



Faculty of Liberal Arts & Professional Studies

Faculty Council Updated January 12 2017

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HIGHER EDUCATION UPDATES



University New Funding Formula - Design

Design work for a new funding formula has begun with three core elements:

Enrolment Elements:

- Delivered in a corridor
- Equalization of per-student funding
- Based on negotiated enrolment numbers

Funding will come from existing BOG, as well as undergraduate access and grad expansion funds.

Differentiation / Student Success Elements

- Distributed based on outcomes
- Transitional / balancing elements
- A portion at risk at maturity

Funding may come from declining enrolment; existing quality and performance funds; research supports; and mission-and institution-related grants and other existing SPGs.

Special Purpose Grants

- Reflects broad government priorities for all institutions
- May be restricted in use
- Reviewing SPGs for ease of reporting, length and simplification

Funding will be remaining SPGs that fit criteria.

University Funding Formula - Transition

The following principles have been established for transition:

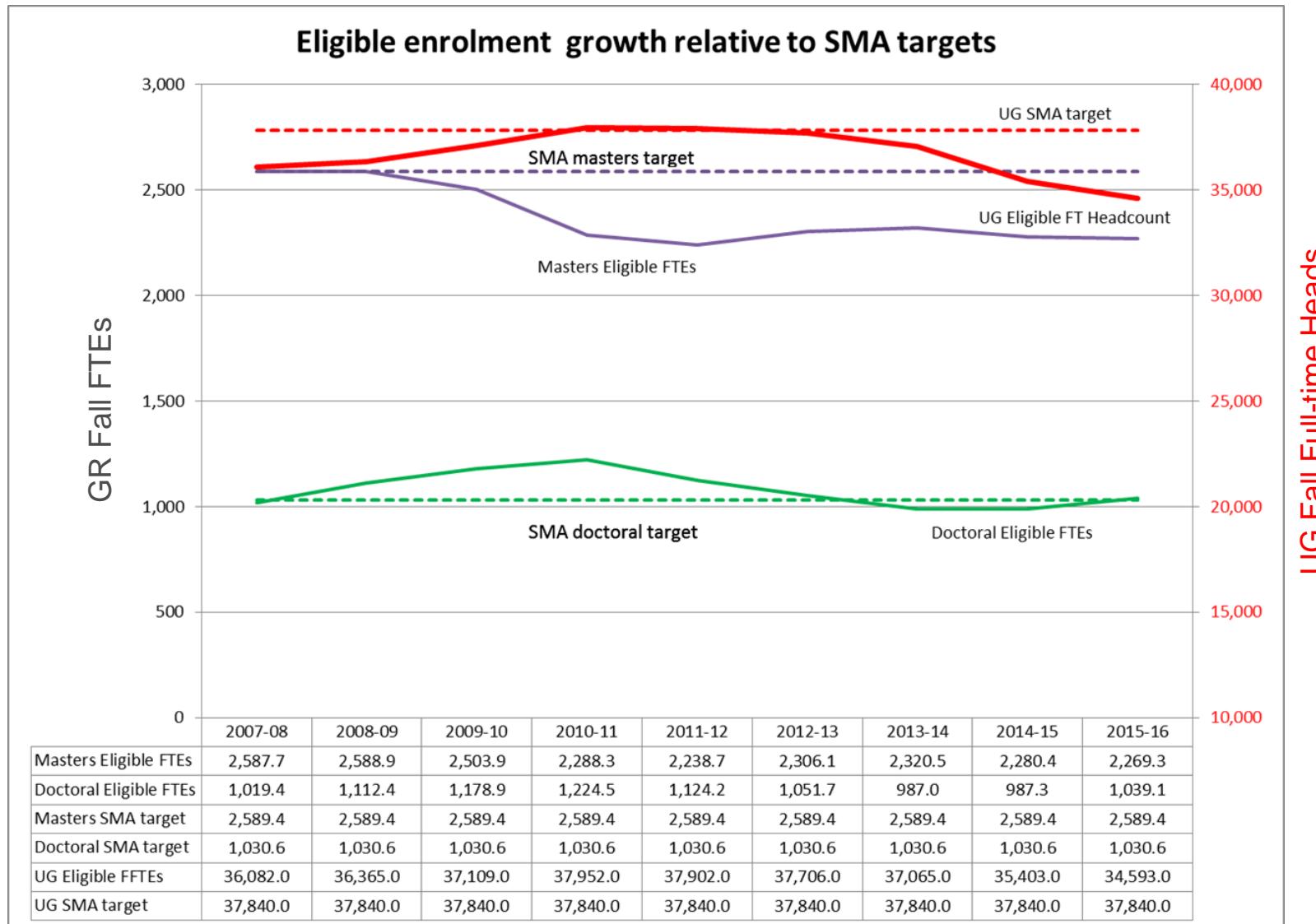
- ❑ **Principle One:** No redistribution through the transition
- ❑ **Principle Two:** However, it is expected that the new model will put some grants at risk **in the future**
- ❑ **Principle Three:** Multi-year transition
 - Full transition to a new funding model will occur through second and third round SMA
- ❑ **Principle Four:** Options for transition will be explicitly developed through the development process during summer 2016

