Review of the Memorandum of Agreement
Between the University of Toronto and the Federated Universities

Report of the Review Team
July 2007

Background to the review
The relationships between the University of Toronto and the Federated Universities, including the roles of the Colleges, the Departments, and the Faculty of Arts and Science, were set out in the April 1974 Memorandum of Understanding, which redefined the academic role of the Colleges in the light of rationalized and shared resources among the parties. Nine years later these relationships were reviewed and restated in the Memorandum of Agreement Regarding the Institutional Relationships of the University of Toronto and the Federated Universities in the Faculty of Arts and Science, dated June 30, 1983. This Agreement was renewed on June 21, 1990. The 1998 *Memorandum of Agreement between the University of Toronto and the Federated Universities* (MOA) continued this relationship and its underlying principles, and extended their scope to include similar relationships with other Faculties and Schools of the University.

The parties to the MOA undertook a midterm review in 2005[1]. The MOA may be renewed for a fixed period beyond June 30, 2008 following a full review of its operations. Accordingly, the heads of the University of Toronto and the Federated Universities established a Review Team with the following terms of reference and membership:

Terms of Reference

1. To review the operations of the MOA in light of the 2005 mid-term review
2. To make recommendations on amendments to the MOA.
3. To make recommendations on changes in practices and procedures to improve implementation of the MOA.
4. To recommend on renewal and term of renewal.

Membership
Richard Alway, President, University of St Michael's College
Vivek Goel, Vice-President and Provost, University of Toronto
Paul Gooch, President, Victoria University
Margaret MacMillan, Provost, University of Trinity College
Catherine Riggall, Vice-President, Business Affairs, University of Toronto
Pekka Sinervo, Dean, Faculty of Arts & Science

Process
The Review Team invited submissions for comments from the University community (Principals, Deans, Academic Directors and Chairs memo distributed broadly and an announcement in the *Bulletin)*. The Review Team met four times over the course of the winter and spring 2006-07. Both the 1998 MOA and the 2005 Mid-Term Review report

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[1] Review of the Memorandum of Agreement Between the University of Toronto and the Federated Universities: Report of the Review Team, June 30, 2005
http://www.provost.utoronto.ca/Assets/Reports/MOAreview2005.pdf

were reviewed by the Subcommittees (described below) along with input to the Mid-Term review from the University of Trinity College; the responses to the Mid-Term Review by Victoria University; and a submission to the Committee from Professor Derek Allen, Dean of Arts & Vice-Provost, University of Trinity College.

The Review Team formed four sub-committees to review and report on issues in four broad areas outlined below. The Subcommittees reviewed points of intersection, based on current operations, between the Federated Colleges and the University of Toronto in order to set out what is being done well and identify current and anticipated areas for improvement to be discussed.

- **Academic Subcommittee**. The Subcommittee reviewed Sections II, III and V of the MOA relating to college teaching, college Fellows, and academic services, as well as corresponding sections of the 2005 Mid-Term Review Report. The members of the subcommittee were Professor Derek Allen, Dean of Arts & Vice-Provost, University of Trinity College (Chair), Professor David Cook, Principal, Victoria University, Professor Mark McGowan, Principal, University of St. Michael's College, Professor Janet Paterson, Principal, Innis College, and Professor Pekka Sinervo, Dean, Faculty of Arts and Science.

- **Administrative, Budget and Space Subcommittee.** The Subcommittee reviewed the underlying principles for Block Grant funding and the suitability of the current MOA administration and funding. The Subcommittee explored alternative approaches that would better link funding to academic objectives and increase transparency and ease of administration. The members of the subcommittee were Professor Safwat Zaky, Vice-Provost, Planning and Budget (Chair), Mr. David Keeling, Bursar of Victoria University, Mr. Sandeep Malik, Senior Manager of Budget Planning and Administration, Mr. Geoffrey Seaborn, Bursar of University of Trinity College, Mr. Isaak Siboni, Faculty of Arts and Science, Mr. Ron Swail, Assistant Vice-President, Facilities and Services of the University of Toronto, Professor Paul Thompson, Director, Institute for History & Philosophy of Science & Technology, and Mr. Peter Venton, Bursar, University of St. Michael's College

- **Libraries Subcommittee**. The Subcommittee reviewed the section of the MOA (V.1) pertaining to libraries and considered various issues related to library funding through the MOA. The members of the subcommittee were Ms. Carole Moore, Chief Librarian, University of Toronto Library (Co-Chair), Ms. Linda Corman, Chief Librarian, University of Trinity College (Co-Chair), Mr. Jonathan Bengtson, Chief Librarian, St. Michael's College Library, Mr. Robert Brandeis, Chief Librarian, Victoria University Library, and Ms. Joan Leishman, Director, Gerstein Science Information Centre.

- **Student Life and Registrarial Subcommittee**. The Subcommittee reviewed Section IV of the MOA relating to Students and Student Services and looked broadly at matters related to student services. The members of the subcommittee were Ms. Susan McDonald, Registrar, Victoria University (Chair), Ms. Kelly Castle, Dean of Students at University of Trinity College, Mr. Damon Chevrier, Registrar, University of St. Michael's College, Mr. Glenn Loney, Registrar, Faculty of Arts and Science, Ms. Cheryl Shook, Registrar, Woodsworth College, Ms. Karel Swift, University Registrar.

Review of the Memorandum of Agreement
The review team re-affirmed the importance and value of the relationship between the University and the Federated Universities. The relationship is working well, particularly from an academic perspective. The communication and co-ordination between the offices of the University of Toronto and the Federated Universities is positive and fruitful. Relations among the officers of the institutions continue to be excellent. As per the conclusion of the 2005 Mid-Term Review, the fundamental purposes of the MOA are generally being fulfilled.

