

Budget Consultation Fall-Winter 2022-23

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YORK 



Agenda

1. Context
2. Community priorities highlighted in previous years
3. Strategic investments in 2022-23
4. Multi-year budget plan – 2022-23, 2023-24, 2024-25
5. SHARP Budget Model
6. Community feedback – priorities for strategic investments

1. Context

- The University's SHARP budget model designed to enhance:
 - Transparency around revenues and costs
 - Alignment of resources to our University Academic Plans e.g., 2020-2025 UAP: *Building a Better Future*
- Annual budget consultations since 2018
- 2022-23 budget objectives:
 - Maximize advancement of the University Academic Plan priorities
 - Ensure long-term sustainability of the University
 - Adapt to post-pandemic needs through bold thinking and responding to emerging opportunities
 - Utilize a reasonable portion of the accumulated carry forwards to invest in growth and success
- Budget risks:
 - Federal and Provincial government challenges and priorities
 - Uncertainties around enrolments in a globally competitive market and disruptive world events
 - Inflationary pressures

2. Community Priorities Highlighted in Previous Years



Budget Consultations

Since 2018-19, annual budget consultations each Fall-Winter provide the community:

- Overview of York's finances
- Update on the current budget
- Opportunity to share input about the budget process and priority areas for investment

The input is integral to developing annual budgets and is shared back with the community in the following year.

Community Priorities for Investment

February 2022

(at the end of 2021-22 cycle of consultations*)



February 2021

(at the end of 2020-21 cycle of consultations)

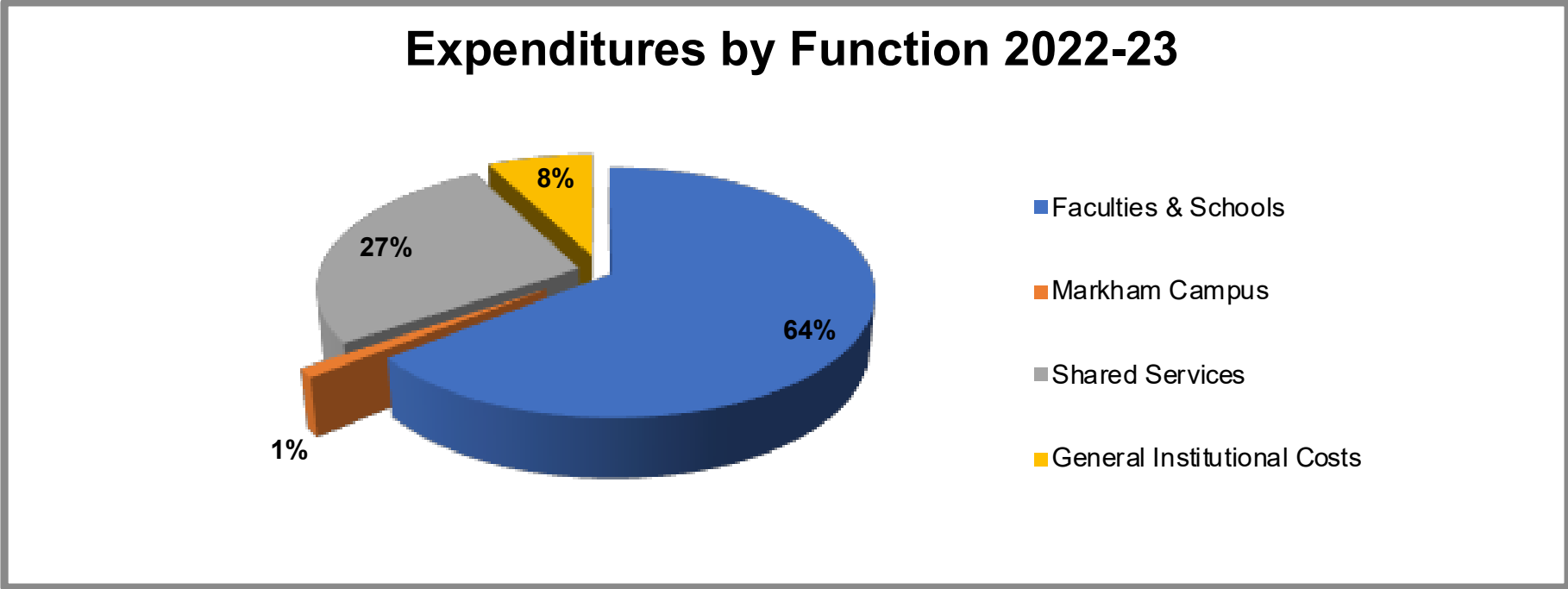


* In 2021-22, 17 sessions were held with Faculty Councils, employee groups, student groups, and a Presidential Town Hall asking for input on budget priorities for 2022-23 and beyond. In total, around 1,000 people attended the consultations.



