



Multi-Year Budget Plan 2021-22 to 2023-24

SENATE

JUNE 24, 2021

YORK 

Agenda

1. Budget Context
2. Budget Objectives
3. Financial Results – 2020-21
4. Priority Investments in the Budget Plan
5. Budget Assumptions
6. Multi-Year Budget Plan – 2021-22, 2022-23, 2023-24
7. Budget Risks
8. SHARP Budget Model
9. Key Messages
10. Q&A

1. Budget Context

1. Strong results in 2020-21
2. \$80M growth in positive carry forward balances, from \$240M in 2019-20 to almost \$320M in 2020-21 (~\$140M positive variance compared to the budget)
3. Government
 - a) Tuition Fees
 - Domestic – one-year government framework keeping tuition fees frozen in 2021-22, following 10% cut in 2019-20 and freeze in 2020-21
 - International – the need to support international student access in 2021-22
 - b) Grants – flat, with SMA3 performance metrics tracked but not yet enforced
4. Enrolment
 - Longer term impact of pandemic uncertain
 - Strong start to Summer 2021
 - Encouraging 101 domestic and 105 visa confirmations for Fall-Winter 2021-22
 - Need to develop post-pandemic international student enrolment targets
 - Continued risks related to the competitive landscape, impact of remote teaching on intake, retention, and course-loads, and flow-through effect of the lower intakes in 2020-21
 - Enrolment contingencies required as a precautionary measure

2. Budget Objectives

1. Maximize advancement of the University Academic Plan priorities
2. Ensure long-term sustainability of the University
3. Support early recovery through bold thinking, and newly emerging opportunities
 - utilize a reasonable portion of the sizeable accumulated carryforwards (equivalent to the higher-than-budgeted growth in carryforwards in 2020-21) to make strategic investments for future growth and success



3. Financial Results 2020-21

Division	Opening Cumulative Position ACTUAL (A)	In-Year Surplus (Deficit) BUDGET (B)	In-Year Surplus (Deficit) ACTUAL (C)	In-Year Surplus (Deficit) VARIANCE * (C-B)	Ending Cumulative Position ACTUAL (A+C)	Notes
President	3.7	(0.4)	0.5	0.9	4.2	
VP Advancement	1.1	0.2	2.6	2.4	3.8	
VP Academic						
Arts, Media, & Performance Design	(15.1)	(2.7)	0.2	2.9	(14.9)	
Education	8.7	(1.4)	(3.6)	(2.3)	5.1	Actuals include a \$3.7M transfer to capital not budgeted
Environmental & Urban Change	(7.5)	(7.6)	(5.8)	1.8	(13.3)	
Glendon	(13.9)	(8.6)	(6.7)	1.9	(20.6)	
Health	16.5	(0.0)	1.8	1.9	18.3	Actuals include a \$6M transfer to capital not budgeted
Liberal Arts & Professional Studies	1.5	4.4	19.3	14.9	20.8	Actuals include a \$15.75M transfer to capital not budgeted
Lassonde	(5.9)	(1.8)	7.2	8.9	1.2	
Osgoode	28.5	3.4	6.0	2.7	34.5	
Schulich	(10.7)	(3.5)	4.1	7.5	(6.7)	
Science	12.2	0.5	5.6	5.1	17.8	Actuals include a \$7.25M transfer to capital not budgeted
Continuing Studies	45.4	(20.9)	(13.2)	7.6	32.2	
Total Faculties & Schools	59.7	(38.1)	14.9	53.0	74.6	
Graduate Studies	2.1	(1.2)	(0.9)	0.3	1.1	
Libraries	2.5	(1.7)	1.5	3.2	4.1	
Vice Provost Students	10.0	(5.5)	0.2	5.7	10.3	
PVPA	24.2	(4.1)	(2.7)	1.4	21.5	
VP Academic Total	98.4	(50.6)	13.0	63.6	111.4	
VP Equity, People and Culture	2.0	(0.3)	1.9	2.2	3.9	
VP Finance & Administration	9.0	(4.6)	0.9	5.5	9.9	
VP Research	2.8	(1.0)	1.9	2.9	4.7	
Total All Divisions	117.2	(56.7)	20.8	77.5	138.0	

Results of the Divisions
\$77.5M better than budget

Financial Results 2020-21 – Variance of Budget to Actuals

	\$M
Enrolment contingency not needed	38.4
Reduced expenditures:*	
- Salaries and benefits	37.9
- Operating costs	62.3
Incremental pandemic expenses, e.g. international tuition credit, other	(28.4)
Additional transfer to capital reserves by Education, Health, LAPS, Science	(32.7)
TOTAL POSITIVE VARIANCE TO BUDGET WITHIN THE DIVISIONS	77.5

* Faculties and Units continue to budget conservatively with respect to expenses, e.g. budget reflects vacant or new positions being filled immediately, though it can sometimes take longer. This implies there are inherent contingencies within the budgets. In 2020-21, there was a period of hiring austerity early in the pandemic (Spring and early Summer) which also contributed to lower salary and benefit costs relating to staff members. During the pandemic, there was lower spending on regular operating and occupancy costs e.g. travel, hospitality, conferences, office expenses, utilities, etc. These savings were offset by incremental pandemic costs and other lost revenues.