Enrolment Update

Enrolment

- SEM strategy to improve confirmations and conversions to stabilize enrolment for 2016 – 2017 in highly competitive market
- Projections for the year (as of November 7, 2016):
 - eligible undergraduate trending above university budget target by 299.1, and -482.1 below enrolment contract targets
 - international undergraduate 525.2 FFTEs above university budget target and 285.6 FFTEs above enrolment contract targets
 - Masters – 321.0 FTEs below the Ministry target
 - Doctoral 22.3 FTEs above the Ministry target
- Comprehensive 10 year (2015-2025) enrolment plan for university developed to inform internal budgeting and integrated planning processes as well as SMA negotiations with MAESD
- Winter update needs to be added

York's Strategic Mandate Agreement (SMA)



Budget Update

Context for Budget Planning

- In Fall 2014, the University confirmed its Transition Plan to the new SHARP (Shared Accountability Resource Plan) Model effective fiscal 2017-18.
- The presentation format for the SHARP Budget Model will be considerably different under SHARP and will provide an increased level of detail.
- For illustrative purposes, the numbers for 2017-18 and 2018-19 are being provided to demonstrate the impacts of budget assumptions for that fiscal year. Approval was not requested in June for these years.
- Recent decision of the new Markham Campus has not been incorporated into the 2016 Budget Plan. Budget Plan impacts are anticipated to occur beyond the June 2016 budget planning horizon.

2015-2018 Budget Plan - Approved June 2015

<u>(\$ Millions)</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Revenue	753.8	778.5	789.7
Expense	781.7	793.2	797.8
Annual Surplus/(Deficit)	(27.8)	(14.6)	(8.1)
Carryforward Surplus/(Deficit)	(18.2)	(46.0)	(60.6)
Cumulative Surplus/(Deficit)	(46.0)	(60.6)	(68.7)
Budget Cut	3.0%	2.5%	TBD

Divisional Carryforward Positions - 2015-16

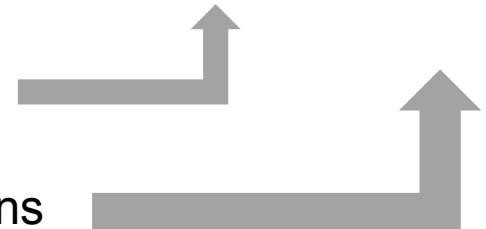
Budget vs. Actual Results

Division	Opening Cumulative Position
President's	1.25
VP Advancement	1.51
VP Academic	
Faculties & Libraries	(70.73)
VPA&P	31.07
Vice Provost Students	7.32
VP Academic Total	(32.34)
VP Finance & Administration	9.24
VP Research	2.29
Total All Divisions	(18.05)