3. Strategic Investments in 2022-23

The University invests in strategic priorities collectively



Priority investments in the 2022-23 Budget Plan to support the University Academic Plan

Advancing the DEDI Strategy including the Indigenous Framework, Decolonizing Indigenous Research, Anti-Black Racism Framework and Action Plan

Enhancing services through digital transformation and system innovation

Continuing to evolve our campuses e.g., Markham, Glendon, Campus Vision and Strategy at Keele, addressing deferred maintenance backlogs

Advancing strategic and transformative initiatives for the University including strengthening strategic partnerships, infrastructure needs e.g., Vaughan Healthcare Precinct, SoM, iHive

Launch of new Global Engagement Strategy including raising our international profile



Strengthening our impact on UN SDGs through innovative research, academic programming, and a collective focus on global well-being supported by a new Sustainability Framework (organizational structure) and Sustainability Strategy

Renewing and diversifying faculty complement to support 21st c learning, knowledge for the future, etc

Investing in 21st century learning e.g., new programs to meet demand and emerging market needs, curricular innovation, credential diversification and micro-credentials, flexible learning opportunities for a diverse student population, high-quality digital learning, experiential education

Supporting research success including emerging areas of research leadership, catalyzing collaborations to promote large-scale research projects, Research Office

Meeting diverse needs of students including high quality student services and targeted programs, initiatives and awards to enhance access, recruitment, excellence, and academic progression, as well as supports during ongoing post-pandemic financial pressures

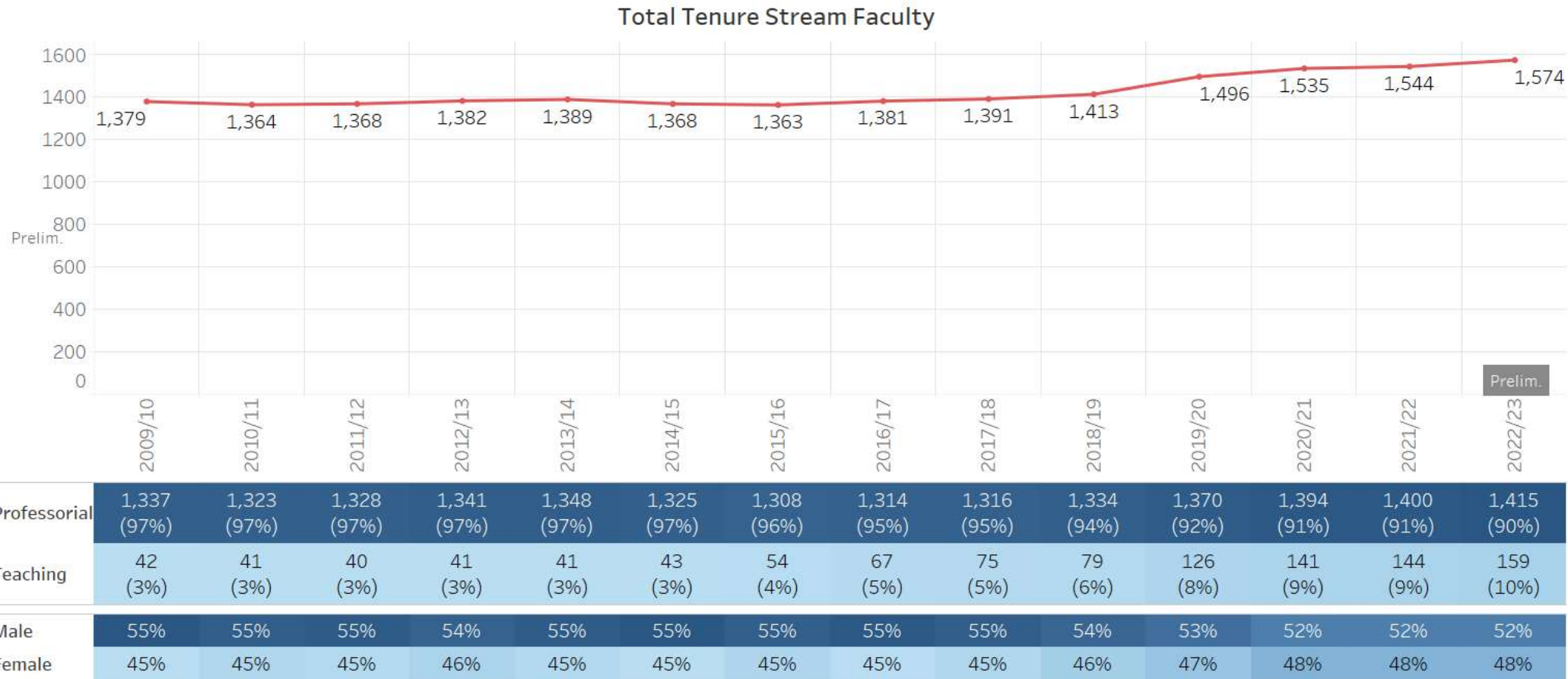
21st Century Learning, Knowledge for the Future