Pensions and Endowments

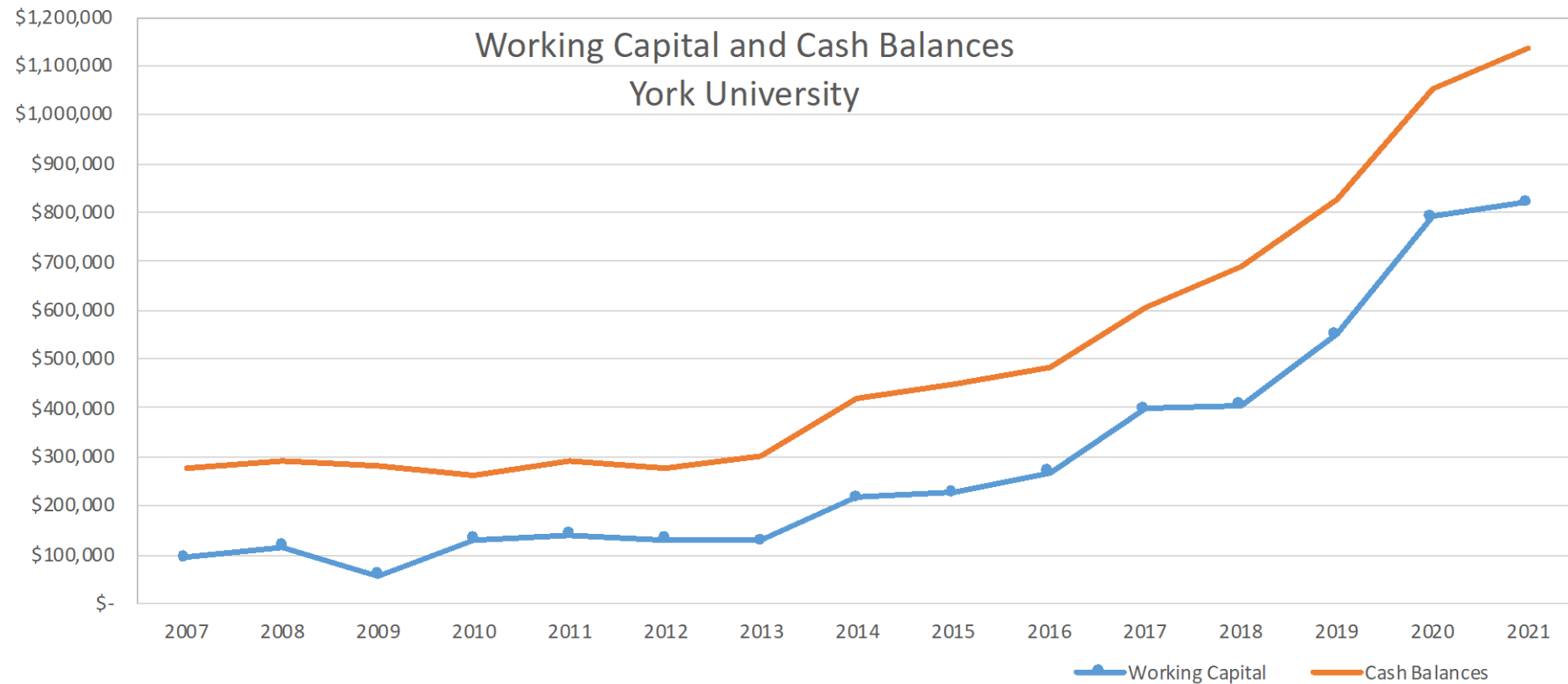
Pension Performance to December 2020		
	8 months ended December 31	Calendar YTD 12 months ended December 31
Rate of Return	17.0%	16.0%
Policy Benchmark	<u>14.1%</u>	<u>11.7%</u>
Value Added	<u>2.8%</u>	<u>4.3%</u>

Endowment Performance		
	Fiscal YTD 8 months ended December 2020	Calendar YTD 12 months ended December 2020
Rate of Return	19.98%	16.89%
Policy Benchmark	18.87%	11.49%
Value Added	1.11%	5.40%

The University's Pension and Endowment plans experienced strong returns in calendar 2020, meaning:

- No burden on the operating budget to fund pension deficits
- Endowment distributions funding student awards, Faculty/Research Chairs, etc. can be maintained

Cash flow



The University's cash balances continued increasing in 2020-21 due to strong performance

4. Priority Investments



Priority investments in the Budget Plan to support the University Academic Plan

Advancing equity, diversity and inclusion, health and wellness

Successfully resuming campus activities post-pandemic e.g., YU as destination

Advancing major capital projects in support of strategic priorities

Addressing deferred maintenance backlogs

Enhancing services through digital transformation

Advancing the School of Medicine proposal

Launching the Markham Centre Campus



Renewing and diversifying faculty complement

Investing in 21st century learning e.g., flexible and high quality digital learning, experiential education, relevant programming & credential diversification

Research intensification e.g., investing in Research Commons, catalyzing large-scale collaborations and success

Expanding York's innovation ecosystem

Pursuing SDGs through innovative research, academic programming, and a collective focus on global well-being

Enhancing access and the student learning experience

Safe and Successful Gradual Return to Our Campuses

Planning for increased activities on our campuses beginning in September 2021 aligned with UAP goals, while also maintaining robust *remote* teaching, learning and work, require a range of supports to students, faculty, and staff in 2021-22, including:

1. \$10M for bursaries to international students to support access and continued academic progress in light of financial challenges
2. \$4.1M for core network infrastructure repairs and upgrades supporting blended teaching, learning and remote work options
3. \$3M for pandemic-related expenses such as HyFlex classrooms, COVID screening tools and testing kits, additional PPE required, etc.
4. \$2.3M to mitigate technology risks, e.g. extra servers and licences, secondary power supplies, alternate remote access systems, enhanced eClass, outdoor WiFi, extended laptop borrowing program, etc.
5. Additional energy costs to implement 24-7 ventilation and upgrade air filters for improved circulation in buildings
6. Supports for remote teaching and learning
7. No increase for international tuition fees in 2021-22 (the previous multi-year budget assumed a 5% tuition fee increase in 2021-22 equivalent to \$12M)
8. No increase in tuition fees for domestic out-of-province students in 2021-22 – deferring consideration of the government framework's flexibility allowing a 3% tuition increase for OOP

Renewing and Diversifying Faculty

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
New Hires				
Tenure Track	74	95	82	98
CLAs	13	19	1	0
Total	87	114	83	98
Retirements/Departures				
Tenure Track	38	44	30	26
CLAs	18	8	14	8
Total	56	52	44	34
In-Year Increase (Decrease)				
Tenure Track	36	51	52	72
CLAs	(5)	11	(13)	(8)
Total	31	62	39	64
NOTE: 2020-21 numbers are included for comparison purposes only. 2021-22 to 2023-24 are budgeted numbers, and do not represent approved hires at this time.				

Salary costs of faculty complement generally reside in the Faculties where the appointments are made; the central University Fund has also committed bridge funding to support faculty complement renewal and diversity hiring.

Research Leadership

1. \$3.2M in 2021-22 from the University Fund to support research priorities, including:
 - Building on areas of interdisciplinary research strength
 - Supporting emerging areas of research leadership by securing large-scale funding i.e., catalyst initiative
 - Advancing EDI through scholarship, research and related creative activities
2. \$3M from the Office of the Provost, matched by a further \$3M from the University Fund, providing bridge funding for faculty complement growth and renewal, specifically pertaining to research amplification (intended to support up to 40 strategic hires for three years)
3. \$3M to support the University's Strategic Research Plan
4. An additional \$1M in base funding each year to the Office of the VPRI to support research intensification initiatives across the University e.g., ability to support requests for required matching funds

Student Financial Supports

\$6.3M, \$9.7M and \$13.1M in 2021-22, 2022-23 and 2023-24 respectively to ensure that our student financial assistance offerings remain competitive and are responsive to student needs, including:

- Improved entrance scholarships to domestic students recognizing academic excellence
- A higher volume of domestic and international bursaries
- A new *Tentanda Via* award to students demonstrating fortitude, resilience, and commitment to sustainable development

The expansion of student awards will continue beyond the three-year Budget Plan in alignment with student needs, our Strategic Enrolment Management approach, the financial context, and the University's academic priorities.

Pursuing Equity, Diversity and Inclusion

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

1. 23 authorized new faculty position hires – 15 Black scholars, 1 BIPOC, 7 Indigenous
2. \$650K in 2021-22 to seed projects advancing Black, Indigenous, and other equity scholarship, research and related creative activities
3. Appointments of an Associate Vice President Equity and Associate Vice President Indigenous

Digital Transformation, Innovation and Systems

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 the current core enterprise tool – 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. \$2.2M for system transformation within Human Resources
3. \$2M in 2021-22 for technology renewal in classrooms
4. \$1M in 2021-22 for expanding award-winning Student Virtual Assistant at York (SAVY) providing 24-7 student navigational support
5. \$1.2M in additional base funding to cybersecurity for technical expertise and firewall licenses

To address technical deficits in a more sustained and systemic way, the University is developing a long-term plan which will include an increased annual funding program for the replacement of hardware and software in line with industry standards and refresh life-cycles.

Deferred Maintenance

	2021-22	2022-23	2023-24	
		\$M		
Internal Funds	12.5	13.2	13.6	From Faculty budget envelopes, University Fund, and re-purposed reserve
External Funds	3.4	6.4	5.7	From Provincial Facilities Renewal Program (FRP)
TOTAL	15.9	19.6	19.3	

Two key priority projects currently underway, identified from prior year community consultations and working groups:

1. Classroom renewal – \$20M over three years, 2019-2022
2. Washroom renewal – \$13.5M over three years, 2019-2022

These were approved in 2019 as five-year projects and accelerated to three years due to low occupancy on campus in 2020-21.

The University has a \$653M deferred maintenance backlog which will be addressed through a long-term plan currently under development.

Major Capital Projects

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

- \$11.2M for enhancements to the Lions Stadium (targeted completion – November 2021)
Funded by the University's capital reserves
- \$72.7M for a new building for the School of Continuing Studies (March 2022)
Funded entirely by the School of Continuing Studies
- \$7.5M for a modernization of the Faculty of Education's facilities (May 2022)
Funded entirely by the Faculty of Education
- \$10M for a new building for the Goldfarb Gallery at York University (March 2023)
Funded by external donations and the University Fund
- \$43.5M for expansion of the Sherman Health Science Research Centre, including a Neuroscience Facility and additional office space (Fall 2023)
Funded by the University's capital reserves, external debentures, and an internal loan with the Faculty of Health
- \$31.3M for a two-storey addition to Vari Hall for the Faculty of Liberal Arts & Professional Studies (July 2024)
Funded entirely by the Faculty of Liberal Arts & Professional Studies

Markham Centre Campus

The University's largest capital project to open in Fall 2023.

