



Senate Presentation Multi-Year Budget Plan 2023-24 to 2025-26

LISA PHILIPPS
CAROL MCAULAY

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YORK 

Budget Objectives

1. Maximize advancement of the University Academic Plan priorities
2. Ensure long-term sustainability of the University
3. Adapt to financial pressures and risks through ongoing planning, monitoring, and decision-making
4. Apply bold, strategic thinking to:
 - respond to emerging revenue-growth opportunities
 - align revenue and expenditure
5. Utilize a reasonable portion of the strong accumulated carry forwards to invest in future success
6. Achieve a balanced budget in the final year and over three years in the financial statements

	2021-22		2022-23	2023-24	2024-25
	Budget	Actuals	Budget	Budget	Budget
Operating Revenues					
Government Operating Grants	305.9	308.4	304.3	305.6	307.3
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
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					
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)
GAAP Adjustments					
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
Closing Accumulated Surplus/(Deficit) for Operating Fund	248.1	256.3	210.8	179.4	187.6

**Board-approved
Operating
Budgets –
2022-25 (in \$M)**

Division	Opening Balance ACTUAL (A)	In-Year Surplus/(Deficit) BUDGET (B)	In-Year Surplus/(Deficit) ACTUAL (C)	In-Year Surplus/(Deficit) VARIANCE (C-B)	Closing Balance ACTUAL (A+C)
President	5.3	(0.8)	(0.0)	0.8	5.3
Advancement	6.2	(1.9)	(2.3)	(0.5)	3.8
Academic					
Arts, Media, & Performance Design	(15.4)	0.4	(1.4)	(1.9)	(16.9)
Education	3.7	(5.9)	(2.8)	3.1	0.9
Environmental & Urban Change	(16.1)	(5.0)	(7.0)	(2.1)	(23.2)
Glendon	(30.8)	(4.7)	(6.0)	(1.2)	(36.7)
Health	19.8	(1.9)	(0.0)	1.9	19.8
Liberal Arts & Professional Studies	25.3	(20.6)	(12.7)	7.8	12.6
Lassonde	3.7	(1.8)	(4.7)	(2.9)	(1.0)
Osgoode	41.7	(2.5)	1.2	3.7	43.0
Schulich	(1.2)	(1.5)	2.3	3.8	1.1
Science	21.0	(9.2)	(12.0)	(2.9)	8.9
Continuing Studies	24.9	(6.8)	15.6	22.3	40.4
Total Faculties & Schools	76.5	(59.2)	(27.6)	31.6	48.9
Graduate Studies	0.4	(1.7)	(1.4)	0.3	(1.1)
Libraries	4.9	(1.5)	0.6	2.1	5.5
Vice Provost Students	12.3	(6.3)	(6.7)	(0.4)	5.6
PVPA	16.0	21.3	(3.9)	(25.3)	12.1
Academic Total	110.1	(47.4)	(39.1)	8.2	70.9
Equity, People and Culture	5.6	(1.7)	1.4	3.1	7.0
Finance & Administration	8.4	(5.1)	(7.4)	(2.3)	0.9
Research	8.8	(2.5)	3.6	6.1	12.5
Total All Divisions	144.3	(59.4)	(43.9)	15.5	100.4
Markham Campus	(4.4)	(10.9)	(5.1)	5.9	(9.5)
University Fund	45.5	23.0	25.6	2.6	71.1
General Institutional	71.0	1.8	17.4	15.6	88.4
Total University	256.3	(45.6)	(5.9)	39.7	250.4

2022-23 actual results – in \$M

2022-23 results around \$40M better than budget due to:

- higher revenues in some programs and in continuing education
- higher interest income
- positive re-measurement of pension and post-employment benefits (actuarial valuation/accounting GAAP)
- lower operating costs, e.g. equipment, supplies, miscellaneous other
- lower student awards (alongside lower enrolments)

Budget Context – concluding 2022-23

Significant drop in enrolment revenue due to international shortfalls caused by:

- flowthrough impacts from 2021-22 (especially Winter 2022)
- visa processing delays in Fall 2022
- return to lower retention and course loads post-pandemic

Offset by strong revenues in continuing education, higher-than-expected interest income, and lower spending in some areas