Approved Budget In-year Surplus (Deficit)	Actual In-Year Surplus (Deficit)	Variance to Approved Budget Surplus (Deficit)	Actual Ending Cumulative Position
(0.43)	0.52	0.95	1.77
(2.64)	0.20	2.84	1.71
(18.88)	(8.05)	10.83	(78.78)
(2.32)	3.65	5.97	34.72
(0.55)	(0.30)	0.25	7.02
(21.75)	(4.70)	17.05	(37.04)
(3.51)	2.74	6.25	11.98
(1.00)	0.08	1.08	2.37
(29.33)	(1.16)	28.17	(19.21)

2015/16 Year End Results Positive to Last Year's Plan

.... But a Significant Deficit Remains



2016-2019 Budget Plan - Approved June 2016

OPERATING BUDGET PLAN SUMMARY 2016-17 to 2018-19

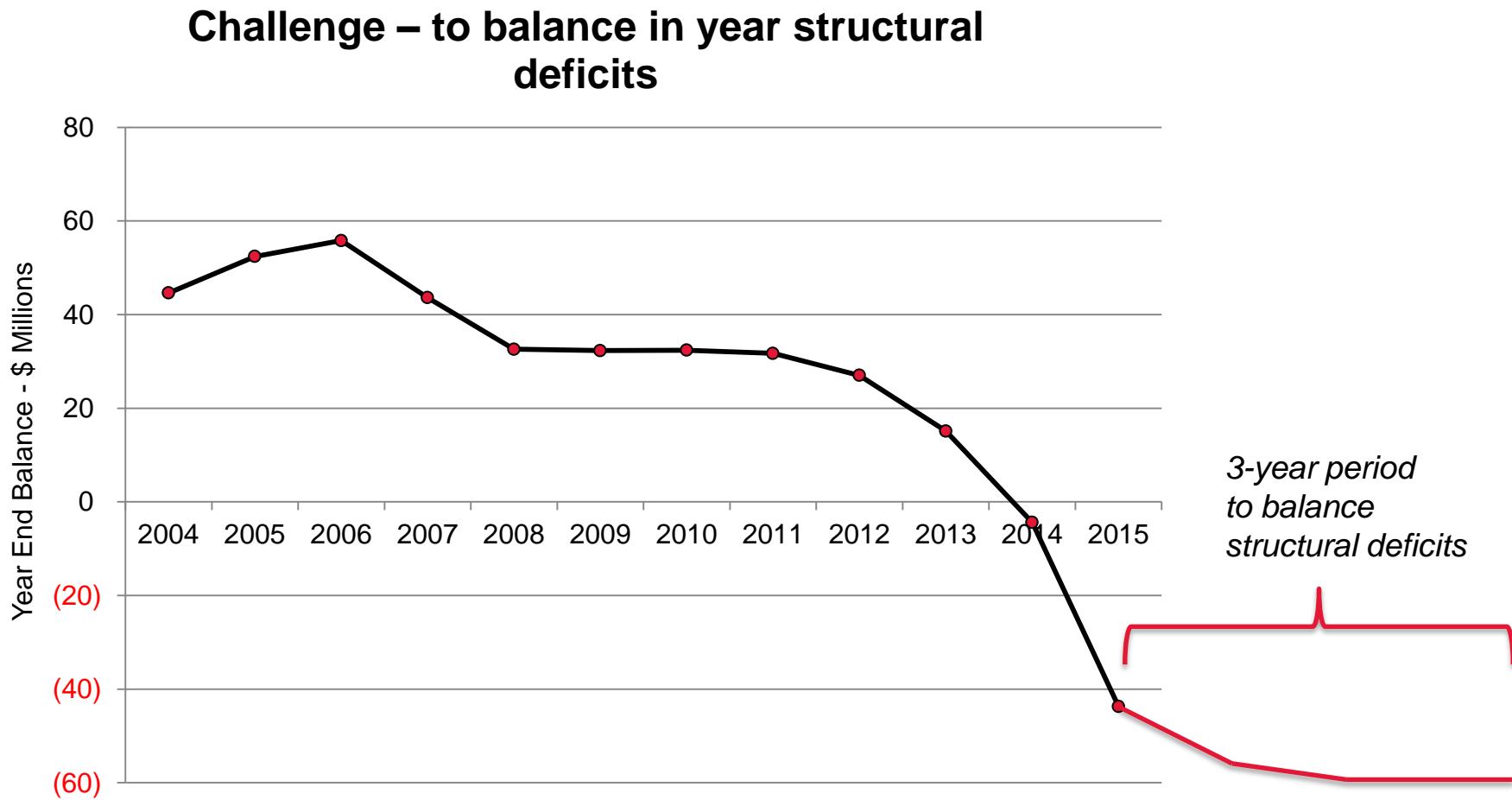
(\$ millions)

