

Budget Consultation Fall-Winter, 2020-21

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YORK 



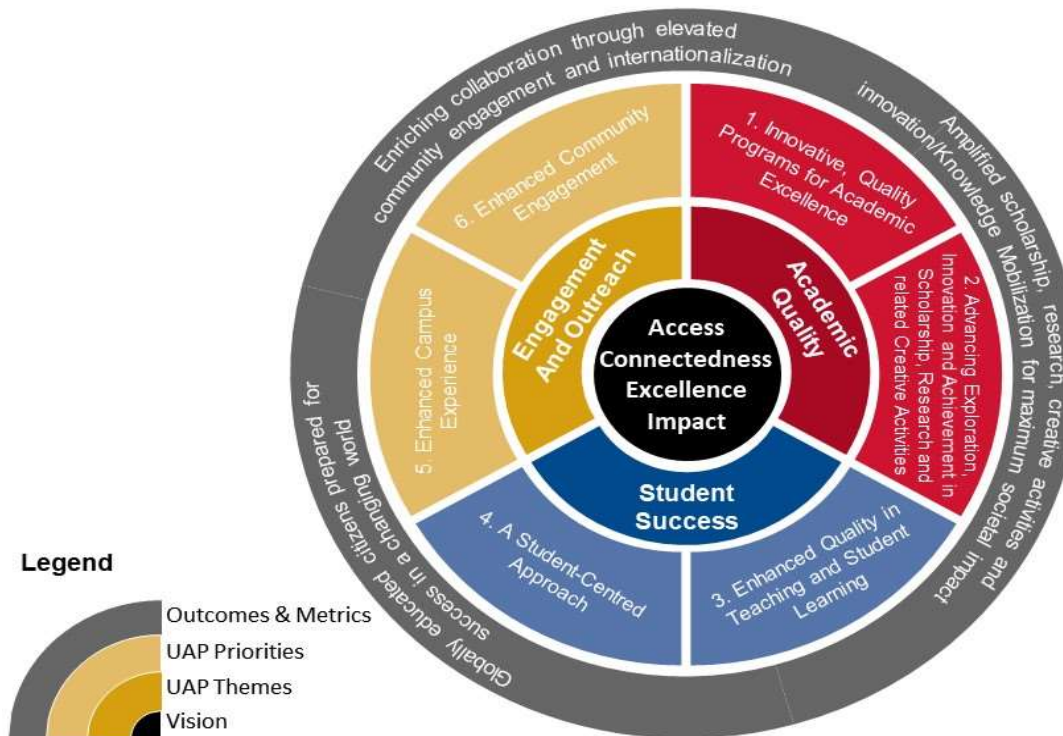
Agenda

1. Context
2. Review of last year's budget consultations – 2019-20
3. Strategic Investments
4. Multi-year budgets – 2020-21, 2021-22, 2022-23
5. COVID-19 contingency plan – 2020-21
 - June 2020 (based on “May Scenario”)
 - October 2020 update (based on October actuals)
6. SHARP Review
7. Q&A

Context

- Third Budget Community Consultation (2018, 2019, 2020)
- COVID-19 Implications
 - Balancing response, mitigation and recovery
- Federal government challenges and priorities
 - Universities Canada Pre-Budget Submission
- Provincial government challenges and priorities
 - COU Advocacy
 - Provincial budget
 - SMA3
- Aligning resources to our Academic Plans
 - 2015-2020: *York University Academic Plan*
 - A strong foundation for our new 2020-2025 UAP: *Building a Better Future*

University Academic Plan 2015-2020



7. Enabling the Plan

There are various enablers that support the above initiatives, some important considerations include: (1) aligning resources with priorities; (2) metrics and evaluation; (3) collaboration and partnership; (4) effective communication and consultation etc.

A blurred photograph of a modern building interior, likely a library or public space, with people walking. The image is framed by a thick red border. The text "Review of the 2019-2020 Budget Consultations" is overlaid in white on the left side of the image.

Review of the 2019-2020 Budget Consultations

Budget consultations 2019-20

- Eighteen consultation sessions were held last year with ~500 participants – Faculty Councils, student groups, union leadership, and Town Halls
- Consultations provided a valuable forum for:
 - Discussing budget topics
 - Answering questions, providing explanations
 - Receiving community input on priorities to be factored into the development of the 2020-21 budget and related strategic investments
- Feedback on the budget consultation process has been positive and these sessions are now an integral part of developing annual budgets

Budget consultations 2019-20 – what we heard



Strategic Investments

Strategic investments made in 2020-21

In response to the community's input during the 2019-20 budget consultations, the University made strategic investments in 2020-21 in several priority areas, including:

- Deferred maintenance
- Major capital
- Faculty complement renewal
- Equity, diversity and inclusion
- Student support
- Technology
- Service Transformation

Deferred maintenance backlog

York's growing deferred maintenance backlog is becoming increasingly critical:

Deferred Maintenance (millions) As presented to Land and Property Committee February 2019 *			
	Glendon	Keele	Total
Academic	\$12.1	\$302.1	\$314.2
Infrastructure	1.0	23.6	24.6
Subtotal	13.1	325.7	338.8
Ancillary	10.0	19.1	29.1
Residence	15.9	142.9	158.8
Subtotal	25.9	162.0	187.9
Total	\$39.0	\$487.7	\$526.7

* Currently being updated

Strategic investments in deferred maintenance

Source of Funding	Multi Year Budget		
	(\$millions)		
	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Base, from operating fund	6.5	6.5	7.2
Allocation from University Fund	3.5	3.5	
Repurpose funds in reserve	2.5	5.5	4.0
Funding from provincial government	8.0	5.1	9.5
	20.5	20.6	20.7

The University is making a significant investment in deferred maintenance to support priorities of teaching and learning, research intensification, student success, and the campus experience

Since 2018-19, incremental funding from the University Fund and general reserves has been allocated to address deferred maintenance backlogs.