Significant carry forwards in the Faculties and Divisions – \$100.4M in the Faculties and Divisions, \$250.4M overall

Strategic investments made in 2022-23 as laid out in the budget plan, aligned with UAP priorities

Budget Context Looking Ahead to 2023-2024

- Important reminder that multi-year budgets are underpinned by annual enrolment contracts that are finalized in the preceding October – e.g., enrolment contracts for 2023-24 were finalized in October 2022.
- Subsequent developments (i.e. after October 2022) impact the achievement of those 2023-24 enrolment contracts:
 - Jan 2023 – new students begin applying for 2023-24
 - Feb 2023 – enrolment results for Fall-Winter 2022-23 are finalized
 - Mar 2023 – government decision re domestic tuition fees for 2023-24
 - April 2023 – new students begin accepting offers
- So what has happened since October, 2022?
- Government:
 - Grants – enrolment corridor capped and no inflation adjustments, SMA-3 performance metrics
 - Domestic tuition – fees frozen in 2023-24 (4th year in a row, following the 10% rollback in 2019-20)
 - With exception of modest funds to correct anomalies in three programs
 - Blue Ribbon Panel scheduled to submit recommendations to MCU this summer
 - New financial health indicators introduced by MCU
- Enrolments:
 - Domestic – strong intakes in Fall 2022, sustained growth in OUAC applications, positive indicators for 2023-24
 - International – intakes below target in Fall 2020, 2021, and 2022 - continue to impact flowthrough; competitive landscape for recruitment; the need to provide access and supports
 - 6 ○ Return to lower historical trends in student retention and course-loads

Our Response for 2023-2024

- Identified enrolment risks associated with these developments as follows:
 - Likely/certain – flowthrough from the weaker 2022-23 final enrolment results, frozen domestic tuition (enrolment contracts assumed 1% increase)
 - Potential/emerging – early warning signals of international intake shortfalls for Fall 2023
- Made institutional decision to utilize a consistent methodology in the multi-year budgets to reflect enrolment risks in each Faculty as follows:
 - Embed 100% of the likely/certain risks – \$18M
 - Embed approximately 50% (\$9M) of the potential/emerging risks in 2023-24 only, with the balance for next year (\$11M) being mitigated through SEM
- Total enrolment contingencies in the budgets (\$M):
 - 2023-24 – 26.9
 - 2024-25 – 25.6
 - 2025-26 – 27.0
 - TOTAL – 79.5**
- Launched enhanced SEM response to improve enrolment and address \$11M budget gap
 - Data from **mid-June 2023** shows the gap has been closed by \$13M, suggesting SEM activities are having the intended effect.
- Will continue throughout multi-year budgets 2023-2026 including focused attention on international recruitment, enhancing domestic, retention, and targeted Faculty-specific strategies as required

York's Strategic Enrolment Management (SEM) Framework is designed to ensure that the University attracts and retains eligible students for our programs. SEM plays a crucial role in mitigating enrolment risks by implementing a range of strategies and measures to ensure that projected enrolment revenues are met.

To aid in "closing the gap," York pursued the following SEM activities:

- Tuition Anomalies Initiative – increasing domestic tuition rates for 3 programs (BHRM, BCOM, BBA).
- Increasing domestic intakes beyond target.
- Increasing capacity in high-demand programs (e.g., Computer Science, Engineering).
- Connect2Convert Strategy (in-country immigration advising and calling campaign for new students) by faculty members and students to ensure continuous engagement and community building over the summer months.
- Ensuring that students are registered in enrolment appointments as soon as possible to facilitate program enrolment as soon after they accept.
 - 17.1% more international students are enrolled in classes on June 12 over the same point last year.
 - 50.2% more domestic students are enrolled in classes on June 12 over the same point last year.
- Highlighting and encouraging enrolment in capacity building and bridging courses to support academic success for new students. Examples include:
 - Registration for YU Prep has opened earlier than in previous years.
 - Strong registration for bridging Math courses for some LA&PS programs to provide typically inadmissible students the opportunity to pursue studies.



