



**FOR INFORMATION**

**PUBLIC**

**OPEN SESSION**

**TO:** Business Board

**SPONSOR:** Cheryl Regehr, Vice-President & Provost  
**CONTACT INFO:** 416-978-2122, [provost@utoronto.ca](mailto:provost@utoronto.ca)

**PRESENTER:**  
**CONTACT INFO:**

**DATE:** May 8, 2019 for June 18, 2019

**AGENDA ITEM:** 9

**ITEM IDENTIFICATION:**

Report of the Alternative Funding Sources Advisory Group

**JURISDICTIONAL INFORMATION:**

Pursuant to Section 4.3.2. of the *Terms of Reference of the Planning and Budget Committee*, “...the Committee receives regular reports on the status of the long-range budget guidelines, projection, and the strategic budget model.”

**GOVERNANCE PATH:**

1. Planning & Budget Committee [for information] (May 9, 2018)
2. UTM Campus Council [for information] (May 27, 2018)
3. UTSC Campus Council [for information] (May 28, 2018)
4. Academic Board [for information] (May 30, 2018)
5. **Business Board [for information] (June 18, 2018)**

**PREVIOUS ACTION TAKEN:**

n/a

## **HIGHLIGHTS:**

The Alternative Funding Sources Advisory Group (AFSAG) is one of five working groups that make up the Budget Model Review. The Review has a mandate to address emerging issues and ensure that the budget model will continue to serve the University well into the future.

As the University remains committed to being an internationally significant research university, it must think creatively about how to fund its academic mission and aspirations in an environment of reduced government funding. The AFSAG was established to consider how the University can broaden its funding sources to provide it with a strong financial basis going forward.

The AFSAG began its work in 2017. Co-chaired by Professor Cristina Amon and Brian Lawson, the Group included student, staff, faculty, governor and alumni members. The Group structured its effort through sub-committees, each with a specific focus, including:

- real estate;
- research;
- innovation;
- entrepreneurship;
- teaching and learning;
- partnerships;
- international opportunities;
- finances; and
- a long-term view to the University's 300th anniversary in 2127.

Ultimately, the work of these sub- committees was integrated into three overarching themes, around which the report is structured:

- Knowledge
- Real estate and infrastructure
- Financial resources

The AFSAG's report was released to the University community for consultation on May 7. Comments and feedback were invited from students, staff, faculty, governors and alumni. Consultation will continue until June 26, at which time all comments will be referred to the Budget Model Review Steering Committee for consideration as it reviews the work of the various working groups making up the Review.

## **FINANCIAL IMPLICATIONS:**

None.

**RECOMMENDATION:**

For information.

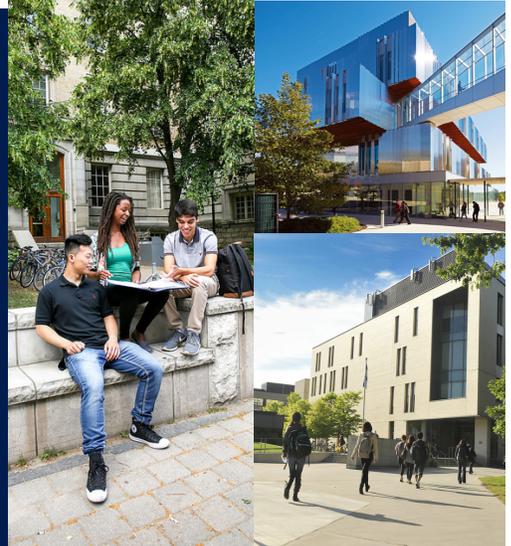
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**DOCUMENTATION PROVIDED:**

- *Final report of the Alternative Funding Sources Advisory Group*

# ALTERNATIVE FUNDING SOURCES ADVISORY GROUP

## Report to the President and Vice-President & Provost



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## EXECUTIVE SUMMARY

The economic model of traditional higher education is rapidly evolving and requires vigilant and innovative stewardship to ensure that universities remain vibrant, competitive and sustainable into the future. Governments in many jurisdictions, including Canada, are reducing the portion of their contribution to higher education, placing growing pressure on institutions to rely more heavily on student tuition and fees and seek out revenues from diverse sources. The University of Toronto must think creatively about how to fund its mission and aspirations. Accordingly, the Alternative Funding Sources Advisory Group (AFSAG) has been charged with recommending a set of options and strategies for alternative funding sources. The AFSAG is advisory to the President and the Vice-President & Provost and is one of five groups tasked with examining financial matters under the umbrella of the Budget Model Review process. This report is also intended to be shared more widely with Principals, Deans, Chairs, faculty and staff colleagues, alumni and governance members. Its goal is to focus attention and generate discussion around ideas for generating new and diversified revenue streams.

U of T is already highly successful in developing new initiatives that generate revenue in non-traditional ways, as well as building on long-established revenue sources. There are pilot projects across U of T in which innovative ideas in teaching, learning, research and entrepreneurship are being implemented on smaller scales to attract new revenues. In addition, there are institution-wide initiatives in real estate, physical infrastructure, government advocacy and fundraising that continue to develop and expand the resources of the University. The AFSAG sees a broad range of opportunities for U of T to build on its core strengths to attract new investment. The advisory group does not present a “unicorn” or “magic bullet”, but rather recommendations in a variety of areas that can add incremental value. The recommendations are not meant to be directive, but rather to guide and encourage the University to consider new ideas, which could be offered to faculty and staff colleagues to evaluate and implement where appropriate.

The AFSAG recognizes the importance of preserving and protecting core University values of freedom of speech, academic freedom and freedom of research; the highest academic standards in teaching and research; and upholding its policy on student financial support. Furthermore, the AFSAG recognizes that certain University activities and divisions are better positioned to generate alternate funding sources than others. The AFSAG, however, believes that in order for the University to be truly sustainable, and therefore better positioned to achieve its core mission, it is important for all divisions to give serious consideration to the strategies discussed herein and to endeavor to tailor them to fit their own purpose.

There are a number of things this report does not do. It does not consider how U of T might address cost efficiencies; this work has been assigned to a separate working group under the Budget Model Review process. Nor does the report address the current federal or provincial environments; the advisory group looked beyond these to envision proposals that will withstand the winds of political change.

### BUILDING A FOUNDATION – PRE-EXISTING CONDITIONS

As the Advisory Group conducted internal interviews and scans, and deliberated ideas, a number of common themes arose. In many cases the themes point to actions that are not directly revenue-generating or diversifying, but nonetheless are essential to building a strong foundation for new or expanded revenues. The

following five pre-existing conditions are proposed as measures to create capacity and ensure sustainability of the recommendations that are outlined later in this report.

1. *Leveraging U of T's reputation:* As the University of Toronto considers innovative ideas, it must remain vigilant in protecting its reputation while advancing innovative approaches to revenue generation.
2. *Building pipeline:* The ability to seize opportunities in the rapidly changing global and local environment requires a constantly refreshed pipeline of ideas. U of T must actively create these pipelines, continually renewing and assessing their relevancy.
3. *Creating financial capacity and flexibility:* The University of Toronto has substantial financial capacity, with annual revenues of over \$3.4 billion, and must continually assess how it deploys its financial resources. There could be considerable benefits to having more financial strength, resources and flexibility at the institutional centre in order to invest in new initiatives and to support divisional collaboration, such that the University and all its constituent bodies are stronger as a result. U of T has considerable funding set aside in reserves in both academic and central divisions and could consider whether a portion of these reserves should be released to fund revenue-generating activities.
4. *Creating physical capacity:* Related to the point above, U of T has the financial means to create a physical environment conducive to supporting new revenue-generating initiatives.
5. *Aligning incentives:* As the University considers or implements any of the ideas presented in this report, it must continually assess the underlying incentive structures. Incentives and risks must be clearly articulated and transparent, and adapt to changing regulatory, political and economic conditions.

## RECOMMENDATIONS

The report identifies U of T's core strengths and groups its sixteen recommendations accordingly:

### ➤ KNOWLEDGE

The University of Toronto's most valuable strength is its people and their capacity to create and disseminate knowledge. Knowledge is at the core of U of T's mission; knowledge drives teaching, research, and creates value for society. Knowledge has the ability to "create bold solutions for stubborn problems."<sup>1</sup> As long as the University continues to attract excellent students, staff and faculty, it will hold an immense renewable asset.

1. Expand learning opportunities, engage a broader peak learning age cohort, and leverage technology;
2. Develop a targeted undergraduate partnership with a peer university;
3. Foster, seed and scale up excellence-driven, multi-disciplinary research initiatives across academic divisions;

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<sup>1</sup> U of T Rotman School of Management, [Message from the Dean](http://www.rotman.utoronto.ca/FacultyAndResearch/Faculty/DeanTiffMacklem/WelcomeMessage). Available at <http://www.rotman.utoronto.ca/FacultyAndResearch/Faculty/DeanTiffMacklem/WelcomeMessage>

4. Envision creative forms of partnerships;
5. Foster an outstanding and innovative entrepreneurship experience for undergraduates;
6. Review inventions, IP and commercialization policies;
7. Strengthen efforts to influence national IP strategy;
8. Consider investment of endowment funds in U of T start-ups;
9. Embrace the role of the University as a connector.

➤ REAL ESTATE AND INFRASTRUCTURE

The University of Toronto has real estate holdings and physical infrastructure with the potential to be a significant and recurring revenue source. The location of the University of Toronto – globally, regionally and locally – is itself a valuable resource.

10. Endorse the Four Corners strategy;
11. Expand on Four Corners to build a fully comprehensive real estate framework;
12. Consider investing long-term capital in University real estate;
13. Reassess the University's faculty and staff housing strategy;
14. Expand partnerships for utilization of research facilities and infrastructure.

➤ FINANCIAL RESOURCES

The University has an opportunity to optimize the efficiency of the available pools of capital in order to establish innovative institutional revenue-generating initiatives.

15. Optimize investment returns on short-term investments;
16. Open up UTAM to co-investment.

The AFSAG believes that its deliberations and discussions, and the ideas raised for consideration, have resulted in a very meaningful process of reflection. The Advisory Group would like to thank the many members of the University community who engaged in this process. We are grateful to all of them for their thoughtful contributions. We respectfully submit this report to the President and the Vice-President & Provost for their consideration.

## BACKGROUND AND FINANCIAL CONTEXT

The economic model of traditional higher education is rapidly evolving and requires vigilant and innovative stewardship to ensure that universities remain vibrant, competitive and sustainable into the future. Governments in many jurisdictions, including Canada, are reducing the portion of their contribution to higher education, placing growing pressure on institutions to rely more heavily on student tuition and fees and seek out revenues from diverse sources. At the same time, there are new demands for education to provide life-long learning, and technology is transforming the way in which people live and work, compelling universities to explore who they teach and how technology is creatively integrated into the dual missions of teaching and research. The juxtaposition of these trends presents the University of Toronto with both challenges and opportunities as it builds a sustainable foundation for the next decade and the next century. The University of Toronto continues to be committed to being an internationally significant research-intensive university. It is also committed to offering a breadth and depth of teaching at the undergraduate and graduate levels, and “strive[s] to ensure that its graduates are educated in the broadest sense of the term, with the ability to think clearly, judge objectively, and contribute constructively to society.”<sup>2</sup> This requires U of T to think creatively about how to fund its mission and aspirations. Accordingly, the Alternative Funding Sources Advisory Group (AFSAG) has been charged with recommending a set of options and strategies for alternative funding sources.

The AFSAG is advisory to the President and the Vice-President & Provost. It is one of five groups tasked with examining financial matters under the umbrella of the Budget Model Review process. This report is also intended to be shared more widely with Principals, Deans, Chairs, faculty and staff colleagues, alumni and governance members. Its goal is to focus attention and generate discussion around ideas for generating new and diversified revenue streams.

To anchor its work, the Advisory Group referred to a number of background sources as a framework for deliberations, including: the University of Toronto’s mission statement, the Towards 2030 plan,<sup>3</sup> and the Three Priorities discussion paper.<sup>4</sup> The recommendations presented in this report are deeply grounded in the principles of these foundational documents and intended to support and safeguard the core mission and values of U of T as it pursues alternative funding sources.

The report structure is aligned with the process undertaken by the Advisory Group. It aims to:

1. Identify U of T’s core strengths
  - Knowledge
  - Real estate and infrastructure
  - Financial resources
2. Suggest an array of “pre-conditions” to provide a robust platform and create capacity for new initiatives;
3. Present wide-ranging themes and observations related to non-traditional revenue generation initiatives;
4. Set out a limited set of options and strategies for diversifying funding sources.

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<sup>2</sup> Available at <https://www.utoronto.ca/about-u-of-t/mission>

<sup>3</sup> Available at <http://www.towards2030.utoronto.ca/>

<sup>4</sup> Available at <http://threepriorities.utoronto.ca/>

As the Advisory Group undertook its exploratory work, it became clear that U of T is already highly successful in developing new initiatives that generate revenue in non-traditional ways, as well as building on long-established revenue sources. There are pilot projects across U of T in which innovative ideas in teaching, learning, research and entrepreneurship are being implemented on smaller scales to attract new revenues. In addition, there are institution-wide initiatives in real estate, physical infrastructure, government advocacy and fundraising that continue to develop and expand the resources of the University. Examples of these initiatives are highlighted in the report, with recommendations where the Advisory Group sees opportunities for scaling more broadly across U of T.

The AFSAG sees a broad range of opportunities for U of T to build on its core strengths to attract new investment. The Advisory Group does not present a “unicorn” or “magic bullet”, but rather recommendations in a variety of areas that can add incremental value. The recommendations are not meant to be directive, but rather to guide and encourage the University to consider new ideas, which could be offered to faculty and staff colleagues to evaluate and implement where appropriate.

The University’s budget model allocates the majority of revenues to divisions and limits funding to “the centre” where senior leaders seek to advance overall institutional priorities. The AFSAG believes that the University as a whole would benefit if the centre had greater access to funds than provided for under the current construct. While successful in many ways, the budget model does not provide the centre with much in the way of discretionary capital that could be used to seed new initiatives that could lead to increases in alternate funding, in addition to supporting divisions in need and other activities critical to the overall mission. The AFSAG notes that under the current model, certain divisions are much better positioned to benefit from or react to changes in the education landscape in ways that increase their financial capacity, whereas other areas face much larger challenges. The AFSAG encourages a review of the “sharing” aspects of the budget model to increase capacity, flexibility and sustainability.

There are a number of things this report does not do. It does not consider how U of T might address cost efficiencies; this work has been assigned to a separate working group under the Budget Model Review process. Nor does the report address the current federal or provincial environments; the Advisory Group looked beyond these to envision proposals that will withstand the winds of political change.