Two key priority projects currently underway are the multi-year renewal of classrooms (\$20M) and washrooms (\$10M). Originally planned as 5-year projects, timelines have been shortened to 4 years.

Strategic investments in major capital projects

The following major capital projects are currently underway:

- \$72.7M for construction of a School of Continuing Studies building to accommodate the growing needs for Continuing Studies and English Language (YUELI) instruction by providing approximately 10,800 square meters of space – *self-funded by the SCS*
- \$43.5M for construction of a Neuroscience Facility and additional office space at the Sherman Health Science Research Centre to advance new programs, teaching and learning, and research intensification
- \$41M for a new and enhanced Student Information System to manage the student experience from application to graduation
- \$11.2M for the Lions Stadium conversion, including installation of artificial turf and a seasonal inflatable dome, to enhance the student experience in athletics and recreation

Numerous other capital projects are also underway, including:

- Lassonde Equipment
- Wet labs to support faculty complement renewal
- UIT network upgrades
- Stand-alone Art Gallery (*supported by a philanthropic gift*)
- Dahdaleh Exterior (*supported by a philanthropic gift*)
- Hilliard Residence renovations (Glendon)
- LAPS departmental renovations
- Atkinson 2nd floor renovation

The funding/financing arrangement for each capital project is unique, and can be a combination of internal reserves (either central or departmental), external donations/fundraising, government support and/or internal loans.

Faculty capital reserves

Over time, several Faculties have accumulated reserves to support potential capital projects.

The multi-year budgets include planned transfers from the faculties' operating budgets to their capital reserves as follows:

Year	\$M
2020-21	3.8
2021-22	13.3
2022-23	23.5

Markham Centre Campus



Programming to be offered in phase 1 by AMPD, LAPS, Lassonde, Science, School of Continuing Studies

Markham Centre Campus

In Fall 2019, the Board of Governors approved the business plan for the Markham Centre Campus, which is under construction and expected to open in Fall 2023.

The budgeted cost of construction is as follows:

	\$M
Region of York, financial contribution	25.0
Land, City of Markham	50.0
York University, new debt issue	100.0
York University, fundraising	50.0
York University, working capital	50.5
TOTAL PROJECT VALUE	275.5

Supporting all priorities of UAP

Major capital priority projects – approved by the Board in Feb 2019

Project	Description	Size (sq. ft)	Estimated Cost	Status/Funding
Engineering & Science Expansion	To accommodate growth in Science and Engineering	231,000 (new space)	\$175-200M	Funding Plan – to be established
Scott Library	Replacement of book stacks with compact shelving, to allow for expansion of student study and lounge space. In addition, the installation of a second elevator and improvements to the escalator will increase/improve traffic.	118,000 (renovated space)	\$30M	Funding Plan – to be established

Developing future capital projects

New and emerging capital priorities continue to be identified, including (not limited to):

- Harry Arthurs Common
- Athletics/health precinct
- Energy assets
- Student Services space
- Research space for large multi-disciplinary projects
- Major renovations of historical buildings
- Faculty- specific projects (e.g. LAPS, Health, Education) for the expansion, improvement, and consolidation of space

And many more...

The University is identifying a process for developing capital projects from idea, to feasibility, through approval and execution. The process will involve ongoing discussions with the President, Vice-Presidents (PVP) and Faculty Deans on capital priorities.

Lands for Learning

Development over time of perimeter lands to support York's academic mission

YORK 



-  Academic Core
-  Lands for Learning
-  York University Ownership
-  Subway Station Construction

York University's Lands for Learning

Strategic Investments in faculty complement renewal

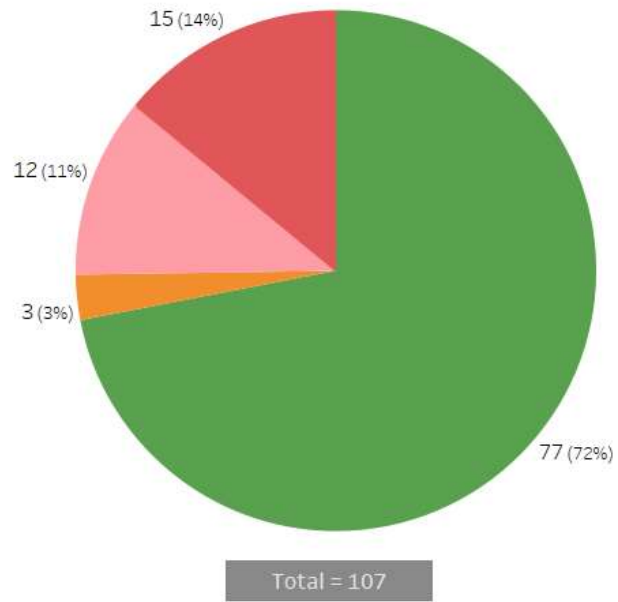
The University Budget Plan included an assumption to hire 122 new faculty members in 2020-21, for a net increase of 55 new hires when retirees and departures are taken into account

