Published on *University of Toronto Faculty Association* (https://www.utfa.org)

Laurentian Finances/U of T Finances

February 11, 2021

We understand that the situation at Laurentian University is deeply concerning. Laurentian's financial challenges and the uncertainty of the provincial government's response to it is causing profound stress and fear for students, families, staff, and others in Sudbury and beyond. UTFA is working with the Ontario Coalition of University Faculty Associations (OCUFA) and the Laurentian University Faculty Association to demand public funding to secure Laurentian's future. Please consider signing the petition found here.

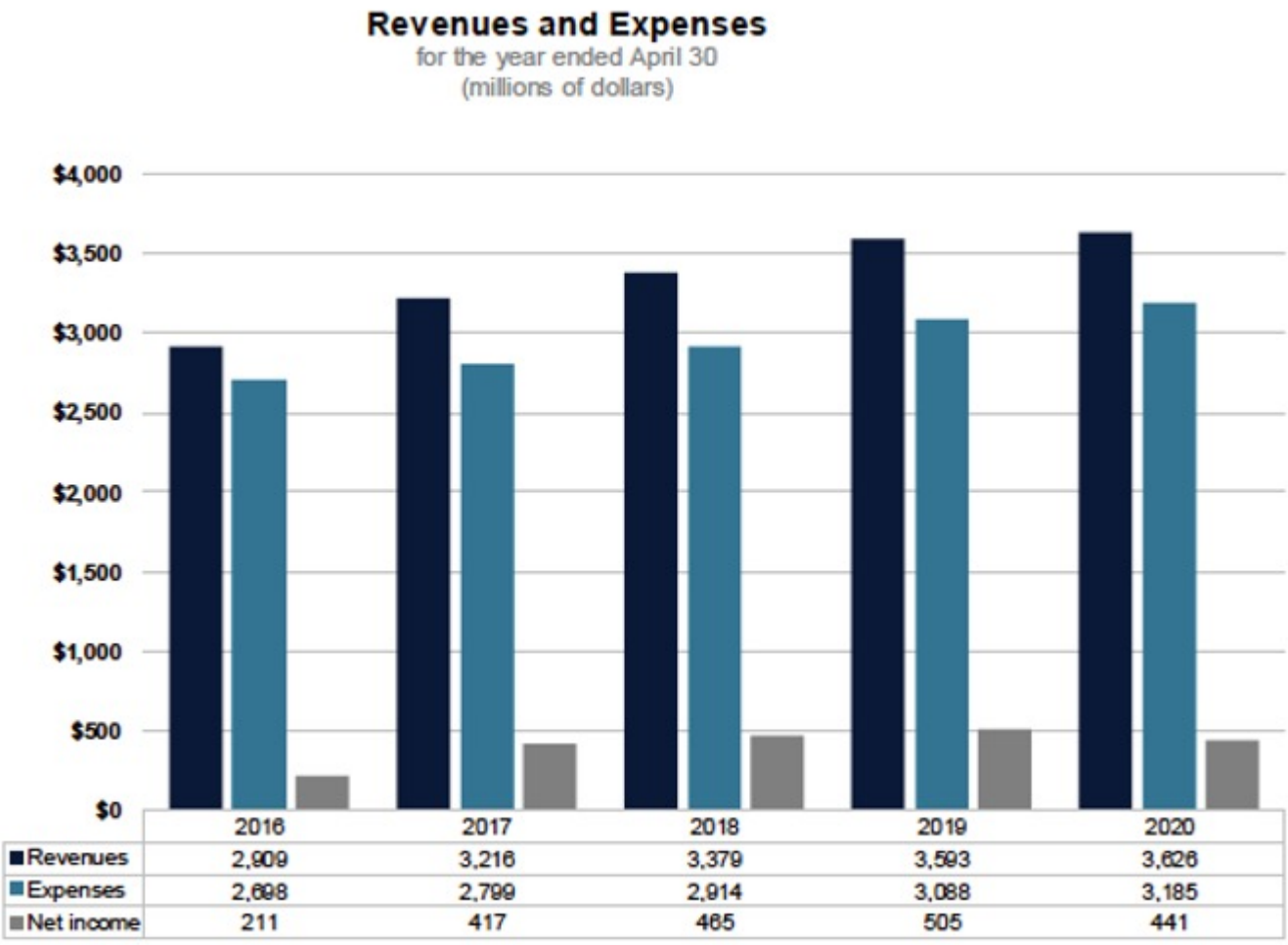
At the same time, we ask you to keep in mind that U of T is in a totally different financial situation.

A recent article from the Globe and Mail, Laurentian University becomes a victim of a failing business model, is instructive. Here is a quote:

"For a few institutions, such as the University of Toronto, this brave new world of university funding has been a bonanza. U of T now collects more in tuition fees from international students than it receives in annual operating grants from the Ontario government. But for smaller players with less global name recognition, the new math of Canadian university funding has been a disaster, leaving them especially vulnerable to sudden shifts in foreign demand."

