenance will increase by \$1.2M in 2006-07 as per original plan.
45.	Endowment Matching Funds	Approximately \$44M is needed from 2004-05 to 2009-10 to meet existing matching commitments. Debt service charges on this are included in item # 43.		No change.

**Appendix B  
Table B1  
Long Range Budget Guidelines  
2004-2010**

<b>Budget Model Summary (\$ millions)</b>	<b>Assumption #</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-9</b>	<b>2009-10</b>
<b><u>Projection of Operating Revenue</u></b>							
Provincial Operating Grants	3,4,5,6,7,8,9	\$ 484.4	\$ 511.3	\$ 563.1	\$ 591.3	\$ 603.1	\$ 640.9
Tuition Fees	10,11	361.1	385.3	432.6	472.3	516.6	554.8
<b>Total Grants plus Fees</b>		<b>845.5</b>	<b>896.6</b>	<b>995.7</b>	<b>1,063.6</b>	<b>1,119.7</b>	<b>1,195.7</b>
Endowment Revenue for Chairs and Student Aid	12	28.8	38.3	37.8	38.6	39.4	40.2
Canada Research Chairs	13	32.3	34.5	37.2	40.2	40.2	40.2
Indirect Cost Recovery on Research Grants and Contracts	14,15,16,17	29.8	29.6	29.4	28.2	27.8	27.8
Endowment Administration and Investment Management Fees	18	6.0	6.0	0.6	0.6	0.6	0.6
Investment Income	19	15.8	18.7	21.1	20.2	21.6	23.6
Amortization of Investment Losses	20	(10.6)	(10.6)	(4.8)	-	-	-
Other Income	21	8.1	9.0	10.5	10.8	11.1	11.4
Divisional Income - Government Grants	22	4.3	4.4	4.0	4.1	4.2	4.3
Divisional Income - Student Fees	22	51.0	52.0	43.0	43.9	44.8	45.7
Divisional Income - Ancillary Fees	22	29.9	30.5	41.1	41.9	42.7	43.6
Divisional Income - External Revenue	22	41.6	42.4	58.9	60.1	61.3	62.5
<b>Total Operating Revenue</b>		<b>\$ 1,082.6</b>	<b>\$ 1,151.6</b>	<b>\$ 1,274.5</b>	<b>\$ 1,352.1</b>	<b>\$ 1,413.4</b>	<b>\$ 1,495.5</b>

**Appendix B  
Table B1  
Long Range Budget Guidelines  
2004-2010**

<b>Budget Model Summary (\$ millions)</b>	<b>Assumption #</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-9</b>	<b>2009-10</b>
<b><u>Projection of Operating Expenditures</u></b>							
(see Table B2 for detailed allocations)							
Academic		\$ 733.0	\$ 771.4	\$ 857.7	\$ 900.3	\$ 953.4	\$ 990.9
Academic Services		43.8	44.6	47.7	49.3	53.1	56.5
Library Acquisitions		23.1	24.1	25.1	26.1	27.2	28.3
Campus & Student Services		17.4	18.1	20.6	21.4	22.0	22.2
Student Assistance		96.6	106.6	113.1	119.6	126.2	131.9
Maintenance & Services		46.1	53.9	59.7	61.6	63.5	65.6
Utilities		38.9	40.6	57.7	59.2	60.8	62.4
Administration		73.9	75.8	81.3	83.8	87.9	90.5
General University Expense		29.9	29.5	35.6	31.1	31.4	31.8
Operating Fund Support of Capital Plan		14.5	15.0	15.7	15.7	17.2	17.2
Base Expense Containment		(10.5)	(11.4)	(30.6)	(20.0)	(14.3)	(7.8)
<b>Operating Expenditure Budget for the year</b>		<b>1,106.9</b>	<b>1,168.3</b>	<b>1,283.8</b>	<b>1,348.0</b>	<b>1,428.4</b>	<b>1,489.5</b>
<b>Operating Surplus/(Deficit) for the year</b>		<b>\$ (24.3)</b>	<b>\$ (16.7)</b>	<b>\$ (9.3)</b>	<b>\$ 4.0</b>	<b>\$ (15.0)</b>	<b>\$ 6.0</b>
<b>Accumulated Surplus/(Deficit), beginning of year</b>		<b>\$ (14.3)</b>	<b>\$ (38.6)</b>	<b>\$ (55.3)</b>	<b>\$ (64.5)</b>	<b>\$ (50.5)</b>	<b>\$ (44.0)</b>
<b>One Time Only Deficit Control Measures</b>		-	-	-	10.0	21.5	15.6
<b>Accumulated Surplus/(Deficit), end of year</b>		<b>\$ (38.6)</b>	<b>\$ (55.3)</b>	<b>\$ (64.5)</b>	<b>\$ (50.5)</b>	<b>\$ (44.0)</b>	<b>\$ (22.4)</b>
<b>Maximum Deficit Permissible by Policy (1.5% of Revenue)</b>		<b>\$ (16.2)</b>	<b>\$ (17.3)</b>	<b>\$ (19.1)</b>	<b>\$ (20.3)</b>	<b>\$ (21.2)</b>	<b>\$ (22.4)</b>

**Appendix B**  
**Table B2**  
**Long Range Budget Guidelines**  
**2004-10 Incremental Expenditure Summary**

<b>Year-Over-Year Increases</b>	<b>Assumption #</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-9</b>	<b>2009-10</b>
<b><u>Projection of Operating Expenditures</u></b>							
Operating expenditures, Beginning of Year		977.5	1,106.8	1,168.3	1,283.8	1,348.0	1,428.4
Expenditures Funded by Endowment for Chairs & Student Aid	12	0.8	8.6	(0.5)	0.8	0.8	0.8
Indemnity Against Endowment Payout Losses		(2.5)					
Expenditures Funded by Divisional Income	22	2.5	2.5	17.6	2.9	3.0	3.1
<b>Contractual Obligations and Policy Commitments (COPC)</b>							
COPC - Affiliated Institutions	23	1.2	1.2	(0.2)	0.5	0.4	0.3
COPC - Other Contractual	23	(0.1)	0.0	(0.2)	(0.0)	0.0	0.0
COPC - Institutional Statutory	23	(0.0)	0.1	0.6	0.0	0.0	0.0
COPC - Utilities	23	2.5	1.5	16.3	1.4	1.4	1.4
COPC - Additional Cost of New Space and Policy Compliance	23	1.5	1.7	3.0	-	-	-
COPC - Paid Leave	23	0.2	0.0	0.1	0.0	0.0	0.0
COPC - Library Acquisitions	23	0.9	1.0	1.0	1.0	1.1	1.1
COPC - Other Policy	23	0.7	0.2	0.4	0.1	0.1	0.1
COPC - Contingency	23	(0.9)	(0.9)	(0.7)	-	-	-
OTO Changes in COPC	23	(0.7)	0.2	3.1	(4.5)	0.3	0.4
<b>Compensation</b>							
Cost of Compensation Settlements	24	19.3	18.5	25.1	19.8	19.7	19.9
Pension Deficit Amortization	25	26.3	0.2	0.8	-	-	-
Cost of Employer Benefits	26	13.0	7.1	3.1	5.6	6.2	6.4
Compensation Savings Due to Faculty Retirements	27	(3.6)	(4.3)	(2.5)	(3.3)	(4.4)	(4.9)

**Appendix B**  
**Table B2**  
**Long Range Budget Guidelines**  
**2004-10 Incremental Expenditure Summary**

<b>Year-Over-Year Increases</b>	<b>Assumption #</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-9</b>	<b>2009-10</b>
<b>Student Aid</b>							
Student Aid Reinvestment	28	3.2	2.4	5.6	4.3	4.0	3.6
International Graduate Student Aid	29	0.5	1.1	1.2	1.3	1.8	1.2
Matching Programs	30	2.5					
Residence Ancillary Support			-	-	-	(0.1)	(0.6)
<b>Special Funds</b>							
Canada Research Chair Fund (CRCF)	13	4.3	2.3	2.9	3.2	-	-
Salary Budget Transfers to Canada Research Chairs Fund	13	(0.6)	(0.6)	(0.7)	(0.8)	-	-
Enrolment Growth Fund	31	41.6	11.4	2.0	(1.1)	(0.2)	(2.0)
Graduate Expansion - Academic Allocation	32		-	19.7	25.9	31.0	27.3
Graduate Expansion - University-Wide Services	33			1.4	2.0	3.2	0.8
Quality Enhancement Funds from Tuition Revenue	34	1.7	2.9	0.5	0.6	1.1	1.3
International Tuition Sharing and Recruitment	35	-	4.5	24.9	9.4	8.3	6.8
Funds Available through Reallocation (APF)		0.5	-	-	-	-	-
Academic Initiatives Fund	36	5.0	5.0	5.0	5.0	5.0	5.0
Academic Services	37	0.5	0.5	1.5	2.5	3.0	3.0
Student Experience Fund	38		-	3.3	3.3	3.3	(10.0)
Administrative Priorities	39	0.5	0.5	1.0	1.0	1.0	0.2
Information Technology Initiatives and Upgrades	40	2.0	-	1.0	1.0	1.0	1.0
Innovations Foundation Restructuring	41			3.0	-	-	-
Provost's Contingency		0.4	0.4	0.4	0.4	0.4	0.4
Transitional Funding	42	1.5	-	1.0	0.2	-	-
<b>Capital and Maintenance</b>							
Operating Fund Debt Service Support of Capital Budget	43	2.7	0.5	0.8	-	1.5	-
Facilities Renovations & Upgrades Resulting from Program Planning	44	6.2	(4.2)				
Deferred Maintenance Funding	44	3.7	4.8	1.2	0.8	0.6	0.8
Allocation to Rotman Under RCM		2.4	2.2	2.3	0.1	0.1	0.4
Allocation of Revenue to OISE/UT		-	1.3	1.0	1.1	1.1	1.2
Expense Containment Requirement		(10.5)	(11.4)	(30.6)	(20.0)	(14.3)	(7.8)
<b>Operating Expenditure Budget for the year</b>		<b>1,106.8</b>	<b>1,168.3</b>	<b>1,283.8</b>	<b>1,348.0</b>	<b>1,428.4</b>	<b>1,489.5</b>
<b>Operating Surplus/(Deficit) for the year</b>		<b>\$ (24.3)</b>	<b>\$ (16.7)</b>	<b>\$ (9.3)</b>	<b>\$ 4.0</b>	<b>\$ (15.0)</b>	<b>\$ 6.0</b>