Projected Faculty Hires

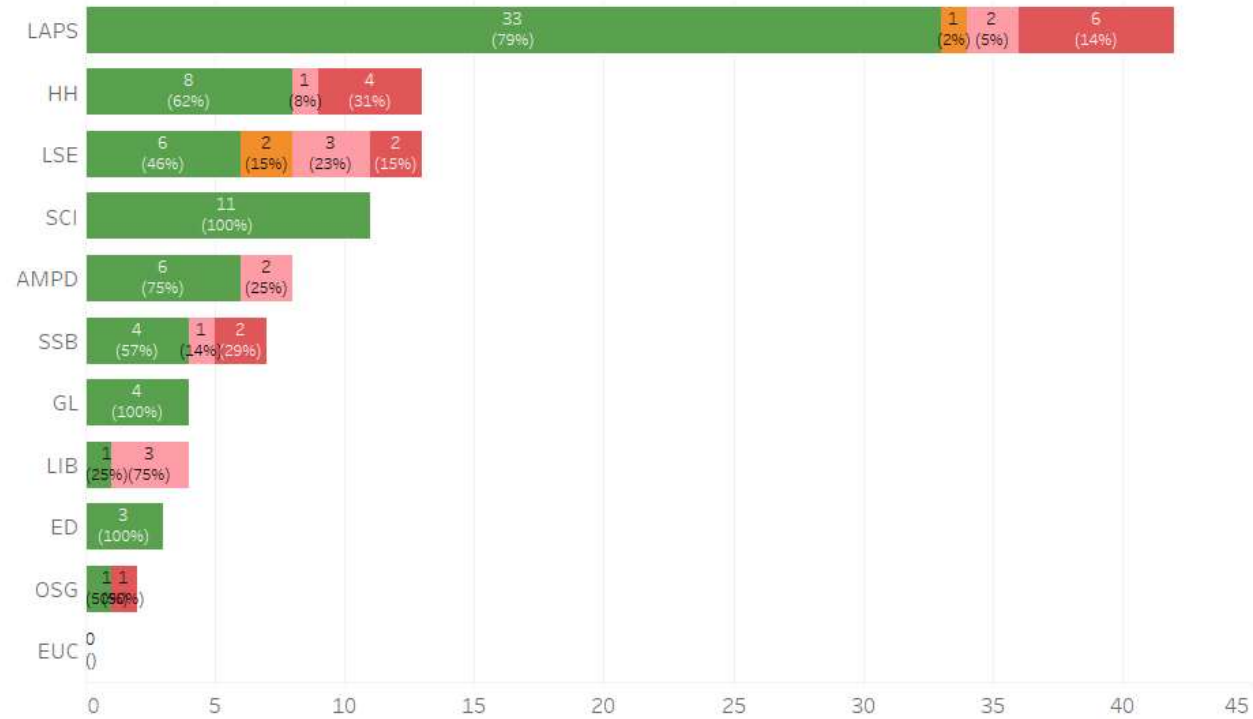
	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
New Hires				
Tenure Track	134	106	91	77
CLAs	12	16	2	2
Total	146	122	93	79
Retirements/Departures				
Tenure Track	40	50	34	27
CLAs	23	17	22	4
Total	63	67	56	31
In-Year Increase (Decrease)				
Tenure Track	94	56	57	50
CLAs	(11)	(1)	(20)	(2)
Total	83	55	37	48
NOTE: These are budgeted numbers only, and do not represent approved hires at this time				

Status of 2020-21 Tenure Track Appointments

Institutional
20-21 Status of Appointments



By Faculty
20-21 Status of Appointments



- Made to Date
- In Progress
- Searches on hold, delayed or cancelled (5 rolled over to 21-22)
- Searches failed to date (9 rolled over to 21-22)

Complement Recovery – Tenure Stream Faculty Complement (Heads). 2002-03 to 2020-21
(October 1 to October 1) (excluding Librarians)

Total Tenure Stream Faculty



Professorial	96%	96%	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	97%	96%	95%	95%	94%	92%	91%
Teaching	4%	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	4%	5%	5%	6%	8%	9%
Male	62%	60%	58%	57%	56%	56%	56%	55%	55%	55%	54%	55%	55%	55%	55%	55%	54%	53%	52%
Female	38%	40%	42%	43%	44%	44%	44%	45%	45%	45%	46%	45%	45%	45%	45%	45%	46%	47%	48%

Strategic investments in Equity, Diversity and Inclusion

Labour relations, human resources, and the Centre for Human Rights, Equity and Inclusion brought together in a new Division of Equity, People and Culture to better advance the priority of *community engagement*:

- Strengthening collegial governance
 - Oversight of employee engagement surveys
 - Implementation of recommendations
- Building a stronger, more equitable and healthier workplace environment
 - Support for Indigenous Framework
 - Development of Anti-Black Racism Framework (input being sought on draft)
 - Development of Equity Strategy (in progress)
- Enhancing labour relations
- Investments in faculty appointments
- Supplementing resources within Human Resources and the Centre for Human Rights, Equity and Inclusion to expand service delivery

Strategic investments in student support

Investments have been made in a range of functions and areas supporting students, including:

1. Student Financial Assistance

- Increasing the amount of student aid and entrance scholarships
- Providing COVID-19 Emergency and Travel Disruption Bursaries (\$2.3M)

2. Student Success

- Launching a new Student Virtual Assistant app (SAVY), providing student support, wayfinding, and reminders/prompts
- Developing the new Civitas system to strengthen advising, referrals, and early intervention
- Hiring additional Program Managers to support the new systems, with a focus on improving the student experience
- Dedicating more resources to digital communication with students

Strategic investments in student support (con't)

Investments have been made in a range of functions and areas supporting students, including:

3. Student Counselling, Health and Well-Being

- Increasing the resources dedicated to student accommodation, counselling for students living in other countries during the pandemic, and training to support students in distress
- Creating Living Well Kits for all entering students living in residence with information about available resources

4. International Students

- Providing financial award to all international students, offsetting the planned tuition increase in 2020-21 and keeping their tuition rates frozen to reduce potential financial barriers and support ongoing access (\$24M)
- Increasing resources in immigration advising to support international students located abroad

Strategic investments in graduate students

Investments in graduate student support, including:

1. Creating new Funding Advisor and Awards Manager positions to better advise graduate students and proactively work with Advancement on developing new donor awards
2. Providing financial assistance and implementing policy changes during the pandemic, including:
 - Waiving late registration fees and interest charges on overdue balances
 - Providing emergency bursaries
 - Providing completion extensions for part-time graduate students, along with financial assistance during the extension period
 - Extending the period of time for which degree completion tuition refunds are eligible
 - Covering tuition fees for new international students whose funding commitment includes an employment component and who were unable to arrive in the Fall

Strategic investments in technology

Significant investments and multi-year commitments across several priority areas, including:

- Renewing core network infrastructure, to meet the exponential demand associated with remote learning and work-from-home protocols
- Building cyber-security capacity, including additional firewall licences and full-time employees providing expertise and technical support
- Renewing technology in classrooms (multi-year project now in its second year)
- Dedicating additional resources to support Office 365 as utilization of this tool grows

Similar to deferred maintenance, a long-term plan for sustained, ongoing investment in technology (including the evergreening of core assets and keeping pace with innovation) is being developed.

Service Excellence

Building on Service Transformation, in early 2020, the University commissioned an external consultant (NOUS) to improve administrative services and the service delivery model.

“Service Excellence” is a three-year implementation program to be designed and delivered by a collaborative York-NOUS team.

This outcomes-focused program will deliver York faculty, staff and students:

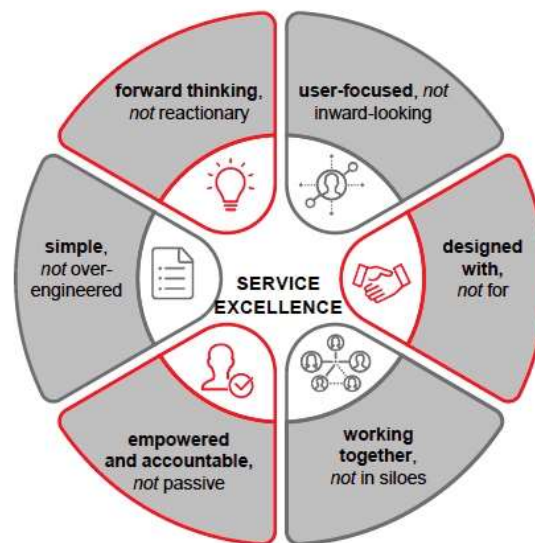
- Improved service quality
- Strengthened service culture
- Simpler, faster, more efficient services

York's *Vision for Service Excellence* will inform the Program's approach and intended outcomes. The vision was co-developed with York's senior administrative and academic leaders at the University Executive Council in March 2020.

YORK'S VISION FOR SERVICE EXCELLENCE

We are user-focused, working together with our community to enable outstanding services that result in high satisfaction. We are accountable for providing enhanced value to students, faculty and staff, and deliver simple, efficient and forward-looking services.

Therefore we work by these six principles:



To enable York's strategy:

Providing greater value to students, faculty and staff, by delivering simple, efficient and forward-looking services. This will allow more York staff to focus attention on achieving the University Plan objectives:

- To be a world leader in research
- To offer outstanding teaching and learning
- To offer all our students an outstanding and valuable experience.

Strategic investments – linking to the new UAP 2020-25: Building a Better Future

Major capital projects

Advancing capital priorities

Research space

Major renovations

Markham Centre Campus

University services – Service Excellence

Deferred maintenance

Classroom renewal

Washroom renewal



Technology infrastructure

Learning technologies

Student Information System

Faculty complement renewal

Graduate students supports: financial, policy changes, advising

Student supports: health and well-being, financial assistance, advising, student success, student access

International student support

Strategic Investments – commitments made from University Fund

	Commitments 2020-21 \$	Commitments 2021-22 \$	Commitments 2022-23 \$	Comments
Academic and Institutional Support				
Faculty of Science	200,000			Commitment made to Faculty of Science for strategic research initiatives
YU Start	250,000			YU Start Support
VPS Wayfinding	250,000			Wayfinding
International recruitment	570,000	570,000		To support international recruitment
Digital Program Marketing	280,000	280,000		Funding for marketing of programs
York International	349,000	335,000		Additional staffing to support international students
Provost office	500,000	670,000	1,330,000	Markham planning and other academic support
VPRI	150,000	150,000	150,000	Yspace support
University Secretariat Office and Senate Renovations	340,000			Renovate University Secretariat offices and Senate Chamber
Advancement	1,018,400	935,000		Capacity expansion for Markham campus, Customer Relationship Management (CRM) & convocation
Information Technology	5,741,000	4,774,000	705,000	Data warehouse expansion, Office 365 support, network Infrastructure & cyber security
HR - System Transformation	1,123,000	1,123,000	1,123,000	Transform manual business processes to a Manager/Employee self-service model by fully leveraging PeopleSoft
	10,771,400	8,837,000	3,308,000	
Faculty Complement Renewal	2,650,000	3,100,000	600,000	Commitment to support faculty complement renewal
Student Aid/Scholarships	3,521,000	1,121,000		Student support, work study, etc.
VPRI and Research Support				
Electronic CV Management	231,000	210,000		To implement an electronic CV management system
Investment in Strategic Research Plan	1,000,000	1,000,000		Funding towards a strategic fund
NCE Institutional Support	217,803	217,803	217,803	Central support for National Centre of Excellence
	1,448,803	1,427,803	217,803	
Classroom Renewal	2,000,000	2,000,000		Classroom technology renewal
Incremental Funding for Deferred Maintenance	3,500,000	3,500,000		To address deferred maintenance
Total	\$ 23,891,203	\$ 19,985,803	\$ 4,125,803	