The four subcommittees formed by the Review Team reviewed processes in place that are working well and identified changes in practices and procedures to improve implementation of the MOA. The Review Team recommends that the changes and procedures identified be addressed as soon as feasible in light of the renegotiation of the Memorandum in 2007-08.

Academic Matters
The report of the Academic Subcommittee (Appendix 1) notes several matters of detail in the wording of the MOA in order to align with current practices. No major issues were identified. In reviewing the 2005 Mid-Term Review Report, the Subcommittee identified two areas of ongoing concern:

College Teaching: The Subcommittee recommends that the College Principals and the Dean of the Faculty of Arts and Science assess the current situation with respect to student access to courses sponsored by units within the Faculty that are essential or highly desirable for a College-sponsored program of study. This is recognized as a part of a broader issue related to student access to interdisciplinary courses in general.

College Fellows: College Fellow may be assigned College offices for a variety of reasons: A Federated University may voluntarily assign space in order that he/she be a part of the College community; space may be assigned as per the Fellow's role with an academic program of study associated with a College or University department; and office space may be historically located within a College.

The Review Committee recommends that each College review its own policies with regards to assignment of office space in light of the U of T *Policy on Assignment and Usage of Academic Offices*. In addition, the Review Team strongly recommends that a group be established to conduct a comprehensive space analysis and plan for the Colleges and consider space transitions, with continued discussions surrounding the aspirations of the Colleges and the U of T divisions over time.

The Subcommittee also noted that it would be helpful to define type and level of student services, such as academic skills development, that should be provided by the Colleges. This matter is addressed in the Administrative, Budget and Space Subcommittee section below.

Administrative, Budget and Space matters

The Administrative, Budget and Space committee Report (Appendix 2) highlights that a key objective going forward is to develop a method for predictably allocating resources. The report outlines the purpose and history of the Block Grant, noting that the grant formula has been reviewed several times with subsequent adjustments to it. The current method of allocating the block grant is labour intensive in terms of gathering information and is subject to annual fluctuations. The Subcommittee concluded that it would be better to have a method of allocation that leads to greater predictability and stability. Accordingly, the Subcommittee identified the objectives to be served by Block Grant Funding. They then examined and outlined the current model along with two alternative approaches, detailing the advantages and drawbacks of each.

The Review Team recommends that the Simplified Expense-Based Model ("bin" model) be the preferred model going forward. The model provides a more meaningful link to the services provided.

The number of bins and descriptions outlined reflect the interactions of the University and Federated Universities. Appropriate cost drivers, unit cost, and escalation factor would need to be identified for each of the bins and some bin drivers are inherently less predictable (for example, utility costs). Some bins are straightforward in terms of establishing cost drivers, base level and escalation factors (for example, the Occupancy bin). Others, such as the Academic Support, Library and Student Life & Registrarial Service bins require discussions on the type and level of service to be provided. This discussion would result in the development of principles relating to the levels of service.

The Review Team recommends that the Vice-Provost Planning and Budget, the Federated College bursars, and the Faculty of Arts and Science chief financial officer form a working group for the process of proposing for each bin:

- Definition of the scope (some bins may be divided in sub-bins),
- Driver(s),
- Unit costs/drivers, and,
- Annual escalation factor.

The working group should consult with chairs of the four subcommittees and others as necessary regarding the principles to be adopted for levels of service. The working group should meet over the course of the Summer 2007 with an aim to present a draft report by mid-September.

Libraries

The Libraries Subcommittee considered "changes, both recent and forecast, in patterns of library use and delivery of library services, in the context of determining the libraries' continuing and potential contribution to the strength of the University during the next decade" (Appendix 3). The Subcommittee proposes a revised section of the MOA pertaining to libraries that more clearly describes "the role and value of the college libraries within the university library system as a whole".

The subcommittee considered matters related to library funding through the MOA, including some aspects of the alternative funding models generated by the Administrative, Budget and Space Subcommittee. The Subcommittee concluded that until a decision is reached on a basic approach to future MOA funding, it was not possible to comment on the existing library-related formulae, which were scrutinized in the 2005 Mid-Term MOA review.

The Review Team recommends that the revised language related to the role of the Libraries is appropriate. Specifying the service side of the library bin will be a complex task given the observations of the subcommittee.

Student Life and Registrarial
The Subcommittee report (Appendix 4) highlights the importance of the University and College responsibilities to enhancing student life both inside and outside the classroom. As can be seen from the report and noted by the Academic Subcommittee, student academic skills development can be part of several areas, including curricular support. A listing of key services provided should be developed and should include academic support such as student advising, writing and math aid centres. A standard of expectation regarding level of service that staff will provide for students should be developed. The Review Team recommends that the University and Federated University staff who provide services to students should have equal opportunity for communication and development.

Overall framework of the Memorandum of Agreement
The MOA includes sections that relate to the nature and role of the St. George Colleges, including provisions that apply in whole or in part to both the Federated and Constituent Colleges.

Given the current practices among the University, Federated Universities, Faculty of Arts and Science and the Constituent Colleges, the Review Team recommends that the MOA should be split into separate component documents reflecting the different purposes it serves. This would provide clarity regarding the relationships and roles of the Colleges with the University. The following components are recommended:

Federation agreement with the University of Toronto
The agreements would take the form of one agreement among all three Colleges and the U of T. The administrative and operational sections of the current agreement would be included in separate operating agreements (see last section).

It was agreed that a draft text relating to the broad expression of the relationship of the University with the Federated Colleges would be drafted for consideration prior to formal negotiation.

Statement on the role of Colleges
This would be a Statement that outlines the role that all colleges, constituent and federated, play in student life and academic programs as well as outlining rights, responsibilities and accountabilities. This statement would incorporate those

elements of the current MOA which apply to all Colleges. It would be enabled by the Federation agreement.