The capital project is funded from multiple sources, namely contributions from the City of Markham and York Region, external donations, debentures issued in April 2020, and a contribution from the University Fund provided in 2019-20.

At steady state, the campus will attract approximately 4,200 students and generate an annual surplus, enabling the new campus to re-pay its early year deficits, invest in its own renewal, and financially contribute to the institution overall

The University has developed a 10-year operating budget for the new campus, which is incorporated into the Budget Plan (the final year of the Budget Plan will be Markham's first year as an operating campus).

As reflected in 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 Markham to achieve break-even as early as possible, while also investing appropriately in the campus's long-term success.

Meeting the SDG Challenge

Action the University's commitment to social responsibility and excellence in cross-disciplinary thinking by investing in the key areas of the UN SDG framework:

1. A UN-sponsored Centre, CIFAL (*Centre International de Formation des Acteurs Locaux*), providing cross-sectoral training and development programs to advance the UN's SDGs
2. Carbon neutral by 2049
3. Campus vision for Keele edge lands connecting us to community
4. Increasing student awards including the new *Tentanda Via* award, to support leadership related to the SDGs
5. Promoting EDI through complement, dedicated student awards, research supports, access strategies, to reduce inequalities
6. Support for a newly defined Faculty of Environmental and Urban Change
7. Research catalyst fund
8. Expanded York Innovation Ecosystem supporting entrepreneurship, SMEs

University Fund Commitments

Commitment	\$M		
	2021-22	2022-23	2023-24
Faculty Support	7.2	1.7	1.5
Research Support	3.2	1.5	1.5
Student Services Support	7.5	9.7	13.1
Markham	0.7	0.7	0.2
Congress 2023	0.2	0.8	
Technology	6.9	13.8	12.0
Support for non revenue generating Divisions	2.5	0.3	0.3
COVID-19 - Return to Campus Fund	3.0		
Capital Projects	5.5	2.0	0.0
TOTAL	36.6	30.5	28.6

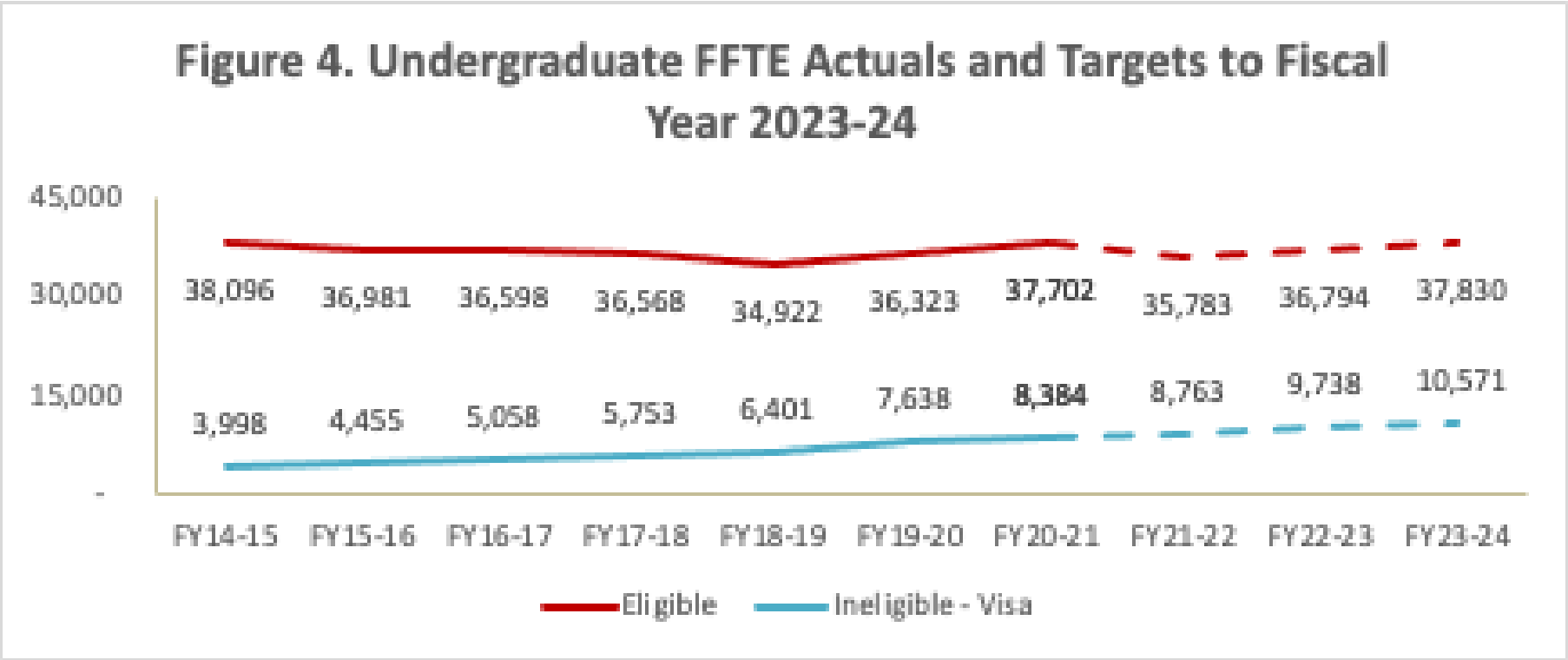
5. Budget Assumptions

An aerial photograph of a modern university campus. The central focus is a large, multi-story building with a prominent glass facade and a green roof. The building is surrounded by lush green lawns, trees, and paved walkways. In the background, other university buildings and a city skyline are visible under a clear blue sky. The entire image is framed by a thick red border.