The AFSAG believes that its deliberations and discussions, and the ideas raised for consideration, have resulted in a very meaningful process of reflection. The Advisory Group would like to thank the many members of the University community who engaged in this process. We are grateful to all of them for their thoughtful contributions. We respectfully submit this report to the President and the Vice-President & Provost for their consideration.

## Advisory Group Background

The Alternative Funding Sources Advisory Group was formed as part of the Budget Model Review<sup>5</sup>, which was announced by the Vice-President & Provost in 2017.

The purpose of the Review is to ensure that the budget model continues to serve the University well within an active and changing environment. The Budget Model Review is guided by a steering committee and the activities are structured across five working groups, each with a different mandate. The Alternative Funding Sources Advisory Group is one of the five:

1. Strategic Mandate Agreement (SMA) Implementation Committee
2. Cost Efficiencies Working Group (details forthcoming)
3. Alternative Funding Sources Advisory Group (AFSAG)
4. Tri-Campus Budget Relationships Working Group
5. Inter-Divisional Teaching Working Group

In November 2017, the President and Vice-President & Provost invited nominations to the AFSAG, seeking individuals with relevant expertise and experience from faculty, staff, students, alumni and LGIC governors. The call for nominations articulated the context for the group and the terms of reference:

“Ontario universities are facing increasing financial pressure, with a declining portion of operating revenues coming from provincial operating grants and constrained tuition and enrolment frameworks. The University of Toronto continues to be ‘committed to being an internationally significant research university,’ which requires us to think creatively about how we might fund our mission and aspirations. As a result, President Meric Gertler and [Vice-President and Provost Cheryl Regehr] are establishing an alternative funding sources advisory group to consider how the University can broaden its funding sources to provide it with a strong financial basis going forward. The Alternative Funding Sources Advisory Group’s mandate is to examine and recommend a range of alternative funding sources for the University. Within one year, the Alternative Funding Sources Advisory Group will:

- Articulate a set of principles, aligned with the University of Toronto’s mission and values, to guide recommendations regarding alternative funding sources;
- Develop an understanding of the regulatory environment for publicly assisted universities in the province of Ontario;
- Consider core assets of the University that can be leveraged to generate new revenue streams;
- Examine a wide set of options for alternative funding sources through consideration of examples from the higher education sectors and other sectors;
- Develop a consultation and community engagement process to seek input on options; and
- Recommend a limited set of options and strategies for diversifying funding sources.”

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<sup>5</sup> For more information, see <https://www.provost.utoronto.ca/committees/budget-model-review/>

The Advisory Group members included:

- Professor Cristina Amon, Dean, Faculty of Applied Science & Engineering (Co-Chair)
- Mr. Brian Lawson, Governor; Alumnus, Trinity College (Co-Chair)
- Professor Ben Alarie, Faculty of Law
- Mr. Preet Banerjee, Governor; Alumnus, University of Toronto Scarborough
- Professor Randy Boyagoda, Principal, University of St. Michael's College
- Mr. Gilbert Delgado, Administrative Staff, University Planning, Design & Construction
- Mr. Gary Goldberg, Governor; Alumnus, University College
- Ms. Mary Lyne, Administrative Staff, Rotman School of Management
- Professor Paul Santerre, Faculty of Dentistry; Institute of Biomaterials & Biomedical Engineering
- Mr. Adam Sheikh, Student, Faculty of Arts & Science
- Professor Soo Min Toh, Institute for Management and Innovation, University of Toronto Mississauga
- Ms. Sally Garner (Assessor)
- Mr. Jeff Lennon (Project Manager)

The Advisory Group structured its effort through sub-committees, each with a specific focus, including: real estate, research, innovation, entrepreneurship, teaching and learning, partnerships, international opportunities, finances, and a long-term view to the University's 300th anniversary in 2127. Ultimately the work of these sub-committees was integrated into three overarching themes around which the report is structured.

Advisory Group efforts over the year included:

- Regular Advisory Group meetings;
- Development of a set of guiding principles;
- Consultation with senior leadership, subject matter experts and other higher education institutions;
- Literature reviews and environmental scans;
- Report drafting.

The Advisory Group developed the following guiding principles:

1. The aim of pursuing alternative funding sources should support the core mission of the University – excellence in teaching, research and service – and align with the University's strategic vision.
2. Alternative funding sources should uphold the rights of academic freedom.
3. Alternative funding sources should uphold the University's statement of principle on student financial support for domestic students: "No student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means."
4. Alternative funding sources should retain a student-centred approach where appropriate.
5. Alternative funding sources should be sustainable, evaluated in the context of the University's approach to risk management and generate net revenue (i.e., after all costs) to the University in due time. Where net revenues are not envisioned, non-financial benefits should be clearly articulated and linked to future revenue-generating opportunities or to academic priorities.

The AFSAG recognizes the importance of preserving and protecting core University values of freedom of speech, academic freedom and freedom of research; the highest academic standards in teaching and research; and upholding its policy on student financial support that states: “No student offered admission to a program at the University of Toronto should be unable to enter or complete the program due to lack of financial means.” Furthermore, the AFSAG recognizes that certain university activities and divisions are better positioned to generate alternate funding sources than others. For example, the Rotman School of Management and the Faculty of Applied Science and Engineering have longer histories and deeper cultures of entrepreneurship, commercialization and professional education, whereas other units might be newer to this culture and types of activities.

The AFSAG, however, believes that in order for the University to be truly sustainable, and therefore better positioned to achieve its core mission, it is important for all divisions to give serious consideration to the strategies discussed herein and to endeavor to tailor them to fit their own purpose. Increasing the number of areas pursuing alternate funding sources will increase the financial resources available to pursue the mission.

### University of Toronto Financial Context

The following brief overview of the University’s financial structure and budget model are included as context for the observations and recommendations that follow later in the report.

#### The University of Toronto’s Financial Structure

For the year ended April 30, 2018, the University had actual revenues of \$3.4 billion, from the following sources:

- Operating (\$2.58B/76%) revenues include primarily teaching and administrative activities<sup>6</sup>;
- Restricted (\$524M/16%) revenues include expendable and endowed donations, research grants and contracts;
- Ancillary (\$200M/6%) revenues include residences, food, beverage, parking, University of Toronto Press, Hart House;
- Capital (\$78M/2%) revenues include an amount equal to the amortization of capital assets that were financed by grants and donations.

Planned operating revenues for the upcoming fiscal year (2019-20) provide insight into the need for revenue diversification, with revenue heavily tied to student fees and operating grants:

- Tuition and fees (\$1.74B/63%)
- Provincial operating grants (\$668M/24%)
- Other revenue (\$365M/13%)

Since 2006-07, when the University transitioned to a new budget model which is described below, operating revenue has more than doubled from \$1.3 billion to \$2.8 billion. A significant proportion of operating revenue is tied to student enrolment through student fees and provincial operating grants. Student fees now contribute

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<sup>6</sup> As a result of declining provincial funding for capital projects over the last few decades, the operating fund has increasingly funded the acquisition and construction of capital assets. This trajectory is expected to continue.

63% of total revenue, up from 40% in 2006-07. Ontario universities receive the lowest per-student funding from government in Canada, and provincial operating grants now contribute just 24% to operating revenue, a decline from 45% in 2006-07. Peer public institutions in the United States receive state funding in the single-digit percentages, and the University of Toronto would be prudent to anticipate the possibility of such an outcome.

Revenue from other sources makes up the remaining 13%, including:

- Endowment income allocated to the operating budget for endowed chairs and student aid;
- Investment income on short-term investments;
- Federal funding for Canada Research Chairs;
- Funding to support indirect costs of research;
- Sales and services.

Over this same time period, growth in revenue from “other” sources has kept pace with U of T’s growth in tuition and operating grants. This is primarily due to the University’s success in reaching the Boundless Campaign fundraising goal of \$2.4 billion, income from short-term investments more than doubling, and increases in funding through the federal Research Support Fund and Canada Research Chairs program. However, it remains a challenge to expand these “other” revenue beyond the historical 13% proportion.

#### The University of Toronto Budget Model

The University adopted a new budget model in 2006-07. The 2006 Budget Task Force Report states, “[T]he university’s budget is the mechanism by which operating funds are allocated to various divisions in the university. As such, it is a primary tool in the management of the university and in enabling it to fulfill its mission and achieve its academic goals.”<sup>7</sup>

The new model moved the University from an incremental budget approach to a modified RCM<sup>8</sup> approach. The new model introduced a methodology for attributing revenues and the costs of shared service expenses to all divisions. Academic divisions are attributed 100% of operating revenues (\$2.8 billion in 2019-20 budget). They receive the revenues they earn directly through student fees and operating grants from their students, the endowment payout and expendable donations directly tied to their student aid awards and endowed chairs, their CRC chairs, etc. Academic divisions are also attributed a share of general operating revenues, such as income on short-term investments.

Academic divisions contribute to the University’s institutional student aid program and to university-wide shared service expenses. The student aid budget is determined based on both provincial policy and the University’s own student aid policy. Budgets for university-wide costs (including Vice-Presidents’ portfolios, institutional expenses such as legal and audit fees, utilities, and the central library) are determined through a process led by the President, in consultation with Deans. This process enables the University to set budgets for shared services in

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<sup>7</sup> Available at

[http://www.planningandbudget.utoronto.ca/Assets/Academic+Operations+Digital+Assets/Planning+\\$!26+Budget/budget\\_reports/taskforcereport.pdf](http://www.planningandbudget.utoronto.ca/Assets/Academic+Operations+Digital+Assets/Planning+$!26+Budget/budget_reports/taskforcereport.pdf)

<sup>8</sup> Responsibility Centre Management is a budget approach under which revenue-generating units are wholly responsible for managing their revenues and expenses.

the context of institutional priorities, divisional priorities and available funding. Divisions are attributed their share of university-wide costs via “cost drivers”, which are designed as a rough proxy for divisional activity levels. Since 2006-07, the proportion of revenue allocated to university-wide costs has decreased from 24.2% to 21.5%, partially as a result of continued efforts to prioritize budgets in academic divisions.

Academic divisions contribute 10% of their operating revenue (with some exclusions) to the University Fund. The University Fund is a non-formulaic budgetary redistribution mechanism that allows the Provost to allocate a portion of the budget in accordance with the University’s academic values and priorities. The University Fund also enables the University to continue supporting divisions that may have difficulties balancing their budget under the University’s modified RCM budget model but continue to be an important part of the University’s core mandate. At the time the University transitioned to the new budget model in 2006-07, the University Fund was \$100 million. The entire amount was allocated back to academic divisions to “keep them whole” through the transition; this meant that no division experienced a sudden increase or decrease in their budget in year one. Incremental revenues since then have been used as the redistribution mechanism across academic divisions. The University Fund has re-distributed \$105 million (in base – or on a permanent basis) since “year one” in 2006-07; this represents an average of about \$8 million per year over the last 13 years. An additional \$20 million has been re-distributed on a temporary basis over the last seven years; these funds remain available for “recycling” to fund short-term priority initiatives. As the rate of revenue growth is projected to decelerate over the next several years (from a peak of 7.8% in 2016-17 to 2.8% in 2023-24), redistributive funding available through the University Fund will decline accordingly.

#### [Linking the University’s Financial Context to the Advisory Group Mandate](#)

The AFSAG approached its deliberations within the framework of U of T’s financial structure and budget model as noted above. As new ideas were considered, the Advisory Group posed two questions, which are reflected throughout the themes presented in this report:

- Does this idea create an alternate revenue stream or expand an existing revenue stream?
- How might the University use the budget model to establish a strong foundation and create financial capacity for seeding and supporting new/expanded revenue streams?

## BUILDING A FOUNDATION FOR ALTERNATIVE FUNDING SOURCES

The work of the AFSAG was structured through sub-committees, which were each tasked with in-depth investigation into a particular area of potential “alternative funding source.” These included:

- Alternate sources of tuition (e.g., continuing and executive education)
- Incremental research funding (e.g., expanding partnerships and collaborations)
- Monetizing intellectual property (IP)/entrepreneurship
- Additional revenues from real estate
- Utilization of physical infrastructure
- Increased yield and use of financial resources

As the Advisory Group conducted internal interviews and scans, and deliberated ideas, a number of common themes arose. In many cases the themes point to actions that are not directly revenue-generating or diversifying, but nonetheless are essential to building a strong foundation for new or expanded revenues. The Advisory Group is calling these themes “pre-existing conditions.” The following five pre-existing conditions are proposed as measures to create capacity and ensure sustainability of the recommendations that are outlined later in this report.

### 1. Leveraging U of T’s reputation

The University of Toronto is one of the world’s leading institutions of higher learning and is consistently ranked among the best in research, innovation, entrepreneurship and employability of its students. Its distinguished network of more than half a million graduates is making valuable economic, social and cultural contributions around the world.<sup>9</sup> As the University of Toronto considers innovative ideas, it must remain vigilant in protecting its reputation while advancing innovative approaches to revenue generation.

### 2. Building pipelines

The ability to seize opportunities in the rapidly changing global and local environment requires a constantly refreshed pipeline of ideas. U of T must actively create these pipelines, continually renewing and assessing their relevancy. This is consistent with the University’s core mission and at the same time will maximize opportunities for investment by industry, donors and governments. U of T’s depth and breadth of excellence, its vast network of global collaborators and alumni, and its world-class reputation provide an ideal platform for sustaining the pipeline. Divisions should be encouraged to contribute to the pipeline through the appropriate alignment of incentives and assignment of risk. Pipelines should be overseen and promoted through a cohort of expertly trained staff such as industrial liaison officers or business development professionals, linked in with advancement and government relations professionals to ensure that the quality and diversity of ideas and knowledge generated at U of T is fully recognized and, where appropriate, leveraged to support alternative funding sources.

### 3. Creating financial capacity and flexibility

As noted earlier in this report, the University of Toronto has substantial financial capacity, with annual revenues of over \$3.4 billion. However, any organization must continually assess how it deploys its financial resources. U of T has been highly successful over the past decade in increasing revenue through a variety of academic and financial strategies. The U of T budget model is designed to allocate the majority of revenue to academic divisions, providing them with a direct incentive to grow revenues. Despite the success of the budget model overall, the levers to grow revenues in divisions vary widely, leaving significant financial capacity in some divisions and very little in others.