Multi-Year Budgets – 2020-21, 2021-22, 2022-23

YORK



Operating Fund approved by the Board of Governors in June 2020

Total Operating Budget (\$ millions)

	Appendix Reference	2019-20		2020-21	2021-22	2022-23
		Budget	Actuals	Budget	Budget	Budget
Operating Revenues						
(1) → Government Operating Grants	[Appendix 3]	\$ 306.9	\$ 310.3	\$ 306.3	\$ 305.2	\$ 304.5
(2) → Student Fees	[Appendix 4]	695.6	714.0	742.2	825.5	897.2
Grants and Student Fees Subtotal		1,002.5	1,024.2	1,048.5	1,130.7	1,201.7
Funding from Donations, Endowments, & Trusts		7.1	6.6	7.9	5.6	5.6
Investment Income		7.9	21.9	12.9	8.5	7.1
Other Recoveries		40.9	47.4	47.8	46.7	48.2
Total Operating Revenues		1,058.5	1,100.1	1,117.2	1,191.4	1,262.6
Contingencies						
(4) → Enrolment Contingency		(18.9)	-	(38.4)	(44.1)	(51.4)
International Tuition Offset		-	-	(16.0)	-	-
Total Contingencies		(18.9)	-	(54.4)	(44.1)	(51.4)
Total Operating Revenues, Net of Contingencies		\$ 1,039.6	\$ 1,100.1	\$ 1,062.8	\$ 1,147.4	\$ 1,211.2
Operating Expenditures						
(3) → Salaries and Wages		590.4	573.3	627.1	653.5	675.5
Employee Benefits		135.4	128.0	150.8	155.6	160.5
Operating Costs		156.8	135.9	158.2	173.2	181.1
Scholarships and Bursaries		71.7	73.2	81.0	80.5	81.0
Taxes and Utilities		26.0	17.8	24.8	26.5	27.2
Interest on Long-Term Debt		21.1	21.6	24.9	25.1	25.3
Total Operating Expenditures		\$ 1,001.3	\$ 949.9	\$ 1,066.9	\$ 1,114.3	\$ 1,150.7
In Year Surplus/(Deficit) for Operating Fund, Before Transfers		\$ 38.3	\$ 150.2	\$ (4.1)	\$ 33.0	\$ 60.5
Transfers to Restricted Funds						
Transfers to Capital Fund		(27.4)	(90.5)	(51.1)	(40.2)	(40.0)
Transfers to Ancillary Fund		(3.8)	(3.8)	(3.9)	(3.8)	(3.8)
Transfers to Other Funds		(3.4)	(2.6)	(5.8)	(3.2)	(3.7)
Total Transfers to Restricted Funds		\$ (34.6)	\$ (96.9)	\$ (60.9)	\$ (47.1)	\$ (47.5)
In Year Surplus/(Deficit) for Operating Fund, Before GAAP Adj.		\$ 3.8	\$ 53.3	\$ (65.0)	\$ (14.1)	\$ 13.0
GAAP Adjustments						
Remeasurement of Employee Benefit Plans		-	(48.3)	-	-	-
GAAP Adjustments		-	\$ (48.3)	-	-	-
In Year Surplus/(Deficit) for Operating Fund	[Appendix 2]	3.8	4.9	(65.0)	(14.1)	13.0
Opening Accumulated Surplus/(Deficit) for Operating Fund		235.4	235.4	240.3	175.3	161.2
Closing Accumulated Surplus/(Deficit) for Operating Fund		\$ 239.1	\$ 240.3	\$ 175.3	\$ 161.2	\$ 174.2

Major planning assumptions

1. Government operating grants

- According to SMA-3, government grants will be linked to 10 performance metrics and this performance-based funding will increase each year, from 25% in 2020-2021 (\$76M) to 60% in 2024-2025 (\$169M). The multi-year budgets assume no lost funding due to potentially missing the performance metrics.

2. Student Fees

- In January 2019, the Province announced a new tuition fee framework, reducing tuition fees by 10% in 2019-20 and freezing tuition fees in 2020-2021. The multi-year budget has factored in this tuition framework.
- For subsequent years (2021-22 and 2022-23) the budget has assumed a return to the previous norm of 3% year-over-year tuition increases for domestic students and between 0-10% year-over-year increases for international students, depending on the discipline, as approved by the Board of Governors. These assumptions are currently being reassessed.

3. Salaries and wages

- Annual increases, as specified in collective agreements, have been factored into the multi-year budgets. Where collective agreements expire mid-way through the multi-year budget period, the across-the-board increases are assumed to be 1%, as per the Provincial Act introduced in June 2019 (*Protecting a Sustainable Public Sector for Future Generations*).

4. Early COVID-19 provisions

- During the development of multi-year budgets, from January to April 2020, the potential impacts of the pandemic were beginning to reveal themselves, particularly regarding potential enrolment losses. As a result, Faculties budgeted significant contingencies against their enrolment targets. In addition some significant pandemic-related incremental costs were identified, most notably the need to provide international students with bursaries offsetting the planned 10% increase in tuition fees.