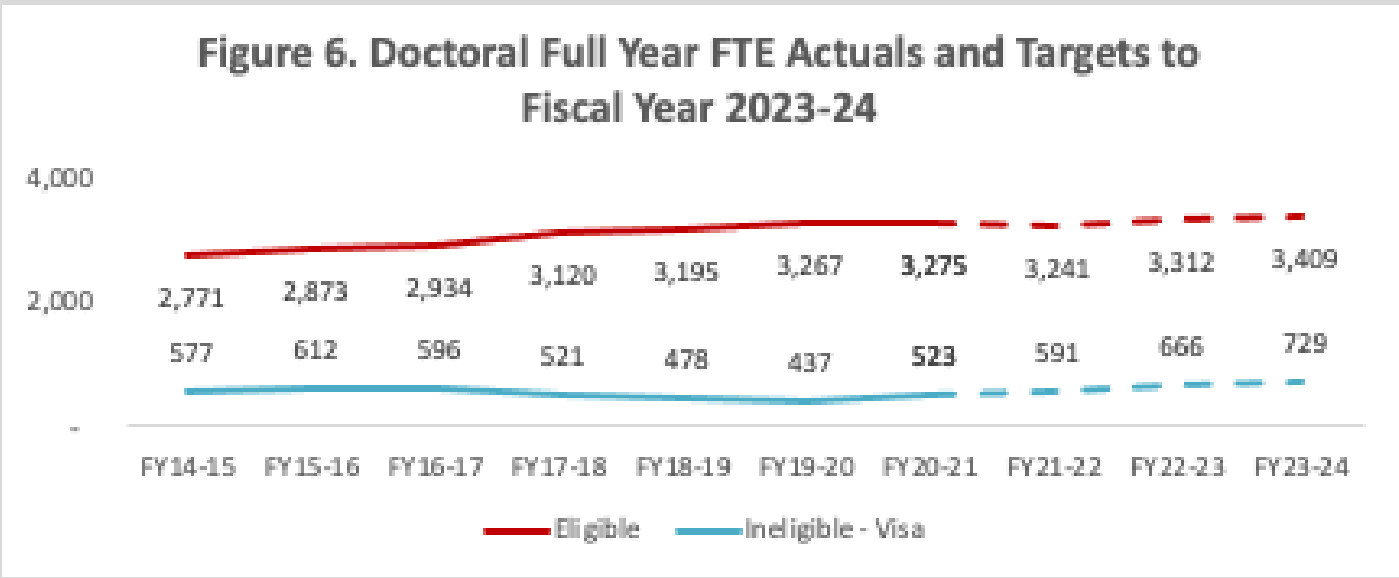
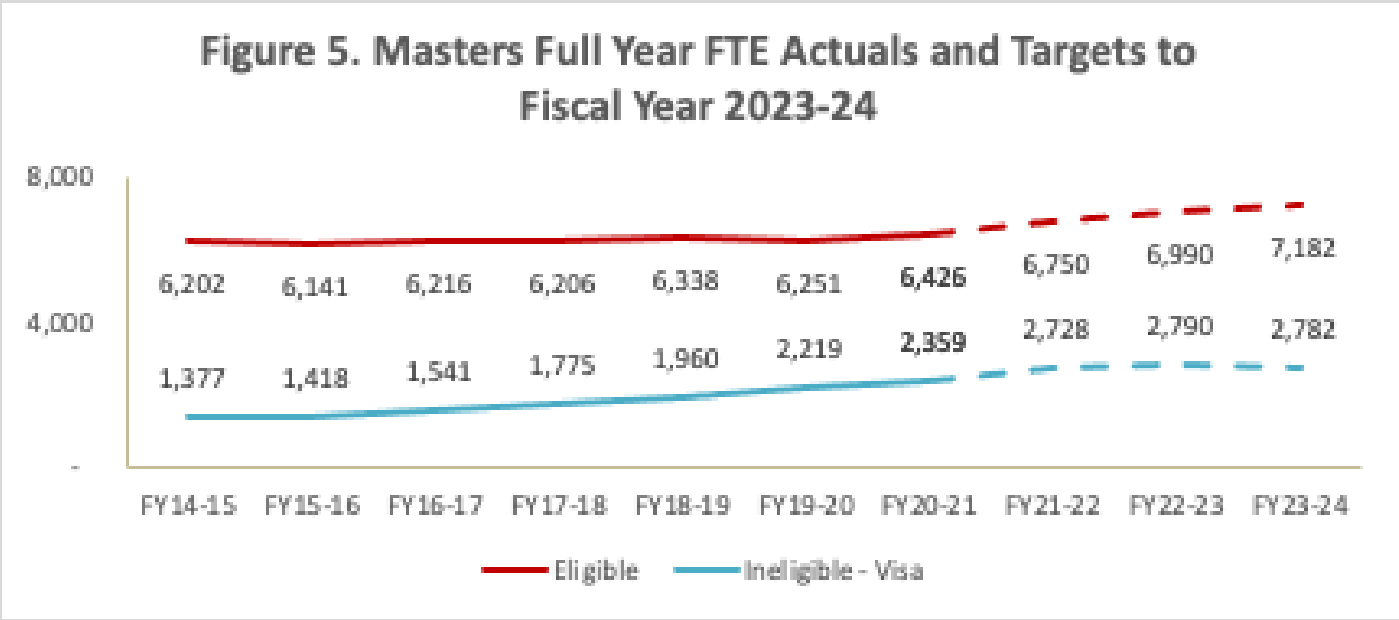
Key Budget Assumptions