Illustrative

2016-17 2017-18 2018-19

	2016-17	2017-18	2018-19
Revenue	778.5	789.7	799.7
Expenses	801.0	804.4	795.5
Annual Surplus/Deficit	(22.4)	(14.7)	4.1
Carryforward Surplus/(Deficit) Balances	(19.2)	(41.6)	(56.3)
Cumulative Balance (including Divisional Deficit Positions)	(41.6)	(56.3)	(52.2)
Budget Cuts as per Plan	2.50%	TBD	TBD

Faculty/Divisional Carryforward Balances – History and 2015 Budget Projection



Key Budget Planning Assumptions and Emerging Budget Risks

- ❑ Achievement of Enrolment Plan in light of applications and impact education flattening of demand for post secondary undergraduate
- ❑ Tuition Fee Framework beyond 2017
- ❑ Divisional Deficit Positions
- ❑ Impact of IIRP on Divisional/Faculty Budget Management
- ❑ Government Grant Rebasing Risk (Undergraduate and Graduate)
- ❑ Provincial Government University Funding Formula Review
- ❑ Actual Pension Solvency Deficit – December 31, 2016 Valuation

University Academic Plan 2015 - 2020

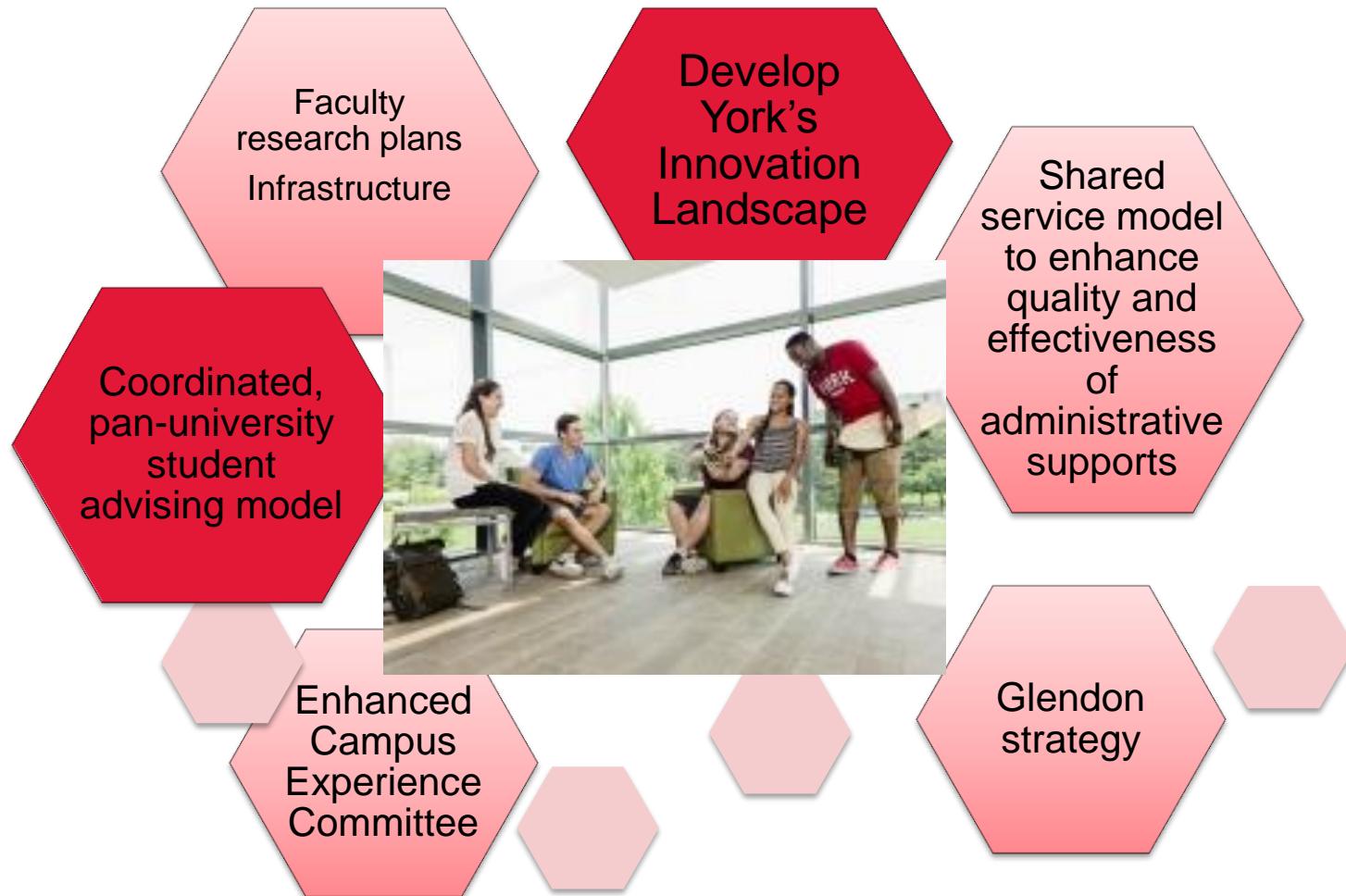
Advancing the UAP 2015 - 2020

- Local level Integrated Resource Plans (IRPs) set out objectives and initiatives to:
 - advance local and institutional priorities
 - align available resources to those priorities
- Institutional Integrated Resource Plan (IIRP) intended to identify pan-university objectives and initiatives to:
 - advance the UAP 2015 – 2020
 - support local level plans