The budget model provides limited financial capacity at “the centre”, where senior University leaders seek to advance overall institutional priorities and respond to cross-divisional opportunities. The AFSAG proposes that

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<sup>9</sup> See [The University of Toronto Global Impact Report, 2018](http://www.research.utoronto.ca/wp-content/uploads/documents/2018/03/Impact-Printed-Magazine.pdf). Available at <http://www.research.utoronto.ca/wp-content/uploads/documents/2018/03/Impact-Printed-Magazine.pdf>

the University consider the balance of funds allocated to academic divisions vs. funds available to the centre and assess whether this balance is appropriate. There could be considerable benefits to having more financial strength, resources and flexibility at the centre in order to invest in new initiatives and to support divisional collaboration, such that the University and all its constituent bodies are stronger as a result. A larger consolidated fund, combined with a deep pipeline of ideas, will empower U of T to proactively seek external funding.

U of T has considerable funding set aside in reserves in both academic and central divisions. Under the budget model methodology, divisions are permitted to retain annual operating fund surpluses. The AFSAG recognizes that reserves are required for contingency purposes and savings for large initiatives such as the launch of a new program or a capital project. However, as reserve levels have grown significantly in the last few years, the AFSAG proposes that the University consider whether a portion of reserves should be released to fund revenue-generating activities. Reserves could be used to seed pilot projects, launch pan-institutional initiatives, refurbish infrastructure, fund new technologies, and generally provide incentives for new ideas. Reserves also have the capacity to absorb risk, allowing the University to experiment more boldly on smaller scales before launching more broadly.

#### 4. Creating physical capacity

Related to the point above, U of T has the financial means to create a physical environment conducive to supporting new revenue-generating initiatives. The AFSAG encourages the University to consider using reserves to upgrade physical infrastructure. Investment in deferred maintenance enhances the campus environment for faculty, students and staff, thus further attracting excellent students and faculty and strengthening U of T's reputation (linking back to point 1 above.) Investment in deferred maintenance often lowers operating costs, freeing up ongoing budget room to fund new activities. Environmental and sustainability projects have the potential to attract government and philanthropic support. Upgrading physical infrastructure, such as cutting-edge laboratory facilities, has the potential to attract new industry and government partners.

#### 5. Aligning incentives

As the University considers or implements any of the ideas presented in this report, it must continually assess the underlying incentive structures. Incentives and risks must be clearly articulated and transparent, and adapt to changing regulatory, political and economic conditions. Most importantly, these activities and incentives must strengthen and not detract from the University's commitment and ability to fulfill its core mission.

## KNOWLEDGE

The University of Toronto's most valuable strength is its people and their capacity to create and disseminate knowledge. Knowledge is at the core of U of T's mission; knowledge drives teaching, research, and creates value for society. Knowledge has the ability to "create bold solutions for stubborn problems."<sup>10</sup> As long as the University continues to attract excellent students, staff and faculty, it will hold an immense renewable asset. The

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<sup>10</sup> U of T Rotman School of Management, [Message from the Dean](http://www.rotman.utoronto.ca/FacultyAndResearch/Faculty/DeanTiffMacklem/WelcomeMessage). Available at <http://www.rotman.utoronto.ca/FacultyAndResearch/Faculty/DeanTiffMacklem/WelcomeMessage>

AFSAG presents some broad themes and considerations for alternate funding sources built upon U of T's knowledge capacity.

## Teaching and Learning

The President's Three Priorities discussion paper articulates the University's commitment to preparing students for the future:

“[T]he challenges to our traditional role as a knowledge producing and sharing institution – including the rise of digital technologies, the sluggish pace of economic recovery and the pressure to produce ‘job-ready’ graduates – compel us to re-examine undergraduate education and rethink our current approach.... And we need to anticipate and respond to disruptive changes in the modes and mechanisms for education and knowledge production, in light of growing threats to the traditional model of university education.”

As the workforce adapts to the new economy and the digital revolution, universities must also adapt to a new learning infrastructure (Appendix A). The skills gap amongst mid-career professionals continues to widen, requiring both lifelong learning and the continual refinement and enhancement of skills. A recent World Economic Forum report found that only about 30% of employees in today's job roles with the highest probability of technical disruption have received any kind of professional training over the past twelve months.<sup>11</sup> This situation provides universities with the opportunity to expand beyond the traditional market of young learners to a broader age cohort. Universities will also need to reconsider the physical campus in a digital world, the use of technology in learning, and the function of traditional degrees in an environment of “just-in-time” micro-credentialing. Content delivery, scaling opportunities, and collaboration between public and private sector entities will drive new revenues as markets broaden to include globally mobile students, industry, government and continuous learners.

The AFSAG conducted a scan of non-traditional programming already being offered across the University (Appendix B). It is estimated that U of T generates over \$100 million annually in revenue from non-traditional educational programming. The AFSAG found that many departments are looking beyond traditional programming and branching out in terms of delivery methods (i.e., in-class, online, hybrid). The School of Continuing Studies (SCS) in particular has a wide range of programs developed and delivered by SCS instructors. It has partnerships with many units to administer programs that are developed by academic divisions and supported by SCS's back-office, technology and marketing capacity. Continuing education and professional development programs continue to be offered and expanded by numerous departments as a means of keeping alumni engaged, attracting new learners, and supporting learners in their career development. A number of departments have programs in place to connect with the community and increase awareness of the University, such as “U of T in Your Neighbourhood”, “Science Rendezvous”, “DEEP”, symposia and lecture series, and youth access and outreach programs.

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<sup>11</sup> World Economic Forum, 2018. [Creative Disruption: The impact of emerging technologies on the creative economy](http://www3.weforum.org/docs/39655_CREATIVE-DISRUPTION.pdf). Available at [http://www3.weforum.org/docs/39655\\_CREATIVE-DISRUPTION.pdf](http://www3.weforum.org/docs/39655_CREATIVE-DISRUPTION.pdf)

Outside of U of T, a scan of peer institutions shows a broad array of continuing education programs as well (Appendix C). These include community-focused programs in addition to academic and professional development. Program delivery methods continue to diversify, with some institutions offering live web conferencing and video as well as standard in-class, online and hybrid options. Distance or open educational programs are growing in popularity as they offer learners accessibility, flexibility, and more options. Those that are associated with bricks-and-mortar institutions provide added credibility. A number of universities in the United States have developed exclusive business partnerships providing employees of those businesses with tuition and/or program benefits. Such partnerships can also provide the institution with greater global reach for recruiting students to campus for traditional academic programs (Appendix D).

The following examples provide some insight into the financial landscape, as universities re-purpose or customize existing academic content:

- Harvard University administers highly successful extension school and executive education programs, and has seen revenue from continuing and executive education almost double in the past ten years from \$170 million in 2006 to \$381 million in 2016. This surpasses the \$300 million that Harvard earned from undergraduate tuition in the same period.<sup>12</sup>
- IMD and IESE, two European business schools, offer top-rated Financial Times executive education programs and demonstrate similar revenue trends. At IMD in 2016, executive and corporate partnership revenues made up 77% of total revenue vs. 7% from traditional degrees. At IESE, executive programs (including custom and international open) generated revenue of €61.5 and MBA programs generated revenue of €44.2m in 2016-17.<sup>13</sup>
- More broadly, the business school market has been a leader in curating and customizing learning programs across different modalities that command a higher price margin because of the intrinsic orientation towards the learner.

The AFSAG has observed several themes in the changing landscape of education.

- There has historically been a large degree of disaggregation in universities between traditional degrees and other lifelong learning and/or skills-based learning offerings. U of T is no exception. Universities have been successful in increasing revenues from non-traditional offerings by consolidating and scaling up operations, including program content, technology, infrastructure and space.
- In the area of skills development and lifelong learning, universities are engaging a broader “peak learning” age cohort by providing programs to learners beyond the traditional 18-22 age group and expanding into offerings for learners at all stages of their lives and careers.
- Organizations are making greater use of learning management systems that allow employees and employers to track and target skills development. Innovation of programs, techniques and technologies allows for improvement in the way humans are taught, learn and access information (Appendix E).

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<sup>12</sup> Harvard Crimson, 2017. “[Win-Win Executive Education.](https://www.thecrimson.com/article/2017/5/23/win-win-executive-education/)” Available at <https://www.thecrimson.com/article/2017/5/23/win-win-executive-education/>

<sup>13</sup> [IESE Annual Report, 2016-2017: Financial Information.](https://www.iese.edu/wp-content/uploads/2018/10/IESE-Financial-Information-2016-2017.pdf) Available at <https://www.iese.edu/wp-content/uploads/2018/10/IESE-Financial-Information-2016-2017.pdf>

- In the area of corporate partnerships, elite executive education programs are building strong corporate partnerships and international presence. Tuition reimbursement programs are a growing trend among employers for attracting and retaining talent. A number of corporations have also partnered with specific academic institutions to provide employees with access to self-paced, online programs.<sup>14</sup>

The University of Toronto is already building creative non-traditional programs broadly across the institution, some on small scales such as continuing education in a targeted professional development context, and others on larger scales such as SCS. Divisions and individual units are entering into new types of partnerships, building new technology platforms and marketing to new types of learners. Many of these activities provide proof of concept for activities that could be scaled up more broadly. The rapid rate of growth in offerings and revenue at SCS demonstrates demand for innovative, targeted and flexible offerings. The AFSAG is confident that the University has the ability to increase revenues significantly at SCS in partnership with academic and central divisions with the appropriate structures and supports in place.

## Research

Discussions of alternative sources of funding from research activities identified innovative approaches to foster and seed research collaborations which strengthen future opportunities to attract major funding for multi-disciplinary, excellence-driven research in impactful areas. However, these initiatives have been on smaller scales between divisions and could be scaled up more widely across the University. For instance, outcomes from seeding and cultivating innovative research partnerships among the Faculty of Applied Science and Engineering, the Faculty of Medicine and the TAHSN Research Institutes have created a strong position for U of T successfully competing for the first round of the CFREF federal funding for the Medicine by Design program, with support of over \$100 million. Similarly, philanthropy has enabled the creation of the Ted Rogers Centre for Heart Research Translational Biology & Engineering Program, which is part of a \$100+ million philanthropic donation for the partnership between U of T, SickKids and UHN.

## Entrepreneurship and Innovation

The University of Toronto entrepreneurship community is Canada's leading source of research-based start-ups and a global leader in transforming ideas into products and services that impact the world. In the past 10 years, more than 500 research-based start-ups have been launched from U of T, outpacing every other Canadian university and raising \$1 billion in the last ten years. In 2018, UBI Global ranked University of Toronto Entrepreneurship in the global top five university-managed incubators in the world. The University provides a rich entrepreneurship ecosystem that supports many accelerator and development programs, provides space for start-up tenants, offers over 80 courses and programs to empower aspiring entrepreneurs, and provides partnership and funding opportunities. The University is well-positioned to take on complex problems through innovation and entrepreneurship thanks to the size and breadth of its research, teaching and service. U of T must continue to position itself in the consciousness of the public and its leaders (industry, political and academic) as a prominent hub of new ideas, discovery, innovation and commercialization. It has the potential to

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<sup>14</sup> A 2017 World at Work survey found that 92% of U.S. companies offer some form of tuition assistance program. These types of programs provide a non-traditional, flexible approach to education and/or professional development.

influence and expand the public's understanding of the role and importance of commercialization efforts, processes and activities, through strategic investment in communication initiatives.

The University of Toronto's Towards 2030 report includes the following statements which are relevant in this context:

“Commercialization and, more broadly, knowledge translation involving scholarship without commercial applications, are actually integral to the University's social role.”

“[U]niversities with the strongest records of independent research tend also to be leaders in commercialization.”

The AFSAG noted many successful entrepreneurship and commercialization activities across U of T which provide a valuable base to learn from and expand on. The University should attempt to identify and replicate leading successful IP and entrepreneurship practices across the institution, with a view to scaling up what is already working well in various pockets across the three campuses. The Advisory Group emphasizes that efforts to increase funding through commercialization and entrepreneurship activities must not detract from the University's core mission and values. If U of T invests in efforts to lead in knowledge translation, commercialization and job creation —and is seen to be leading in this regard— with sound stewardship the financial and reputational benefits to U of T will continue to expand accordingly. Several tangible examples along these lines are in early stages such as the Vector Institute, the Ted Rogers Centre for Heart Research, and the Versant Ventures/Bayer establishment of BlueRock Therapeutics.

The Advisory Group also reviewed entrepreneurship, innovation and commercialization activities at other prominent universities, including public and private institutions, and noted that in almost all cases these activities benefitted from having exceptional academic programming, a track record of alumni achieving success, proximity to commercial hubs of excellence, and strong institutional support. The review also notes that some universities are investing a portion of endowment funds in start-ups led by their faculty, students, staff and alumni. For example, in 2013 Stanford began investing from its endowment in start-up companies founded by its students, with applications vetted through its incubator StartX. In 2016, the University of Chicago announced plans to invest \$ 25 million from its (then) \$7.1 billion endowment in these types of start-ups. Their investment management office oversees the program as part of its private equity and venture capital portfolio. The university anticipates investing in three to four new companies a year for 10 years, with the maximum initial investment in each case the lesser of \$500,000 or 20% of the investment round. The university requires an established venture capital firm to lead each investment round and take a seat on the boards of the companies that receive investments. Staff at the University of Chicago's entrepreneurship and innovation office vet candidates for investment — including those from the center's technology commercialization and licensing team — and recommend promising companies to the investment office.<sup>15</sup> The University of California invests \$90

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<sup>15</sup> U Chicago News, 2016. “[U Chicago endowment to invest in start-ups with roots on campus.](https://news.uchicago.edu/story/uchicago-endowment-invest-startups-roots-campus)” Available at <https://news.uchicago.edu/story/uchicago-endowment-invest-startups-roots-campus>

million (2015 dollars) from its pension fund, endowment and other assets in companies with ties to its network of schools, medical centres and research labs.

The University's policies relating to inventions and commercialization are fundamental to its ability to attract and promote activity and to participate financially in successful outcomes. In particular, they need to be structured in a way that attracts students, postdoctoral fellows and faculty to U of T, but also rewards the University appropriately for the resources and opportunity it provides. The AFSAG does not take a position on the fitness of the current policies but believes that they should be reviewed regularly in the future to determine whether the policies are meeting their objectives.<sup>16</sup> The Advisory Group also recognizes that there are many constituencies that are party to and impacted by these policies and must be involved in these discussions.

## REAL ESTATE AND PHYSICAL INFRASTRUCTURE

The University of Toronto has real estate holdings and physical infrastructure with the potential to be a significant and recurring revenue source. The location of the University of Toronto – globally, regionally and locally – is itself a valuable resource. The three campuses of the University of Toronto contain a concentration of the country's foremost cultural, educational, research, medical and government institutions. These institutions are of global significance and situated amongst a concentration of significant heritage resources, dynamic contemporary architecture, and a wealth of publicly accessible open spaces and distinctive landscapes.<sup>17</sup> From a global perspective, the University is located in one of the most diverse and multicultural cities in the world with an inflow of highly talented and skilled immigrants.