Closing accumulated balances – (5)

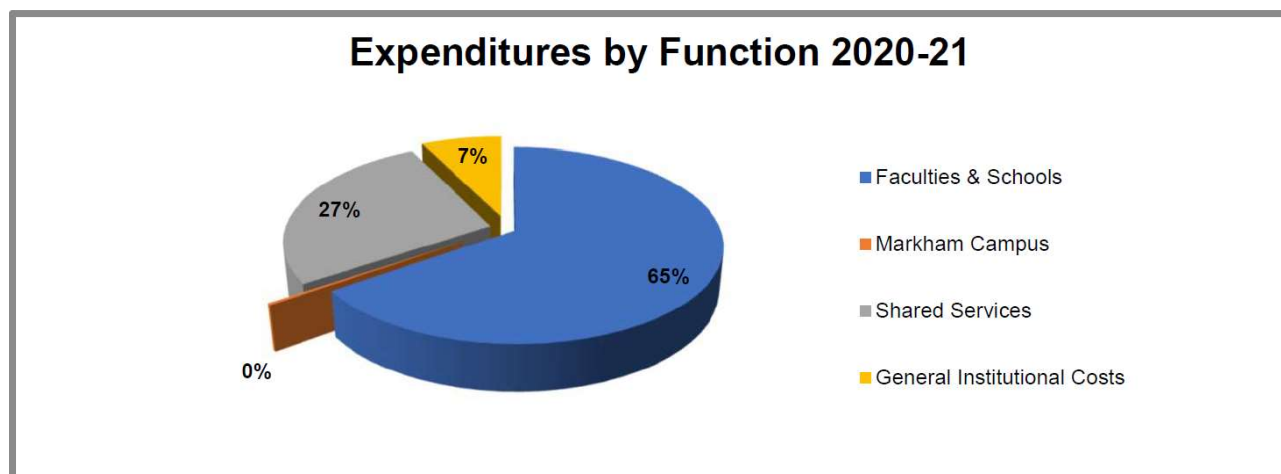
The closing accumulated surplus in the Operating Budget for 2019-20 was \$240.3M, and comprises the following:

	\$M
1. Balances in the Divisions and Faculties	117.7
2. Balances in General Institutional (GI) reserves	89.1
3. Balance in the University Fund	33.5
TOTAL	240.3

1. Balances distributed across the University, with \$99.3M in the Academic Division (Faculties, Administrative Units, and the School of Continuing Studies). Faculties and Administrative Units with positive balances may invest the funds in support of their priorities, e.g. capital projects, special initiatives, etc. The balance also includes \$25M in the Provost's Contingency Fund.
2. Provides for various institution-wide financial obligations, e.g. pension special payments and post-employment benefits (\$28M), remaining balances in collective agreement funds (\$5.9M), insurance provisions (\$4.4M), HR provisions (\$4M), etc. Also includes a \$25M contingency reserve.
3. The remaining, uncommitted balance of the University Fund, available for use in future years to support institutional priorities.

Expenditure by function (\$ millions)

Operating Expenditures by Function						
	2020-21		2021-22		2022-23	
	<u>Amount</u>	<u>% Share</u>	<u>Amount</u>	<u>% Share</u>	<u>Amount</u>	<u>% Share</u>
Faculties & Schools	695.9	65%	733.7	66%	757.8	66%
Markham Campus	3.5	0%	6.2	1%	15.2	1%
Administrative Units	289.3	27%	290.9	26%	294.9	26%
General Institutional Costs	78.3	7%	83.6	8%	82.8	7%
Total Operating Expenditures	\$ 1,066.9	100%	\$ 1,114.3	100%	\$ 1,150.7	100%



The background image shows a large, multi-story building with a central entrance, possibly a university or government building, situated behind a body of water. A flagpole with a flag is visible in front of the building. The scene is framed by a thick red border. The sky is blue with some clouds, and there are trees to the right of the building.

COVID-19 Contingency Plan

Main drivers in the contingency plan

Given the extreme level of planning uncertainty in the Spring, it was important to provide the Board with a contingency plan as a supplement to the budget being submitted for formal approval.

The contingency plan was structured to incorporate:

1. A possible enrolment scenario resulting from the pandemic, and the associated impact on revenue – guided by a Provincial assessment of potential losses across different student categories: undergraduate, graduate, domestic, international (the “May Scenario”)
2. Projections of pandemic-related incremental costs – collected from Faculties and Administrative Units based on their individual assessments, with guidance from Central
3. Projections of cost savings to mitigate the financial challenges posed by #1 and #2 above – collected from Faculties and Administrative Units, and informed by some institutional decisions, e.g. temporarily proceeding with essential hires only

Contingency plan – October 2020 update

The October Scenario is significant improved compared to the May Scenario.