1. Student Enrolments – based on enrolment contracts with the Faculties
2. Tuition fees – based on the government's tuition framework for domestic students and market factors for international students
3. Government grants – based on Strategic Mandate Agreement (SMA3) with government
4. Employee salaries and benefits – based on collective agreements

Student Enrolments - undergraduate



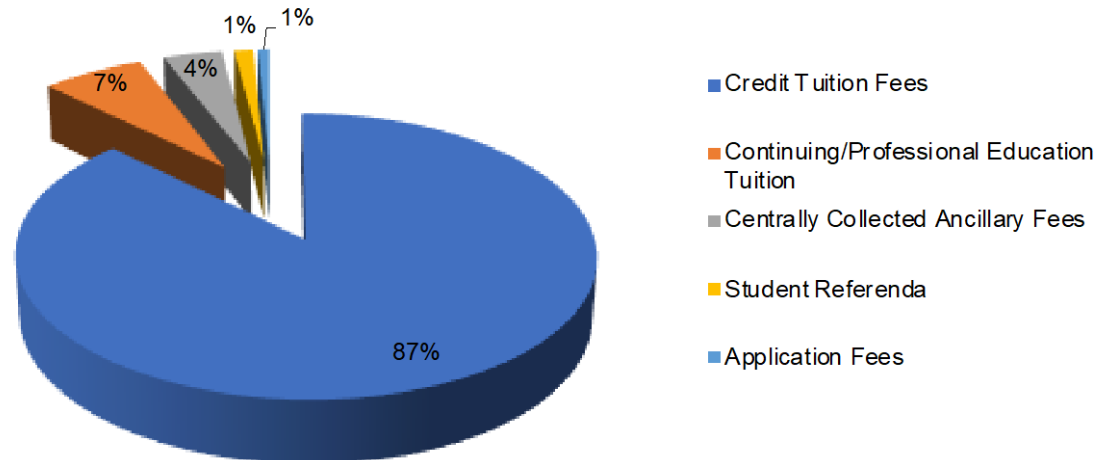
Student Enrolments - graduate



Tuition and other student fees – in \$M

	2020-21		2021-22	2022-23	2023-24
	Budget	Actuals	Budget	Budget	Budget
Student Fees					
Credit Tuition Fees	634.1	646.7	657.9	718.8	784.7
Continuing/Professional Education Tuition	64.4	51.1	56.3	67.6	76.0
Centrally Collected Ancillary Fees	29.9	28.8	32.8	37.2	38.3
Student Referenda	9.1	9.2	9.8	9.8	9.8
Application Fees	4.7	5.6	5.3	5.3	5.3
Total Student Fees	742.2	741.3	762.0	838.7	914.0

Student Fees - FY 2020-21 Actuals



For 2021-22, the budget assumption for domestic students aligns with the 1-year tuition framework from government, i.e. a tuition freeze; for international undergraduate – tuition freeze, for international professional masters – between 0-5% tuition increase

For 2022-23 and 2023-24, the budget assumptions assume 2% annual tuition increases for domestic students and 4% annual increases for international students

Government Grants – in \$M

	2020-21		2021-22	2022-23	2023-24
	Budget	Actuals	Budget	Budget	Budget
Total Provincial Operating Grants	300.6	304.3	300.2	299.1	300.2
Federal Research Support Fund	5.8	5.6	5.7	5.7	5.7
Total Government Operating Grants	306.3	309.9	305.9	304.7	305.8

- SMA3 runs from 2020-21 to 2024-25
- Post-secondary operating grant from the Provincial government will not change in 2021-22 compared to prior years
- The government’s funding formula implemented in 2017-18 continues providing funding through three bins – enrolment, differentiation, and special purpose. Under SMA3, the funding tied to the differentiation bin – “performance based funding” – will increase from 25% of the total operating grant in 2020-21 to 60% of the total in 2024-25
- Ten metrics will be used to link government funding to the University’s performance – nine system-wide metrics, and one York-specific metric
- Allocation of funding based on the metrics has been delayed due to the pandemic, although the University’s performance continues to be tracked
- The Budget Plan has assumed operating grants from government will remain stable and that the University will not forfeit any funding due to missing any performance targets

Compensation– in \$M

	2020-21		2021-22	2022-23	2023-24
	Budget	Actuals	Budget	Budget	Budget
Salaries and Wages	627.1	599.2	650.8	675.3	704.9
Employee Benefits	150.8	140.9	154.6	159.4	166.1
	778.0	740.1	805.4	834.7	871.0

Compensation increases are largely driven by collective agreements, whose specified annual increases have been factored into the multi-year budgets.