**Appendix B  
Table B3**

**Budget Summary, total University of Toronto (including RSM and OISE/UT)**

	2005-2006 Budget \$	2006-2007 Budget \$	Changes from 2005-2006 Incr (Decr) \$
<b>Income</b>			
General University income:			
Provincial Operating Grants	511,261,682	563,105,516	51,843,834
Tuition Fees	385,300,000	432,600,000	47,300,000
Subtotal	896,561,682	995,705,516	99,143,834
Endowment Income	38,269,930	37,769,930	(500,000)
Canada Research Chairs	34,500,000	37,200,000	2,700,000
Indirect Cost Recovery on Research Grants & Contracts	29,633,789	29,423,281	(210,508)
Endowment Admin & Investment Management Fees	6,038,516	580,637	(5,457,879)
Investment Income	18,676,000	21,124,000	2,448,000
Amortization of Investment Losses	(10,554,000)	(4,808,000)	5,746,000
Other Income	9,047,488	10,487,766	1,440,278
	1,022,173,405	1,127,483,130	105,309,725
Divisional income <sup>1</sup>	129,416,918	147,026,273	17,609,355
	1,151,590,323	1,274,509,403	122,919,080
Municipal taxes <sup>2</sup>	4,494,375	4,692,525	198,150
	1,156,084,698	1,279,201,928	123,117,230
<b>Expense</b>			
Total Academic Expense	727,656,638	797,563,596	69,906,958
Academic Services	47,315,458	45,774,034	(1,541,424)
Library Acquisitions	20,153,829	20,990,213	836,384
Campus & Student Services	21,743,837	22,849,008	1,105,171
Student Assistance	105,943,443	112,546,538	6,603,095
Maintenance and Services	52,383,686	56,265,846	3,882,160
Utilities	38,773,278	58,647,684	19,874,406
Administration	76,059,961	79,303,455	3,243,494
General University Expense <sup>3</sup>	63,568,138	74,416,380	10,848,242
Operating Fund Support of Capital Fund	14,667,988	15,422,209	754,221
	1,168,266,256	1,283,778,963	115,512,707
Municipal taxes <sup>2</sup>	4,494,375	4,692,525	198,150
	1,172,760,631	1,288,471,488	115,710,857
Surplus (Deficit)	(16,675,933)	(9,269,560)	7,406,373

<sup>1</sup> Increase in divisional income results in an offsetting increase in divisional expenditure budgets

<sup>2</sup> Municipal taxes Income and expense are offsetting

<sup>3</sup> Includes Salary/Benefit Increase Provisions and Pension Deficit Amortization



## **Appendix C**

### **Contractual Obligation and Policy Commitments Budget**

#### **2006-07**

The Budget Model organizes projected expenses into several generic categories, each representing a different degree of annual budgetary discretion. One of these is Contractual Obligations and Policy Commitment (COPC) items. These are expenses that must be honoured, and hence are protected from cost containment measures. They include:

- Payments resulting from contractual obligations to other institutions, such as for the joint programs with Sheridan College or Centennial College.
- Inevitable expenses, such as the cost of utilities or legal fees.
- Expenditures that are protected by University policy to maintain academic quality, such as the book acquisition budget for the library.

The COPC Report for 2006-07 is presented in two attached tables, as follows:

**Table C1:** A brief explanation for each COPC item and the reasons for budget increase/decrease, if any. It also indicates whether any significant changes in budget are expected over the remainder of the planning period (2007 to 2010);

**Table C2:** The 2006-07 budget allocation for each of the COPC budget categories. The last page of this report gives the contingency budget.

The projections for various COPC items include a degree of uncertainty resulting from events such as the volatility of the Canadian dollar or fluctuations in utility rates. The recommended budget for each item is based on the middle of the range of projected costs. The uncertainty is accounted for in a contingency allocation. The contingency budget is calculated as 75% of the sum of the contingencies estimated for various items. Historically, the 75% factor has been found to be a realistic measure of the variability.

The main contributors to the contingency budget are the legal expense budget (\$1.0 million), negotiating expenses, financial assistance & training program funding for CUPE 3902 Unit 1, and Insurance (\$0.8 million). The contingency budget, after applying the 75% factor, is \$1.4 million, a decrease of \$678,000 from last year. The items included in the contingency budget are identified by an asterisk in Table C2.

Overall the increase in the base budget for the COPC Report is \$21.04 million. The main reasons for this increase are the utility costs (\$16.3 million), additional cost of new space & policy compliance (\$3.0 million) and funding for the library system acquisitions (\$1 million).

The OTO portion of the 2006-07 budget is \$9.9 million. Of this amount, \$4.8 million is funded from research overhead and is offset by related income to the University. In addition, \$3.2 million is related to the cost associated with a hydro connection, \$450,000 for new policy compliance, \$250,000 for insurance premium increase, \$275,000 is needed to cover USWA released time expenses, and another \$924,000 is associated with the administrators on leave account.

**Appendix C**  
**Table C1**  
**Contractual Obligations and Policy Commitments -**  
**2006 to 2010.**

	<b>Item</b>	<b>Explanation</b>	<b>2006-07 year</b>
<b>1 Contractual Obligations to Affiliated Institutions.</b>			
	Federated Colleges block grant	Under the Financial Arrangements provision of the Memorandum of Understanding, the University annually makes a block grant to St. Michael's College, Trinity College and Victoria College. Total grant includes funding for Library Operations, Registrarial and Academic support, Maintenance & Utilities, and Development.	The calculation for the current year is under review and will be finalized based on the financial principles under the Memorandum of Agreement.
	TST Theology Grant	Represents a flow through of graduate enrolment related Provincial grant revenue to the Toronto School of Theology	For 2006-07 and beyond, the TST grant will be adjusted based on their enrolment plans.
	Transfer Payments re Joint Programs with Colleges	Represents various agreements with local colleges to provide for courses under joint study.	The decrease in the flow-through grant is due to the renegotiated agreement between UTM & Sheridan College related to Communication, Culture & Information Technology (CCIT) program.
<b>2 Other Contractual Obligations</b>			
	Lease Cost of Off-Campus Space	Provides central funding to cover costs related to external lease agreements for the space occupied by various departments.	The reduction of \$160,633 in 2006-07 budget is largely due to expiry of 203 & 243 College St. leases. The forecasted budget amount is \$788,124 which includes a \$60k provision for 59 St. George St. to settle outstanding utilities issue.

**Appendix C**  
**Table C1**  
**Contractual Obligations and Policy Commitments -**  
**2006 to 2010.**

	<b>Item</b>	<b>Explanation</b>	<b>2006-07 year</b>
	<b>3 Institutional Statutory Commitments</b>		
	Membership Fees	Provides central funding for the University's membership in the COU, AUCC, AAU, and selected international associations.	Current year increase of \$29,958 or 3.21% is due to increase in AUCC & COU membership fees.
	Negotiating Expense - UTFA, USWA, CUPE	Central funding for the cost of negotiating new service agreements. Common expenditures include pension consulting, administrative costs, research, and special project costs.	Total increase of \$201k in base budgets and \$415k OTO funding is to cover the costs for negotiations with UTFA and CUPE local 3261 & 3902 (units 1 & 3).
	Job Accommodation Fund/ Program	Disabled access funding	Budget is maintained at the current level of \$25,000.
	Legal Fees	Central funding for the cost of legal services	The increase of \$300k in the base budget is to cover anticipated increases in legal costs. A contingency provision of \$1,000,000 for the 2006-07 year is also provided.
	Pension Consulting	Central funding for the cost of pension consulting	Increases are needed to cover the costs related to increase in volume of employees using the service.
	Radioactive & Chemical Waste Disposal	Relates to the waste generated by the research and teaching activities of academic departments, and the announced and anticipated rates that will be charged by waste disposal contractors.	Some increases in expense are expected in order to cover the anticipated increase in radioactive waste disposal. Consequently, a contingency provision of \$60,000 has been allocated.
	Environmental Health & Safety Fund	Covers expenses related to various projects identified as necessary for compliance under the Occupational Health & Safety Act, e.g. Asbestos Inspections, Sampling/Analysis for concerns related to air quality, and potential exposure to hazardous agents.	There is need for continued monitoring of asbestos presence in work/access areas. A contingency provision for \$105,000 is proposed.

**Appendix C**  
**Table C1**  
**Contractual Obligations and Policy Commitments -**  
**2006 to 2010.**

		<b>Item</b>	<b>Explanation</b>	<b>2006-07 year</b>
		<b>4 Utilities</b>		
		Utilities: St George	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Current year increase of \$13.4m is to cover the cost for increased rates for gas & hydro of which 89% relates to existing buildings, and the remaining 11% is due to new space. OTO funding of \$3.2m covers the costs of a hydro connection to various buildings at St. George campus. Outer year projections include an increase of 2.5% for each year.
		Utilities : UTSC	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Current year increase of \$661k is to cover the cost for increased rates for gas & hydro. Outer year projections include an increase of 2.5% for each year.
		Utilities : UTM	Provides for anticipated rate and volume increases for electricity, water, natural gas, oil and steam.	Current year increase of \$2.1m is to cover the cost for increased rates for gas and hydro and costs related to micro turbines and the CCIT building. Outer year projections include an increase of 2.5% for each year.
<b>5</b>	<b>a</b>	<b>Additional cost of New space.</b>	Provides for anticipated volume increases for electricity, water, natural gas, oil and steam. There is also provision for operating cost (caretaking, maintenance).	The current year increase of \$2.1m for new space is to provide funding for increased costs of maintenance (CCBR \$ 326k, Medical Arts Bldg \$ 308k,155 College St. \$322k, and Pharmacy - Leslie Dan Bldg \$337k).
	<b>b</b>	<b>Policy Compliance</b>	Provides funding for implementing and monitoring compliance related to new legislated policies.	\$958k in base & \$450k in OTO is provided to cover the costs related to "Risk Management- increase incidences of skateboarding & building", "Working with Accumulated Asbestos", "Crisis Response - Information Management & Systems Support", satisfying various federal, provincial, and municipal by-laws related to waste, the electrical distribution system, snow removing and de-icing equipment maintenance.