Multi-Year Budget Plan 2023-24, 2024-25, 2025-26

	2022-23	2023-24	2024-25	2025-26	Total Budget for	2025-26
	Closing Balance ACTUALS	In-Year BUDGET	In-Year BUDGET	In-Year BUDGET	2023-24 to 2025-26	Closing Balance BUDGET
VP Academic						
Arts, Media, & Performance Design	(16.9)	(4.8)	(5.2)	(1.4)	(11.4)	(28.3)
Education	0.9	(5.4)	(6.0)	(6.5)	(17.9)	(17.0)
Environmental & Urban Change	(23.2)	(7.0)	(7.8)	(7.4)	(22.1)	(45.3)
Glendon	(36.7)	(5.1)	(7.3)	(4.4)	(16.8)	(53.6)
Health	19.8	(4.8)	(6.6)	(8.8)	(20.2)	(0.4)
Liberal Arts & Professional Studies	12.6	(23.8)	(7.3)	9.1	(22.0)	(9.4)
Lassonde	(1.0)	(0.1)	4.3	4.9	9.2	8.1
Osgoode	43.0	1.2	1.3	1.3	3.8	46.8
Schulich	1.1	2.1	6.8	9.1	18.0	19.0
Science	8.9	(16.9)	(14.2)	(11.4)	(42.5)	(33.5)
Continuing Studies	40.4	(2.6)	0.4	8.8	6.5	46.9
Total Faculties & Schools	48.9	(67.2)	(41.7)	(6.7)	(115.6)	(66.7)
Graduate Studies	(1.1)	(1.4)	(1.0)	(0.7)	(3.1)	(4.2)
Libraries	5.5	(0.4)	(0.1)	(0.6)	(1.1)	4.4
Vice Provost Students	5.6	(6.0)	(7.1)	(8.3)	(21.3)	(15.8)
PVPA	12.1	(4.2)	0.1	1.6	(2.4)	9.7
Total VP Academic	70.9	(79.1)	(49.6)	(14.8)	(143.5)	(72.6)
President	5.3	0.1	0.4	0.5	1.0	6.3
VP Advancement	3.8	(3.3)	(3.5)	(3.5)	(10.3)	(6.5)
VP Equity, People and Culture	7.0	(2.4)	(2.2)	(2.0)	(6.6)	0.4
VP Finance & Administration						
Facilities Services	(0.9)	3.6	2.7	2.6	9.0	8.1
Community Safety	1.2	(0.5)	(0.4)	(0.5)	(1.4)	(0.2)
Finance	3.5	(0.4)	(0.3)	(0.2)	(0.8)	2.7
Internal Audit	0.7	0.0	0.0	(0.0)	0.0	0.7
UIT	(1.1)	0.6	1.3	1.0	2.8	1.7
University Services	(2.1)	(4.9)	(4.6)	(5.0)	(14.4)	(16.6)
Budgets and Asset Management	0.3	(0.1)	(0.3)	(0.3)	(0.7)	(0.4)
Office of Sustainability	(0.3)	0.9	(0.7)	(0.7)	(0.4)	(0.7)
VPFA Office	(0.3)	0.2	0.2	0.2	0.6	0.2
Total VP Finance & Administration	0.9	(0.6)	(1.9)	(2.8)	(5.3)	(4.4)
VP Research	12.5	(3.0)	0.3	(0.6)	(3.3)	9.1
Faculties, Schools and Divisions	100.4	(88.4)	(56.5)	(23.2)	(168.1)	(67.6)
Markham Campus	(9.5)	(19.6)	(27.3)	(18.4)	(65.3)	(74.7)
University Fund	71.1	33.8	34.6	55.3	123.6	194.7
Institutional Reserves	88.4	6.3	6.6	2.1	14.9	103.3
Total Operating Fund	250.4	(67.9)	(42.7)	15.8	(94.8)	155.7