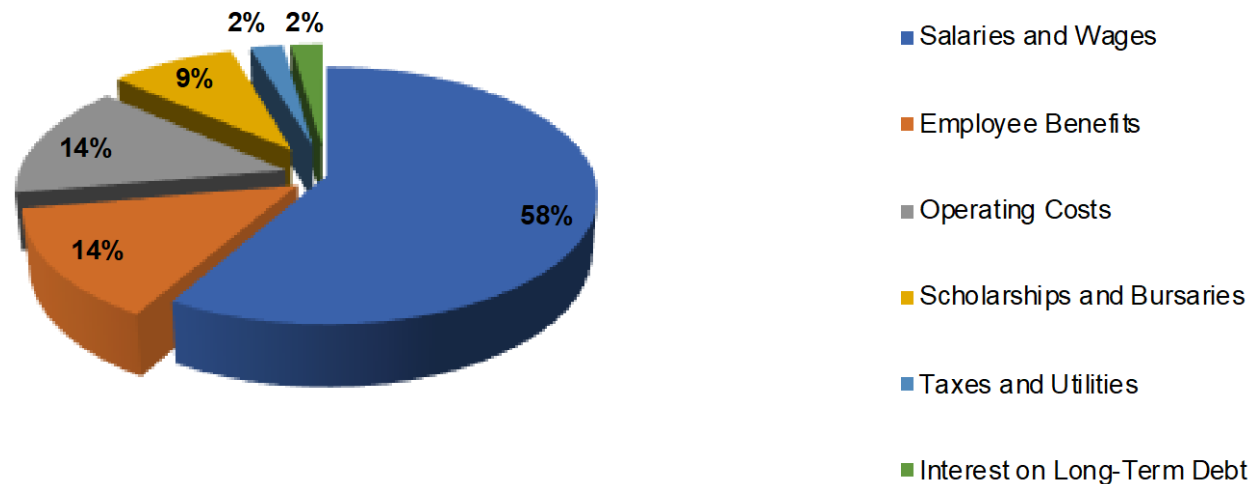
Where collective agreements expire mid-way through the multi-year budget period, the across-the-board increases are assumed to be 1%, as per the Provincial Act introduced in June 2019 (*Protecting a Sustainable Public Sector for Future Generations*).

The other types of annual increases e.g. Progress Through the Rank for faculty members, CPM step increases, have been incorporated based on historic norms and the structure of the compensation programs

Operating Expenditure by Category – in \$M

Operating Expenditures by Category [Appendix 2]						
	2021-22		2022-23		2023-24	
	Amount	% Share	Amount	% Share	Amount	% Share
Salaries and Wages	650.8	58%	675.3	59%	704.9	58%
Employee Benefits	154.6	14%	159.4	14%	166.1	14%
Operating Costs	159.4	14%	174.0	15%	183.7	15%
Scholarships and Bursaries	99.7	9%	94.3	8%	99.4	8%
Taxes and Utilities	26.2	2%	26.0	2%	27.7	2%
Interest on Long-Term Debt	25.1	2%	25.3	2%	25.6	2%
Total Operating Expenditures	\$ 1,115.9	100%	\$ 1,154.3	100%	\$ 1,207.4	100%

Expenditures by Category 2021-22



A photograph of a large, two-story house with a green tiled roof and a chimney. The house has multiple windows with dark shutters and a small balcony. It is surrounded by trees and a garden with yellow flowers. The image is framed by a thick red border.

6. Multi-Year Budget Plan 2021-22, 2022-23, 2023-24

Operating Fund by Division – in \$M

	2020-21	2021-22	2022-23	2023-24	TOTAL BUDGET FOR 2021-22 to 2023-24	2023-24
	Closing Balance ACTUALS	In-Year BUDGET	In-Year BUDGET	In-Year BUDGET		Closing Balance BUDGET
Divisional Accumulated Surplus/(Deficit) for Operating Fund	138.0	(56.0)	(35.1)	(17.5)	(108.6)	29.4
Markham Campus	(0.4)	(5.8)	(10.5)	(23.5)	(39.8)	(40.2)
University Fund	50.9	(4.2)	(5.1)	(12.2)	(21.6)	29.4
Institutional Reserves	128.3	(2.6)	2.7	5.3	5.4	133.7
University Accumulated Surplus/(Deficit) for Operating Fund	316.8	(68.6)	(48.1)	(47.9)	(164.6)	152.2
Adjustments - add back:						
1. Scenario planning for potential enrolment shortfalls		22.0	42.3	59.0	123.3	
2. Investment in Markham - early year deficits to be re-couped		5.8	10.5	23.5	39.8	
3. Transfer to capital reserve for current, approved projects (SCS, LAPS)		14.5	-	-	14.5	
4. Transfer to capital reserve for future priority projects (LAPS, Science)		3.3	11.5	19.5	34.3	
		45.6	64.3	102.0	211.9	
Revised University Accumulated Surplus/(Deficit) for Operating Fund	316.8	(23.0)	16.2	54.1	47.3	364.1

Adjustments:

1. In-year deficits are largely driven by enrolment contingencies – \$123M over the next three years based on the potential risk/swing in enrolment for each Faculty utilizing data on applications, retention and course load estimates
2. Markham's pre-opening and early-year deficits will become in-year surpluses as enrolments ramp up on the new campus
3. Significant down-payments on approved capital projects
4. Two Faculties with significant accumulated surpluses setting aside funds for capital priority projects, dependent on their continued strong financial performance and relevant approvals (*part of Budget approval process*)

Planned In-year Deficits

1. Planned in-year deficits based on:
 - strategic draw-down of positive carry forward over the approved 2020-2021 budget
 - incurred Markham costs through to opening and steady state
2. Carry forward growth due to last year's enrolment contingencies not needed
 - significant enrolment contingencies planned in 2020-2021 due to uncertainty associated with the pandemic
 - increased course loads and other factors mitigated drop in first year admits
3. Opportunity to accelerate early recovery
 - strategically spend down positive carry forward to advance newly emerging opportunities and accelerate existing projects
4. Retain contingency for 2021-22 in light of:
 - international enrolment uncertainties
 - need to assess stability of course loads
5. Reassess enrolment contingency requirements when registrations are near completion (end of summer)
 - To determine if further acceleration (or slow-downs) are warranted