**Appendix C**  
**Table C1**  
**Contractual Obligations and Policy Commitments -**  
**2006 to 2010.**

	<b>Item</b>	<b>Explanation</b>	<b>2006-07 year</b>
<b>6 Paid Leave Commitments</b>			
	Administrative leaves	Central budget provision to meet the cost of leaves for faculty members who serve in the University's administration, the School of Graduate Studies, and St. George Campus Constituent and Federated Colleges	The increase over last year's submission is due to administrative leaves delayed or to be taken earlier than originally planned.
	Release Time - UTFA, USWA, CUPE	Central funding for the contract-related secondments associated with union agreements.	Base and OTO increase in the budget provides funding for new commitments, and salary and benefit increase for the positions in various categories. The contingency provision is to provide funding for Job Evaluation Project for USW employees.
<b>7 Library Acquisitions Commitments</b>			
	Library acquisitions	Provides for library acquisition expenses based on price inflation and currency fluctuation. University policy is to maintain the real purchasing power of the library acquisitions budgets.	The required increase in funding for the next budget year is calculated based on expected changes in the prices of books/periodicals and on exchange rate fluctuations. A 4.15% rate of base budget increase is proposed for 2006-07. The Book Fund Contingency is calculated to protect the book fund budget from currency fluctuations during the next budget year. The benchmark rates are compared to the forward rates (purchasing, 1 year out) for each of the four major currencies - US dollar, Euro, Pound and Yen, and the proportion of the budget actually spent in each of the currencies. The in-year savings due to strong Canadian dollar in comparison with the US \$, will offset the impact of other currency variances, therefore, no contingency is required for 2006-07.

**Appendix C**  
**Table C1**  
**Contractual Obligations and Policy Commitments -**  
**2006 to 2010.**

	<b>Item</b>	<b>Explanation</b>	<b>2006-07 year</b>
<b>8 Other Policy Commitments</b>			
	Expenses Funded from Overhead on Contract Research	Funds distributed to the units which incur the indirect costs on a slip year basis as a one-time-only budget in the unit's operating fund.	OTO provision for the current year is \$4.8m.
	Expenses Funded from Overhead on Federal Research Grant	Divisional portion of the total overhead generated from the Federal Granting Councils.	Base Budget of \$4.0m.
	Overhead on University Student Assistance	Overhead of 5% applied to the total Student Aid reinvestment budget to cover administrative cost.	Base Budget of \$1.6m.
	Insurance	Provides funding for protection against specific loss and/or damage.	Insurance costs have come under pressure due to events related to the September 11 tragedy, the general increase in UofT's property values (particularly the new construction) and the increase in the rates of the university's carrier CURIE (Canadian University Reciprocal Insurance Exchange) resulting from higher claims experience. Continued use of the insurance reserve to offset these cost pressures is not feasible. The OTO increase of \$250,000 is needed for 2006-07 to cover the increase in CURIE insurance premiums, plus an additional \$185,000 in COPC contingency. After the contractual commitment with CURIE has expired (Dec. 31 2007), the University will look at the alternate ways of securing insurance.
	Governing Council Elections.	Funding to re-imburse candidates for expenses related to Governing Council elections.	The base budget & a contingency provision are to cover the costs for revised documentation concerning election guidelines, and election-related announcements in local newspapers.
<b>9 Operating Fund Transfer to Capital</b>			
	Amortization of Capital debt, UIIF & MARS Loan	Funds to cover debt charges.	Debt service charge is to increase by \$754,221 in 2006-07 due to added debt load for Medical Arts Building (net of lease revenue).
<b>10 Contingency Items</b>			
	COPC Contingency	Additional funding provision, held centrally, to cover expense fluctuations for major COPC items, i.e. Library book fund, Legal fees, etc. Based on need, the funds are transferred OTO during the year.	The contingency budget is calculated as 75% of the sum of the contingencies estimated for various items. Historically, the 75% factor has been found to be a realistic measure of the variability.

**Appendix C**  
**Table C2**  
**Contractual Obligations and Policy Commitments (COPC) List**  
**2006-07**

	2005-06 BUDGET	Base Changes	-----2006-07-----		Total Budget
			Total Base	OTO Allocation	
<b><u>1. CONTRACTUAL OBLIGATIONS TO AFFILIATED INSTITUTIONS</u></b>					
Federated Colleges block grant	7,341,292	550,000	550,000		7,891,292
TST Theology Grant	2,174,207		-		2,174,207
Transfer Payments re Joint Programs with Colleges	4,788,515	(775,138)	(775,138)		4,013,377
<b>TOTAL-CONTRACTUAL OBLIGATIONS TO AFFILIATED INST.</b>	<b>14,304,014</b>	<b>(225,138)</b>	<b>(225,138)</b>	<b>-</b>	<b>14,078,876</b>
<b><u>2. OTHER CONTRACTUAL OBLIGATIONS</u></b>					
Lease Cost of Off-Campus Space	948,757	(160,633)	(160,633)		788,124
<b>TOTAL- OTHER CONTRACTUAL OBLIGATIONS</b>	<b>948,757</b>	<b>(160,633)</b>	<b>(160,633)</b>		<b>788,124</b>

**Appendix C**  
**Table C2**  
**Contractual Obligations and Policy Commitments (COPC) List**  
**2006-07**

	2005-06 BUDGET	Base Changes	-----2006-07-----		Total Budget
			Total Base	OTO Allocation	
<b><u>3. INSTITUTIONAL STATUTORY COMMITMENTS</u></b>					
Membership fees :					
-A.U.C.C.	194,731	12,545	12,545		207,276
-COU Subscriptions	659,025	16,607	16,607		675,632
-Total Other Membership	80,530	805	805		81,335
Subtotal- Membership Fees	934,286	29,957	29,957	-	964,243
Negotiating Expenses *	100,037	201,500	201,500	15,000	316,537
TA/ TATP	50,000		-		50,000
Job Accommodation Fund/ Program	25,000		-		25,000
Legal Fees *	2,792,000	300,000	300,000		3,092,000
Pension Consulting *	50,000	10,000	10,000		60,000
Radioactive & Chemical Waste Disposal *	470,000	-	-		470,000
Biomedical Waste Disposal (F&S)	41,712		-		41,712
Occupational Health Clinic Costs - EHS Fund	41,200	12,000	12,000		53,200
Drinking Water Regulation Testing - F&S.	5,000		-		5,000
EH&S - Certification Training & transfer from USWA	32,000	-	-		32,000
EH&S - Fund *	11,172		-		11,172
<b>TOTAL- INSTITUTIONAL STATUTORY COMMITMENTS</b>	<b>4,552,407</b>	<b>553,457</b>	<b>553,457</b>	<b>15,000</b>	<b>5,120,864</b>

\* SEE COPC CONTINGENCY



**Appendix C**  
**Table C2**  
**Contractual Obligations and Policy Commitments (COPC) List**  
**2006-07**

	2005-06 BUDGET	Base Changes	-----2006-07-----		Total Budget
			Total Base	OTO Allocation	
<b><u>4. UTILITIES</u></b>					
Utilities: St George	29,065,372	13,453,796	13,453,796	3,183,074	45,702,242
Utilities : UTSC	2,967,640	660,695	660,695		3,628,335
Utilities : UTM	2,679,828	2,146,994	2,146,994		4,826,822
<b>TOTAL - UTILITIES</b>	<b>34,712,840</b>	<b>16,261,485</b>	<b>16,261,485</b>	<b>3,183,074</b>	<b>54,157,399</b>
<b><u>5. (a) ADDITIONAL COST OF NEW SPACE</u></b>					
Health Sciences - 155 College st		322,064	322,064		322,064
Medical Arts Building (10 months- effective July 2006)		308,297	308,297		308,297
CCBR Building - (20,628 GSM. 4 months balance)		325,971	325,971		325,971
Leslie L. Dan Pharmacy Building - ( 16,500 GSM, 4 months balance)		336,893	336,893		336,893
Risk Management : increase incidences of skateboarding & building		275,000	275,000		275,000
Aerospace Storage		69,779	69,779		69,779
BCIT, Earth Science Hi Bay bldg, Fitzgerald bldg, & Banting & Best.		172,366	172,366		172,366
Other Small Projects		130,596	130,596		130,596
UTSC - Mechanical & Electrical Maintenance cost		132,419	132,419		132,419
<b>TOTAL - ADDITIONAL COST OF NEW SPACE</b>	<b>-</b>	<b>2,073,385</b>	<b>2,073,385</b>	<b>-</b>	<b>2,073,385</b>
<b><u>(b) Policy Compliance:</u></b>					
Working With Accumulated Asbestos Containing Dust & Type 2 Procedures		415,000	415,000	99,900	514,900
Federal Environmental Protection Act - Waste Audits & Source Separation		100,000	100,000		100,000
Ontario's Waste Diversion Act - Stewardship Ontario funding		50,000	50,000		50,000
Ontario Energy Board Distribution code - CED system maintenance		223,000	223,000		223,000
City By Law - Snow Removing & De-Icing Equipment Maintenance				110,000	110,000
Equipment for water make-up & bleed meters on cooling towers		5,000	5,000	38,000	43,000
Refrigerant leak detection monitoring & calibration & TSSA funding		86,488	86,488		86,488
Crisis Response - Information Management & System hardware & Support		79,000	79,000	199,000	278,000
Daycare Facilites - Play ground inspections				3,000	3,000
<b>TOTAL - Policy Compliance</b>	<b>-</b>	<b>958,488</b>	<b>958,488</b>	<b>449,900</b>	<b>1,408,388</b>