From a local perspective, the University is one of the largest land-owners in downtown Toronto with over 120 buildings on 130 acres (53 hectares) of land, and with 12.9 million gross square feet of facilities on the St. George campus. Similarly, the University of Toronto Scarborough and University of Toronto Mississauga together comprise 524 acres (212 hectares) and 3.9 million gross square feet across their two campuses. U of T also holds lands separate from the three campuses, providing additional space and opportunities for learning and research. Together, this collection of uses, buildings and landscapes creates a special and distinct area of local, city-wide and global importance.<sup>18</sup>

The future of higher education is frequently the subject of academic, government and media debates. At one extreme end of the spectrum are those who foresee universities becoming virtual, with a shift to digital business models, a massive move to online learning, physical footprints consolidated, and facilities repurposed as hubs for business collaboration, innovation and community education.<sup>19</sup> The AFSAG imagines that U of T will continue to be in a position take advantage of its location “in one of the world's most vibrant, culturally diverse and

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<sup>16</sup> The 2013 Inventions Policy was updated in 2017 via issuance of the Inventions Policy: Guideline on Recognition of Postdoctoral Fellows and in 2018 via the Guideline for the Administration of Financial Prizes for Entrepreneurs and Startup Companies.

<sup>17</sup> University of Toronto Four Corners Real Estate Strategy 2018. Available at <http://www.governingcouncil.lamp4.utoronto.ca/wp-content/uploads/2018/11/a1126-3i-2018-2019bb.pdf>

<sup>18</sup> University of Toronto Four Corners Real Estate Strategy 2018. Available at <http://www.governingcouncil.lamp4.utoronto.ca/wp-content/uploads/2018/11/a1126-3i-2018-2019bb.pdf>

<sup>19</sup> EY, 2018. [\*Can the Universities of Today Lead Learning for Tomorrow: The University of the Future\*](#)

economically dynamic regions, for the benefit of both the University and the residents of the Greater Toronto Area.”<sup>20</sup> Real estate, buildings and physical infrastructure will continue to be highly valuable assets.

The AFSAG began its assessment of alternative funding sources in the real estate domain by reviewing the University’s recently approved Four Corners Real Estate Strategy. The strategy was informed by U of T’s 2030 plan and Three Priorities and was developed with a focus on efficient use of the University’s real estate assets. The Four Corners Strategy focuses heavily on ancillary operations and serves to guide future discussions and decision-making regarding the advancement of these types of real estate projects. Through a set of goals, objectives and strategies, the Strategy provides U of T and its stakeholders with a clear and consistent approach towards evaluating a wide range of projects and opportunities. The Four Corners Strategy defines a “double bottom line” goal: to facilitate amenity uses that support the University’s academic mission, and to generate financial returns directed to the operating fund while maintaining the University’s real estate interests. The financial goal identified in the strategy is to generate an additional \$60 million in annual net operating revenues within the next 15 years.

Underpinning the two overall goals are several objectives, including: to improve the amenities and environment on and at the St. George campus edge; to grow the portfolio of quality, attainable housing; to promote innovation and commercialization by providing suitable space; and to support University engagement in civic goals. From the financial perspective, the objectives are to generate strong financial goals while managing risk and to plan for and respond to current and future space needs. Four Corners provides an exceptional template which can be expanded to include not just real estate for ancillary operations but all real estate across the three campuses and future sites.



The AFSAG acknowledges the complexity of the real estate domain, the variety of needs that must be met, and the subtleties of managing and developing real estate property by the University. The AFSAG encourages further consultation and conversation about how to approach and address these challenges in light of the very significant financial and operational benefits that could accrue to the University via effective, progressive and judicious activity in this domain. Further opportunities for real estate development may be found within the

<sup>20</sup> [Three Priorities Discussion Paper \(2015\)](http://threepriorities.utoronto.ca/wp-content/uploads/2015/10/Three-Priorities-Discussion-Paper.pdf). Available at <http://threepriorities.utoronto.ca/wp-content/uploads/2015/10/Three-Priorities-Discussion-Paper.pdf>

campus precincts, in underutilized lands adjacent and near the University's campuses, and in specific locations that offer the economic potential for the University, perhaps in partnership with others, to provide teaching, research, housing, or other services that improve the well-being of the communities proximate to a site.

The AFSAG recognizes that any real estate strategy for investment is exposed to risks from the market place such as a major change in the economy from the time of project planning to construction and occupancy. Projected demand in any real estate product could unexpectedly change after significant investments have been made. Additionally, construction quality issues could result in unforeseen costs in both construction and eventual building maintenance.

## FINANCIAL RESOURCES

The University of Toronto maintains stewardship of significant financial capital, with total assets of \$9.9 billion and net assets of \$5.9 billion at April 30, 2018. Net assets include endowments (\$2.5 billion) and internally restricted net assets (\$3.5 billion). The latter category includes the investment in land and other capital assets (\$3.3 billion), infrastructure and contingency reserves (\$870 million), and other funds set aside for specific purposes (\$150 million), offset by employee future benefits and pension plan reserves (\$900 million). The University has an opportunity to optimize the efficiency of the available pools of capital in order to establish innovative institutional revenue-generating initiatives. The AFSAG recognizes the measurable success of the University's budget model; summary proposals around strengthening the budget model and leveraging reserves have been presented in the Foundation section of this report. Two further specific recommendations for leveraging financial resources are included in the Recommendations section that follows. It should be noted that the scope of the AFSAG's work did not include broad consideration of LTCAP or UTAM matters.

## SUMMARY OF RECOMMENDATIONS

### Knowledge

#### **1. Expand learning opportunities, engage a broader peak learning age cohort, and leverage technology.**

The University should intensify its continuing education and skills-upgrading offerings, responding to the needs of learners at all stages of their lives and careers. Course offerings of the future will vary, from “micro-credentials” to customized industry or professional training. One model for expansion of this type is to scale up the School of Continuing Studies, building deeper and broader partnerships with divisions. There are already many successful examples across the three campuses which can be leveraged or consolidated, creating economies of scale by SCS offering back-office services such as technology, marketing, registration, HR and finance. The centre should play a stronger role supporting an expanded role of SCS, in partnership with the deep expertise in divisions, through clear alignment of incentives and risks at SCS and within the divisions. To determine the scope of new learning offerings, the University must engage deeply with community organizations, industry and government to understand the market and the demand for customized learning and training. Innovative use of technology to provide flexible courses will be critical, requiring continuous investment. While U of T must take a market-oriented approach, it must also remain true to its core academic values. This will require broad consultation across the academy.

The University, or a unit within it, could develop a pilot program with a corporate partner to include educational offerings for a breadth of employee career and skills stages, with tuition reimbursements to all participating employees. The University and corporate partner would jointly evaluate the model to assess the potential for expansion across industries and job categories.

#### **2. Develop a targeted undergraduate partnership with a peer university.**

The University of Toronto is uniquely positioned in North America to provide international experiences for undergraduate students from the US or other strategic international areas. The University could identify a peer institution to partner with a specific undergraduate program on one of the three campuses. The partnership would provide a focused experience for students coming to U of T and students would be guaranteed enrolment in required courses, as well as electives of their choice. A multi-year pilot could be launched to assess the viability of this concept. This effort would require the identification of a unit or two with capacity and interest to host students, coordination with the Office of the Vice-President, International, and the identification of an appropriate peer institution that would be open to providing the requisite funding to the University of Toronto’s sponsoring units, to support their students in seeking these experiences here.

#### **3. Foster, seed and scale-up excellence-driven, multi-disciplinary research initiatives across academic divisions.**

The University of Toronto is a vibrant research community with an earned research reputation, attested by all international rankings, as the top university in Canada and among the world’s very best. Departments and divisions across the three campuses each have their unique individual strengths and are committed to generating transformative knowledge, innovations, research excellence and global impact. Recent years have

witnessed the flourishing of a few multi-disciplinary collaborative research efforts supported by major research funding. The AFSAG believes that there is significant potential to expand multi-disciplinary research collaborations across the University by fostering, seeding and scaling-up focused research initiatives. In addition, most relevant and complex challenges facing our society require multi-disciplinary approaches and strengths in a variety of disciplines which exist at U of T. This in turn will increase both the potential impact as well as research investments from government, industry and philanthropy. Recent examples include: Medicine by Design, Ted Roger Centre for Heart Research; under consideration: Data Science and Applied Computing, Technology & Society, Health & Society, Open Knowledge, AI and Art, Precision MedTech.

#### **4. Envision creative forms of partnerships.**

The University has the potential to significantly increase international and multinational industry-sponsored research and training (e.g., Fujitsu, LG, TD). The goal is for corporations to invest in multiple ways, which include research contracts, research grants and philanthropy (e.g., Hatch). The University should also cultivate and focus intentionally on international research collaborations co-funded by participating countries/governments (e.g., IC-Impacts with India, National Research Foundation CREATE with Singapore.)

#### **5. Foster an outstanding and innovative entrepreneurship experience for undergraduates.**

Students and postdoctoral fellows have co-developed 75% of University of Toronto inventions. This provides a remarkable opportunity upon which to build. The University should continue to explore ways to enable and encourage this by considering specifically the undergraduate experience from the lens of would-be entrepreneurs. This could include creating “innovation spaces” in residences that would foster start-up activity among undergraduates, and developing focused support for the many undergraduates living off-campus.

#### **6. Review inventions, IP and commercialization policies.**

The University plays an important role in enabling the creation and commercialization of intellectual property and ideas, and should ensure that its contributions are appropriately rewarded from a financial perspective. While there is a natural tendency to implement a simple formula to encourage innovation, the fact is that there is no single path, no one-size-fits-all solution. Thus policies and guidelines should be designed to attract and support faculty and students. The University currently has and should continue to support a variety of approaches where researchers can select the model that works best for them based on their personal circumstances and their stage of development. The policies should be evolving and adapt hand-in-hand with the changes that are occurring in related fields locally and also in broader national and international contexts (e.g., the Bayh–Dole Act in the US). For example, the University might:

- explore how these policies could stimulate the development of a more robust and active venture capital community;
- ensure that the sharing of risks and rewards continues to be appropriately balanced by the University and the developers, both in the context of the University itself but also in the context of other institutions national and internationally;
- adopt an evidence-based approach to assessing the likely effects on commercialization of existing or changes to policies;

- consider ways in which the University has advantages (and disadvantages) as an early-stage investor;
- optimize how the University financially supports commercialization and translation activities on its three campuses;
- meet with funding organizations such as venture capital funds to gain further insight into what they are looking for; and
- get better at measuring results and defining our desired outcomes.

#### **7. Strengthen efforts to guide/advise on national IP strategy.**

The University operates within a national academic and private sector community network which impacts the University's research, commercialization and entrepreneurship activities. Areas of impact range from patent law, funding of research administration costs, immigration policy to enable/encourage international students and faculty. Making the most of our university's and country's intellectual resources is essential to building a strong economy and developing our next generation of talent. There is opportunity for the University of Toronto because of its size, breadth and global reputation to play an important role in stimulating broader discussion and consideration of IP policies and other related matters to establish a more coherent and consistent nationally accepted intellectual policy framework.

#### **8. Consider investment of endowment funds in U of T start-ups.**

The University should evaluate the limitations and opportunities of investing some endowment funds managed by UTAM in U of T-connected start-ups. UTAM and the investment committee could be asked to conduct the review and present its finding to administration for further consideration.

#### **9. Embrace the role of the University as a connector.**

Employers come to the University seeking the talent of its students, and talented students come to the University of Toronto not least because U of T is highly regarded/ranked in terms of employability of its students. In this way, the University plays an important role in connecting its graduates with the jobs and careers of their dreams. The University should embrace a more active role in facilitating opportunities for connections. For example, the University could seek to expand the opportunities for students to have experiential learning experiences through programs such as Mitacs, NSERC, evolving CIHR translational programs and industry-sponsored research awards. U of T has already begun planning for "connector" spaces such as PIE-C and the waterfront facility; future opportunities should be considered to support the growing innovation strategy. Although these types of activities likely do not generate funding directly, they will increase the profile of the University, as well as the reputation of its faculty and students, which will support other funding opportunities identified throughout this report.

## Real Estate and Physical Infrastructure

### **10. Endorse the Four Corners strategy.**

The AFSAG endorses the Four Corners Strategy and recommends its adoption as a cohesive strategy for immediate and intermediate development. The Strategy is supported by data demonstrating that \$60 million in annual revenue is possible by optimizing the development capacity of several key parcels surrounding the St. George campus. Future developments at the Mississauga and Scarborough campuses, as well as other sites such as Downsview, will be more fully incorporated into the Strategy in due course.

### **11. Expand on Four Corners to build a fully comprehensive real estate framework.**

While the University has begun to articulate established guidelines with respect to the real estate holdings as a portfolio, a more comprehensive real estate framework could help to clarify objectives, strategies, tactics and planning for all new real estate projects beyond those considered by the Four Corners Strategy. The AFSAG encourages the University to build upon the Four Corners Strategy and either expand the new strategy or develop a companion framework to include all real estate assets (academic and ancillary), as well as physical infrastructure, across the three campuses and at other university sites. A broader, more comprehensive framework grounded in goals, objectives and strategies will enable the University to optimize its full range of physical assets. This expanded scope would consider a much longer-term horizon, say 20 to 50 years. Capital plans at the divisional level should be evaluated within such an expanded framework. At the core of the framework should be the objective of maintaining and enhancing the campus learning experience for students.

This expanded framework could include guidelines with respect to several aspects of real estate strategy:

- Study and develop a strategic position regarding the orientation of future growth of university buildings. This would include guidelines on density, height, orientation, and boundaries of campus expansion and related sites.
- Consideration of the comparative benefits of future expansion for its three campuses in both the near term and longer-term horizons to help inform optimal locations for key programmatic expansions. An example of such a decision is the expansion of the Faculty of Medicine MD program to UTM in 2011.
- Pursue a location-based strategy that addresses the University mission for all three campuses. As an example, programs requiring significant quantities of land would be targeted to a campus where land is more plentiful and available.
- Address related governance matters such as limitations on uses or location, guidelines for partnerships, decision-making matrices, priorities, and approval processes depending on scale or novelty of financing concept, extent or sources of borrowing, or composition of mixed-use project.
- Assess alternative uses of capital to accomplish enhanced functional outcomes. For example, could faculty housing represent a better offering if located several public transportation stops away from campus as opposed to directly adjacent to campuses? More specifically, what if the University could acquire 30 homes within a four-stop radius vs. 20 homes directly adjacent for the same cost? What about the cost of a new apartment tower vs. acquiring existing housing stock?