<u>Operating agreements</u>
These would be agreements among the four institutions with regards to services, accountability reporting and funding. This would largely incorporate the appendices of the current MOA that cover the Block Grant replaced with the new methodology for allocations described above. The authority and process to amend the Operating Agreement would be specified in the Federation Agreement(s).

The Review Team recommends that a working group be convened to draft the federation agreement or template for federation agreement(s). All three components outlined above should be developed in parallel as part of the renegotiation of the MOA in 2007-08.

Reporting and Communication: Relationships of the level of the Executive Heads
The communication and co-ordination at the level of the Executive Heads of the University of Toronto and the Federated Universities has been positive and dynamic. In order that the excellent relationship continue, the Review Team recommends that attention be paid to the number and membership of meetings between the executive heads of the four institutions outlined in the 1998 MOA and in the 2005 Review with a view towards ensuring that meetings are well planned and productive.

Renewal and term of renewal
Given the recommendation of the Review Team regarding the change in the structure of the agreement between the University and the Federated Universities, the renewal and term of renewal will be dependent on the outcome of the model going forward. Ideally, the Federation agreement should be automatically reviewed, with the operating agreement(s) revisited on a periodic basis.

APPENDIX 1

Memorandum of Agreement Academic Subcommittee

Report to the Steering Committee, April 5, 2007

The Memorandum of Agreement (MOA) Academic Subcommittee was asked by the Steering Committee to examine the following sections of the MOA:

Section II: College Teaching
Section III: College Fellows
Section V: Academic Services

For the most part, the subcommittee's recommendations concern matters of detail in the wording of these sections of the MOA. No major issues were identified.

The subcommittee was also asked to examine the corresponding sections of the mid-term review of the MOA (June 2005).   Here the subcommittee identified two matters of ongoing concern (one pertaining to College Teaching, the other to College Fellows) and agreed upon a suggestion pertaining to the provision by Colleges of student services (including but not limited to services in the area of academic skills development); these points are covered in the final section of this report.

1. MOA Section II: College Teaching

(a) Section II should explain the authority that colleges have, as academic units, in respect of undergraduate programs. This authority should be distinguished from the more general authority that the Faculty of Arts & Science has for degrees.

(b) Section II should also give an account of the appropriate role for colleges in graduate education (and thereby explain how colleges could participate in graduate programs). In this connection the subcommittee noted that no college has responsibility for a graduate program, but that a college can provide administrative space or other resources for a graduate program.

(c) Section II.1 Programs and Courses. It would be preferable to speak of colleges sponsoring programs of study within FAS, rather than (as in the present document) of colleges "offering" degree programs. There are two points here: "sponsoring" should replace "offering" and "programs of study" should replace degree programs". Colleges sponsor programs of study; the Faculty offers degree programs. (The word 'program' is defined in the MOA, at p. 1, as follows: "a degree program, including specialist, major or minor program, or a certificate or diploma program, offered with the approval of the Academic Board of the University of Toronto".)

(d) It should be explained that programs of study are to be understood in section II as comprising specialist, major and minor programs. As such, they differ from collections of courses such as Vic One or Trinity One, which in a sense are "programs" but are not programs of study in the indicated sense.

(e) Section II.1d speaks of "courses with College prefixes". Many such courses are part of a program of study, but some are not.

(f) Section II.2 Procedures for Establishment and Review. There needs to be further clarification of the process for approving certificate and diploma programs (a topic subsumed under II.2a).

(g) Section II.2c says that no more than seven years shall elapse between external reviews of an individual program. A more appropriate maximum interval might be 10 years; this would be

consistent with the requirements of UPRAC (Undergraduate Program Review Audi Committee). The section should speak of programs of study, rather than of programs.

(h) Section II.3 Access. Students should have uniform access to programs of study regardless of their college affiliation. (This point is part of what is conveyed by II.3.a: "No student shall be denied access to a course or program offered in or by a College on the ground that the student is not registered in that College".)

(i) Section II.3b speaks of a course under II.1d "that is paid for by a particular College". The phrase "paid for by a particular College" should be deleted; it is redundant, since any course under II.1d (i.e., a course with a college prefix or a 199Y course offered by a college) is "paid for" by the college in question.

(j) Section II.4 Teaching Appointments: The Federated Universities. II.4b concerns tenured or tenure-stream appointments made by the Federated Universities where, through cooperative arrangements, the appointee is expected to teach in the programs of the University. II.4bii should say that "the area of appointment should reflect a partnership between College and Graduate Department (rather than, as at present, "between College and Department"). A separate clause pertaining to lecturers should be included in this sub-section because teaching-stream appointments need not reflect a partnership between College and Graduate Department but need only be "compatible with the Faculty's academic plan".

(k) The final sentence of II.4d ("In the case of dismissal, the Federated University and the Dean of the Faculty involved will act conjointly") should be amended to say that in the case of dismissal the Head of the Federated University and the President of the University of Toronto will act conjointly.

(l) Section II.5 Teaching Appointments: The Constituent Colleges. 11.5a says in part that "[u]nder the University of Toronto Policy and Procedures on Academic Appointments, a constituent College may not be the place of primary or secondary appointment for the purposes of consideration for and award of tenure". The relevant section of the Policy is apparently 18.i, which says in part: "Members of the teaching staff may hold cross-appointments to University College, New College, Innis College, the School of Continuing Studies, and Woodsworth College, but such appointments should not be designated as the primary or secondary appointment unit for the purposes of this document." The Policy also covers the topics of II.5b and c, but it is not referred to in those sub-sections.