**Operating Budgets by
Faculty/Unit in-year
surplus/(deficit) – \$M**

	2022-23		2023-24	2024-25	2025-26
	Budget	Actuals	Budget	Budget	Budget
Operating Revenues					
Government Operating Grants	304.3	309.6	312.4	311.6	311.8
Student Fees	780.0	726.1	787.5	863.3	946.2
Grants and Student Fees Subtotal	1,084.3	1,035.8	1,099.9	1,175.0	1,257.9
Funding from Donations, Endowments, & Trusts	8.2	8.1	9.6	9.3	8.8
Investment Income	13.9	34.2	29.0	23.4	18.4
Other Recoveries	42.8	47.8	48.1	48.0	48.7
Total Operating Revenues	1,149.2	1,125.8	1,186.6	1,255.7	1,333.8
Enrolment Contingency	(23.2)	-	(26.9)	(25.6)	(27.0)
Total Operating Revenues, Net of Contingencies	1,126.0	1,125.8	1,159.8	1,230.1	1,306.8
Operating Expenditures					
Salaries and Wages	651.1	651.5	670.0	693.7	710.1
Employee Benefits	162.4	162.7	183.0	189.2	194.4
Operating Costs	164.0	145.7	166.7	166.7	165.8
Scholarships and Bursaries	96.6	88.9	95.8	100.1	106.8
Taxes and Utilities	24.7	24.0	22.7	24.2	24.0
Interest on Long-Term Debt	25.3	25.4	25.6	25.8	26.0
Total Operating Expenditures	1,124.1	1,098.1	1,163.7	1,199.7	1,227.1
In Year Surplus/(Deficit) for Operating Fund, Before Transfers	1.9	27.7	(3.9)	30.4	79.7
Transfers to Restricted Funds					
Transfers to Capital Fund (Projects and Reserves)	(38.5)	(41.9)	(58.8)	(69.2)	(60.0)
Transfers to Ancillary Fund	(4.0)	(3.5)	(3.4)	(3.2)	(3.2)
Transfers to Other Funds	(5.0)	(6.5)	(1.8)	(0.7)	(0.7)
Total Transfers to Restricted Funds	(47.4)	(51.8)	(64.0)	(73.1)	(63.8)
In Year Surplus/(Deficit) for Operating Fund, Before GAAP Adj.	(45.6)	(24.1)	(67.9)	(42.7)	15.8
GAAP Adjustments					
Remeasurement of Employee Benefit Plans	-	18.2	-	-	-
Total GAAP Adjustments	-	18.2	-	-	-
In Year Surplus/(Deficit) for Operating Fund	(45.6)	(5.9)	(67.9)	(42.7)	15.8
Opening Accumulated Surplus/(Deficit) for Operating Fund	256.3	256.3	250.4	182.5	139.8
Closing Accumulated Surplus/(Deficit) for Operating Fund	210.8	250.4	182.5	139.8	155.7

Operating Budgets by category in-year surplus/(deficit) – \$M

Approach to Expenditure Reduction

- Historical approach was applying across-the-board budget cuts – many universities still follow this method
- York developed a more strategic approach, including:
 - Analyzing historic spending to identify costs consistently lower than budgeted, e.g. travel, hospitality, supplies, etc. and reducing these budgeted expenses to reflect the long-term patterns
 - Establishing an institutional alignment target and allocating a target reduction to each Division based on their role in generating revenues:
 - ❖ Academic Division, Advancement Division, Markham Campus – 2%
 - ❖ Finance & Administration, Equity, People, and Culture, President, Research & Innovation – 4%
 - Emphasizing that alignment targets should include revenue growth opportunities, along with cost savings
 - Agreeing to several expenditure principles and then allowing each Division autonomy to allocate the alignment target across its Faculties and Units based on priorities, pressures, and risks

	2023-24	2024-25	2025-26	TOTAL
1. - Cost reductions based on long-term patterns of under-spending	10.3	10.0	9.9	30.2
2. 3. and 4. - Additional alignment (revenue generation and cost reductions) in the Division	37.6	29.9	29.6	97.1
Total cost savings in the budgets	47.9	39.9	39.5	127.3

Institutional Strategic Investments

1. The carry forward has been maintained due to strong revenues from *continuing education* and *investment income* offsetting the enrolment challenges as well as prudent spending in operations
2. Opportunity to utilize the positive carry forward to advance the UAP priorities, capitalize on emerging opportunities, and invest in revenue growth
3. Planned in-year deficits for the first two budget years based on:
 - strategic draw-down of positive carry forward
 - start-up Markham costs through to opening, steady state, and strong future returns
 - significant enrolment contingencies in light of international recruitment challenges
4. Reassess enrolment contingency requirements when registrations are near completion (end of summer) to determine if further acceleration or slow-downs are warranted