	<u>2021-22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
New Hires				
Tenure Track	71	106	67	71
CLAs	19	13	1	0
Total	90	119	68	71
Retirements/Departures				
Tenure Track	61	34	29	23
CLAs	8	4	15	7
Total	69	38	44	30
In-Year Increase (Decrease)				
Tenure Track	10	72	38	48
CLAs	11	9	(14)	(7)
Total	21	81	24	41
NOTE: 2021-22 numbers are included for comparison purposes only. 2022-23 to 2024-25 are budgeted numbers				

Salary costs of faculty complement generally reside in the Faculties where the appointments are made; the central University Fund and Provost's Office have also committed bridge funding to support faculty complement renewal, dedicated equity hiring, strategic research hiring, and Markham hiring.



Tenure Stream Faculty Complement (Heads) and Breakdown by Streams and Gender, 2009-10 to 2022-23 (per October 1, excluding Librarians)



Knowledge for the Future, SDG Challenge

- \$13.2M to support priorities in the Strategic Research Plan
 - Build on areas of interdisciplinary research strength by increasing the pool of funds available for minor research grants and providing enhanced administrative support
 - Support emerging areas of research leadership by providing CFI matching funds to secure large-scale awards
 - Advance Decolonization, Equity, Diversity and Inclusion by providing funding support for scholarship, research, and related creative activities
 - Create Phase 2 Catalyzing Interdisciplinary Research Clusters (CIRC) that will be focused on UN Sustainable Development Goals (SDGs) and provide matching funds to support the direct costs in selected research projects over the next 3 years
- \$6M in bridge funding for faculty complement growth and renewal specifically pertaining to research amplification, intended to support up to 40 strategic hires

Front-line Student Supports
Re-imagining Space
Equity Diversity and Inclusion
Gender Campus
Faculty Complement
Inter-disciplinary Staff Complement
Deferred Maintenance
Physical accessibility
System Innovation
IT Infrastructure
Research
Student Financial Support
Change Management Hybrid Work
Bilingual services Brand
Mental Health
Sustainable Campus
Learning Technologies
Service Accountability
Living Well Together

From Access to Success

- \$40M over the next 3 years to expand student financial assistance offerings and ensure they remain competitive and responsive to student needs, including:
 - Improved entrance scholarships for domestic students recognizing academic excellence
 - A higher volume of domestic and international bursaries
 - A new Tentanda Via award to students demonstrating fortitude, resilience, and a commitment to progressive and sustainable development
- An additional \$5M for international student bursaries in 2022-23, recognizing ongoing financial difficulty to access or progress with their academic programs considering the effects of the pandemic

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Living Well Together

To diversify faculty complement, build capacity for research success of diverse scholars, and support York's DEDI Strategy, Indigenous Framework, and Anti-Black Racism Framework :