**Appendix C**  
**Table C2**  
**Contractual Obligations and Policy Commitments (COPC) List**  
**2006-07**

	2005-06 BUDGET	Base Changes	-----2006-07-----		Total Budget
			Total Base	OTO Allocation	
<b>6. PAID LEAVE COMMITMENTS</b>					
Administrative leaves	-		-	924,275	924,275
UTFA Released Time *	334,552	4,156	4,156		338,708
USWA Released Time *	207,930	62,070	62,070	276,000	546,000
CUPE 3902 unit 1 Released Time	10,486	10,486	10,486		20,972
CUPE 3902 unit 3 Released Time		10,000	10,000		10,000
CUPE 3261 Released Time	39,555	1,187	1,187		40,742
CUPE 1230 Released Time	25,874	24,566	24,566		50,440
<b>TOTAL- PAID LEAVE COMMITMENTS</b>	<b>618,397</b>	<b>112,465</b>	<b>112,465</b>	<b>1,200,275</b>	<b>1,931,137</b>

\* SEE COPC CONTINGENCY

**Appendix C**  
**Table C2**  
**Contractual Obligations and Policy Commitments (COPC) List**  
**2006-07**

	2005-06 BUDGET	Base Changes	-----2006-07-----		Total Budget
			Total Base	OTO Allocation	
<b><u>7. LIBRARY ACQUISITIONS COMMITMENTS</u></b>					
<b>St George (excl. binding)</b>					
-Books *	6,476,946	268,793	268,793		6,745,739
-Periodicals *	9,397,275	389,987	389,987		9,787,262
-Automation	4,279,605	177,604	177,604		4,457,208
	20,153,826	836,384	836,384	-	20,990,210
<b>Scarborough</b>					
-Books *	1,321,131	54,827	54,827		1,375,958
-Periodicals *	-	-	-		-
-Automation	-	-	-		-
	1,321,131	54,827	54,827	-	1,375,958
<b>Erindale</b>					
-Books *	318,813	13,231	13,231		332,043
-Periodicals *	828,468	34,381	34,381		862,850
-Automation	230,681	9,573	9,573		240,254
	1,377,962	57,185	57,185	-	1,435,147
<b>Law</b>					
-Books *	150,676	6,253	6,253		156,929
-Periodicals *	602,703	25,012	25,012		627,715
-Automation	162,133	6,729	6,729		168,862
	915,512	37,994	37,994	-	953,506
Industrial Relations - Graduate Institutes & Centres	40,495	1,681	1,681		42,176
Environmental Studies - Arts & Science	8,889	369	369		9,258
Audio Visual Library	83,979	3,485	3,485		87,464
Dentistry	6,529	271	271		6,800
Innis College	11,345	471	471		11,816
Management	-	-	-		-
Music	7,661	318	318		7,979
New College	20,432	848	848		21,280
Fine Arts	45,498	1,888	1,888		47,386
University College	8,510	353	353		8,863
					-
<b>TOTAL - LIBRARY ACQUISITIONS</b>	<b>24,001,769</b>	<b>996,073</b>	<b>996,073</b>	<b>-</b>	<b>24,997,843</b>

**Appendix C**  
**Table C2**  
**Contractual Obligations and Policy Commitments (COPC) List**  
**2006-07**

	2005-06 BUDGET	Base Changes	-----2006-07-----		Total Budget
			Total Base	OTO Allocation	
<b><u>8. OTHER POLICY COMMITMENTS</u></b>					
Expenses Funded from Overhead on Contract Research (note 1)	-		-	4,806,831	4,806,831
Expenses Funded from Overhead on Federal Research Grant	3,765,095	266,905	266,905		4,032,000
University Student Assistance Administration	1,487,458	126,938	126,938		1,614,396
Insurance *	1,600,000		-	250,000	1,850,000
Governing Council Elections *	38,000	760	760		38,760
	-		-		-
* SEE COPC CONTINGENCY					
<b>TOTAL- OTHER POLICY COMMITMENTS</b>	<b>6,890,553</b>	<b>394,603</b>	<b>394,603</b>	<b>5,056,831</b>	<b>12,341,987</b>
<b><u>9. OPERATING FUND TRANSFER TO CAPITAL</u></b>					
Amortization of UIIF Loan and MaRS Loan	14,950,362	754,221	754,221		15,704,583
					-
<b><u>10. CONTINGENCY ITEMS (see list at end)</u></b>	<b>2,121,881</b>	<b>(678,131)</b>	<b>(678,131)</b>	<b>-</b>	<b>1,443,750</b>
					-
<b>TOTAL COPC - ITEMS 1 TO 10</b>	<b>103,100,980</b>	<b>21,040,275</b>	<b>21,040,275</b>	<b>9,905,080</b>	<b>134,046,336</b>
					-

**Appendix C  
Table C2  
Contractual Obligations and Policy Commitments (COPC) List  
2006-07**

	2005-06 BUDGET	Base Changes	-----2006-07-----		
			Total Base	OTO Allocation	Total Budget
<b>Contingency Items</b>					<b>Base</b>
Library books (currency fluctuations)					-
Legal Fees					1,000,000
UTFA Negotiations					100,000
Pension Consulting					15,000
Radioactive & Chemical Waste Disposal *					60,000
Environmental Health & Education Fund					105,000
Governing Council Elections					14,000
Insurance					185,000
CUPE 3902 unit 1 TA - Financial Assistance					75,000
CUPE 3902 unit 1 TA - Training program					225,000
UTFA Release Time					50,000
USWA Release Time - Job Evaluation Project					66,000
CUPE 3902 - Stipendary Teaching Negotiation - Unit 3					30,000
<b>TOTAL CONTINGENCY</b>					<b>1,925,000</b> -
<b>Contingency Coverage of Risk 2006-07 @ 75%</b>					<b>1,443,750</b>
<b>Prior Year Contingency</b>					<b>2,121,881</b>
<b>Net Change in Contingency for 2006-07</b>					<b>(678,131)</b>

**Appendix D, Table D1: Capital Budget Cash Flow**

	Approved Projects	Prior to 2005-6	Incremental Capital Requirements			Total
			2005-06	2006-07	After 2006-07	
Capital Projects, Academic and Non-Academic	\$727,958,791	\$476,445,031	\$160,968,806	\$45,272,477	\$45,272,477	\$727,958,791
Capital Projects, Ancillaries	366,099,750	248,035,850	17,709,585	49,586,838	50,767,477	366,099,750
Matching Funds for endowment capital	44,000,000	44,000,000	-	-	-	44,000,000
<b>Total Capital Projects</b>	<b>\$1,138,058,541</b>	<b>\$768,480,881</b>	<b>\$178,678,391</b>	<b>\$94,859,315</b>	<b>\$96,039,954</b>	<b>\$1,138,058,541</b>
<b>Funding Sources</b>						
Federal Government	48,720,500	33,193,600	13,251,300	2,275,600	-	48,720,500
Provincial Government	197,819,600	155,247,300	38,021,100	2,275,600	2,275,600	197,819,600
Campaign Donations	80,448,710	56,386,450	8,298,560	14,994,000	769,700	80,448,710
Other (interest earned, municipal)	17,766,700	17,013,000	753,700	-	-	17,766,700
<b>Sub-Total</b>	<b>\$344,755,510</b>	<b>\$261,840,350</b>	<b>\$60,324,660</b>	<b>\$19,545,200</b>	<b>\$3,045,300</b>	<b>\$344,755,510</b>
Funded by the Central Operating Budget	275,314,431	187,174,631	37,018,716	25,560,542	25,560,542	275,314,431
Funded by Academic Divisional Budgets	189,858,600	128,743,200	47,670,012	6,722,694	6,722,694	189,858,600
Funded by Ancillaries Budgets and Student Levies	328,130,000	190,722,700	33,665,003	43,030,879	60,711,418	328,130,000
<b>Sub-Total</b>	<b>\$793,303,031</b>	<b>\$506,640,531</b>	<b>\$118,353,731</b>	<b>\$75,314,115</b>	<b>\$92,994,654</b>	<b>\$793,303,031</b>
<b>Total Funding identified</b>	<b>\$1,138,058,541</b>	<b>\$768,480,881</b>	<b>\$178,678,391</b>	<b>\$94,859,315</b>	<b>\$96,039,954</b>	<b>\$1,138,058,541</b>
<b>Total Funding surplus/(deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Incremental Annual Expense</b>		<b>\$40,507,994</b>	<b>6,506,801</b>	<b>4,734,507</b>	<b>6,894,729</b>	<b>58,644,031</b>
<b>Incremental Annual Revenue</b>						
Central Operating Budget		14,950,722	-	754,221	1,500,000	17,204,943
Divisional Operating Budgets		10,299,456	3,813,601	537,815	537,816	15,188,688
Ancillary Budgets & Student Levies		15,257,816	2,693,200	3,442,471	4,856,913	26,250,400
Other						
<b>Total Annual Revenue</b>		<b>\$40,507,994</b>	<b>\$6,506,801</b>	<b>\$4,734,507</b>	<b>\$6,894,729</b>	<b>\$58,644,031</b>
<b>Annual Surplus (Deficit)</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Reconciliation to Table D2

Total Funding per above	\$ 1,138,058,541
less: Matching Funds for endowment capital	<u>(44,000,000)</u>
Total capital projects per Table D2	<u>\$ 1,094,058,541</u>