(m) Section II.6 Teaching in College Programs. The second sentence in II.6a says: "In staffing their programs and courses, Constituent and Federated Arts College Principals shall consult with the Dean and appropriate Chairs to determine if departmental staff are available". This sentence should be deleted.

(n) The first sentence in II.6c should be amended to say that "Constituent Colleges may appoint non-tenured *or non-tenure-stream* teaching staff from time to time, and the Federated Arts Colleges may employ teaching staff, other than their own tenured *or tenure-stream* faculty members or members of Departments, to teach in College programs and courses."

(o) II.6d says: "In their relations with any teaching staff, tenured or non-tenured, who teach in University of Toronto programs or courses, the Federated Universities shall observe policies and procedures similar to the policies and procedures of the University of Toronto, as amended from time to time." It is unclear what is meant by the Federated Universities' "*relations* with any teaching staff, tenured or non-tenured, who teach in University of Toronto programs or courses" (italics added).

2. Section III: College Fellows

(a) Section III.1 Selection. III.1b should be amended along the following lines: "A College that wishes to appoint a Fellow from the existing faculty of the University of Toronto shall consult the chair of the relevant Department or Departments or, where the individual is not a member of a Department, the Dean of the relevant Faculty, *early in the process of considering the individual for a Fellowship appointment so that the interests of the Department or Faculty may be appropriately considered."* (On this amendment, the words "before the College formally confirms the individual's status as a Fellow" would be deleted from III.1b as it now stands.)

(b) Section III.2 Duties and Privileges. Sentence 1 in III.2a. ("It is desirable that a significant number of the Fellows have offices in their own College") should be replaced by a sentence to the following effect: "A College may offer an office to a Fellow provided that it would be consistent with University policy for the Fellow to have a College office".

(c) III.2.b says: "Departmental chairs have responsibility for assigning teaching duties to all members of their Department. In making assignments for Fellows, however, the chair shall attempt, subject to the needs of the Department, to enable Fellows to do as much of their teaching as possible in their own College facilities." The prescription in the second sentence is out of date; III.2b should be deleted.

(d) III.2c should be amended as follows: "While recognizing the primacy of their departmental *obligations* [deleted "and research responsibilities"], Fellows shall be expected to involve themselves in the academic *and community* life of their College; they should be willing, for example, to counsel students and to participate in the work of College committees."

(e) III.2d says: "All teaching that is part of the regular load, regardless of course designator, shall be given the same weight in the awarding of merit increases as well as in the granting of tenure and promotion." This provision should be relocated to II.6 Teaching in College Programs.

3. Section V: Academic Services

(a) Section V.1 Libraries. The Academic Subcommittee reviewed a draft of a revised text proposed by the Libraries Subcommittee to replace V.1 and gave the Libraries Subcommittee comments on the draft.

(b) V.2 Academic Skills Development. (1) The first sentence should be amended as follows: "Colleges have *a special responsibility* [these words replace "special responsibilities"] for the development *of the academic skills of their students"* [these words replace "for the development of the skills required by their students for academic study"]. (2) The second sentence says: "In co-ordination with services offered by other units in the University, Colleges shall offer programs, workshops, labs or tutoring in such areas as:

      a. proficiency in language, reasoning, and writing
      b. mathematical sciences and analytical proficiency
      c. computer and computing skills"

The word "programs" in this sentence should be deleted; the words "computer and computing skills" should be replaced by the words "research skills". The sentence will then say: "In co-ordination with services offered by other units in the University, Colleges shall offer workshops, labs or tutoring in such areas as:

> a. proficiency in language, reasoning, and writing
> b. mathematical sciences and analytical proficiency
> c. research skills"

4. The Mid-Term Review of the MOA (June 2005)

(a) Section II: College Teaching. The final sentence says that "the Federated Universities still seek greater co-operation from Departments for student access to specialized departmental courses which have limited enrolments but are essential to a student's successful completion of an interdisciplinary College program". The reference here should be to the Colleges in general, not to the Federated Universities in particular. The access concern continues to be pressing, given high enrolments. Moreover, it is shared not just by interdisciplinary College programs but by all interdisciplinary programs that are not department-based. We recommend that the College Principals and the Dean assess the current situation.

(b) Section III. College Fellows. The second sentence says: "The recent practice of consolidating some departments in a common location … present[s] some challenges to the Federated Universities in maintaining diversity among the College Fellowship". Again, the reference should be to "the Colleges", not to the Federated Universities in particular. The concern raised continues to merit attention.

(c) Section V.1 Libraries. This section deals with grant-related matters and was therefore outside the subcommittee's purview.

(d) Section V.2 Academic Skills Development. This section says: "It was pointed out by one institution that compensation for writing services are [sic] not included in the Block Grant, but these are important services offered by the Federated Universities to University of Toronto students". This point bears on the provision by Colleges (in general) of student services (in general). It would be helpful to define a common standard (or standards) of student services that the Colleges are expected to provide and to devise a transparent, equitable mechanism for funding these services that allows for flexibility across the different Colleges.

Members of the Academic Subcommittee

Derek Allen (chair)
David Cook
Mark McGowan
Janet Paterson
Pekka Sinervo

APPENDIX 2

Federated Colleges
MOA Review – 2007

Administrative, Budget and Space Subcommittee

Subcommittee Report

24 May, 2007

Terms of Reference

- Review the underlying principles for Block Grant funding

- Review suitability of the current approach to MOA administration and funding

- Explore alternative approaches that would better link funding to academic objectives and increase transparency and ease of administration

- Recommend a funding framework to be used in MOA negotiations next year

- Ensure that the framework anticipates future developments and is sufficiently flexible to accommodate administrative and structural changes in the participating institutions

- Ensure coordination with all the Subcommittees involved in the review process

- The Subcommittee should present an interim report around the middle of March for discussion. The final report should be submitted five to six weeks later.