- \$2M for high priority initiatives and support positions to advance indigenization, reconciliation and decolonization, e.g. creating a DEDI Initiatives Fund engaging community members and funding selected proposals, expanding DEDI Speakers Series, developing an Equity Awards Program, etc.
- \$3M from the University Fund and Provost's Office for dedicated Black and Indigenous faculty hires over 3 years, to augment hiring activities in the Faculties
- Investment in support positions for ongoing DEDI work, e.g. AVP Indigenous Initiatives, EDI Program Manager
- Institutional positions to support DEDI in the Faculties

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21st Century Learning, Living Well Together

Build an integrated IT environment that enhances service delivery, supports faculty, staff and students, and resolves complexities, by investing:

1. \$120M for a new Student System Renewal Program (SSRP) replacing outdated legacy systems – multi-year project expected to conclude in 2025-26 and funded from a combination of capital reserves (\$41M) and the central University Fund (\$79M)*
2. \$4M for automation and service improvements in HR, budgeting and forecasting, Mobile Maximo for facilities, and YU-card mobile credentials
3. Improving teaching and learning supports e.g. SAVY, classroom technology refresh
4. Enabling faculty and staff productivity and post-pandemic capabilities e.g. licensing and expanded after-hours service desk technicians, Office 365 resources, additional application and platform analysts/developers
5. \$1.2M in enhanced ongoing cybersecurity capabilities

* Alongside the development of SSRP, the resources required to successfully operate its emerging solutions, e.g. staff support, licensing, cloud technologies and infrastructure etc. are being evaluated and incorporated into multi-year budgets



Living Well Together

Investments in Deferred Maintenance

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
	\$M			
Internal Funds	12.5	18.5	19.3	19.7
External Funds	5.7	6.4	5.7	5.7
TOTAL	18.2	24.8	25.0	25.4

Extending the successful Classroom and Washroom Renewal Program:

- Phase 1 originally planned for \$30M between 2019-2025 was accelerated to 3 years and is being completed in 2022
- Phase 2 has committed a further \$30M over 5 years and will commence in 2023

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Working in Partnership – Markham Campus

The University's largest capital project will open in 2024.

Capital budget:

- Funded from multiple sources including the City of Markham and York Region, external donations, debentures, and a contribution from the University Fund in 2019-20.

Operating budgets:

- The University has developed 10-year operating budgets for the new campus, incorporated into the Budget Plan
- The pre-opening and initial years of Markham's operations allow for deficit spending as it builds towards break-even. Work is underway to identify opportunities for achieving break-even as early as possible, while also investing in long-term success
- At steady state, the campus will attract approximately 4,200 students and generate an annual surplus, enabling the campus to re-pay its early year deficits, invest in its own renewal, and financially contribute to the institution overall

University Fund Commitments

	Commitments (\$M)		
	2022-23	2023-24	2024-25
Operating Support to three Faculties	32.1	26.2	19.5
Research Support	7.1	3.8	2.3
Student Support *	14.2	0.9	0.9
Institutional Support **	7.3	1.3	0.9
Capital Projects and Renovations	8.0	6.0	6.0
Technology Investments	19.9	13.1	27.9
TOTAL	88.6	51.3	57.4

* Expanded student awards are paid from Faculty budgets beginning in 2023-24

** Includes high-priority indigenization, reconciliation, and decolonization initiatives, Congress 2023, and \$3M for post-pandemic return-to-campus support which will be re-evaluated mid-year

Renewing our Physical Environment: Major Capital Projects

Board-approved capital projects currently underway to advance the academic, research and student success priorities, including (in order of expected completion):

- \$72.7M for a new building for the School of Continuing Studies (Fall 2022)
Funded by the School of Continuing Studies
- \$7.5M for a modernization of the Faculty of Education's facilities (Fall 2022)
Funded by the Faculty of Education
- \$48.5M for expansion of the Sherman Health Science Research Centre, including a Neuroscience Facility and additional office space (2023)
Funded by capital reserves, external debentures, CFI, the University Fund, and an internal loan with the Faculty of Health
- \$12.5M for a new building for the Goldfarb Gallery at York University (2023)
Funded by external donations and the University Fund
- \$31.3M for a two-story addition to Vari Hall for the Faculty of Liberal Arts & Professional Studies (2024)
Funded by the Faculty of Liberal Arts & Professional Studies