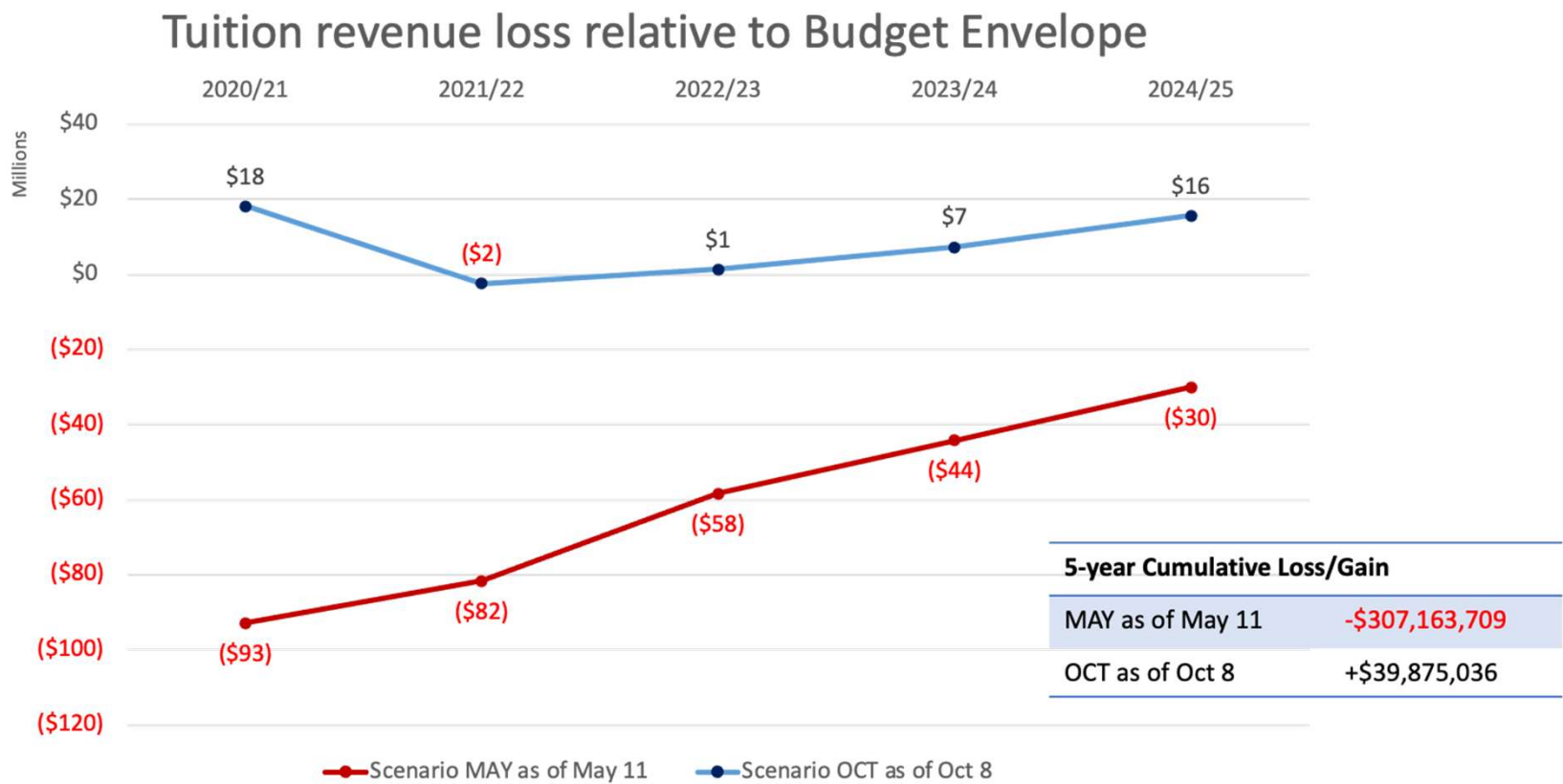
Below is a side-by-side comparison: projected student FFTEs under Scenarios May vs October.

MAY used preliminary SU enrolments (as of May 11) and needed to make assumptions about FW.

OCTOBER has updated SU to final actuals, utilizes preliminary FA enrolments as of Oct 8, and projects WI.

	Scenario MAY as of May 11	Scenario OCT as of Oct 8
SU 2020	Preliminary actual as of May 11	Actual SU20 (exceeds target by 16%)
FW Continuing	Dom UG & MA prof -5% Dom MA research & PhD -10% Visa UG & MA prof -20% Visa MA research & PhD -15%	Preliminary FA20 (as of Oct 8) and projected WI21: Dom: UG = +1524 (+6.5%) MA prof = +34 (+2.7%) MA research & PhD = -109 (-2.4%) Visa: UG = +277 (+5.2%) MA prof = -50 (-5.1%) MA research & PhD = -28 (-3.8%)
FW New	Dom: UG -15% GR -10% Visa: UG -60% GR -50%	Dom: UG = -1111 (-12.6%) MA prof = +79 (+11.3%) MA research & PhD = -122 (-10.6%) Visa: UG = -318 (-17.5%) MA prof = +10 (+1.8%) MA research & PhD = -42 (-17.5%)

Updated five-year projected tuition revenue – “October” and “May” Scenarios



Future risk exposure

Potential decline in future enrolments due to changes in international enrolment trends and the appeal/experience of online course delivery

Decline in graduate enrolments and its impact on the University's research agenda and productivity

Government (Federal & Provincial) policies related to funding, future tuition frameworks, public health, visas for international students, etc.