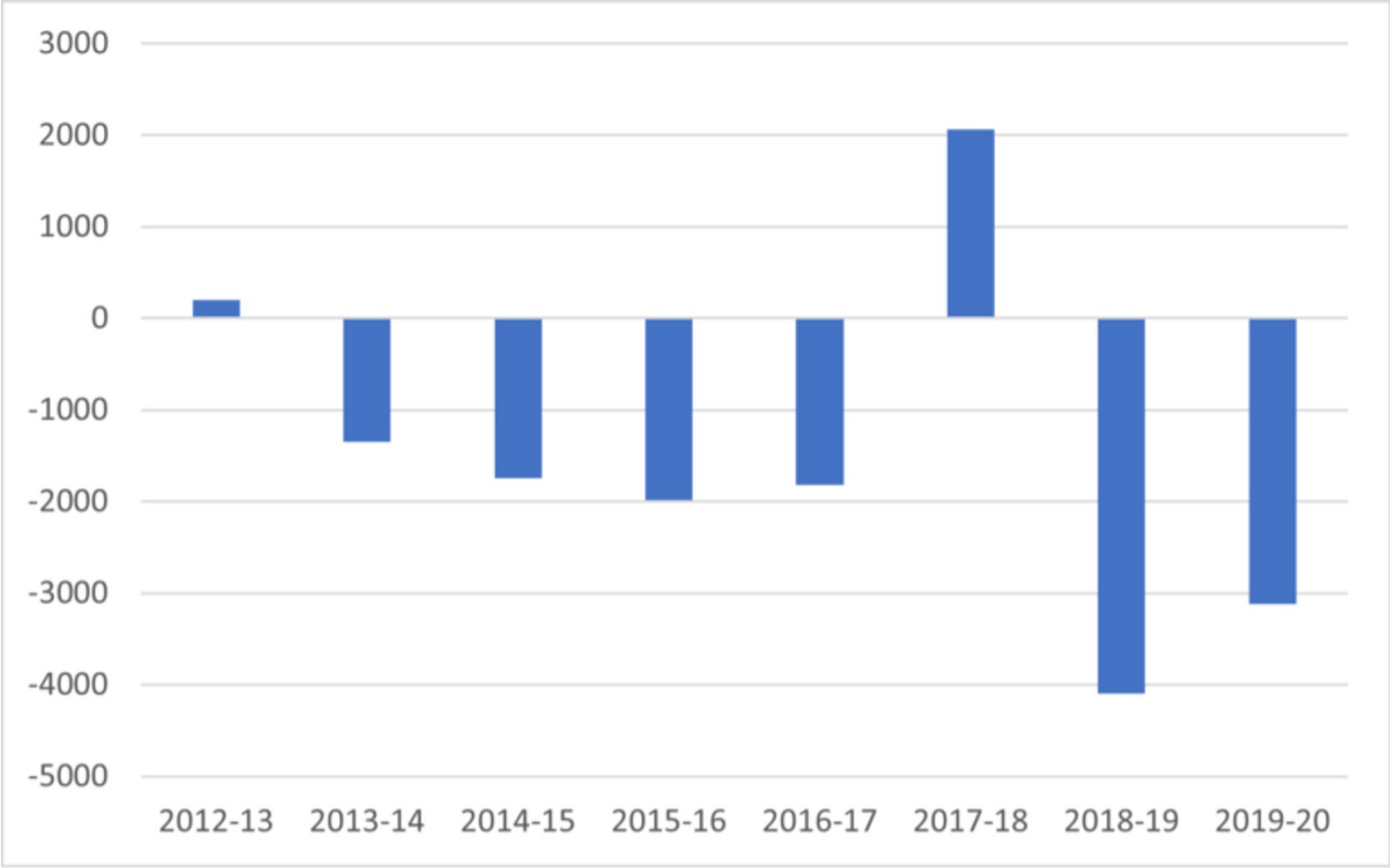
While it is true that U of T has experienced some budgetary impacts from COVID, particularly in the area of ancillary services, **U of T also has a significant carry forward of hundreds of millions of dollars that will allow it to weather this storm**. You can download the latest audited statement for the University here.

We would draw your attention to this figure on page 7 which shows that the University has been running a consistent budgetary surplus for the past several years.



Contrast this with the following figure showing similar data from Laurentian, from this report.

Figure 1: Laurentian Net Revenue, 2012-13 to 2019-20 (in thousands)



Additionally, on page 10 of U of T's financial report, there is the following list of net assets of the University:

The $4.0 billion of internally-restricted net assets comprises:

- $2.3 billion in land
- $1.2 billion of investment in other capital assets
- ($1.2 billion) in net unfunded liability associated with pension and other employee future benefits
- $1.1 billion in capital projects and infrastructure reserves
- $277 million of operating contingency reserves
- $386 million in other reserves held for future spending

Thus, even if the majority of these assets have been restricted in some sense, it is clear that the University of Toronto has hundreds of millions of dollars in reserves that are held back to cover contingencies such as the impact of COVID.

To put these figures into perspective, the July 1, 2020 PTR award for faculty and librarians cost the University about $9.5 M, and a 1% ATB increase for this year would cost approximately $5.3 M.

In short, the University of Toronto Administration can readily afford to provide all UTFA members—and indeed all U of T employees—with fair compensation and benefits.

Sincerely,

Jun Nogami, UTFA VP, Salary, Benefits, Pensions, and Workload

Maureen Stapleton, UTFA Treasurer
Terezia Zorić, UTFA President

Source URL (modified on Feb 12 2021):https://www.utfa.org/content/laurentian-financesu-t-finances