Membership

David Keeling
Sandeep Malik
Geoffrey Seaborn
Isaak Sibony
Ron Swail
Paul Thompson
Peter Venton
Safwat Zaky (Chair)

Review of Block Grant Funding

The Block Grant is that portion of the funding provided by the University of Toronto in partial support of the infrastructure and operations of the Federated Colleges. The costs covered by the Block Grant include expenditures on space, libraries, student services, and so on, but do not include instructional costs. Instructional costs are funded separately by the Faculty of Arts and Science.

The Colleges provide services primarily to registered students, but the courses they offer and facilities such as their libraries are open to all U of T students. Currently, about 9000 students are registered in the Federated Colleges. The Colleges also house and offer support services to about 180 faculty members.

The current formula for determining the Block Grant is based on the principle of providing funding at a level comparable to expenditures on peer services at the University of Toronto. While the formula describes in detail the services to be included in the calculations, the Colleges are free to deploy these funds as they see fit to provide the best service to students.

The current grant formula has been reviewed several times — most recently in 2005 — and each time some adjustments were made. However, the formula is complicated and requires data that are not always easy to obtain or verify.

The committee examined several approaches to Block Grant funding. Consistent with the recently introduced budget model for the University of Toronto, our objective has been to develop a funding formula that

- links funding to the services that support academic objectives and the quality of student experience,

- is based on a small number of relevant, readily available and verifiable parameters, and

- allows for appropriate adjustments to funding each year in a manner that is fair to all parties, consistent with changes in service, revenues and costs.

- Provides for stable and predictable funding from year to year.

The committee discussed several approaches to funding. The main alternatives considered are summarized below, starting with the present model.

A. Present Model

The present model estimates the cost of the services provided to students and faculty by the Federated Colleges based on the cost of peer services provided by the University of Toronto. Key parameters in determining the grant are amount of space, library circulation statistics, number of students registered and faculty housed in the Colleges.

- The advantage of this model is that it recognizes expenses at a detailed level. It also links funding to the services provided to the students. Hence, it is generally believed to be fair, at least in principle.

- Its main drawback is that the cost of peer services is not easily established. In a large and complex enterprise such as the University of Toronto, services are not necessarily provided within well-defined organizational units, and hence do not always have clearly identifiable costs. Determination of the cost of peer services is further complicated by organizational changes that take place from time to time.

- Funds are fungible among various budget envelopes. As a result, the Block Grant, being based on a subset of these envelopes, may change unpredictably from year to

year. The resulting changes can have a significant impact on the budgets of the Federated Colleges.

- Some members of the committee feel that the principle of using the cost of peer services as the basis for funding is inappropriate because College costs may be different. The Colleges are not able to take advantage of the economies of scale to the same extent as the University of Toronto.

- The Bursars submitted a report as part of the 2005 review which detailed the difficulties they have encountered in the implementation of the present model.

B. Revenue-Based Model

The Federated Colleges provide a portion of the services that students receive as part of their education and university experience. Accordingly, the Block Grant, which funds these services, can be expressed as a percentage of the per-student revenue that the University of Toronto receives from tuition and government grants. With this percentage established, the Block Grant can be calculated each year based on the number of students registered in the Federated Colleges. As tuition and grant revenues change each year, the level of per-student funding would change and so would the level of the Grant.

- The main advantage of incorporating total grant and tuition revenues in Block Grant calculations is that together these two components constitute the major part of the funding available to the University of Toronto and its affiliates to operate. When these revenues increase, e.g. when the government provides additional funding to enhance quality, all participants should benefit. An increase in funding should lead to service enhancement for all students. Linking the Grant to total revenues also introduces a realistic constraint — that costs must be sustainable within the available funding. Hence, using total revenue as a key parameter in determining the Block Grant is fair to all parties.

- One of the key features of the new budget model recently adopted by the University of Toronto is transparency of revenue and expense. As a result, revenue data are readily available in the University's budget documents. All components of government funding are used to determine an effective value for the Basic Income Unit (BIU), which is the basis for attributing government grant funding to the academic divisions. The same BIU value could be used in computing the Block Grant.

- Under this model, funding is directly proportional to the number of students. On the one hand, this is a desirable feature because the number of students is a measure of the effort of providing services to them. On the other hand, College services are available to the entire student population at the University of Toronto, not just to those who are registered in the Colleges. This aspect would not be recognized in the Block Grant if the funding level is proportional to the number of registered students.

- The Block Grant, which is about $10M, is a small fraction of the total grant and tuition revenue of the University of Toronto, which is on the order of $800M. A formula that derives the Block Grant from the total University revenue requires many assumptions to be made that would be difficult to justify. Small changes could lead to large swings in the value of the Grant.

- This model does not automatically account for the services provided to faculty members housed in the Colleges. If the model is adopted, some methodology would be needed for including these in the formula.

- A member of the Committee requested that funding for instructional services offered by St. Michael's College that are not currently funded be included in the Block Grant. He further suggested that the revenue model would be suitable for this purpose. As instructional funding is outside the terms of reference of this subcommittee, and the member was invited to write a separate letter on this matter expressing his own views.

C. Simplified Expense-Based Model

This model is a simplified variation of the present model in which costs are grouped into bins, such that each bin represents an identifiable service or function. Using a higher level of aggregation of costs provides a more meaningful link to the services provided. Where the costs of peer services at the University of Toronto are needed, they are more easily identified, particularly under the University's new budget model.
The following cost bins were discussed.

1. Occupancy costs
2. Library services
3. Student life and registrarial services
4. Academic support
5. Administrative support

A brief discussion of each of these cost bins is given below. Only a framework for determining the Block Grant is presented. Details and exact formulae will need to be developed in the second phase of the MOA review.