- Consider attributes such as heritage building retention, air rights, density, proximity to rapid transit stations, mixed uses, partnerships, and highest and best use in any new real estate project.
- View real estate assets as more active assets and improve the efficiency of those assets. Develop investment principles to assess the relative value of a real estate proposition against other reasonable possibilities. Also consider how internal subsidies are implemented – in particular, given that the subsidy results in lower rental income to the University, how is this categorized (e.g., lower real estate revenues or greater employment or student assistance expenses)?

### **12. Consider investing long-term capital in University real estate.**

The University should evaluate the limitations and opportunities of investing some long-term funds managed by UTAM in University-owned real estate projects. A survey could be done of other North American universities that invest part of their endowment into real estate. The AFSAG assumes that any possible use of UTAM funds, if they were to be invested in University-owned real estate, would be done consistent with the University's principles, policies and objectives.

### **13. Reassess the University's faculty and staff housing strategy.**

The Four Corners Strategy emphasizes the importance of adequate housing for the University:

“Elite academic institutions around the world compete to attract and retain top-tier graduate students, faculty, and staff. Well-located, affordable housing with desirable amenities can serve as a differentiator and a competitive advantage. Housing owned or managed by a university can reduce housing expenses; ensure adequate supply near campus; provide appropriate amenities, common spaces, and programming; offer increased flexibility in lease terms compared to the private market; and reduce search and transition costs. The University can offer these benefits to aid the efforts of deans and chairs in faculty attraction and retention.”

The report goes on to set the guiding principle in terms of housing that is “proximate to the campus” and “at the edges of the campus.” Refining the concepts of proximate and edge to include an in-depth financial analysis of highest and best use<sup>21</sup>, weighed against academic and community priorities, could alter the impact of location on the cost of such housing. Funds generated through transactions supported by such analysis would add to the real estate stream of revenues available for the operating budget.

Finally, for reporting purposes, consideration should be given to treating gross rental income from housing as revenue and including any subsidies as employment costs or student assistance. While this does not change the net impact on the operating budget, it provides better clarity in reporting. The University could then decide whether to flow gross or net rental income to a central fund. Identifying market rents as an internal benchmark

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<sup>21</sup> The Appraisal Institute of Canada defines the term “highest and best use” as “The reasonably probable and legal use of property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.”

for analytical purposes would ensure the institution understands highest and best use benchmarks. To be clear, this is not a recommendation to charge market rents for faculty, staff and students.

#### **14. Expand partnerships for utilization of research facilities and infrastructure.**

The University should consider expanding and implementing an institution-wide model for optimal utilization of major state-of-the-art research facilities and infrastructure by external partners when these are not in use by U of T researchers. This approach would offset operating budget costs and generate additional resources by offering facilities for a service fee. In order to achieve success, the facilities would have to offer the highest quality of service and outstanding administrative and technical support. Examples of this already occurring at the University include: the BioZone Mass Spectrometry facility, the Ontario Centre for the Characterisation of Advanced Materials, Centre for Microfluidic Systems, Toronto Nanofabrication Centre, etc. Expansion of partnership activity of this nature could be supported by a team of industrial liaison officers who are PhDs trained to work as business development professionals. This model is in place at MIT, with approximately 55 PhDs serving in this capacity. Further synergies could be created by linking these activities with advancement activities.

### Financial Resources

#### **15. Optimize investment returns on short-term investments.**

Further consideration should be given toward the investment of the University's working capital, referred to as the Expendable Fund Investment Pool (EFIP). At April 30, 2018, EFIP deposits totalled about \$2.2 billion, of which about 58% (\$1.3 billion) was held in operating and ancillary funds, about 12% (\$259 million) held in capital funds, and about 30% (\$681 million) held in restricted funds. EFIP deposits are currently invested mostly in cash and money market vehicles and in internal long-term loans in accordance with the University's internal borrowing program. A review and analysis, with a view to whether a larger proportion of EFIP could be invested in medium and longer-term investments, could yield additional general revenues. Greater clarity on linkages between reserves, capital and deferred maintenance would also serve the University well in incentivising more efficient use of capital.

#### **16. Open up UTAM to co-investment.**

UTAM could examine creating a separate investment vehicle open to all Canadians who wish to benefit from their expertise. This investment portfolio could mirror the main pension fund but be set up as a Defined Contribution Pension Plan. This is not entirely without precedent as the Government of Saskatchewan has the SPP (Saskatchewan Pension Plan), which is open to investors in Canada outside of the province. If this separate vehicle included an extra management fee of 10bps (0.1%) per annum, revenue to the university would be approximately \$1 million per billion dollars managed.

## APPENDICES

### Appendix A – Media Coverage: Market for Skills Upgrading



Boosting education will help address short-term economic pain of AI, Mark Carney tells U of T audience

The revolution spawned by artificial intelligence and machine learning will – like previous industrial revolutions – hurt employment and wage levels in the short term, Bank of England Governor Mark Carney told a University of Toronto audience on Tuesday. But in the long run, he said, productivity gains will kick in and employment levels will recover, if historical precedents are a guide.

The problem with the current, fourth industrial revolution, he said, is that it is coming fast on the heels of the earlier shift to digitalization, which has already generated big productivity gains but where job benefits are not fully in place. One result of digitalization, he said, was the rapid growth of low-skill and high-skill jobs, along with a “hollowing out of mid-range skills.” Mid-range workers then competed for low-end jobs, depressing wages.

A key solution for dealing with these issues in the age of artificial intelligence is to boost levels of education, as was the case with each earlier industrial revolution. Businesses have a central role in identifying what skills are needed, and helping with retraining, Carney said. But governments also have to participate, because individuals are going to need public support if they take time off work in mid-career for added education.

(Source: UofT News, October 24, 2018)



The University of Toronto can play a key role in not only developing economy-boosting automation and artificial intelligence technologies, but ensuring Ontario workers are in the best possible position to reap the rewards.

That's the message **Maureen MacDonald**, the dean of U of T's School of Continuing Studies, intends to deliver during a "great debate" on AI and the workforce at this week's Ontario Economic Summit, an annual gathering of cabinet ministers, CEOs and post-secondary education leaders.

MacDonald, one of several university representatives at the three-day event in Niagara-on-the-Lake, says U of T is well-equipped to work with the province and employers to improve workers' skills and education so they can succeed in the knowledge economy.

"It's really in our wheelhouse – supporting our employers and workers as they start to navigate the implications of AI and other changes," she says.

"AI can do the work, but someone still has to manage around the process. I think that's where universities and, specifically, continuing education units can add value."

(Source: UofT News, October 24, 2018)

# Got a career? Still think about upskilling

DAVID ISRAELSON

SPECIAL TO THE GLOBE AND MAIL

PUBLISHED OCTOBER 26, 2018

COMMENTS



"In the future, we can expect to see more learners seeking out upskilling and reskilling options as their jobs and industries change and evolve and new sectors of the economy emerge," according to Colleges and Institutes Canada (CICan), the umbrella group for community colleges.

FATCAMERA

With the rapid changes in types and modes of work, learning new skills is critical for everyone, even those already employed, experts say.

"It's really the way of the future for the work force," says Linda Franklin, president and chief executive officer of the advocacy organization Colleges Ontario.

"We have all sorts of technological advances, artificial intelligence, and all of this is transforming everyone's jobs – not just the jobs you think about immediately," she says.

(Source: Globe & Mail, October 26, 2018)

# WHAT IS THE PROBLEM WE WILL SOLVE BETTER THAN ANYONE ELSE?

EXTENSIVE RESEARCH ON FORTUNE 1000 COMPANIES SHOWS TWO MASSIVE GAPS

[MOLDOVEANU AND NARAYANDAS, HBS/ROTMAN GLOBAL EXEC ED STUDY, 2016]:

- A SKILLS GAP, BETWEEN THE HIGH-LEVEL SKILLS EXECUTIVES NEED AND THE SKILLS BUSINESS SCHOOLS PROVIDE
- A SKILLS TRANSFER GAP, BETWEEN LEARNING A NEW SKILL IN THE CLASSROOM AND APPLYING IT IN THE BUSINESS

EXECUTIVE DEVELOPMENT IN A \$10.5bN/ANNUM BUSINESS, OF WHICH BUSINESS SCHOOLS ARE ONLY CAPTURING A SMALL FRACTION (\$1.2bN).

WHY?

BECAUSE THEY ARE NOT ADDRESSING THE TWO GAPS, WHICH ARE WIDENING AND ENCOURAGING A HOST OF NEW ENTRANTS: 2000 CORPORATE UNIVERSITIES HAVE STARTED OPERATION SINCE 2004!

(Source: Harvard Business School/Rotman Global Exec Ed Study, 2016)



# WORKING KNOWLEDGE

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03 OCT 2016 WORKING PAPER SUMMARIES

## The Skills Gap and the Near-Far Problem in Executive Education and Leadership Development

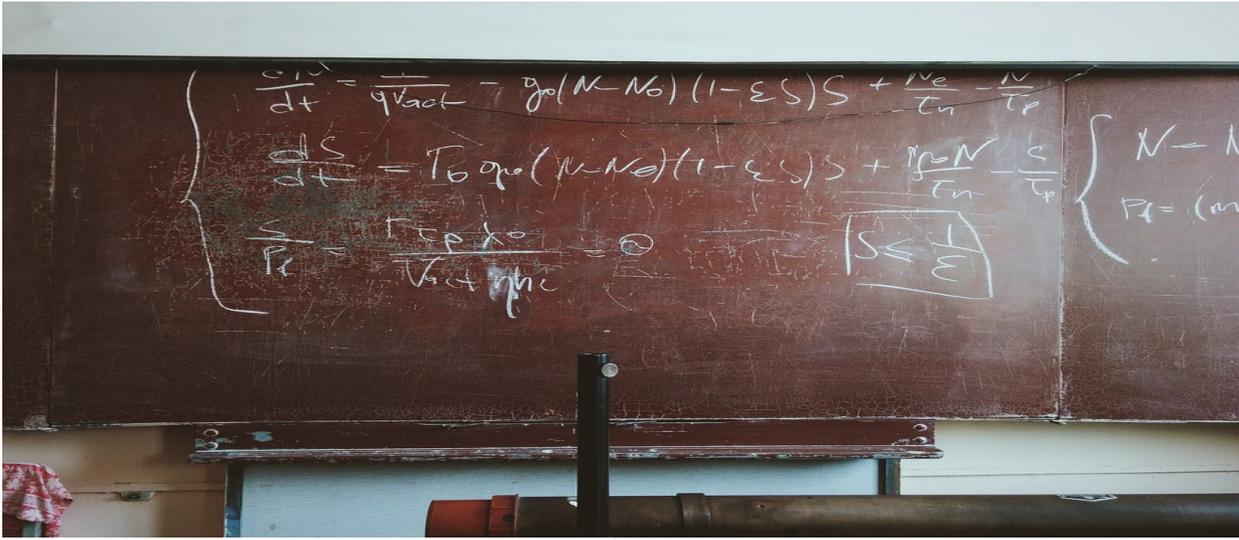
by Das Narayandas and Mihnea Moldoveanu

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**OVERVIEW** — An increasingly obvious and costly gap has emerged between the skills that executives need in order to cope with the volatile, uncertain, ambiguous, and complex business landscape and the skills being imparted by executive development programs. Providers of these programs need to focus on cultivating skills least susceptible to digital distributed delivery in ways that will make them most relevant to the greatest number of contexts. In addition, skills that are difficult to articulate and translate into formulas will benefit from focused, heavily social learning environments supported by constant reinforcement from savvy facilitators and motivated peers.

See: <https://hbswk.hbs.edu/item/the-skills-gap-and-the-near-far-problem-in-executive-education-and-leadership-development>



## Classroom of the Future?

**No business school – and indeed no place of higher learning – can remain relevant and thrive in the Web 2.5 environment in which incoming students - Millennials and post-Millennials - have been born and socialized, without possessing a learning infrastructure that allows for rapid prototyping, blending of different instructional forms, and the intelligent, adaptive deployment of digitalized content and learning vehicles into its programs.** The learning of the future will be **personalized, socialized and contextualized**, and the learning infrastructure of our Schools should enable the adaptive personalization and contextualization of content, and the socialization of the learning experience. Students will be able to store, track and update their work, collaborate on projects across disciplines, showcase their abilities across a wide range of industries, projects, functions and disciplines, and become embedded in the School's family of learning and skill development activities on a lifelong basis.

(Source: Mihnea Moldoveanu, Professor, Rotman School of Management, December 2017)

[View as Webpage](#)

## ***LinkedIn and the Future of New Credentials***

***December 5th, 2018 - Alex Usher***

One of the many unrealized promises of the last decade or so has been the idea that the types of credentials available to student – micro-credentials, stacked credentials Coursera-style “specializations”, whatever – would proliferate. Certainly, the world would probably be a better place if there more alternatives to diplomas, bachelor’s degrees and master’s degrees, but the problem is that for a new credential to gain traction, it must have a labour-market value (otherwise why would students pay money to obtain one)? For it to have labour-market value, employers need some clue what the credential means, so they can value it.

And that, friends, is the hard part. If you could launch a new type of credential with huge fanfare and massive information campaigns and seminars and whatnot, then that would be one thing. But as anyone who’s struggled over the past 20 years trying to get Ontario businesses to pay attention to “applied” degrees can tell you, that just doesn’t happen. Institutions and governments either don’t have the energy, resources, or marketing genius (or all three) to make that happen in a simple way. This “barrier to entry” gives an enormous advantage to those universities and colleges, which have legal monopolies (or close to it) over diplomas and degrees. This is one of the reasons we have seen few challenges to existing methods of provision in higher education.

It recently occurred to me that there is *one* organization that probably does have the power to start the world down this path, and that’s LinkedIn. Now I know many people roll their eyes at LinkedIn – certainly I find it a weird tool and don’t really understand why people I’ve never met keep asking to become a “contact” (why? What’s the advantage?) – but it has a lot of users and more to the point it has had an enormous standardization effect on certain aspects of the hiring process, particularly with the presentation of skills and experiences in what used to be called a CV.

So, LinkedIn on its own can't do much. But two years ago, it bought Lynda.com (now just LinkedIn Learning), which is a site that provides courses and digital tutorials (i.e. canned content, a bit like Khan Academy) mostly with a tech focus with a few language courses. This means LinkedIn, the company that owns a copy of most white-collar CVs, knows whether you've tried to master certain skills. It doesn't know if you've actually mastered them. But what if it did? Can you imagine how compelling having a CV which provided brand-name certification of certain skills would be?