Operating Fund by Category in-year surplus/(deficit) – in \$M

	2020-21		2021-22	2022-23	2023-24
	Budget	Actuals	Budget	Budget	Budget
Operating Revenues					
Government Operating Grants	306.3	309.9	305.9	304.7	305.8
Student Fees	742.2	741.3	762.0	838.7	914.0
Grants and Student Fees Subtotal	1,048.5	1,051.2	1,067.9	1,143.4	1,219.9
Funding from Donations, Endowments, & Trusts	7.9	7.6	6.5	6.5	6.5
Investment Income	12.9	18.5	8.9	6.1	4.7
Other Recoveries	47.8	36.9	38.0	41.6	42.3
Total Operating Revenues	1,117.2	1,114.1	1,121.2	1,197.6	1,273.3
Contingencies					
Enrolment Contingency	(38.4)	-	(22.0)	(42.3)	(59.0)
International Tuition Offset	(16.0)	(23.6)	-	-	-
Total Contingencies	(54.4)	(23.6)	(22.0)	(42.3)	(59.0)
Total Operating Revenues, Net of Contingencies	1,062.8	1,090.5	1,099.3	1,155.3	1,214.3
Operating Expenditures					
Salaries and Wages	627.1	599.2	650.8	675.3	704.9
Employee Benefits	150.8	140.9	154.6	159.4	166.1
Operating Costs	158.2	109.8	159.4	174.0	183.7
Scholarships and Bursaries	81.0	73.3	99.7	94.3	99.4
Taxes and Utilities	24.8	18.5	26.2	26.0	27.7
Interest on Long-Term Debt	24.9	25.0	25.1	25.3	25.6
Total Operating Expenditures	1,066.9	966.7	1,115.9	1,154.3	1,207.4
In Year Surplus/(Deficit) for Operating Fund, Before Transfers	(4.1)	123.8	(16.6)	1.0	6.9
Transfers to Restricted Funds					
Transfers to Capital Fund	(51.1)	(90.5)	(42.7)	(41.2)	(48.1)
Transfers to Ancillary Fund	(3.9)	(4.6)	(4.0)	(3.4)	(3.2)
Transfers to Other Funds	(5.8)	(7.0)	(5.3)	(4.5)	(3.6)
Total Transfers to Restricted Funds	(60.9)	(102.0)	(52.0)	(49.1)	(54.8)
In Year Surplus/(Deficit) for Operating Fund, Before GAAP Adj.	(65.0)	21.8	(68.6)	(48.1)	(47.9)
GAAP Adjustments					
Remeasurement of Employee Benefit Plans	-	54.7	-	-	-
GAAP Adjustments	-	54.7	-	-	-
In Year Surplus/(Deficit) for Operating Fund	(65.0)	76.5	(68.6)	(48.1)	(47.9)
Opening Accumulated Surplus/(Deficit) for Operating Fund	240.3	240.3	316.8	248.1	200.1
Closing Accumulated Surplus/(Deficit) for Operating Fund	175.3	316.8	248.1	200.1	152.2

7. Budget Risks



Key Budget Risks

1. Potential for longer term pandemic impact especially regarding accumulated flow-through of lower intakes
2. Uncertainty of domestic competition in the context of decreased international market share
 - Globally competitive market
 - International policies
 - Potential for increased domestic competition
3. Government policies, e.g. future tuition frameworks, performance-based funding, availability of funds to support sector priorities, health and safety frameworks, etc.
4. Labour Relations

8. SHARP Budget Model



SHARP Budget Model

When SHARP 1.0 was implemented in 2017-18, the University committed to reviewing its design elements within three years.

In 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, issued in February 2020, identified recommendations that have been integrated into SHARP 2.0 in consultation with PVP and Deans, leading to:

- a more robust University Fund that would support institutional priorities
- dynamic support model for Faculties
- improved service accountability

SHARP 2.0 will be fully implemented in the 2022-23 budget cycle. This requires that the new SHARP 2.0 Budget ***Governance model*** will start effective July 1, 2021. A more comprehensive discussion will be brought forward to Board in the Fall.


Additional work will be conducted in 2021-22 to review interfaculty teaching with a view to supporting inter-disciplinarity.



9. Key Messages

Key Messages

1. The University is entering 2021-22 with a significant carry forward and strong cash liquidity
2. Utilizing a portion of the carry forward surplus (over plan), the University will strategically invest in the priorities of the University Academic Plan, with a view to long-term sustainability, growth, and success
3. In 2021-22, the University is investing in early pandemic recovery including a safe and successful return to our campuses, and enhanced student financial support
4. The University is taking a cautious approach to its enrolment targets by budgeting enrolment contingencies until the longer term impact of the pandemic is better known
5. Through Service Excellence, the University will continue to identify opportunities for improved quality and efficiencies in service delivery maximizing support for the core academic priorities

The background is a pixelated image of a forest scene. It features several trees with green foliage and brown trunks. A prominent tree trunk is visible in the center-left. The ground appears to be a mix of green grass and brown earth. A thick red rectangular border frames the entire image.

Q&A