Bin 1: Occupancy Costs

The space bin includes the cost of utilities, building maintenance, custodial services and insurance. The cost per NSM (Net Square Meters) should be based on corresponding costs at the University of Toronto. Two sub-bins are proposed, one for utilities and the other for all other services.
Space costs at the University of Toronto are now clearly identified on a per-building basis for the purpose of cost attribution to divisions under the new budget model. These are aggregated costs that include expenses for grounds maintenance, snow removal, fire prevention, policing, etc., as well as administrative overheads and other indirect costs. As such, they are very well suited for use as a basis for determining the Block Grant component related to space costs.
Utilities usage in some University of Toronto buildings is very high because of the special needs of research laboratories. For this reason, it is proposed that utilities costs be based on the average per-NSM costs of the same peer buildings named in the present model (Sigmond Samuel, Sidney Smith, University College and 215 Huron). The cost of cleaning and other services does not vary significantly among buildings, except for a few buildings that include child care services or house animals. Hence, either the average for the same peer buildings or the average for all university buildings with appropriate adjustment for special buildings may be used in determining the per-NSM value for these services.
The committee discussed briefly the costs of deferred maintenance, which are not currently funded under the Block Grant. As these represent capital renewal they have been considered the responsibility of the building owners. The Federated Colleges receive a share of provincial funding for facilities renewal (the FRP Grant), and the remainder of the funds needed are provided from other College sources or from U of T infrastructure funding on a case-by-case basis.

Bin 2: Library Service

As the library subcommittee has observed, the libraries at the Federated Colleges serve students, faculty, alumni and other constituents of the University. They offer expert advice and connect members of the University to information resources. They are well positioned to develop specialized collections and to support collaborative and local initiatives. Funding for the library component of the Block Grant should be consistent with this vision. It is proposed that the cost bin for library services be divided into two sub-bins, one for library acquisitions and the other for student support, circulation and all other services. Funding for each of these two sub-bins should be based on the cost of corresponding services at the University of Toronto. The committee has charged the Chair to work with the University's Chief Librarian to propose suitable components of the University of Toronto Library budget that best match the services and acquisitions profile at the Federated Colleges.

Bin 3: Student Life and Registrarial Services

The Federated Colleges provide a variety of registrarial and counselling services to students. Funding for this activity under the present Block Grant formula uses peer service at the University of Toronto, namely in the constituent colleges, to establish a per-student rate. This model has proven unsatisfactory, because it is highly dependent on annual changes in the internal allocations of college budgets and how various expenses are recorded in the University's financial system. Significant year-to-year variances have been observed.

As in the case of library services, funding should be consistent with the recommendations of the Subcommittee that reviewed registrarial services. A new approach is proposed for determining this component of the Block Grant. An initial value should be established for the first year of the renewed agreement. In subsequent years, funding should be indexed using a suitable escalation factor. The Committee has also charged the Chair to discuss services and funding with the Registrar of the Faculty of Arts and Science to identify any other factors that need to be taken into consideration.

The selection of the escalation factor is discussed in the next section of the report. As the use of automatic indexation may cause funding for registrarial services to deviate materially over time from actual costs, the value of the grant may be reviewed once every five years.

Bin 4: Academic Support

The Federated Colleges provide space and support services to University of Toronto faculty and teaching staff. They also support student learning through services such as mathematics and writing centres and through counselling and advice on academic matters. The cost of space is covered under bin #1. As in the case of registrarial services, the identification of the cost of peer services at the University of Toronto is very difficult. Hence the same approach is proposed for this component of the grant. An initial value should be established using recent funding, combined with annual indexation and a cyclical review.

Bin 5: Administrative Services

The present grant provides funding for several administrative positions, including the position of a Financial Officer, a Development Officer and support personnel. The approach used for bins #3 and #4 should also be used for administrative services. The Colleges have requested an increase in this bin to support a Student Services Officer.

Another possible approach for this bin is to express administrative costs as a percentage of the total value of the first four bins, excluding the cost of utilities. The breakdown in funding among various services in recent years may be used to establish this percentage.

Annual Indexation

The Block Grant formula should include clear methodology for indexing the level of funding. The indexation methodology must recognize two factors, the rising cost of service and the annual increases in University revenue. In recent years, increases in revenue have failed to match increases in cost, and the University and its affiliates have been forced to impose cost containment measures and productivity improvements to balance theirs respective budgets.

In the case of bins #1 and #2, indexation is built into the proposed methodology for computing the costs associated with space and library services. As expenditures in these areas increase at the University of Toronto, the increase will be automatically reflected in the value of the corresponding components of the Block Grant. The same will happen when the need for cost containment and the associated increase in productivity result in a reduction in expenditure.

Bins 3 to 5 require the grant to be indexed explicitly each year using a suitable escalation factor. The selection of this factor must be informed by the same considerations of cost increases and limitations on the increase in revenue. Consistent with the underlying philosophy of this model, the escalation factor should be based on information that is readily available and verifiable.

Possible indices for annual Grant escalation are salary grid increases at U of T, CPI and the increase in total revenue per student. CPI is a measure of cost increases in personal spending, and as such it drives wage increases. In recent years, the difference between these two indices has been close to the cost containment measures that the University had to implement.

The total revenue per student is the sum of the operating grant per student and tuition fees. This is a direct measure of the funds available to the University to operate. It has the advantage that a share of increases in Provincial Government funding would flow through to the Colleges; thus all students would benefit equally.

Additional costs

There is no funding in the present Block Grant for liability insurance. The Bursars have asked that this be considered as the funding details are determined in the next phase of the review.