Major capital priorities – summary

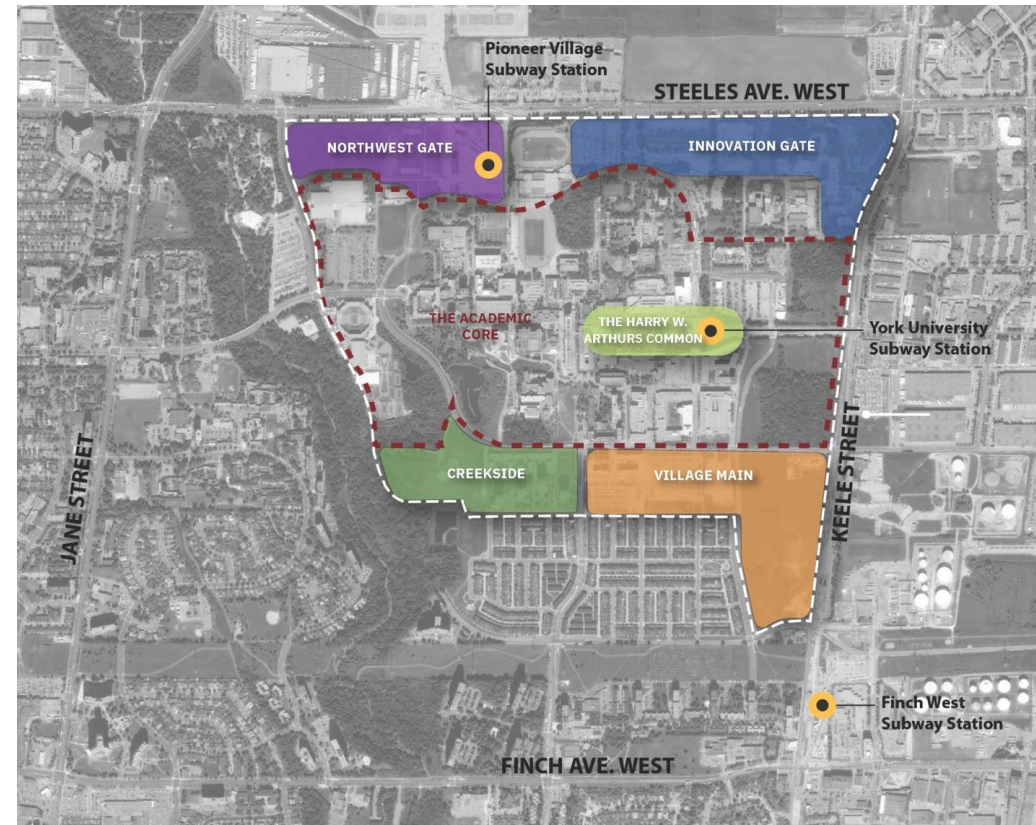
PROJECT	PROJECT SUMMARY	APPROXIMATE SIZE	APPROXIMATE COST
1. iHive Building (updated from 2 nd Science and Engineering Building)	To accommodate growth in Science and Engineering programs and interdisciplinary research with emphasis on the Internet of Things (IOT), Space Engineering, Smart Cities, Mechatronics, and Automation Technologies. Additional science and health programs, as well as interdisciplinary space for Organized Research Units (ORUs)	250,000 sf (new construction)	\$220M
2. Scott Library Improvements (updated program)	Replacement of book stacks with compact, automated book retrieval increasing floor capacity and allowing expanded student study and lounge space, new makerspace, and other collaborative opportunities. Second elevator in an unused shaft will increase circulation and reduce existing traffic bottlenecks.	206,000 sf (renovated space), 28,000 sf (new construction)	\$121M
3. Central Square Revitalization and New Vision (new)	Modernization of Central Square to improve access and services to students, and to revitalize the space to reflect institutional priorities, including sustainability and indigeneity. Create a better sense of place by unifying the needs of multiple stakeholders including LA&PS, Division of Students, Food Services, and Scott Library. Create new flexible multi-use areas, increase student spaces, accessibility, sustainability, and heritage.	254,900 sf renovated space over 3 levels	\$198M
4. Student Services Hub (new)	Central access point for students at the heart of the Keele Campus. State of the art coordinated and adaptable student service model, combining transactional services with learning and developmental opportunities across the student journey, augmented with technology.	46,600 renovated space over 2 levels	\$29.5M