Priority investments in the 2023-24 Budget Plan to support the University Academic Plan



What we heard – Community Priorities for Investment

February 2023

(at the end of 2022-23 cycle of consultations)



February 2022

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



21st Century Learning, Knowledge for the Future

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>
New Hires				
Tenure Track	73	106	38	32
CLAs	12	10	5	2
Total	85	116	43	34
Retirements/Departures				
Tenure Track	35	38	41	22
CLAs	5	13	10	11
Total	40	51	51	33
In-Year Increase (Decrease)				
Tenure Track	38	68	(3)	10
CLAs	7	(3)	(5)	(9)
Total	45	65	(8)	1
NOTE: 2022-23 numbers are included for comparison purposes only. 2023-24 to 2025-26 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.

Knowledge for the Future, SDG Challenge

- \$8M from the University Fund 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
 - 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) focused on UN Sustainable Development Goals (SDGs) and provide matching funds to support the direct costs in selected research projects
 - Implement the governance and support structures for CF-REF *Connected Minds*
- \$4M in bridge funding from the University Fund and Provost's Office for faculty complement growth and renewal specifically pertaining to research amplification, intended to support up to 40 strategic hires
- \$2.6M from the University Fund in critical infrastructure updates to YSciCore advancing excellence in research and teaching

From Access to Success

- Student financial assistance offerings were expanded in 2022-23 to ensure they remain competitive and responsive to student needs
- Expanded student awards represent an additional \$50M over the next 3 years for:
 - 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 \$2.5M is allocated to support the international student recruitment plan

Living Well Together

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

- \$1.5M 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.
- \$2M from the University Fund and Provost's Office for dedicated Black and Indigenous faculty hires over 2 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

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. \$67M in capital and \$5.7M in early operating deployment costs for the new Student System Renewal Program (SSRP) replacing outdated legacy systems. This multi-year project began in 2020-21 with a total capital budget of \$120M from reserves and the central University Fund
2. \$15.5M base budget increase to University Infrastructure Technology (UIT) in 2023-24, growing to \$18.5M in the outer two years supporting institutional technology needs into the future including:
 - Enabling faculty and staff productivity and post-pandemic capabilities e.g. licensing and expanded after-hours service desk technicians, Office 365 resources, additional applications, and platform analysts/developers
 - Permanent operating costs associated with the new SSRP (staff support, licensing, cloud technologies, and infrastructure)
3. \$21.2M for technology deferred maintenance supporting ongoing infrastructure refresh
4. \$5M for a new Advancement Customer Relationship Management (CRM) system that will replace the current outdated CRM
5. \$1.5M for automation and service improvements in budgeting and forecasting, Mobile Maximo for facilities, and YU-card mobile credentials

Living Well Together

Investments in Deferred Maintenance

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
	\$M			
Internal Funds*	18.5	19.2	19.3	19.8
External Funds**	6.8	6.5	6.5	6.5
TOTAL	25.3	25.7	25.8	26.2

Note: Totals may not add up due to rounding

*From faculty budget envelopes, University Fund, and re-purposed reserve

**From Provincial Facilities Renewal Program (FRP)

Extending the successful Classroom and Washroom Renewal Program:

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

Faculties and Divisions also invest directly in renovating their own spaces

Meeting the SDG Challenge

- Complete and implement, beginning in 2023-2024, second phase of York's Sustainability Strategy including:
 - Implementation of new Sustainability Framework
 - ❖ \$500K for the Sustainability Office
 - ❖ Re-envisioned President's Advisory Committee to Sustainability Task Force advising Sustainability Steering Committee
 - Development in consultation with community next Sustainability Strategy 2023-2028
 - ❖ Expand York as Living Lab
 - Advance York's goal of becoming a net-zero University by 2039
 - \$400K to establish Green Building Standards guiding improvements for new buildings, renovations, and retrofits
 - \$1M for the Sustainability Innovation Fund (\$500K from the University Fund, matched by \$250K from Office of the Provost and \$250K from Office of the President)