## Appendix D, Table D2: Capital Project Budget Details

(excludes \$44M of debt re matching funds for endowment capital)

	Project		Sources of Funding				Total sources of Funding
	Cost	UIIF (see Table D3)	Operating Budget	Divisional Debt	Other		
ARC Academic Resource Centre	\$22,559,700	\$ -	\$ 1,200,000	\$ 9,523,800	\$ 11,835,900	\$ 22,559,700	
Management Building	15,530,000	-	-	5,630,000	9,900,000	15,530,000	
UTSC Classroom/Arts	20,531,800	-	-	7,760,000	12,771,800	20,531,800	
UTSC Student Lab Upgrades	4,300,000	-	-	2,470,000	1,830,000	4,300,000	
UTSC Food Services Revitalization Program	3,065,000	-	1,405,000	1,462,300	197,700	3,065,000	
UTSC Electrical & Mechanical Infrastructure Phase 3	2,525,700	-	2,315,000	-	210,700	2,525,700	
UTSC Science Building	31,500,000	-	7,500,000	24,000,000	-	31,500,000	
Other small projects at UTSC	2,620,000	-	-	2,620,000	-	2,620,000	
<b>Sub-Total UTSC</b>	<b>\$102,632,200</b>	<b>-</b>	<b>12,420,000</b>	<b>53,466,100</b>	<b>36,746,100</b>	<b>102,632,200</b>	
CCIT at Mississauga	\$34,670,000	2,500,000	-	5,522,900	26,647,100	34,670,000	
Centre for Applied Bioscience and Biotechnology	\$3,403,600	-	-	1,284,100	2,119,500	3,403,600	
Kaneff Building	\$0	-	-	-	-	-	
Academic Learning Centre	\$34,000,000	-	214,000	6,826,800	26,959,200	34,000,000	
Collegeway Access	\$2,500,000	-	-	2,500,000	-	2,500,000	
Other small projects at UTM	\$10,571,500	-	-	10,571,500	-	10,571,500	
<b>Sub-Total UTM</b>	<b>\$85,145,100</b>	<b>\$ 2,500,000</b>	<b>\$ 214,000</b>	<b>\$ 26,705,300</b>	<b>\$ 55,725,800</b>	<b>\$ 85,145,100</b>	
CCBR	\$96,600,100	2,800,000	4,500,000	18,615,900	70,684,200	96,600,100	
Pharmacy Building	\$75,000,000	6,200,000	-	21,236,600	47,563,400	75,000,000	
Purchase of 500 University Ave	\$15,824,950	15,824,950	-	-	-	15,824,950	
Renovation of 500 University Ave.	\$11,373,400	-	-	11,373,400	-	11,373,400	
TDSB Properites Board of Education (Purchase)	\$17,000,000	17,000,000	-	-	-	17,000,000	
Botany Greenhouse Replacement	\$7,027,100	1,380,400	-	84,200	5,562,500	7,027,100	
Bahen Centre for Information Technology	\$111,939,360	18,690,000	-	18,856,800	74,392,560	111,939,360	
Sid Smith Infill Phase I & II	\$3,075,000	2,000,000	1,075,000	64,700	(64,700)	3,075,000	
Economics Building	\$7,818,100	-	7,818,100	-	-	7,818,100	
Sid Smith Student Space	\$3,721,000	-	211,000	3,300,000	210,000	3,721,000	
Lash Miller Undergraduate Labs	\$5,600,000	-	1,600,000	4,000,000	-	5,600,000	
Centre for Biological Timing and Cognition	\$13,174,600	-	2,466,800	-	10,707,800	13,174,600	
Department of Mathematics	\$5,707,000	-	5,680,000	-	27,000	5,707,000	
Lash Miller Courtyard	\$2,378,400	-	610,000	-	1,768,400	2,378,400	
Purchase of Canadiana Building	\$1,570,000	1,570,000	-	-	-	1,570,000	
Gerstein Science Information Centre	\$15,188,000	8,830,000	-	-	6,358,000	15,188,000	
Flavelle House	\$2,140,000	600,000	-	1,540,000	-	2,140,000	
371 Bloor OISE/UT	\$23,260,500	3,500,000	5,528,000	-	14,232,500	23,260,500	
Child Studies	\$0	-	-	-	-	-	
Rotman School of Management Expansion	\$4,331,300	-	319,000	-	4,012,300	4,331,300	
Downsview Library	\$6,000,000	6,000,000	-	-	-	6,000,000	
Varsity Centre for Physical Activity & Health	\$16,386,000	16,386,000	-	-	-	16,386,000	
Multi-Faith Centre for Studies & Spiritual Practice	\$3,389,400	3,381,500	-	-	7,900	3,389,400	
Governing Council and Board Room Renovations	\$1,593,000	1,593,000	-	-	-	1,593,000	
Varsity Stadium Demolition	\$1,700,000	1,700,000	-	-	-	1,700,000	
Southeast Infrastructure	\$3,777,000	-	3,777,000	-	-	3,777,000	
Early Learning Centre	\$4,317,700	4,300,000	17,700	-	-	4,317,700	
Toronto District School Board Building	\$28,100,000	-	4,000,000	24,083,600	16,400	28,100,000	
Purchase of Medical Arts Building (excl. \$6m Renovations)	\$20,262,600	14,262,600	6,000,000	-	-	20,262,600	
7 King's College Road/Circle Precinct, Phase 1&2	\$5,590,500	2,700,000	328,700	-	2,561,800	5,590,500	
Completed Projects with ongoing loans (outstanding at April 30,2002)	\$14,851,919	8,319,919	-	6,532,000	-	14,851,919	
Small Capital Projects (listed below)	\$11,484,562	9,999,812	1,484,750	-	-	11,484,562	
<b>Sub-Total St George</b>	<b>\$540,181,491</b>	<b>147,038,181</b>	<b>45,416,050</b>	<b>109,687,200</b>	<b>238,040,060</b>	<b>540,181,491</b>	
<b>Sub-Total, Non ancillaries</b>	<b>\$727,958,791</b>	<b>\$ 149,538,181</b>	<b>\$ 58,050,050</b>	<b>\$ 189,858,600</b>	<b>\$ 330,511,960</b>	<b>\$ 727,958,791</b>	
1 UTSC Residence Phase 4	\$16,260,000	-	-	16,260,000	-	16,260,000	
1 Student Centre at UTSc	\$14,386,800	4,723,700	1,539,400	8,050,500	73,200	14,386,800	
2 Mississauga Residence Phase VII	\$15,315,000	-	40,000	15,275,000	-	15,315,000	
2 UTM Wellness Centre	\$24,500,000	7,000,000	1,106,500	15,861,000	532,500	24,500,000	
2 CCIT Parking	\$12,892,000	-	-	12,892,000	-	12,892,000	
2 UTM Residence Phase VIII	\$26,715,000	-	-	26,715,000	-	26,715,000	
6 Colony Hotel	\$74,000,000	-	-	74,000,000	-	74,000,000	
6 School of Continuing Studies	\$7,099,950	-	1,000,000	6,072,600	27,350	7,099,950	
7 Bahen Centre Parking	\$7,548,600	-	-	7,548,600	-	7,548,600	
8 Woodsworth Residence	\$32,000,000	-	1,460,000	28,857,000	1,683,000	32,000,000	
8 Woodsworth College Residence Basement	\$3,696,400	-	955,600	2,640,800	100,000	3,696,400	
New College Residence (annual subsidy of \$1,204,000 provided from the APF for 8 years)	\$26,760,000	-	3,566,000	22,866,500	327,500	26,760,000	
8 University College Residence	\$28,000,000	50,000	2,285,000	14,165,000	11,500,000	28,000,000	
Completed Projects with ongoing loans (outstanding at April 30,2002)	\$76,926,000	-	-	76,926,000	-	76,926,000	
<b>Sub-Total Ancillaries</b>	<b>\$366,099,750</b>	<b>\$11,773,700</b>	<b>\$11,952,500</b>	<b>\$328,130,000</b>	<b>\$14,243,550</b>	<b>\$366,099,750</b>	
<b>Total</b>	<b>\$1,094,058,541</b>	<b>\$161,311,881</b>	<b>\$70,002,550</b>	<b>\$517,988,600</b>	<b>\$344,755,510</b>	<b>\$1,094,058,541</b>	

### Small Capital Projects included above

St Michael's College / Faculty of A & Sc. (approved by P&B Oct. 19, 1999)	\$1,300,000	\$875,000	-	\$0	\$425,000
Dentistry Student Laboratory (approved by P&B Oct. 19, 1999)	393,250	99,000	-	-	294,250
FALD Phase 3 (approved by P&B October 18, 2000)	690,000	345,000	-	-	345,000
Nursing Building renovations (approved by P&B March 20, 2001)	354,000	354,000	-	-	-
Department of Medicine renovations at UHN (approved by P&B May 25, 2001)	400,000	400,000	-	-	-
Accessibility Examination Centre, Robarts Library (approved by P&B Jan 9, 2002)	225,000	225,000	-	-	-
Vertical Expansion of Soil Storage Facility (approved by P&B Jan 9, 2002)	1,068,323	718,323	-	-	350,000
Upgrade 56 Spadina Ave., (approved by P&B Jan 9, 2002)	575,000	575,000	-	-	-
RCAT facility (approved by P&B March 19, 2002)	460,000	460,000	-	-	-
St Michael's College / A & Sc. Alumni Hall (approved by P&B March 19, 2002)	365,000	300,000	-	-	65,000
FIS Bissel Building Student Study Space (approved by P&B September 16, 2002)	40,500	35,000	-	-	5,500
Family & Community Medicine relocation to 256 McCaul (approved by P&B October 15, 2002)	120,000	120,000	-	-	-
Other Allocations from UIIF not included from above	5,493,489	5,493,489	-	-	-
<b>Total</b>	<b>\$11,484,562</b>	<b>\$9,999,812</b>	<b>-</b>	<b>\$0</b>	<b>\$1,484,750</b>

