

## Tri-Campus Review/Budget Model Review Tri-Campus Budget Relationships Working Group

### Terms of Reference

#### Context: Tri-Campus Review

The University of Toronto has a unique tri-campus structure, bound together by a shared identity and a set of genuinely tri- or bi- campus graduate programs and departments. It is the product of a 50-year evolution, with the Mississauga and Scarborough campuses transforming themselves from small undergraduate colleges, to mid-size educational entities hosting a wide range of graduate and undergraduate offerings, and strong programs of research.

Towards 2030 stated the University's long-term intent to create a regional 'University of Toronto system', characterized by three campuses with increasingly strong individual campus identities. In light of this, the University has launched a review of the relationships among its three campuses, under the theme identified in Towards 2030, "*One University, Three Campuses.*"

The Tri-Campus Review will be guided by a steering committee and will be built on five pillars, each with its own working group. Each working group will have tri-campus representation, will develop principles to guide future decision-making and will propose changes to policy and procedure as appropriate.

The five pillars are:

1. Academic Planning and Academic Change
2. Graduate Units
3. Student Services
4. Administrative Structure
5. Budget Relationships

#### Context: Budget Model Review

The University's budget is the mechanism by which operating funds are allocated to various divisions in the institution. As such, it is a key tool in the management of the University, particularly in enabling it to fulfill its mission and achieve its academic goals. The current budget model was adopted in 2006 and was developed based on the recommendations of the Task Force to Review Approach to Budgeting.

The first review of the new budget model, conducted in 2011, concluded that the budget model was serving the University very well and that no significant change in direction was required at the time. As provincial support for the University continues to decline as a share of total funding and begins to shift toward performance-based metrics, the current environment provides us with an opportunity to address emerging issues and ensure that the budget model will continue to serve the University well into the future.

The Budget Model Review will be guided by a steering committee and will include five working groups, each with a different mandate:

1. Strategic Mandate Agreement (SMA) Implementation Committee, which will analyze the implications of funding formula changes for the University's budget model;
2. Cost Efficiencies Working Group, which will identify opportunities for efficiency and recommend incentive structures;
3. Alternative Funding Sources Advisory Group, which will explore best practices and recommend strategies to develop alternative funding sources;
4. Tri-Campus Budget Relationships Working Group, which will identify and analyze tri-campus budgeting and resourcing arrangements, opportunities, and challenges, and whose work will overlap with that of the Tri-Campus Review;
5. Inter-Divisional Teaching Working Group, which will develop an institutional financial framework for inter-divisional teaching at the undergraduate level.

### **The Tri-Campus Budget Relationships Working Group**

While the Tri-Campus Review and the Budget Model Reviews are separate processes, they share an interest in exploring tri-campus budget relationships. The Tri-Campus Budget Relationships Working Group is a single, common entity whose work will feed into both of these reviews.

#### **Membership**

Professor Scott Mabury, Vice-President, University Operations (Chair)  
Andrew Arifuzzaman, CAO, University of Toronto Scarborough  
Judith Chadwick, AVP, Research Services  
Brian Coates, CFO, Faculty of Applied Science & Engineering  
Nancy Edwards, CFO, Faculty of Medicine  
Mary Lyne, CAO, Rotman School of Management  
Kim McLean, CAO, Faculty of Arts & Science  
Trevor Rodgers, AVP, Planning & Budget  
Susan Senese, Interim CAO, University of Toronto Mississauga

#### **Timeline**

The Tri-Campus Budget Relationships Working Group is expected to have completed its work by mid-2019.

#### **Scope of Mandate**

The Budget Relationships Working Group will support the objectives of the Tri-Campus Review and the Budget Model Review by considering ongoing and emergent budget issues such as:

1. Campus costs: review the processes of planning and budgeting for the cost of campus services
  - delineate between costs that are unique to campuses and those that are the responsibility of all academic divisions;
  - consider the appropriate level of engagement in planning, including the overlap between campus cost planning and the DAC process;
  - ensure that campus costs are appropriately reflected in the allocation of University-wide costs; and
  - transparently and accurately report on campus costs in the University's annual budget report and long-range budget guidelines.
2. Inter-divisional teaching (undergraduate): review the impact of campus costs on the institutional inter-divisional teaching framework.
3. Graduate program budgets: review the allocation of revenues and expenses for tri-campus graduate units, including tuition, grant, other income, graduate funding packages, program expenses, division-level and campus-level overhead costs, faculty office space, connections to undergraduate departmental budgets, faculty supervision and workload, and other related costs.
4. Indirect costs of research: identify operating costs incurred related to faculty research grants and ensure the appropriate attribution of the recovery of indirect costs from restricted funds.

In order to ensure clarity and avoid overlap across working groups, the Budget Relationships Working Group's mandate will NOT include analysis of student services budgets funded from student fees, which falls under the purview of the Student Services Working Group.