Major capital priorities – summary (cont'd)

PROJECT	PROJECT SUMMARY	APPROXIMATE SIZE	APPROXIMATE COST
5. Vaughan Healthcare Centre Precinct	<p>Collaboration between York University, the City of Vaughan, Mackenzie Health (operator of Cortellucci Vaughan Hospital) and ventureLAB to transform an 82-acre parcel of land at Jane Street and Major Mackenzie Drive into a unique centre of excellence for health, preventive medicine and community care. The precinct is a first-of-its-kind innovation that unites health care providers, teachers and learners with researchers, innovators and business leaders, together on one site, providing opportunities to leverage shared infrastructure needs and ancillary support services, along with shared costs. It's foreseeable that the precinct would include a number of York programs, e.g. elements of nursing, health-related technologies, disease modelling, and others.</p> <p>York's longstanding commitment to develop a School of Medicine has been reflected in successive University Academic Plans and the University's Strategic Mandate Agreements with the government of Ontario. The vote at Vaughan City Council affirms the City of Vaughan's support for a School of Medicine within the precinct. Most recently, the University submitted a conceptual proposal for the school to government.</p>		

Campus Vision: Four New Neighbourhoods

York University's Keele Campus is where university and city, academia and industry, people and culture meet and thrive. That energy will soon extend from Keele's historic academic core into four new neighbourhoods, nurturing a dynamic, flourishing, and complete community, and modelling the university's best and most innovative thinking. The results will demonstrate York's commitment to community well-being and environmental stewardship – to Living Well Together





4. Multi-Year Budget Plan 2022-23, 2023-24, 2024-25

Planned In-year Deficits

1. In 2021-22, the healthy carry forward was maintained due to the prolonged effects of the pandemic on regular University operations, e.g. lower travel, hospitality, conferences, and campus occupancy costs
2. Opportunity to spend down positive carry forward in 2022-23, 2023-24, and 2024-25 to further advance and accelerate the UAP priorities and emerging opportunities
3. Planned in-year deficits based on:
 - strategic draw-down of positive carry forward, continuing to boldly invest while addressing and adapting to post-pandemic needs
 - incurred Markham costs through to opening and steady state
 - significant enrolment contingencies in light of international recruitment challenges
4. Continue to reassess enrolment contingency requirements through Fall-Winter 2022-23 to guide decisions

Operating Budget approved by the Board of Governors in April 2022

	2021-22		2022-23	2023-24	2024-25
	Budget	Actuals	Budget	Budget	Budget
Operating Revenues					
(1) Government Operating Grants	305.9	308.4	304.3	305.6	307.3
(2) Student Fees	762.0	731.2	780.0	849.2	931.5
Grants and Student Fees Subtotal	1,067.9	1,039.7	1,084.3	1,154.8	1,238.8
Funding from Donations, Endowments, & Trusts	6.5	7.8	8.2	8.2	8.0
Investment Income	8.9	14.9	13.9	13.5	13.4
Other Recoveries	38.0	40.7	42.8	43.4	46.4
Total Operating Revenues	1,121.2	1,103.1	1,149.2	1,219.9	1,306.6
(3) Enrolment Contingency	(22.0)	-	(23.2)	(46.6)	(60.9)
Total Operating Revenues, Net of Contingencies	1,099.3	1,103.1	1,126.0	1,173.3	1,245.7
Operating Expenditures					
(4) Salaries and Wages	650.8	627.6	651.1	670.3	687.7
Employee Benefits	154.6	145.4	162.4	167.3	171.6
Operating Costs	159.4	123.4	164.0	173.4	166.7
Scholarships and Bursaries	99.7	88.2	96.6	98.2	101.9
Taxes and Utilities	26.2	21.1	24.7	26.7	27.6
Interest on Long-Term Debt	25.1	25.1	25.3	25.6	25.8
Total Operating Expenditures	1,115.9	1,030.9	1,124.1	1,161.4	1,181.3
In Year Surplus/(Deficit) for Operating Fund, Before Transfers	(16.6)	72.1	1.9	11.8	64.4
Transfers to Restricted Funds					
Transfers to Capital Fund	(42.7)	(63.8)	(38.5)	(35.2)	(49.7)
Transfers to Ancillary Fund	(4.0)	(4.2)	(4.0)	(3.6)	(3.2)
Transfers to Other Funds	(5.3)	(6.6)	(5.0)	(4.4)	(3.4)
Total Transfers to Restricted Funds	(52.0)	(74.5)	(47.4)	(43.2)	(56.3)
In Year Surplus/(Deficit) for Operating Fund, Before GAAP Adj.	(68.6)	(2.4)	(45.6)	(31.3)	8.2
Remeasurement of Employee Benefit Plans	-	(58.1)	-	-	-
GAAP Adjustments	-	(58.1)	-	-	-
In Year Surplus/(Deficit) for Operating Fund	(68.6)	(60.4)	(45.6)	(31.3)	8.2
Opening Accumulated Surplus/(Deficit) for Operating Fund	316.8	316.8	256.3	210.8	179.4
(5) Closing Accumulated Surplus/(Deficit) for Operating Fund	248.1	256.3	210.8	179.4	187.6