**Appendix D, Table D3: University Infrastructure Investment Fund**

		Balance
Balance as of April 30, 2000		\$1,839,470
<u>Transfers to UIIF as approved in the <i>Long Range Budget Guidelines</i></u>		
May 1, 2000 net of contribution to UT Scarborough under RCM	13,248,360	15,087,830
May 1, 2001 net contribution	16,800,000	31,887,830
Loan serviced from Operating Budget (3 amounts of \$90m + \$14.26m) <sup>1</sup>	104,260,081	136,147,911
<u>Revenue/Recovery:</u>		
Revenues from Project Closures & Surpluses	646,811	136,794,722
Medicine's First & Second Repayment for 500 University Avenue ( @ \$758,227 ea.)	1,516,454	138,311,176
Recovery from Faculty of Medicine	9,098,724	147,409,900
<u>Allocations:</u>		
All Closed/Concluded Project Items	(128,478,102)	18,931,798
Ongoing Project Items:		
UTM Wellness Centre, Match to Levy	(6,228,444)	12,703,354
Varsity Development Project	(353,431)	12,349,923
CCBR	(2,800,000)	9,549,923
Pharmacy Building	(6,193,600)	<b>3,356,323</b>
<b>Total UIIF Allocations net Faculty of Medicine recovery to 2005-06</b>	<b>\$141,890,312</b>	
Other Projects funded from the Operating Budget <sup>1</sup>		
Negative balance in Capital Renewal Fund to be funded from the operating budget	(\$3,319,919)	
Dental Chair Subsidy	(4,500,000)	
MARS Equity (debt service already funded from operating budget)	(5,000,000)	
Matching Loan 1, 2, & 3 (\$14m + \$22.5m + \$7.5m)	(44,000,000)	
Redirect Pension Savings	(19,700,000)	
<b>Total UIIF Allocations net of Medicine recovery plus Other Projects funded from the Operating Budget</b>	<b>\$218,410,231</b>	

<sup>1</sup>line items represent those funded by the \$15.7million in debt charge and a total capital funding of \$180,780,000.

Total UIIF Allocations net Faculty of Medicine recovery from above	\$141,890,312
Future funding for the Varsity Development Project (\$16.386 M less \$.353M)	\$16,032,569
Multi-Faith Center	\$3,389,000
<b>Total as per Table D2</b>	<b>\$161,311,881</b>



**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>SUMMARY</b>						
Total Academic Expense	971,401,290	292,335,200	679,066,090	56,015,203	100,000	55,915,203
Academic Services	57,744,984	15,731,746	42,013,238	(1,272,667)	0	(1,272,667)
Library Acquisitions	20,990,213	0	20,990,213	836,384	0	836,384
Campus & Student Services	24,147,604	22,534,711	1,612,893	0	0	0
Student Assistance	83,980,604	801,000	83,179,604	4,940,293	0	4,940,293
Facilities & Services						
Maintenance and Services	85,615,230	30,890,205	54,725,025	4,279,777	0	4,279,777
Utilities	64,111,137	9,953,738	54,157,399	19,444,559	0	19,444,559
Administration	99,413,989	30,288,671	69,125,318	1,164,676	0	1,164,676
General University Expense & Other	77,615,271	5,680,424	71,934,847	10,736,380	0	10,736,380
Operating Fund Support of Capital Fund	15,422,209	0	15,422,209	754,221	0	754,221
	<u>1,500,442,531</u>	<u>408,215,695</u>	<u>1,092,226,836</u>	<u>96,898,826</u>	<u>100,000</u>	<u>96,798,826</u>
Municipal Taxes	4,692,525	0	4,692,525	198,150	0	198,150
						0
<b>TOTAL OPERATING BUDGET</b>	<b><u>1,505,135,056</u></b>	<b><u>408,215,695</u></b>	<b><u>1,096,919,361</u></b>	<b><u>97,096,976</u></b>	<b><u>100,000</u></b>	<b><u>96,996,976</u></b>

Differences in presentation between this report and Table B3 Budget Summary:

-Table B3 restates OISE Divisional Income as General University Income.	30,244,391
-Table B3 Expense includes Expense from Divisional Income (External Income only).	147,026,273
-Table B3 Expense includes Expense from Endowment Income.	11,799,930
-Table B3 transfers Student Assistance held within Acad Expense to Student Assistance line, \$28m.	0
-Table B3 restates Ancillary and Academic Program recoveries as General University Income.	<u>2,481,533</u>
Total Expense Including Municipal Taxes	1,288,471,488
Municipal Taxes	<u>(4,692,525)</u>
Total Expense Excluding Municipal Taxes	1,283,778,963

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>ACADEMIC EXPENSE</b>						
<b>ARTS and SCIENCE</b>						
Arts and Science (incl New, Innis, UC & Wdswrth)	231,672,775	45,655,981	186,016,794	18,910,781	0	18,910,781
University College	438,138	80,000	358,138	590	0	590
New College	0	0	0	0	0	0
Innis College	0	0	0	0	0	0
Federated Colleges Block Grant	7,891,292	0	7,891,292	550,000	0	550,000
Toronto School of Theology	2,310,207	0	2,310,207	0	0	0
UTM - Academic	58,313,316	4,768,633	53,544,683	8,972,583	0	8,972,583
UTSC - Academic	51,094,930	10,757,750	40,337,180	9,270,577	0	9,270,577
<b>TOTAL ARTS AND SCIENCE</b>	<b>351,720,658</b>	<b>61,262,364</b>	<b>290,458,294</b>	<b>37,704,531</b>	<b>0</b>	<b>37,704,531</b>
<b>SCHOOLS and COLLEGES</b>						
School of Continuing Studies	10,354,476	10,354,476	0	0	0	0
Munk Centre	45,370	45,370	0	(259,253) A	0	(259,253)
School of Graduate Studies	4,615,832	729,804	3,886,028	119,210	0	119,210
Graduate Centres and Institutes	4,391,397	617,045	3,774,352	(2,312,351) B	0	(2,312,351)
Transitional Year Programme	1,441,611	101,017	1,340,594	40,822	0	40,822
Woodsworth College	0	0	0	0	0	0
<b>TOTAL, SCHOOLS and COLLEGES</b>	<b>20,848,686</b>	<b>11,847,712</b>	<b>9,000,974</b>	<b>(2,411,572)</b>	<b>0</b>	<b>(2,411,572)</b>

A- Reflects transfer of Munk Centre budget to Arts & Science budget

B- Reflects transfer to the Arts & Science budget of the following Centres and Institutes: Environmental Studies, CREES, CITA.

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>HEALTH SCIENCES</b>						
Dentistry	29,618,944	12,067,328	17,551,616	903,073	0	903,073
Medicine	145,210,778	72,658,802	72,551,976	3,826,656	0	3,826,656
Nursing	11,239,459	2,607,050	8,632,409	1,979,778	100,000	1,879,778
Pharmacy	13,461,793	3,307,719	10,154,074	1,826,397	0	1,826,397
Physical Education & Health	26,652,310	23,186,495	3,465,815	266,508	0	266,508
<b>TOTAL, HEALTH SCIENCES</b>	<b>226,183,284</b>	<b>113,827,394</b>	<b>112,355,890</b>	<b>8,802,412</b>	<b>100,000</b>	<b>8,702,412</b>

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06			
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE		DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>OTHER PROFESSIONAL FACULTIES</b>							
Applied Science and Engineering	65,749,976	11,191,048	54,558,928	3,142,774		0	3,142,774
Architecture and Landscape Architecture	5,004,348	374,130	4,630,218	(103,473)	C	0	(103,473)
OISE/UT							
OISE/UT	48,639,012	45,120,797	3,518,215	(31,841)	C	0	(31,841)
Inst. of Child Study	0	0	0	0		0	0
University of Toronto Schools	0	0	0	0		0	0
Forestry	3,080,548	312,675	2,767,873	287,082		0	287,082
Law	16,534,901	2,679,480	13,855,421	(167,099)	C	0	(167,099)
Information Studies	5,267,452	929,461	4,337,991	1,152,305		0	1,152,305
Management	54,274,949	25,060,663	29,214,286	2,294,040		0	2,294,040
Executive Program	3,721,799	3,721,799	0	0		0	0
Executive M.B.A. Program	2,425,460	2,425,460	0	0		0	0
Business Information Centre	1,021,889	542,000	479,889	0		0	0
International Centre for Tax Studies	0	0	0	0		0	0
Music	8,739,591	1,104,778	7,634,813	74,629		0	74,629
Social Work	5,489,602	832,695	4,656,907	(81,573)	C	0	(81,573)
<b>TOTAL, OTHER PROFESSIONAL FACULTIES</b>	<b>219,949,527</b>	<b>94,294,986</b>	<b>125,654,541</b>	<b>6,566,844</b>		<b>0</b>	<b>6,566,844</b>
OTHER ACADEMIC COSTS	152,699,135	11,102,744	141,596,391	5,352,988			5,352,988
<b>TOTAL ACADEMIC EXPENSE</b>	<b>971,401,290</b>	<b>292,335,200</b>	<b>679,066,090</b>	<b>56,015,203</b>		<b>100,000</b>	<b>55,915,203</b>

C- Budget reductions are greater than budget increments. Increases for faculty compensation have not yet been included.