To do that, LinkedIn would need to find cheap and simple ways of testing skills attached to its tutorials. Now, LinkedIn is owned by Microsoft, which, while not as mighty as it was 20 years ago, is sitting on \$142 billion in cash. So, imagine that Microsoft decides to go on a mission. It tries to buy a company that specializes in developing tests, like Riverside Publishing, or – if it wants to go crazy – buyout Pearson's testing unit or even ETS. With that arsenal in tow, it could get to work linking skills to CVs directly. In effect, passing a Lydia.com course becomes a brand-name-certified microcredential (with, presumably, a lot of explainer links for employers needing to understand these credentials).

What about extending the direct-skills-to-CV process to post-secondary education? What if, say, LinkedIn/Microsoft buys Coursera, one of the major current providers of microcredentials? Coursera might be folded into a MegaLinkedIn that started applying some of its testing technology to courses offered by Coursera university partners (which would involve some interesting exchanges with those partners, some fruitful, some caustic). But more importantly, now those courses and specializations? They get linked directly into your CV, too, with that same brand-name certification and set of explainers.

(To push this idea a little beyond microcredentials, we could also imagine MegaLinkedIn taking over a company like Parchment, which specializes in taking institutional transcripts and putting them into XML formats for ease of transfer. Now your entire university/college transcript can be linked directly to your CV. Your degree is from outside North America? No problem. MegaLinkedIn also just bought WES, a credential evaluation service. Now your CV comes with a certification of your foreign credential and potted descriptions of the local equivalencies to that degree).

*LinkedIn probably isn't going to do this, because it doesn't have the money.* One could also imagine Amazon or Facebook taking these companies over and

trying to build a conglomerate. The company that could develop a product with information on this set of skills could conceivably assess the talents of every person who chose to provide their information. It would be an HR/staffing behemoth in no time at all. (yes, yes, it would be a privacy nightmare, but that ship sailed with Facebook a long time ago).

More to the point, because it would have such a commanding position in the HR/staffing business, it could literally impose micro-credentials on employers. Employers wouldn't need to figure out what every new micro-credential meant and how to value it: MegaLinkedIn could tell every employer instantly about the average career trajectories of people who take every new credential and what the average bump in salary is (they'd need to buy a company like Burning Glass to make that work better, but that's chicken feed compared to some of the other purchases we've talked about here). That whole problem of working out how to value degrees? Gone. Poof.

Suddenly, microcredentials would work. And existing degree and diploma programs would finally have some serious competition.

Not saying it's going to happen. But it could. It's a scenario to start thinking about, anyway.

## Appendix B – Scan of Continuing and Professional Education at U of T

### Faculty of Medicine

<https://medicine.utoronto.ca/alumni/continuing-professional-development>

#### Continuing Education and Professional Development

- The Faculty of Medicine’s Continuing Professional Development (CPD) office is the largest provider of continuing education for health care professionals in Canada.
- New graduates receive up to \$750 in credit towards a School of Continuing Studies (SCS) course, anytime up to 24 months following convocation.
- Many CPD programs are accredited Royal College and College of Family Physicians credits. CPD also maintains a reciprocal agreement with the AMA and EUMS/EACCME (European Medical Accreditation organizations).
- Programs
  - Learners
    - Approximately 60 program and conference offerings
  - Educators
    - Program Development – Education consultants work with clients to create the most effective program for the target market
    - Accreditation – learn how to accredit an upcoming program and use the university’s name and logo to promote the program
    - Program and Conference Management – CPD Program and Conference Management team has worked with Faculty of Medicine Planning Committees in the development and execution of education programs for health care professionals. The team of marketing, finance and conference specialists provide support in navigating the financial, accreditation and logistical aspects of academic conference development, implementation and delivery.
    - Faculty Development – Resources about best practices in program identification, design, development, delivery and measurement.
    - Services offered to faculty and course organizers include:
      - Program design
      - Accreditation process
      - Specialized training
      - One-on-one coaching
      - Special interest learning modules
  - Scholarships
    - CPD Research and Development Grants
    - Education Research-Scholarship Grants
    - Continuing Education Awards

## Examples of Summer Youth Program

### Law

<http://ysp.utoronto.ca/>

- Youth Summer Program (YSP) established in 2008
- Open to domestic and international students in grades 10 and 11 or the international equivalent
- A unique modular-based format provides students with a diverse set of subject areas and flexibility. S
- Students participate in the exploration of the respective fields, career opportunities, and what they should be thinking about and doing in high school to prepare themselves for post-secondary admission and education.
- Law
  - Maximum enrolment of 50-60 students per week
  - \$900 per module
  - 7 modules
  - Delivery
    - Week long modules in the areas of Criminal Law, Law & Politics, International Law, Corporate Law, and Trial Advocacy
    - Each module delivers a thorough, balanced understanding of legal concepts and theories and an introduction to legal practice and advocacy through lectures, interactions with leading justice sector professionals, fieldtrips to legal institutions, and culminating activities including mock trials and negotiations

### Medicine

- Maximum enrolment of 120 students per week
- \$1458 per module
- 4 modules
- Delivery
  - One week long modules in the fields of Physiology, Molecular Biology & Genetics, Pharmacology & Toxicology, and Microbiology
  - Each module includes lectures from world-class faculty and medical professionals, hands-on experimentation in modern laboratories, and preparation for university admission

### Engineering

The Da Vinci Engineering Enrichment Program (DEEP) is designed for highly motivated high school students with an aptitude for science and math. DEEP provides students from around the world with the opportunity for advanced study in a variety of engineering, technology, business and science disciplines. Since its inception in 2003, DEEP has brought together over 10,000 like-minded students to explore some of the most innovative topics in engineering and science today—taught by some of the faculty’s top alumni, PhD candidates, and Master’s and undergraduate students. The program is designed to expose bright young minds to concepts usually presented in the upper years of an undergraduate degree or in graduate school.

## **School of Continuing Studies and Divisional Partnerships**

### SCS/RSM Course Offerings

- SCS HCEs = 19,000
- RSM 2017-18 academic year HCEs = 695

### SCS Registration Software

- DestinyOne

### SCS Partnerships

#### Internal

- Factor-Inwentash Faculty of Social Work
- Faculty of Information
- Faculty of Medicine
- School of the Environment
- Faculty of Applied Science & Engineering
- Office of the Vice-President, Research & Innovation

#### External

- Alberta Insurance Council
- Association of Administrative Professionals
- Association of Business Process Management Professionals
- Canadian Association of Management Consultants
- Canadian Construction Association
- Canadian Institute of Chartered Business Valuators
- Canadian Institute of Traffic & Transportation
- Canadian Payroll Association
- Chartered Professional Accountants of Ontario
- Credit Institute of Canada
- Credit Union Institute of Canada
- Global Risk Management Institute
- Human Resources Professionals Association
- International Institute of Business Analysis
- ISACA Toronto Chapter
- Ontario Associate of Architects
- Ontario Building Envelope Council
- Project Management Association of Canada
- Project Management Institute
- Surety Association of Canada
- Trilogy Education Services

## U of T English Language Programs

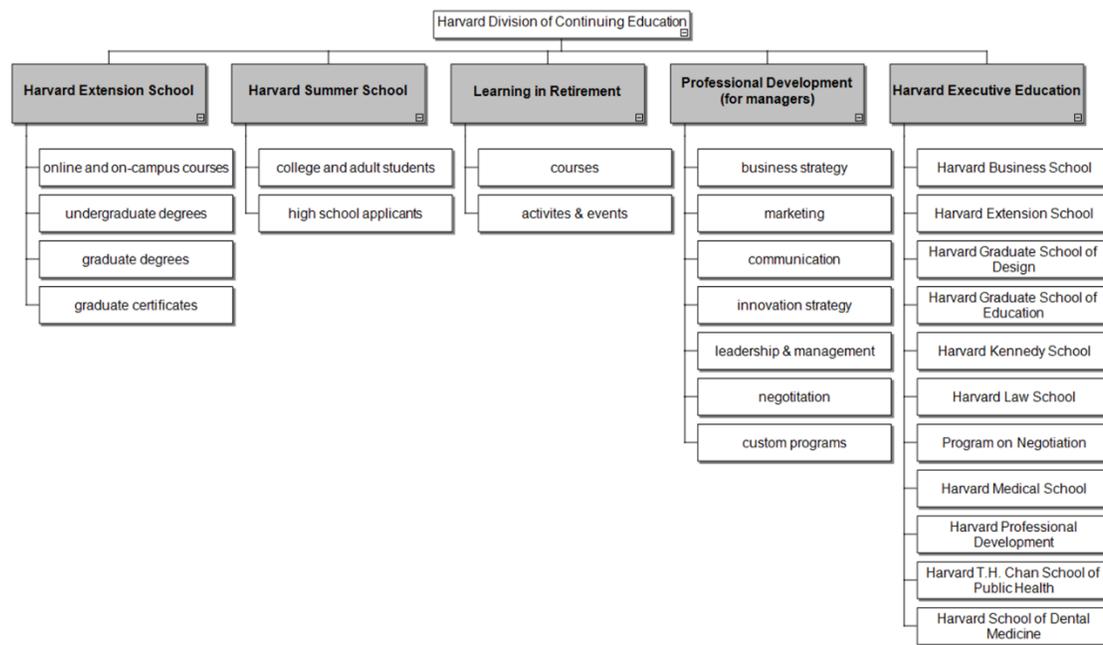
- Centre for International Experience – English Communication Program
- Faculty of A&S – English Language Learning
- New College – International English Programs (youth and adult programs)
- School of Continuing Studies – English Language Program
- Woodsworth – Teaching English to Speakers of Other Languages (TESOL)

### Transition Programs

- School of Continuing Studies – Academic English at the English Language Program
  - For non-native English speaking students
- International Foundation Program
  - For international high school graduates who academically qualify for entry to the Faculty of Arts & Science, the Faculty of Applied Science & Engineering, the Faculty of Architecture, Landscape & Design, or the Faculty of Music (undergraduate)
  - 8-month open enrolment program with a degree credit
  - Offered in the fall/winter term
  - All students apply to the IFP program; those who meet the higher proficiency criteria are streamed into the summer program so they could potentially start classes in September
- Summer International Foundation Program
  - For international high school graduates who academically qualify for entry to the Faculty of Arts & Science, the Faculty of Applied Science & Engineering, the Faculty of Architecture, Landscape & Design, or the Faculty of Music (undergraduate)
  - 8-week open enrolment program with a degree credit
  - Streamed from the IFP program due to higher English proficiency
- UTSC – Green Path Program China
  - For select Chinese students from partner high schools in China who qualify for entry to U of T Scarborough undergraduate programs
- UTSC – FAIR
  - For select Taiwanese/Mongolian/Vietnamese students who qualify for entry to U of T Scarborough undergraduate programs
- UTSC – Academic English @ UTSC
  - For applicants who academically qualify for entry to U of T Scarborough but have not yet met their English language proficiency requirement
- UTM – Academic Culture & English (ACE @ UTM)
  - For applicants who academically qualify for entry to U of T Mississauga but have not yet

## Appendix C – External Scan of Continuing and Professional Programs

### Harvard University – Division of Continuing Education



Offers open-enrollment courses, degrees and certificates, and professional development programs

- The Harvard Summer School
  - 300+ course offerings
- The Harvard Extension School
  - Degree and certificate programs
  - 700+ course offerings
  - Gain new perspectives, develop a professional skill, or earn a Harvard credential
- The Harvard Institute for English Language Programs
  - Residential, cultural immersion program offered every summer for incoming international graduate students
  - Run by Graduate School of Arts & Sciences and the Derek Bok Center for Teaching and Learning
- The Harvard Institute for Learning in Retirement
  - 550 members enrolled
  - 120+ course offerings
- The Harvard Summer Secondary School Program
  - Seven weeks, fully immersed college experience
  - 200+ course offerings

- Study with Harvard faculty and visiting scholars, and earn college credit that may be transferred to a chosen university
- Professional Development Programs
  - For managers
  - Non-credit
  - Areas:
    - Business Strategy
    - Marketing
    - Communication
    - Innovation Strategy
    - Leadership & Management
    - Negotiation
    - Custom Programs
- Executive Education
  - Harvard Business School – 60+ open enrolment programs
  - Harvard Extension School – 60+ open enrolment programs
  - Harvard Graduate School of Design
  - Harvard Graduate School of Education
  - Harvard Kennedy School
  - Harvard Law School – open and custom programs
  - Program on Negotiation – taught by experts from Harvard, MIT, and Tufts
  - Harvard Medical School
  - Harvard Professional Development
  - Harvard T.H. Chan School of Public Health
  - Harvard School of Dental Medicine – open and custom programs offered regionally nationally, and internationally

#### Course Delivery

- On campus only
- Online only
- On campus with online option
- Online (live) web conference
- Live web conference with required on-campus weekend

#### Funding

- Largely self-sustaining based on money earned through tuition
- The Division of Continuing Education, however, has been able to not only cover its own expenses, but also run a growing surplus
- Most of the funds received from the Faculty of Arts & Science's portion of endowments are dedicated to specific uses (scholarships) rather than daily operations

- Division of Continuing Education receives “almost all” of its funding from tuition from:
  - Extension School
  - Summer School
  - Professional Development Programs
- Tuition at the Extension School is comparatively a better value than tuition of extension programs at peer universities
- Tuition for Extension School courses is less expensive than for the College, though summer-term Extension School courses are priced more similarly to those offered by the College
- Division of Continuing Education has nearly no alumni contributions
- Huntington D. Lambert, dean of the Division of Continuing Education: It’s part of our history of being self-sufficient. My predecessors never developed alumni relationships. That is something I’ve just started since I got here five years ago, so we’re now engaging our alumni around the world. We hope that in the future that will lead to more giving.”

#### Partnerships

- Harvard Business School and Extension School Partnership
  - HBX, Harvard Business School’s online digital education initiative, and Harvard Extension School, are partnering to offer college-level credit for students taking the HBX Credential of Readiness (CORE).