Concluding Remarks

Two options for determining the Block Grant have been outlined in this report. Either of these models would be a significant improvement over the formula currently in use. The revenue model has the advantage of linking the Block Grant to the total per-student revenue available to the collective enterprise to provide services to the students. However, deriving a value for the Grant from the total revenue requires too many assumptions to be made, possibly rendering the final value of the grant somewhat subjective.

The cost bin approach retains the concept of linking funding to the cost of peer services at the University of Toronto. It provides a clear link between funding and the services provided. It deals with costs at a higher level of aggregation relative to the present model, thus making the grant independent of detailed budgetary allocations and accounting practices within various units at the University.

The methodology for grant escalation should provide reasonable compensation for costs, recognize the need for all parties to increase productivity and ensure that all students benefit from equitable levels of funding.

APPENDIX 3

**Report of the Libraries Subcommittee to the
Steering Committee to Review the Memorandum of Agreement (MOA)
between the University of Toronto and the Federated Universities**

The Libraries Subcommittee met four times and consulted with the chairs of the Academic Subcommittee and the Administrative, Budget and Space Subcommittee, as well as the librarians of the constituent colleges. Members carefully considered changes, both recent and forecast, in patterns of library use and delivery of library services, in the context of determining the libraries' continuing and potential contribution to the strength of the University during the next decade. The recent Faculty of Arts and Science Curriculum Review was also considered.

After reviewing the section of the current MOA (V.1) pertaining to libraries, the subcommittee proposes the appended revision, which constitutes the main substance of this report. It is the view of the subcommittee that the principles and responsibilities enunciated in the revised section clearly describe the role and value of the college libraries within the university library system as a whole.

The subcommittee also considered various issues related to library funding through the MOA, including some aspects of the alternative funding models currently generated by the Administrative, Budget and Space Subcommittee. However, until a decision is reached on a basic approach to future MOA funding, it did not seem appropriate to comment further on details of the existing library-related formulae, which were scrutinized in the mid-term MOA review. However, the subcommittee offers the following general observations:

- Insofar as the federated college libraries serve the entire university community in distinctive ways with both their collections and services, they are not comparable to other college-based services intended only for the students of the particular college.

- The proven value of consistency among college libraries and UTL in the provision of information technology for students and faculty argues strongly for the continuance of UTL's direct support for public-access workstations through the Information Commons (including hardware, software, network and associated technical staff), with an even greater level of collaboration in planning and implementation.

- A significant share of the capital and ongoing operational costs of the college libraries is borne by the colleges through their endowments, thereby substantially enhancing the value of the University's investment.

Respectfully submitted,

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Linda Corman
Jonathan Bengtson
Robert Brandeis
1 May 2007   Joan Leishman

Revision of the Memorandum of Agreement (MOA) between the University of Toronto and the Federated Universities (1998), Section V.1: *Libraries*
Proposed by the Libraries Subcommittee of the Steering Committee to Review the MOA

V. Academic Services

V.1. Libraries

a. As centres of intellectual community across the campus, the College Libraries serve students, faculty, alumni, and other constituencies of the University. Offering expert, personal service, they effectively introduce and connect members of the University to information resources in the campus system and the wider world. They collaborate with each other and with other U of T libraries on collection development policy, information literacy and service delivery.

    They provide a substantial number of conveniently located, secure and attractive formal and informal study spaces, and are valuable as academically supportive community bases for both resident and non-resident students. The College Libraries are well positioned to respond efficiently to specialized and immediate academic needs emanating from the Faculty of Arts and Science, as well as collaborative and local initiatives. College library resources are available to all members of the University.

b. The College Libraries are to the central UTL as small classes are to large lectures. As such, they shall collaborate with the central UTL to contribute to the strength of the University in six principal ways:

    i.   *Information Literacy*: Students and faculty shall receive both individual, personalized assistance and group instruction in the use of library and information resources to strengthen research skills and foster information literacy, thus contributing to their success in the pursuit of their academic objectives;
    ii. *Technology*: Students and faculty shall enjoy user-friendly decentralized access to information technology and digital resources through well-equipped local Information Commons sites, supported centrally and staffed to deliver focused assistance at the time of need;
    iii. *Resources*: Students and faculty shall find conveniently and efficiently accessible resources that are in high demand to support the curriculum; this requires local, targeted acquisition of print and other media, as well as facilitation of access to e-resources;
    iv. *Research*: Student and faculty research opportunities, as well as the stature of the University in the global academic arena, shall be significantly enhanced by the diligent, creative, and historic development of specialized collections and the associated expertise, in accordance with collection policies complementary to others in the University of Toronto library system;
    v.   *Community*: Students and faculty from all parts of the University shall enjoy a community environment characterized by decentralized, hospitable, attractive, and secure facilities—a place conducive to study and research;

        vi.   *Connections*: Students and faculty shall have access to a broad base of information expertise which is distributed and shared between the College libraries and other libraries across the University.

University funding for the Federated Universities shall provide appropriate support for these objectives.

c. The Chief Librarian of the University shall chair a Librarian's Group to oversee the operations of this section of the Memorandum, such group to include the chief librarians of the federated college libraries and any other members approved by the Group.

d. It is recognized that the above principles of this section apply especially to the libraries of the Federated Arts Colleges. Constituent College libraries may support only some of the objectives of V.1.b. Where a Constituent College makes its library an academic priority, it shall be expected to seek and deploy its funding in ways that reflect the University priorities.

1 May 2007

APPENDIX 4

**Report of the Memorandum of Agreement
Student Life and Registrarial Subcommittee.**
May 4, 2007

A) Student Life and Registrarial Services

The Colleges recognize the importance of the pursuit of learning both inside and outside the classroom. The Colleges, the Faculty of Arts and Science, and the areas under the Vice Provost Students all recognize the need for an integrated, cooperative response to students' needs. The provision of student services and support for student life within the College is carried out through and among a variety of offices. Each college's Registrar's Office and Dean of Students' Office share a responsibility to support all the students in their College. The interrelation of these roles requires close coordination and collaboration, both within each College and beyond. These Offices have unique responsibilities, but very much share the responsibility for providing holistic support in a University environment focusing on the experience of the whole student.