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06			
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE		DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>ACADEMIC SERVICES</b>							
University of Toronto Computing	14,246,906	7,014,674	7,232,232	(511,956)	D	0	(511,956)
St. George Library - Operations	34,022,863	8,508,887	25,513,976	(532,938)	C	0	(532,938)
- Central Book Fund	20,990,213	0	20,990,213	836,384		0	836,384
	<u>55,013,076</u>	<u>8,508,887</u>	<u>46,504,189</u>	<u>303,446</u>		<u>0</u>	<u>303,446</u>
UTM Library	3,838,343	55,000	3,783,343	(66,404)	C	0	(66,404)
UTSC Library	5,636,872	153,185	5,483,687	(161,369)	C	0	(161,369)
<b>TOTAL, ACADEMIC SERVICES</b>	<b>78,735,197</b>	<b>15,731,746</b>	<b>63,003,451</b>	<b>(436,283)</b>		<b>0</b>	<b>(436,283)</b>

C- Budget reductions are greater than budget increments. Increases for faculty compensation have not yet been included.

D- Reflects transfer of the Telecommunications budget to the Facilities & Services budget.

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

Budget Allocations

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>CAMPUS &amp; STUDENT SERVICES</b>						
St. George	12,893,403	12,893,403	0	0	0	0
UTM	5,427,492	5,104,408	323,084	0	0	0
UTSC	5,826,709	4,536,900	1,289,809	0	0	0
<b>TOTAL CAMPUS &amp; STUDENT SERVICES</b>	<b>24,147,604</b>	<b>22,534,711</b>	<b>1,612,893</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06			
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE		DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>STUDENT ASSISTANCE (NOTE 1)</b>							
University Student Assistance	6,564,411	801,000	5,763,411	3,862		0	3,862
Graduate Fellowships	2,034,862	0	2,034,862	(90,000)	E	0	(90,000)
Graduate Student Aid	4,562,794	0	4,562,794	(103,084)	E	0	(103,084)
OGSST	2,600,000	0	2,600,000	0		0	0
Recruitment and Retention	1,000,000	0	1,000,000	1,000,000		0	1,000,000
Student Aid Reinvestment	33,452,953	0	33,452,953	4,629,515		0	4,629,515
Student Aid Funded from Restricted Funds	25,100,000	0	25,100,000	(500,000)	F	0	(500,000)
UTM	225,000	0	225,000	0		0	0
UTSC	186,000	0	186,000	0		0	0
OISE/UT	8,254,584	0	8,254,584	0		0	0
<b>TOTAL, STUDENT ASSISTANCE</b>	<b>83,980,604</b>	<b>801,000</b>	<b>83,179,604</b>	<b>4,940,293</b>		<b>0</b>	<b>4,940,293</b>

NOTE 1- Includes Central Student Assistance and Divisional Student Assistance for UTM, UTSC, OISE/UT.

E- Reflects transfers to Divisions.

F- Reflects a reduction in endowment revenue for student aid as a result of lower than expected endowment fund returns in 2005-06.

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>FACILITIES AND SERVICES</b>						
Maintenance and Services						
- St. George Campus	73,463,368	28,352,233	45,111,135	4,334,286	0	4,334,286
- UTM Campus	4,740,705	443,080	4,297,625	(46,803)	0	(46,803)
- UTSC Campus	7,411,157	2,094,892	5,316,265	(7,706)	0	(7,706)
<b>TOTAL, MAINTENANCE and SERVICES</b>	<b>85,615,230</b>	<b>30,890,205</b>	<b>54,725,025</b>	<b>4,279,777</b>	<b>0</b>	<b>4,279,777</b>
Utilities						
- St. George Campus	55,555,624	9,853,382	45,702,242	16,636,870	0	16,636,870
- UTM Campus	4,927,178	100,356	4,826,822	2,146,994	0	2,146,994
- UTSC Campus	3,628,335	0	3,628,335	660,695	0	660,695
<b>TOTAL, UTILITIES</b>	<b>64,111,137</b>	<b>9,953,738</b>	<b>54,157,399</b>	<b>19,444,559</b>	<b>0</b>	<b>19,444,559</b>

C- Budget reductions are greater than budget increments.



**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06			
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE		DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>ADMINISTRATION</b>							
Offices of the Governing Council and Ombudsperson	2,842,642	230,789	2,611,853	217,319		0	217,319
Office of the President	1,152,940	19,708	1,133,232	(77,340)	G	0	(77,340)
Other Institutional Cost	1,211,595	0	1,211,595	(401,367)	G	0	(401,367)
Office of the Vice-Pres. and Provost	3,422,826	522,041	2,900,785	171,892		0	171,892
Office of the Vice Provost Planning & Budget	2,488,975	49,249	2,439,726	155,351		0	155,351
Office of the Vice Provost Students - Stud. Affrs & Other	16,291,925	5,920,770	10,371,155	388,672		0	388,672
Office of the Vice Provost Space Planning	3,044,181	1,359,563	1,684,618	29,471		0	29,471
Office of the Vice-Pres.- Research & Associate Provost	5,592,852	90,098	5,502,754	(58,150)	C	0	(58,150)
Office of the Vice-Pres.- Government & Institutional Rel.	642,877	0	642,877	(3,922)	C	0	(3,922)
Office of the Vice-Pres. & Chief Advancement Officer	18,719,681	3,687,237	15,032,444	193,103		0	193,103
Office of the Vice-Pres. - Human Resources	8,546,284	1,355,676	7,190,608	665,712	G	0	665,712
Office of the Vice-Pres. - Business Affairs	16,067,726	4,801,208	11,266,518	259,575		0	259,575
<b>TOTAL, ST.GEORGE CAMPUS</b>	<b>80,024,504</b>	<b>18,036,339</b>	<b>61,988,165</b>	<b>1,540,316</b>		<b>0</b>	<b>1,540,316</b>
UTM Administration	8,656,667	11,596,413	(2,939,746)	154,723		0	154,723
UTSC Administration	10,732,818	655,919	10,076,899	(530,363)	C	0	(530,363)
<b>TOTAL ADMINISTRATION</b>	<b>99,413,989</b>	<b>30,288,671</b>	<b>69,125,318</b>	<b>1,164,676</b>		<b>0</b>	<b>1,164,676</b>

C- Budget reductions are greater than budget increments.

G- Reflects transfer of the Equity Office budgets to the VP-HR budget.

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06			
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE		DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>GENERAL UNIVERSITY EXPENSE</b>							
President	3,399,752	0	3,399,752	(543,136)	H	0	(543,136)
Governing Council	38,760	0	38,760	760		0	760
Vice-President - Business Affairs	2,003,700	0	2,003,700	(26,258,090)	I	0	(26,258,090)
Vice-President - Human Resources	32,231,642	0	32,231,642	27,765,593	I	0	27,765,593
General (including salary, wage and benefit commitments, and recoveries from ancillaries)	38,490,510	5,680,424	32,810,086	9,933,129		0	9,933,129
Operating Fund support of Capital Fund	15,422,209	0	15,422,209	754,221		0	754,221
<b>TOTAL, GENERAL UNIVERSITY EXPENSE</b>	<b>91,586,573</b>	<b>5,680,424</b>	<b>85,906,149</b>	<b>11,652,477</b>		<b>0</b>	<b>11,652,477</b>
<b>OTHER</b>							
Accommodations and Facilities (AFD)	662,783	0	662,783	(1,243)	C	0	(1,243)
Lease Cost of Off Campus Space	788,124	0	788,124	(160,633)	J	0	(160,633)
<b>MUNICIPAL TAXES</b>	<b>4,692,525</b>	<b>0</b>	<b>4,692,525</b>	<b>198,150</b>		<b>0</b>	<b>198,150</b>

C- Budget reductions are greater than budget increments.

H- Reduction in the COPC Contingency budget due to reduction in library acquisition contingency resulting from the improved Canadian dollar.

I- Reflects transfer of the Pension Amortization budget from VP-BA budget to VP-HR budget.

J- Reduction in budget due to decrease in leased space.

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06		
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>UTM</b>						
Academic	58,313,316	4,768,633	53,544,683	8,972,583	0	8,972,583
Academic Services - Library	3,838,343	55,000	3,783,343	(66,404)	0	(66,404)
Campus and Student Services	5,427,492	5,104,408	323,084	0	0	0
Student Assistance	225,000	0	225,000	0	0	0
Facilities & Services - Maintenance & Services	4,740,705	443,080	4,297,625	(46,803)	0	(46,803)
- Utilities	4,927,178	100,356	4,826,822	2,146,994	0	2,146,994
Administration (NOTE 1)	8,656,667	11,596,413	(2,939,746)	154,723	0	154,723
<b>TOTAL, UTM</b>	<b>86,128,701</b>	<b>22,067,890</b>	<b>64,060,811</b>	<b>11,161,093</b>	<b>0</b>	<b>11,161,093</b>

NOTE 1- UTM consolidates revenue/recoveries in Administration, resulting in a negative net expense.

C- Budget reductions are greater than budget increments.

THIS IS A SUMMARY OF THE UTM BUDGETS WHICH ARE REPORTED IN THE PRECEDING BUDGET ALLOCATIONS REPORT UNDER THE VARIOUS BUDGET GROUPS.

**Appendix E  
Table E1**

**UNIVERSITY OF TORONTO  
RECOMMENDED 2006 - 07 BUDGET**

**Budget Allocations**

	RECOMMENDED 2006-07 BUDGET			PROJECTED CHANGES FROM 2005-06			
	GROSS EXPENSE	DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE	GROSS EXPENSE		DIVISIONAL REVENUE (INCL RECOVERIES)	NET EXPENSE
<b>UTSC</b>							
Academic	51,094,930	10,757,750	40,337,180	9,270,577		0	9,270,577
Academic Services - Library	5,636,872	153,185	5,483,687	(161,369)	C	0	(161,369)
Campus and Student	5,826,709	4,536,900	1,289,809	0		0	0
Student Assistance	186,000	0	186,000	0		0	0
Facilities & Services - Maintenance & Services	7,411,157	2,094,892	5,316,265	(7,706)	C	0	(7,706)
- Utilities	3,628,335	0	3,628,335	660,695		0	660,695
Administration	10,732,818	655,919	10,076,899	(530,363)	C	0	(530,363)
<b>TOTAL, UTSC</b>	<b>84,516,821</b>	<b>18,198,646</b>	<b>66,318,175</b>	<b>9,231,834</b>		<b>0</b>	<b>9,231,834</b>

C- Budget reductions are greater than budget increments.