#### Harvard in the Community

- Public School Partnerships (PSP)
  - with educators, parents, and students within Boston Public Schools at community-based organizations, and with local residents to offer professional development opportunities for in-school and out-of-school educators, and to provide access to Harvard programs and resources
  - PSP also works to engage local families in parent workshops and events that support student success

#### UCLA Continuing Education

- UCLA Extension
  - Fully self-supporting division of UCLA funded by course fees and philanthropic contributions
  - Tailored to the needs of working adults and life-long learners
  - Open enrolment and evening, weekend, daytime and online courses
  - 40,000+ participants each year
  - ~3,000 international students and professionals per year
  - 4,500+ course offerings
  - 100 certificate programs
  - 20+ fields
  - Programs:
    - Certificates and specializations

- Online programs
  - Corporate education
- International Programs
  - Certificate programs for international students
  - American language centre
- Custom Programs & Corporate Education
  - 100 years of continuing education
  - 23 countries
  - 2,000+ participants per year
  - 150+ corporate partnerships
  - 100+ customizable certificate programs
  - Areas:
    - American Language Centre
    - Business, Management, and Legal Programs
    - Education
    - Engineering and Technology
    - Entertainment Studies
    - Humanities and Social Sciences
- Continuing Education for the Bar
- Anderson School of Management Executive Education
- Professional Development for Educators
- Screenwriting and Producing
- Head Start Management
- David Geffen School of Medicine at UCLA
- Semel Institute for Neuroscience and Human Behavior
- School of Dentistry
- Occupational Health and Safety
- Pre-hospital Care
- Continuing Education for Retirees

#### Course Delivery

- Web-enhanced
- Hybrid course
- Classroom
- Online
- SMART Network instructor classroom
  - Instructor and students in this room connect to a remote classroom through web-conferencing technology for live, synchronous learning. All courses are recorded for student convenience.
- SMART Network remote classroom

- Students in this remote classroom connect to their instructor and peers through web-conferencing technology for live, synchronous learning. All courses are recorded for student convenience.

### Community Programs & Partnerships

- Through the Institute of Environment and Sustainability, UCLA partners with leaders in environmental and social improvement
  - Mobile Clinic – medicine
  - BruinCorps – tutor children in low-income areas of Los Angeles
  - UCLA UniCamp – counselling
  - UCLA Labor Centre – worker justice

### Coursera

[www.coursera.org](http://www.coursera.org)

- Languages
  - Multilingual (English, Spanish, French, Chinese, Arabic, Russian, Portuguese, Turkish, Ukrainian, Hebrew, German, Italian)
- Courses
  - Works with universities and other organizations to offer online courses, specializations, and degrees in a variety of subjects, such as engineering, humanities, medicine, biology, social sciences, mathematics, business, computer science, digital marketing, data science, and others
- Users
  - As of June 2018, Coursera had more than 33 million registered users and more than 2,400 courses (104 on-demand courses in May 2015)
- Strategic Partners
  - 171 partners across 28 countries
  - In January 2017, the company launched Coursera for Governments & Non-profits
  - Coursera also has partnerships with the Institute for Veterans & Military Families (IVMF) in the United States and entities in Egypt, Mongolia, Singapore, Malaysia, Pakistan, and Kazakhstan
- Delivery
  - Coursera courses are approximately four to ten weeks, with one to two hours of video lectures a week.
  - Each course is like an interactive textbook featuring pre-recorded videos, quizzes, and projects; these courses provide quizzes, weekly exercises, peer-graded assignments, and sometimes a final project or exam.
  - Courses are also provided on-demand, in which case users can take their time in completing the course with all of the material available at once.
- Degrees
  - 2,928 course offerings
  - As of 2017, Coursera offers full master's degrees
  - Master's in Innovation and Entrepreneurship (OMIE) from HEC Paris
  - Master's of Accounting (iMSA) from the University of Illinois

- Master of Computer Science in Data Science from the University of Illinois
- Master of Business Administration (iMBA) from University of Illinois.
- Specializations
  - In July 2016, the company launched an enterprise product called Coursera for Business. TechCrunch notes that the company, "opened itself to additional revenues from the lucrative corporate e-learning market, which some reports suggest was worth \$12 billion in the US alone."
  - Coursera for Business customers include L'Oréal, Boston Consulting Group, and Axis Bank
  - In October 2016, Coursera launched a monthly subscription model for Specializations. The company has said subscription costs will vary, "depending on the topic area".
- Recent Updates
  - In March 2018, Coursera launched six fully online degree courses including the bachelor's and master's qualifications

## LinkedIn Learning

<https://learning.linkedin.com/>

- As of April 2017, LinkedIn had 500 million members in 200 countries, out of which more than 106 million members are active
- LinkedIn Learning combines content from Lynda.com with LinkedIn's professional data and network
- Hosted by Lynda.com (which has 20 years of industry-leading experience) which LinkedIn acquired in the spring of 2015 for \$1.5 billion.
- Languages
  - Multilingual (Arabic, Chinese, English, French, German, Italian, Portuguese, Spanish, Dutch, Swedish, Danish, Romanian, Russian, Turkish, Japanese, Czech, Polish, Korean, Indonesian, Malay, and Tagalog)
- Focus
  - Prioritize learning and development
  - Provide an avenue where job seekers can create, maintain and improve their professional profiles through corporate training and education.
  - New eLearning portal will help individuals identify skills that require mastery and provide the necessary resources to help them do that. Employees will be able to choose courses that interest them and supervisors can recommend training in areas that need sharpening.
- Delivery
  - Over 9,000 courses on LinkedIn learning, spread across different fields and individuals can take up to 25 courses a week – but only if they have a premium subscription
  - There is also a special business subscription that allows an organization to enroll its entire staff
- Courses
  - Over 1,000 business courses
  - Over 2,000 creative courses
  - Over 1,500 technology courses
- On-demand learning for

- Business
- Higher education
  - Support faculty and staff – Provide engaging career development and keep them up-to-date with training on the latest IT topics including networking, big data and business intelligence
  - Advance alumni career development – Provide targeted skills training for alumni to help them secure jobs and stay up to date with workforce needs
  - Enable flipped classroom learning – Assign video tutorials and tools training for homework while reserving class time for discussion and concept mastery
  - Prepare students for the workforce – Promote career readiness with a vast range of technology and business skills courses
- Government
- Libraries
- Offers expert-led, on-demand eLearning for the following:
  - Business
  - Higher education
  - Government agencies
  - Libraries
- Employee/Employer Benefits
  - Employers can request access to LinkedIn's analytics to monitor their employees' activities on the eLearning portal vis-à-vis what they are studying and their progress.
  - Send Alerts and News Feeds – Human Resource managers and employers can push feeds and alerts to their employees to widen their knowledge base. LinkedIn recently acquired Pulse, and employers can exploit the platform to share relevant content with their employees. The shared content can be in the form of supplemental links or news from influencers.
  - Add Online Job Placement Services – Companies can recommend suitable jobs for potential employees. HR managers can assess individual skills more effectively through the addition of online job placement services. Adding some form of training as part of the service would be beneficial.
  - Connect with Universities and Colleges – Another effective way to boost employee knowledge is building a working relationship with universities and colleges. This strategy can help organizations in onboarding employees early in their professional lives, by inviting graduates from these institutions to apply with the organization in the future.
  - Subscribe to Online Courses – Companies with a premium subscription can access 25 new courses every other week. LinkedIn is also expected to roll out an option for top tiers that will allow them to purchase a subscription of an entire rank.
  - Making Smart, Right Connections – LinkedIn was and still is a place where the professional communities connect, interact, engage and refer. The addition of LinkedIn Learning into the process increases the likelihood of your employees making smart connections with people who they share similar interests with
- Subscription
  - LinkedIn Learning is available as a Premium monthly subscription for \$29.99, plus taxes or as an Annual subscription for \$299.88, plus taxes.

- Benefits:
  - develop skills
  - get recommendations for courses based on your interests
  - add completed courses to your LinkedIn profile
- Core pillars
  - World-class content
    - Library of 9,000+ digital courses taught by industry experts
    - Covers a wide range of business, creative and technical topics, from leadership “soft skills” to design principles to programming
    - At least 25 courses added each week
    - Courses offered in multiple languages
  - Data-driven personalization
    - LinkedIn Learning creates personalized recommendations, so learners can efficiently discover which courses are most relevant to their goals or job function
    - Organizations can use LinkedIn insights to customize multi-course Learning Paths to meet their specific needs
    - Also provides robust analytics and reporting to help you measure learning effectiveness
  - Anytime, anywhere convenience
    - Courses are broken into bite-sized segments that can be viewed anytime, on any device, online and off
    - Learning content is recommended throughout individual’s LinkedIn.com experience, suggesting relevant courses; content can be integrated with a learning management system
- Video learning is expected to dominate the internet in the coming years; by 2019, it’s expected to be 80% of the world’s internet traffic. In 2016, 98% of companies predicted they would use video as part of their digital learning strategy. By 2019 it’s estimated that 50% of all classes will be delivered online.
- In November 2017, LinkedIn announced its LinkedIn Learning’s Integration Partner Program to allow businesses to access content directly from their LMS. Automatic course integration lets learners search through their own employers’ systems for relevant content, which is continuously updated. For L&D managers, progress is communicated directly to the LMS to understand learner activity, engagement and statistics.
- LinkedIn has also launched a new monthly notification that shares relevant trending skills among people with the same job title. They’re also testing a number of different ways to get employees to really embrace learning. An initiative that allows workers to “learn-in-flight,” for example, will give travelers the ability to leverage the time they have in the air to learn new skills.
- For end-consumers, one important benefit of Lynda.com’s integration into LinkedIn’s system is that now, once you’ve completed a Lynda.com course, you may display a “course completion certificate” on your LinkedIn profile.

## McKinsey Academy

<https://www.mckinsey.com/business-functions/learning-programs-for-clients/overview/mckinsey-academy/how-we-help-clients>

## Stats (2017)

- 360 client organizations served
- 31K participants across digital courses
- 55+ CEOs convened
- 33 of the world's top 100 companies served

## Methodology

- Diagnose – Determine current capabilities and define the business need
- Design – Plan the future state of capabilities and chart a path to get there
- Develop – Create a learning experience that “sticks”
- Deliver – Implement seamless learning at scale
- Drive Impact – Ensure solutions continuously create impact

## Assets

- Technology – Seamless multi-device experience platform, including gamification, social learning, and learner dashboards
- Experiential learning – 20+ capability centers, model factories, immersive experience studios, go-and-see visits, and all-inclusive learning campuses around the globe
- Courses and content – 350+ in-person and digital modules, as well as standardized assessments and mini programs
- Expert Team – Hundreds of learning design and delivery consultants, instructional designers, program managers, operations experts, and change facilitators worldwide

Functional Academies – Building excellence in key functional areas by delivering comprehensive capability building programs tailored to each client's context and functional needs. Clients can leverage McKinsey expertise and extensive library of learning assets to build key functional and leadership capabilities.

- Operations Academy – Helps organizations build and sustain world-class commercial capabilities. Architect learning journeys that build skills in such areas as pricing, sales excellence, digital marketing and customer experience.
- Digital Academy – Empowers organizations to achieve “the art of the possible” in digital by building technical, agile execution and leadership capabilities. Skills targeted include agile teamwork, design thinking, digital marketing and customer insights.
- Analytics Academy – Helps organizations capture value from advanced analytics (machine learning, AI) by building capabilities at all levels – from leadership to analytics practitioners – to improve literacy, upskill and scale analytics.
- Merger Management Academy – Equips leaders for merger integration success. Provide targeted learning for all leaders at critical points along the merger timeline to help them deliver on and sustain the deal's value.

- Talent Value Leader Academy – Empowers HR professionals to become strategic leaders by building their skills in strategic thinking, people analytics, influencing, problem solving and effective communication needed to link talent to value.
- RTS Academy – Empowers employees at all levels with the skills needed to deliver transformational change with lasting improvements in both performance and health.
- Elements of Offerings
  - Capability assessments – Individual and organizational capability assessments to identify current state of key capabilities
  - Curriculum – Full scope and sequence of all key topics, for both functional and leadership skills
  - Learning journeys – Curricular topics and key learning experiences to build desired capabilities for each learner cohort
  - Digital courses – Short, digital courses focused on priority capability topics
  - In-person workshops – Interactive, facilitated workshops, with aligned field assignments, to explore new capabilities
  - Experiential learning – Opportunities for deeper exploration and hands-on experiences, either in person or digitally, to apply new capabilities
  - Coaching and “train the trainer” support – Professional offerings to enable scaling of development
  - Post-program capability assessments – Focused assessments of capabilities to assess impact of program

#### Executive Programs

- Executive Programs bring leaders from multiple organizations together for in-person learning, exploration and development. Programs are designed for specific tenures, including CEOs and Boards, Seasoned Leaders and Emerging Leaders.
- To ensure high-impact learning, most programs are by invitation only
  - Bower Forum
    - This two-day workshop is a unique platform for a small group of CEOs or Chairpersons to discuss goals, challenges, and role-specific issues, while counseling and learning from one another.
  - Board Academy
    - This forum convenes a small group of selected non-executive board directors to discuss relevant topics and share personal experiences about what it takes for board directors to succeed.
  - Inner Wisdom Retreat
    - This experiential program gives an exclusive cohort of CEOs and select CXOs the opportunity to re-connect with their innate wisdom through contemplative practice.
  - Executive Transitions Master Class
    - This two-day program convenes senior executives in the midst of a transition or promotion and prepares them for the challenges of their new roles.
  - Centered Leadership Program

- Built on 15 years of applied research, this 3-day program helps executives gain personal agility and craft a leadership vision that is anchored in deeper self-awareness. Participants leave with a “mini-board” of peers and personal practices to sustain their learning.
- Executive Leadership Program
  - This invitation-only program for rising senior executives convenes professionals from the world’s leading companies to build their knowledge on the geopolitical trends that are shaping today’s business environment, sharpen their core leadership skills, and cultivate an exclusive global network of peers.
- Organizational Agility Forum
  - This interactive two-day workshop is a unique opportunity for leaders to discuss the latest thinking on agile organizations, with McKinsey experts and an exclusive group of peers.
- Talent Leaders Forum
  - In this interactive workshop, leading CHROs explore how a holistic talent strategy can enable the entire organization to deliver value.
- Integration Leadership Forum
  - Over the course of two days, executives learn how to take full advantage of a merger by maximizing value capture and accelerating long-term value creation.
- Change Leaders Forum
  - This two-day workshop helps leaders identify the root causes of organizational inertia and provides them with proven tools to drive and sustain change in their organization.
- Remarkable Women Program
  - Based on seven years of research on women as leaders, the Remarkable Women Program is a unique opportunity to build leadership capabilities and expand one’s performance range.
- Immersion Sessions
  - Led by senior McKinsey partners, these intensive sessions convene executives and board directors who are new to their roles. Curriculum is customized to the session, based on the most top-of-mind topics for participating organizations.
- McKinsey Management Program
  - This series of digital courses is designed to mold high-performing general managers. Courses center around crucial topics such as strategy, problem solving, communication, and team management.
- Young Leaders Forum
  - For future leaders with approximately 7-12 years of work experience, this 2-day program builds the necessary skills and insights to help them better lead themselves and their teams.
- Booster Workshops
  - Our Booster Workshops help high-performing managers move from “good to great” and prepare for senior leadership roles.