B) Coordination of College Services with Other Divisions of the University

The members of the College Registrar's Group have been coordinating closely and effectively with each other and with the Faculty of Arts and Science for many years. This consultative, cooperative activity should be continued and enhanced. Recently, the College's Deans of Students have undertaken to coordinate the roles and services provided by staff in the Deans of Students' Offices. College Deans have formed a group modeled on the Registrars' Group to share information, collect best practices and address common concerns.

Cooperation and coordination between the Colleges and the Faculty of Arts and Science is longstanding, but has intensified in recent years with the newly-strengthened focus on the student experience. For example, the Faculty's Student Experience Working Group (co-chaired by the Dean of Arts and Science and Vice Provost Students) identifies concerns that cut across jurisdictional lines and involves relevant players in their resolution. The same can be said for the Task Force on International Student Transition. Both groups have also drawn on expertise from Student Services and Student Affairs. The University has also assisted in a coordinated approach to students with the Provost's Council on the Student Experience, which has broad membership from across the University. The newly-established Council of First Entry Deans (CFED) also offers tremendous potential to coordinate and help plan support for all first-entry undergraduates across all three campuses. The issue of coordinating central student services with those offered by the Colleges is important and is being addressed by many councils and committees including the current Restructuring of Student Life Services and Programs initiative. College input has been an important aspect of this project.
Continued and enhanced coordination of student life and support services with the Colleges is essential in improving the student experience. Future initiatives to address the student experience by Colleges, by the Faculty and by the University will include representation from the other parties and aim at coordinated effort. In particular, the expertise of the Deans of Students will be drawn upon in appropriate ways.

C) Recruitment

Recruitment has undergone a change in the past decade; the University and especially the Faculty of Arts and Science have been more actively engaged in recruiting. Professional recruitment staff play an increasingly important role but registrarial, student services and student life staff in the Colleges continue to play a valuable role, especially in the period just before and after the offers of admission are sent out. College participation in recruitment events is largely ad hoc, with staff from the Colleges making themselves available when they could afford the time or the related costs. Staff time and resources have been differentially available across the Colleges so engagement has not been predictable.

The First-entry Recruitment Advisory Council (FERAC) recently established by CFED should lead to better collaboration, coordination, and clearer expectations for recruitment across the university. Given that Colleges are a valuable asset to the recruitment process, the subcommittee recommends that:
   i)   the role of Colleges in University, Faculty and College recruitment be clarified;
   ii)   once clarity and coordination have been achieved, the issue of differential capacity to participate among Colleges, i.e., differentially-available resources, should be addressed.

Since the admissions process begins with a single application and ends with a single, layered offer of admission, participants in this process recognize they must cooperate to have a process generating the best collective outcome for all participants. Similarly, since recruitment activity is perceived by applicants as a coordinated, unified message, all institutional participants must recognize that their activities in the recruitment arena have an impact on institutional outcomes and the outcomes of the other participants. With this in mind, the Subcommittee recommends that:

   iii)   as part of clarifying and coordinating the role of the colleges, the role of differential sub- admission process elements and differential bases of admission be addressed and clarified:
   iv)   the issue of Colleges developing or maintaining relationships with special recruitment constituencies be addressed and clarified.

D) Human Resources/Staff Development:

Registrarial and student life staff in the Federated Colleges provide advice, counselling and support to students as do their counterparts in the constituent colleges; however, because their employers are the Colleges rather than the University, they do not always have access to the same communication vehicles and opportunities for professional development. This is especially true for the professional and managerial staff in the Federated Colleges. The University increasingly relies on the P/M listserve to send information to senior managers, including many PDAD&C communications, but the Federated senior managers are not part of that list. Given that materials distributed in this way are effectively public domain, it should be a relatively easy matter to add them, to ensure that important information they need to know does not depend on their Principals or on the Faculty or University Registrars.

Training and development of student services staff is very important. Students benefit when student services staff are properly trained and are well informed. Staff in the

Federated Colleges should enjoy the same access to staff development/human resources opportunities as the staff in the constituent Colleges. In particular, the new institutional emphasis on student learning will require that all staff in the Colleges have access to the same training and development.

Finally, the recent employee satisfaction survey conducted by the University did not include the Federated College administrative staff. These are people who are key to the experience of U of T students, and even though they are not University employees per Se, it is in the interests of both their Colleges and the University to gauge their morale and job satisfaction.

E) Career Advising

When students seek academic advising - advice about academic programs and courses - the issue of careers and vocations is often central to the discussion. College advising staff provide career advice and information as a regular part of the academic advising process. The University should recognize this advising role and should endeavour to make available its institutional expertise to enhance it through staff development and training to ensure that students are getting the most effective advice and information possible.

F) Use of title of *Registrar*

The members of the subcommittee were in agreement that the use of the title of College Registrar should be retained. There are strong historic reasons for using this term and while it may seem confusing to outsiders, once students are enrolled at the university they very quickly understand the role of the College Registrar as their "reliable first-stop" for advice, information and support.

G) Academic Skills Development

All colleges provide a variety of academic support services such as Writing and Tutorial Services, Library Support Services and Mentoring Programs. These services are heavily used and provide essential support to students. The recent Curriculum Renewal process in the Faculty of Arts and Science has highlighted the need for enhanced academic support services for students, particularly those in academic difficulty and our subcommittee supports this recommendation. We agree that it is very important to ensure a consistent level of service, high standards, a coordinated effort, and adequate funding across all Colleges for these support services.