- IIRP working groups comprised of colleagues from across the University identified series of initiatives
- Community input is being sought on those recommendations:
 - in the context of Faculty priorities
 - where a pan-university approach makes sense and/or institutional supports needed

Working Group Recommendations



Working Group Recommendations



Faculty Council Input

- Faculty priorities
- Recommendations for institutional supports
- Challenges

IIRP Next Steps Timeline Fall/Winter 2016-17

September 2016

- Final Working Group Reports Released to Community
- IR Plan Call to community
- Aligning with new UAP and IIRP Framework
- IIRP Process Update to Board Committees

October-November 2016

- Working Group Report Community Feedback Sessions
 - PVP Retreat
 - Faculty Councils (11)
 - APPRC Sponsored Community Sessions (2) – Global Cafe
 - President's Town Hall (October)
 - Senate

December 2016

- IIRP Implementation Plan Drafted
 - Working Group Co-Chair review
- Division/Faculty/Unit Integrated Resource Plans due

January 2017

- PVP Retreat Follow-up
 - IIRP Investments (new resources)
- Local IIRP resource alignment (existing resources)

2017 - 2020

- IIRP Implementation continues
- Evaluation and accountability
- Performance against plan
- Metrics of success

- Working group reports:

<https://yulink-new.yorku.ca/group/iirp/working-groups>