THIS IS A SUMMARY OF THE UTSC BUDGETS WHICH ARE REPORTED  
IN THE PRECEDING BUDGET ALLOCATIONS REPORT UNDER THE VARIOUS BUDGET GROUPS.

**Appendix E  
Table E2**

**SUMMARY OF YEAR-OVER-YEAR BUDGET CHANGES**

**DIVISIONAL BUDGET SCHEDULES**

	<b>TOTAL GROUP I: ARTS &amp; SC</b>	<b>TOTAL GROUP II: SCHOOLS/COLLS</b>	<b>TOTAL GROUP III: HLTH SCI</b>	<b>TOTAL GROUP IV: PROF FACS</b>	<b>TOTAL GROUP V: OAC</b>	<b>SUBTOTAL GROUPS I-V: ACADEMIC</b>
Net Base Budget for 2005-06	251,695,259	11,191,224	102,260,096	117,391,633	134,578,844	617,117,056
One-Time-Only Budget for 2005-06	1,058,504	221,322	1,393,382	1,696,064	1,664,559	6,033,831
<b>TOTAL NET BUDGET FOR 2005-06</b>	<b>252,753,763</b>	<b>11,412,546</b>	<b>103,653,478</b>	<b>119,087,697</b>	<b>136,243,403</b>	<b>623,150,887</b>
<b>BUDGET CHANGES:</b>						
<b>ADDITIONS TO BASE:</b>						
Balance of Prior Year's Salary/Benefit Increase	9,003,148	382,696	3,565,167	3,037,431	3,488	15,991,930
Priorities Funds	0	0	0	0	0	0
Expense Offset by Additional Income	0	0	100,000	0	0	100,000
Transfers	43,089,563	105,999	10,717,110	5,983,108	2,013,141	61,908,921
Contract. Oblig. & Policy Commit. /Budget Model	553,929	1,680	271	2,333,555	62,079,489	64,968,924
<b>REDUCTIONS FROM BASE:</b>						
Budget Reduction	(12,918,435)	(462,726)	(5,317,866)	(4,485,768)	(166,342)	(23,351,137)
Academic PTR Recovery	(1,644,688)	0	(308,855)	(508,162)	0	(2,461,705)
Expense Recovery	0	0	0	0	0	0
Transfers	(410,464)	(2,287,728)	0	(189,686)	(57,520,251)	(60,408,129)
Contract. Oblig. & Policy Commit.	0	0	0	0	0	0
(INCRS) DECRS IN DIVISIONAL REVENUE	0	0	(100,000)	0	0	(100,000)
<b>BASE BUDGET CHANGE</b>	<b>37,673,053</b>	<b>(2,260,079)</b>	<b>8,655,827</b>	<b>6,170,478</b>	<b>6,409,525</b>	<b>56,648,804</b>
<b>ONE-TIME-ONLY BUDGET CHANGES:</b>						
Research Overhead (Net Changes)	31,478	(151,493)	46,585	396,366	0	322,936
Contract. Oblig. & Policy Commit. (Net Changes)	0	0	0	0	(1,056,537)	(1,056,537)
<b>ONE-TIME-ONLY BUDGET CHANGE</b>	<b>31,478</b>	<b>(151,493)</b>	<b>46,585</b>	<b>396,366</b>	<b>(1,056,537)</b>	<b>(733,601)</b>
Net Base Budget for 2006-07	289,368,312	8,931,145	110,915,923	123,562,111	140,988,369	673,765,860
OTO Budget for 2006-07	1,089,982	69,829	1,439,967	2,092,430	608,022	5,300,230
<b>TOTAL NET BUDGET FOR 2006-07</b>	<b>290,458,294</b>	<b>9,000,974</b>	<b>112,355,890</b>	<b>125,654,541</b>	<b>141,596,391</b>	<b>679,066,090</b>
<b>DIVISIONAL REVENUE ( INCL. RECOVERIES)</b>						
Endowment Income :	2,300,000	0	2,777,337	6,534,355	0	11,611,692
External Income :	13,872,356	10,847,976	53,006,575	54,801,101	500,000	133,028,008
Internal Recoveries :	28,918,594	617,869	21,073,763	31,420,013	10,602,744	92,632,983
External Recoveries :	7,467,584	381,867	34,969,719	1,349,188	0	44,168,358
Negative Approp. :	8,703,830	0	2,000,000	190,329	0	10,894,159
<b>TOTAL DIV REVENUE ( INCL. RECOVERIES)</b>	<b>61,262,364</b>	<b>11,847,712</b>	<b>113,827,394</b>	<b>94,294,986</b>	<b>11,102,744</b>	<b>292,335,200</b>
<b>GROSS EXPENSE BUDGET FOR 2006-07</b>	<b><u>351,720,658</u></b>	<b><u>20,848,686</u></b>	<b><u>226,183,284</u></b>	<b><u>219,949,527</u></b>	<b><u>152,699,135</u></b>	<b><u>971,401,290</u></b>

**Appendix E  
Table E2**

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**SUMMARY OF YEAR-OVER-YEAR BUDGET**

	<b>TOTAL GROUP VI: AC SRVCS</b>	<b>TOTAL GROUP VII: C &amp; S S</b>	<b>TOTAL GROUP VIII: ST ASSIST</b>	<b>TOTAL GROUP IX: FAC &amp; SRVCS</b>	<b>TOTAL GROUP X: ADM &amp; GOV</b>	<b>TOTAL GROUP XI: GEN UNIV &amp; OTH</b>	<b>TOTAL</b>
Net Base Budget for 2005-06	63,416,472	1,612,893	78,239,311	85,155,088	67,960,642	79,615,086	993,116,548
One-Time-Only Budget for 2005-06	23,262	0	0	3,000	0	745,744	6,805,837
<b>TOTAL NET BUDGET FOR 2005-06</b>	<b>63,439,734</b>	<b>1,612,893</b>	<b>78,239,311</b>	<b>85,158,088</b>	<b>67,960,642</b>	<b>80,360,830</b>	<b>999,922,385</b>
<b>BUDGET CHANGES:</b>							
<b>ADDITIONS TO BASE:</b>							
Balance of Prior Year's Salary/Benefit Increase	1,421,876	0	3,862	1,300,643	2,361,016	(21,079,327)	0
Priorities Funds	0	0	0	0	0	0	0
Expense Offset by Additional Income	0	0	0	0	0	0	100,000
Transfers	0	0	1,000,000	453,805	2,590,523	26,879,541	92,832,790
Contract. Oblig. & Policy Commit. /Budget Model	951,881	0	6,377,326	20,522,549	497,193	33,614,501	126,932,374
<b>REDUCTIONS FROM BASE:</b>							
Budget Reduction	(2,084,377)	0	0	(2,182,635)	(3,017,446)	55,595	(30,580,000)
Academic PTR Recovery	(34,697)	0	0	0	0	41,761	(2,454,641)
Expense Recovery	0	0	0	0	0	0	0
Transfers	(667,704)	0	(2,440,895)	0	(1,266,610)	(28,049,452)	(92,832,790)
Contract. Oblig. & Policy Commit.	0	0	0	0	0	0	0
(INCRS) DECRS IN DIVISIONAL REVENUE	0	0	0	0	0	0	(100,000)
<b>BASE BUDGET CHANGE</b>	<b>(413,021)</b>	<b>0</b>	<b>4,940,293</b>	<b>20,094,362</b>	<b>1,164,676</b>	<b>11,462,619</b>	<b>93,897,733</b>
<b>ONE-TIME-ONLY BUDGET CHANGES:</b>							
Research Overhead (Net Changes)	(23,262)	0	0	0	0	26,752	326,426
Contract. Oblig. & Policy Commit. (Net Changes)	0	0	0	3,629,974	0	199,380	2,772,817
<b>ONE-TIME-ONLY BUDGET CHANGE</b>	<b>(23,262)</b>	<b>0</b>	<b>0</b>	<b>3,629,974</b>	<b>0</b>	<b>226,132</b>	<b>3,099,243</b>
Net Base Budget for 2006-07	63,003,451	1,612,893	83,179,604	105,249,450	69,125,318	91,077,705	1,087,014,281
OTO Budget for 2006-07	0	0	0	3,632,974	0	971,876	9,905,080
<b>TOTAL NET BUDGET FOR 2006-07</b>	<b>63,003,451</b>	<b>1,612,893</b>	<b>83,179,604</b>	<b>108,882,424</b>	<b>69,125,318</b>	<b>92,049,581</b>	<b>1,096,919,361</b>
<b>DIVISIONAL REVENUE ( INCL. RECOVERIES)</b>							
Endowment Income :	65,000	0	0	0	0	0	11,676,692
External Income :	3,760,796	21,236,115	801,000	6,031,106	10,178,137	0	175,035,162
Internal Recoveries :	8,487,948	1,297,826	0	34,812,837	19,996,215	5,680,424	162,908,233
External Recoveries :	2,886,002	770	0	0	114,319	0	47,169,449
Negative Approp. :	532,000	0	0	0	0	0	11,426,159
<b>TOTAL DIV REVENUE ( INCL. RECOVERIES)</b>	<b>15,731,746</b>	<b>22,534,711</b>	<b>801,000</b>	<b>40,843,943</b>	<b>30,288,671</b>	<b>5,680,424</b>	<b>408,215,695</b>
<b>GROSS EXPENSE BUDGET FOR 2006-07</b>	<b><u>78,735,197</u></b>	<b><u>24,147,604</u></b>	<b><u>83,980,604</u></b>	<b><u>149,726,367</u></b>	<b><u>99,413,989</u></b>	<b><u>97,730,005</u></b>	<b><u>1,505,135,056</u></b>