Other pandemic-related pressures and uncertainties of the moment we are in:

- Incremental costs continue to grow – on-going supports needed for faculty research, IT, etc.
- Potential for differential impact on certain Faculties, who may require support
- Contributions from Ancillary Services are at risk, due to their significant revenue shortfalls

SHARP Review

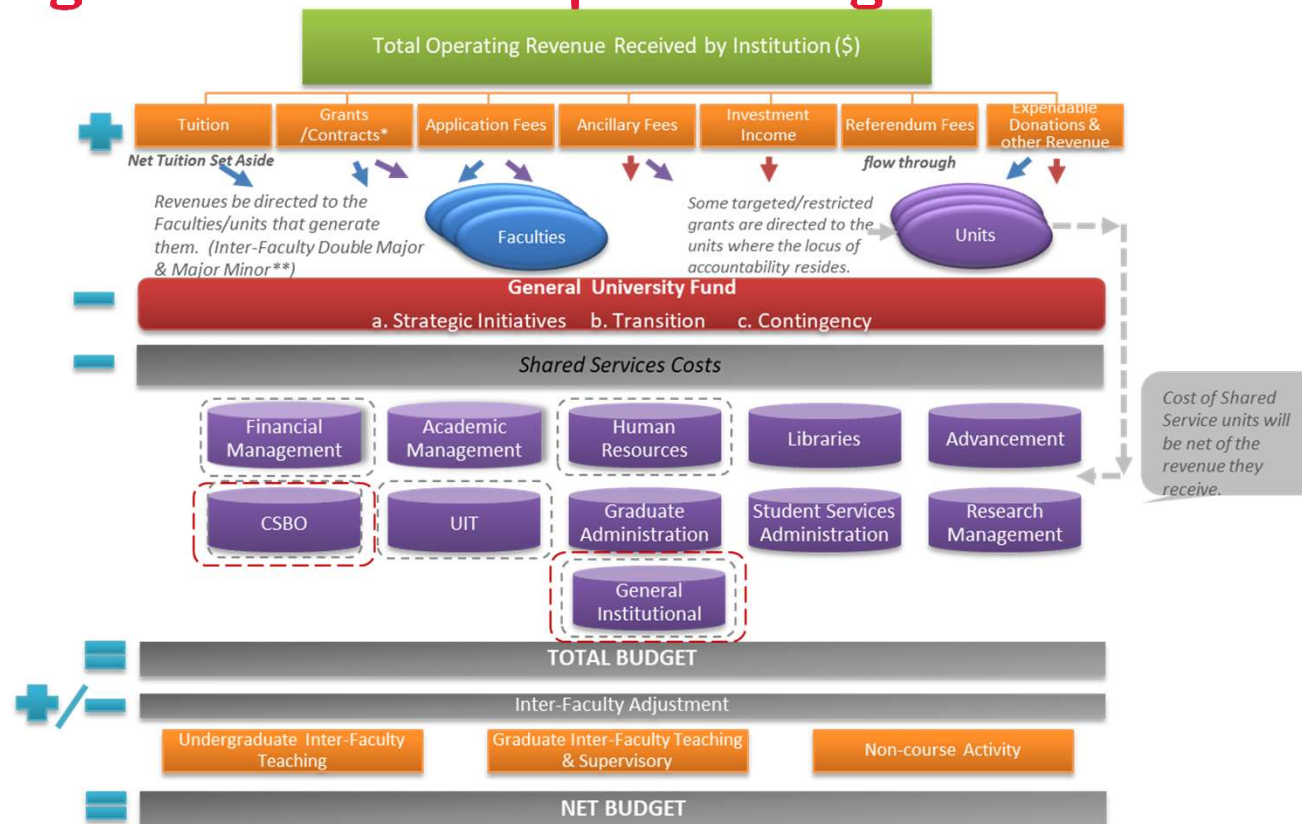
SHARP budget model – guiding principles

The SHARP Budget model was implemented in 2017-18, following six years of planning and consultation.

SHARP was developed based on five principles as recommended by the Working Group on Budget Committee:

- Support the academic goals of the institution through the alignment of resources to priorities as outlined in our planning documents (the White Paper, University Academic Plans/School Plans, IR Plans)
- Be transparent
- Provide for a predictable and sustainable framework for budget planning
- Provide performance incentives and ensure accountability
- Provide for clear and straightforward allocation methodologies

SHARP budget model – conceptual design



- * Grants /Contracts includes formula funding, target grants, research overhead, accessibility grants, grant in lieu .
- ** Inter-Faculty tuition and grant revenues for Double Major and Major Minor programs will be allocated to both Faculties.
- Shared Service units cost bins attributed to Faculties. Each cost bin has associated sub-bins and drivers. Service level and commitments will be defined through SHARP.
- Cost attribution to Faculties and Ancillary units.
- Assigned space (CSBO bin), Collective Agreement benefit commit. and Pension & post-retirement benefit costs (GI bin) attributed to Faculties, Ancillary and Shared Service units.

External SHARP review

When SHARP was implemented, the university committed to reviewing the design elements of the model based on early experience.

In September-October 2019, an external review of SHARP was conducted by a three-person panel with expertise and experience working with activity-based budgets in universities.

The panel received short summaries from each Faculty and Administrative Unit describing the strengths, challenges and issues of SHARP, and conducted on-site interviews and Town Halls to obtain more detailed feedback.

The final report identified twelve recommendations and advice across five main areas:

- Planning & Budgeting (budget cycles, accountability of shared services areas, the need for service-level agreements)
- Hold Harmless (allocation of support funds to certain Faculties in a non-formulaic way, moving away from 2013-14 as the “point-in-time” basis for the calculation)
- University Fund (ensuring the UF is of sufficient size to support strategic priorities)
- Governance (potential for a sub-committee of the University Budget Advisory Committee)
- Other considerations (conducting ongoing reviews of cost drivers, re-considering the formula being utilized for inter-Faculty teaching, reviewing space costing)

A key message of the external SHARP review

Strive at all times to maintain a model that is simple and transparent, the key virtues of activity-based budgeting. Resist modifying the budget “for this or that purpose”. If an issue is of strategic importance, deal with it explicitly through support from the University Fund, rather than indirectly by modifying cost charges/drivers.

SHARP Website

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



Discussion of priorities for the next rolling budget 2021-2024