#### Custom Solutions

- Custom Solutions are highly customized programs designed to address an organization's unique business challenges, such as a change in strategy or major restructuring. They draw from Executive Programs and Functional Academies, as well as a broad range of diagnostic assessments, leadership models and bespoke curriculum. Examples:
  - Digital Transformation

- We helped a Big Four US telecom provider transform to become the market leader in digital and supported their overall organization capability-building for transformation
- Major Merger/Acquisition
  - We helped a merger of two insurance providers align on a unified vision, goals and management practices.
- Turnaround
  - We helped a top ten pharmaceutical company overcome organizational rejection of centralized manufacturing.
- Continuous Improvement
  - We helped a major utility increase customer affordability, safety and organizational health all at the same time by instilling continuous improvement capabilities across the entire company.
- Agile Culture
  - We helped a global device manufacturer build an innovative, agile and purpose-driven culture in order to pivot from a product to a solutions orientation.
- Growth
  - We helped an advanced industries company re-skill its global marketing team to support a strategic pivot from industrial products to software.

### **Duke Corporate Education**

- FT Exec Ed Ranking: 2<sup>nd</sup> for Custom
- Ranked among the top three providers in the world for the past 17 years by the Financial Times and ranked #1 by Bloomberg BusinessWeek and the Financial Times for 12 years in a row (2003-2014)
- Created July 2000 as a carve-out from Duke's Fuqua School of Business as a not-for-profit support corporation to Duke University
- Duke CE is staffed by 115 business practitioners and academics. Additionally, it employs the services of significant numbers of educators made up of academics, consultants, coaches, facilitators, actors, industry experts, retired executives and others.
- Duke Corporate Education spun out of Duke University's Fuqua School of Business in 2000 to focus specifically on leadership development in context. They seek to redefine corporate education with a model that blends university with business, bringing together experienced business and learning experts and a global network of faculty and experience providers to help clients.

### **Global Educator Network**

- Regularly work with four hundred top faculty, facilitators, executives and coaches from around the world, as well as with unique experience providers with diverse specializations. Leaders are carefully selected and vetted for their fit as well as their ability to collaborate and customize.
- Since founding in 2000, more than 1500 educators have joined the network and taught in Duke CE programs.

### **Locations**

- Asia – offices in Singapore and India
- Europe – office in London

- Africa – office in Johannesburg
- Americas – office in North Carolina and California

#### Global Reach

- Six offices on four continents
- Deliver between 10-15 programs per week for clients around the world
- 75+ Countries Delivered
- 1,500+ Global Educators
- 7,500+ Programs Completed
- 225,000+ Leaders Engaged

#### DUKE CE LABS

If Duke CE's purpose is getting leaders ready for what's next, Duke CE Lab's purpose is to discover what's next for leadership development. In a world as volatile, uncertain, complex and ambiguous as the one we inhabit today, we cannot simply think our way into a new ways of acting. Research alone is not enough. We must also act our way into a new ways of thinking by experimenting with new technologies, methods and approaches to uncover where true leverage lies in building the leadership system capabilities required to survive and thrive in an increasingly complex world. We do this by working collaboratively with partners and clients to:

- Turn our unparalleled experience into insightful, creative, responsible and reliable thought leadership that represents the cutting edge with regards to leadership systems activation.
- Conduct first of a kind of experiments with to validate bold, ambitious and innovative approaches to building leadership systems that work for modern companies and organizations.
- Develop and pilot innovative leadership development interventions that change behavior, develop skills, shift thinking and deliver results.

The ultimate goal of Duke CE labs is to positively shape the future of leadership development to ensure that each and every leader on the planet is ready for what's next. Throughout the year we will be conducting a number of focused initiatives, conducting research studies, running first of a kind experiments and piloting innovative interventions.

#### IESE Business School

<https://www.iese.edu/es/index-default.html>

- FT Exec Ed Ranking: [1<sup>st</sup> for Custom, 2<sup>nd</sup> for Open](#)
- IESE Business School is the graduate business school of the University of Navarra. Founded in 1958 in Barcelona
- In 1963 formed an alliance with Harvard Business School (HBS) and launched the first two-year MBA program in Europe
- IESE offers Master of Business Administration (MBA), Executive MBA and Executive Education programs that have regularly ranked among the top 10 in the world.
- Site is in Spanish

## IMD Executive Education

<https://www.imd.org/imd-reflections/executive-education-reflections/executive-education-programs/>

- FT Exec Ed Ranking: 3<sup>rd</sup> for Custom, 1<sup>st</sup> for Open
- Programs & Services for Individuals & Teams
  - General management
  - Digital transformation
  - Leadership
  - Focused programs
  - Executive MBA/MBA
  - Online Programs
  - Assessment tool: IMD Global Leader Index – The IMD Global Leader Index is a tool for benchmarking your professional capabilities and identifying opportunities for leadership development. By taking a 48-question survey and defining your professional profile, you get an overview of how you compare to thousands of other executives around the world at your level according to four key global leadership capabilities

### Corporate Learning Network Delivery

- Online programs – IMD online programs is a new offering of personalized and flexible cloud-based programs which enable you to develop your global leader skills from any location. You:
  - Work with a dedicated coach and receive personalized feedback at every step of the program
  - Apply what you learn each week to help you solve your current business challenges
  - Combine the flexibility of a cloud-based program with IMD's unique real world, real learning approach
  - Drive your own development and the development of your team to expand your knowledge
  - Earn an IMD executive education certificate
  - Become an IMD alumnus/alumna
- Multimedia products
  - Learning Hub – access a dynamic platform featuring webcasts, articles and leadership videos from IMD
  - Global Knowledge Platform – access to the latest management thinking from over a hundred worldwide business sources. Updated daily, the library features articles, videos and podcasts from across the globe, and offers a tailored experience with its powerful search capabilities and build-in custom widgets
  - Wednesday webcasts –CLN members have access to IMD's Global Knowledge Platform as well as insights from over a hundred relevant business sources across the globe. The Global Knowledge Platform features articles and videos from close to 100 business sources across the globe. The Global Knowledge Platform offers the best of IMD's thought leadership, including videos, whitepapers, articles and leadership interviews, combined with carefully curated business content from sources including, HBR, TED Talks, Forbes, World Economic Forum, and more.

## Appendix D – Corporate Career Development and Tuition Support

### Disney Tuition Reimbursement Program

- Available to Disney’s 80,000 cast members and hourly employees.
- Full-time employees already have tuition reimbursement benefits.
- Disney Aspire is an education investment program, and the company covers 100 percent of the upfront tuition costs.
- Program is starting with an initial \$50 million investment and the company plans to add an additional \$25 million annually.
- The program is more comprehensive than other educational programs. The company decided to cover tuition costs upfront so it would be easily accessible to all employees. The company will also reimburse employees for any money they spend on books and other start-up costs.
- Through Disney Aspire, employees can earn their bachelor’s or master’s degree, high school diploma, English language learning, or even pursue vocational training. And employees don’t have to pursue a degree that is related to their job or promise to continue working for Disney after their studies are completed.
- Disney is partnering with Guild Education to offer this program. Guild will coach employees to help them find the program that’s right for them. And they will continue to offer employees support through their educational journey.
- Initially, classes will be offered online only with the option to extend these studies to the classroom eventually. Disney Aspire will adjust the program over time based on feedback they receive from employees.
- The program is available to both full-time and part-time employees 90 days after they begin working for Disney.
- Increasingly, companies are offering tuition assistance packages as a way to attract skilled employees in a job market with historically low unemployment rates.

### US Companies Offering Tuition Reimbursement Programs

(May 6, 2018)

- AT&T
  - Employees must meet certain eligibility requirements to get the reimbursement, and the costs must be approved by the company.
  - During employment at AT&T, the Company will reimburse eligible expenses for:
    - One approved undergraduate degree up to, but not to exceed a lifetime cap of \$20,000. (This cap also applies to rehires.)
    - One approved graduate program up to, but not to exceed a lifetime cap of \$25,000. (This cap also applies to rehires.)

- Anthem Inc.
  - Employees at this health benefits company are eligible for up to \$5,000 a year in reimbursement for tuition and textbooks.
- BP
  - Tuition reimbursement is 90 percent of the costs of tuition, fees, and books.
  - Among other requirements, employees must get approval for the classes in advance of registration and receive a passing grade.
- Bank of America
  - Employees can get up to \$5,250 in job-related courses or degree programs covered each year.
- Chipotle
  - Both hourly and salaried employees at this fast-food chain are eligible for tuition reimbursement.
  - To offer this benefit, Chipotle partnered with Guild Education, which offers online classes, programs, and degrees from a variety of universities.
  - Employees can work toward degrees (undergrad or graduate), take classes, earn a GED, or study ESL, eligible for up to \$5,250 annually.
- Ford Company
  - Education program will pay for up to \$6,000 per year in tuition and fees in advance of class completion.
- Home Depot
  - Tuition reimbursement rates for Home Depot employees vary by role — salaried employees can get up \$5,000 annually, while full-time hourly employees are reimbursed up to \$3,000, and part-time hourly employees can get up to \$1,500 back.
- Jet Blue
  - JetBlue Scholars — employees can apply to enroll, and once accepted, take approved online courses.
  - To be eligible, employees must have worked at JetBlue for two years, and have prior college credits in place.
- Proctor & Gamble
  - Up to 80 percent of tuition and fees are reimbursed at P&G, makers of a vast range of consumer and household goods.
  - Employees must get programs and fees pre-approved, and there is a cap of \$40,000 of reimbursed expenses.
- Smucker's
  - Offers up to 100 percent reimbursement for tuition costs for company-approved college courses.
- Starbucks
  - All benefits-eligible United States employees can have their full-time college tuition covered, essentially a free bachelor's degree.
  - However, employees can only study at Arizona State University's online program.

- UPS
  - Part-time UPS employees can participate in the company's Earn and Learn Program, covering up to \$25,000 in college expenses (each year, the program reimburses a maximum of \$5,250).
  - Employees are eligible for this perk from their start date.
  - Other education assistance programs are available for employees in different roles.
- Walmart
  - Walmart partnered with American Public University as part of its educational assistant program.
  - Both part-time and full-time Walmart and Sam's Club employees, as well as eligible family members, may receive a tuition grant that reduces the cost of courses by 15 percent.
  - Employees who have a high school degree or GED are eligible on the first day of employment.
- Wells Fargo
  - Offers up to \$5,000 in annual (and eligible) tuition expenses.
- Verizon
  - All employees at Verizon, the telecommunications giant, are eligible for up to \$8,000 in tuition reimbursement each year.
  - Verizon's program requires that classes be related to the business.

## Appendix E – Online Education at ASU

### Arizona State University – [ASU Online](#)

- ASU Online statistical highlights
  - #1 university for innovation
  - #4 US online undergraduate programs
  - #5 US online MBA program #5 US online criminal justice program
  - 2017 Best for Vets Colleges by Military Times
  - 175+ online degree programs
  - 6 start dates per year
  - 30K+ enrolled students
  - 87% of graduates get job offers within 90 days
- Degree programs delivered online hold the same accreditation as the traditional in-class programs
- In April 2015, ASU Online announced a partnership with edX to form a one of a kind program called the Global Freshman Academy. The program is open to all potential students. The students do not need to submit a high school transcript or GPA to apply for the courses. They only pay for the courses (\$600 per credit) after they have passed the course if they want to earn the credits.
- In 2016, Mayo Clinic and ASU formed a new platform for health care education and research: The Mayo Clinic and Arizona State University Alliance for Health Care. Beginning in 2017, Mayo Clinic School of Medicine students in Phoenix and Scottsdale are among the first to earn a certificate in the Science of Health Care Delivery, with the option to earn a master's degree in the Science of Health Care Delivery through ASU.
- Online Program Offerings
  - Undergraduate degrees
    - Exploratory – for students who are not ready to choose a specific academic program of study when first entering the university. Allowing students to declare exploratory status permits them to begin meeting General Studies requirements and affords them some time to explore a variety of academic courses that may lead to a potential major interest.
    - Minors
  - Graduate degrees
  - Certificate programs
  - Non-degree programs
- Self-paced Continuing and Professional Education (CPE) program recently launched
  - Courses are mostly online, self-paced, and developed to create expertise that employers demand most
  - Offers nearly 50 non-credit courses ranging from free to \$399 for businesspeople, teachers, and other professionals
  - More soft skill courses

- Each course generates a digital badge that can be used on a LinkedIn profile or resume
- CPE initiative will be focuses on professional skills, not enrichment classes or executive education
- Specifically, for a niche of individuals who are working on their career trajectory
- Learning categories
  - Business
  - Project management
  - Professional skills
  - English as a second language education
  - Law
  - Health care
  - Science and math
  - Child and family
- Cost
  - Undergraduate
    - \$520 - \$728 per credit hour\*
    - Cost includes program fees
    - No out-of-state tuition
  - Graduate
    - \$522 - \$1,397 per credit hour\*
    - Cost includes program fees
    - No out-of-state tuition
  - Certificate
    - \$595 - \$1,153 per credit hour\*
    - No additional program fees
    - No out-of-state tuition
- Admission – Student Type
  - Freshman
    - Have not attended college at all, or have fewer than 12 transferable credit hours (with a minimum 2.5 cumulative GPA)
  - Transfer
    - Have attended one or more colleges or universities and have completed 12 or more transferable college or university credits post-high school.
  - Starbucks – Pathway to Admission Program
    - Full tuition coverage
    - Personalized support from coaches
    - Orientation course
    - Employees who need to fill in gaps in their academic history prior to applying to ASU can take up to 10 freshman level courses as many times as necessary to earn admission to ASU

- Employees ready to pursue their first bachelor's degree can choose from over 60 online degrees with full tuition coverage
- Home school
  - Graduated high school in a home school setting and have not completed an Associate degree or higher (or the Arizona General Education Curriculum)
- International
  - Not currently citizens, permanent residents or refugees in the United States and are currently on a J-1 or F-1 visa.
- Graduate
  - Graduate courses at ASU Online often give students the chance to practice skills and gain real world experience in your own communities.
- Military/Veteran
  - Online degree programs to active and veteran service men and women and their families around the world.
  - More than 1,326 service men and women actively studying at ASU Online
- Non-degree
  - Non-degree students can take individual courses for the purpose of fulfilling prerequisites or choose to pursue new professional skills in an online suite of self-paced courses.