Key Budget Assumptions

1. Government grants – Strategic Mandate Agreement (SMA3) for 2020-25:
 - Performance-based funding metrics de-coupled from funding for 2020 to 2023 but still being monitored and reported
 - No decision yet by MCU on potential activation in 2023-24
 - York's target achievement of metrics is 99.9%
2. Student fees:
 - Domestic tuition fees frozen for 2022-2023
 - Government's new tuition framework for domestic students expected for 2023-24
 - Market factors for international students, fee increase of 4% in 2022-23
 - Enrolment contracts with the Faculties
3. Enrolment contingencies – risk analysis with the Faculties
4. Salaries and benefits – collective agreements

Closing accumulated balances – (5)

In 2021-22, the closing accumulated surplus in the Operating Budget was \$256.3M, comprising:

	\$M	
	2021-22	2020-21
1. Balances in the Divisions and Faculties	144.3	138.0
2. Balances in General Institutional (GI) reserves	71.0	128.3
3. Balance in the University Fund	45.5	50.9
4. Markham	(4.4)	(0.4)
TOTAL	256.3	316.8

NOTES:

1. Balances distributed across the Faculties, Administrative Units, and the School of Continuing Studies and available to them for investing in priorities
2. Balances required to meet various institution-wide financial obligations, e.g. collective agreement funds, pension special payments and post-employment benefits, insurance payments, HR provisions, and a \$25M contingency reserve. The reduction in 2021-22 relates to an accounting re-measurement of employee benefit plans
3. The remaining, uncommitted balance of the University Fund, available for use in future years to support institutional priorities.
4. Pre-opening deficit (primarily the payment of debenture interest)

5. SHARP Budget Model



SHARP 2.0

Implemented in 2022-23 following the external review and recommended improvements in 2019-20. Key elements:

1. Budget Cycle and Accountability:
 - Enrolment planning over longer time horizon
 - Multi-year budgets approved by Board each April, before entering the new fiscal year
 - Service Tables for services providers and service users to discuss priorities, needs, resources, and service levels
2. Hold Harmless:
 - Hold Harmless amounts automatically provided to the Faculties based on 2013-14 replaced by transparent method of providing operating support where needed, based on current data and reviewed annually
3. University Fund:
 - 8% annual contributions from the revenue-generating areas (Faculties, School of Continuing Studies, Ancillary Services) for a sustainable, predictable UF to support institutional strategic priorities
4. Governance:
 - Two distinct Councils providing advice to the President -
 - University Fund Council* on time-limited strategic requests of Faculties and Units for University Fund support
 - Budget Council** on base budget requests of shared services Units
5. Interfaculty Revenue Sharing:
 - Options for an enhanced framework being developed by a Working Group of Faculties

*Chaired by the Provost. Membership – VPFA, VPRI, four Resource Faculty Deans representing large and small Faculties, and professional Schools

** Chaired by the President. Membership – Divisional VPs, all Resource Faculty Deans, Executive Director of the School for Continuing Studies

SHARP Website

<https://www.yorku.ca/sharp/>



**6. Community Feedback –
What should be prioritized
for investment in the next
multi-year budgets?**