University Fund Commitments – summary

	Actuals (\$M)	Budgets (\$M)		
	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Faculty Support *	32.1	35.0	21.1	18.9
Research Support	7.5	5.8	2.3	0.0
Student Support **	14.2	1.5	0.9	0.0
Institutional Support ***	7.4	3.0	1.0	0.2
Capital Projects and Renovations	8.0	6.0	6.0	6.0
Technology Investments	19.9	24.1	40.1	36.3
TOTAL	89.0	75.4	71.5	61.4

* Includes Operating Support to three Faculties – AMPD, EUC, and Glendon – as they continue working to align their revenues and expenses

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

*** Includes high-priority DEDI initiatives, sustainability initiatives, YSpace support, etc.

Implications of 2023-26 operating budgets on the financial statements

Important to view the multi-year budget plan within the context of the annual financial statements:

- MCU's financial accountability framework released in November 2022 identifies eight financial metrics, calculated on institutional financial statements (broader than the operating budgets)
- Auditor General's report on four Ontario universities recommended budgets be prepared on a consolidated basis, aligned with financial statements

Institutional Budgets 2023-26 (in \$M)

	2022-23 Actuals	2023-24 Budget	2024-25 Budget	2025-26 Budget
Operating budgets	(5.9)	(67.9)	(42.7)	15.8
<i>a) Fund 300: Ancillaries</i>				
- In-year surplus	12.8	4.8	7.0	7.3
- Transfer to/(from) reserves	5.4	4.4	4.8	4.8
- Contribution to sinking fund	3.3	3.5	3.8	4.0
<i>b) Fund 700: Capital</i>				
- Transfer to/(from) reserves	4.9	1.8	1.5	1.3
- Capitalized assets net of amortization	(1.8)	15.8	17.5	8.3
<i>c) Miscellaneous Other</i>	2.2			
Financial Statements - Revenue Over Expenses for the year (MCU metric)	20.8	(37.7)	(8.0)	41.5

Metrics	MCU Thresholds		York Ratios & MCU Thresholds		MCU's Score on Equally Weighted Ratio *		Required Action	
	Medium-risk Threshold	High-risk Threshold	2022/23 (Draft)	2021/22	2022/23 (Draft)	2021/22	2022/23 (Draft)	2021/22
LIQUIDITY RATIOS					0	0	No Action	No Action
Primary Reserve (days)	less than 90 days	less than 30 days	191	200	0	0		
Working Capital	less than 1.25	less than 1	1.41	1.89	0	0		
SUSTAINABILITY RATIOS					0.75	0.75	No Action	No Action
Viability Ratio	less than 60%	less than 30%	114%	113%	0	0		
Debt Ratio	greater than 35%	greater than 70%	49%	48%	1	1		
Debt to Revenue Ratio	greater than 35%	greater than 50%	45%	48%	1	1		
Interest Burden Ratio	greater than 2%	greater than 4%	2.3%	2.5%	1	1		
PERFORMANCE					0.5	0	No Action	No Action
Net Income (Loss) Ratio	less than 1.5%	less than 0%	1.6%	2.3%	0	0		
Net Operating Revenue Ratio	less than 7%	less than 2%	5%	9%	1	0		

MCU’s financial accountability framework – York’s weighted metrics (see details in the financial statements slides)

* See MCU's Action Plan Guideline based on Weighted Average Score:

No action < 1 point	Low action ≥ 1 point, < 1.5 points
Medium action plan ≥ 1.5 points, < 2 points	High action plan ≥ 2 points

* MCU's Scoring Point:

Low Risk:	0
Medim Risk:	1
High Risk:	2

Projected impact of multi-year budget plan on 2023-26 financial metrics

MCU evaluates the ratios and the need for action plans on an **average weighted basis** within each of the three categories. Over the course of the multi-year budget plan, the ratios are expected to be impacted as follows:

1. Liquidity ratios – primary reserve will reduce somewhat due to projected annual deficits and remain well within low-risk threshold on the average weighted basis
2. Sustainability ratios – will not be materially impacted and remain within the low-risk threshold on the average weighted basis
3. Performance ratios – net income/(loss) will be negative (i.e. high risk) in 2023-24 and 2024-25 and positive (low risk) in 2025-26

Key Budget Risks

- International enrolments:
 - Lingering pandemic impacts and the accumulated flowthrough of lower international intakes over the last 3 years
 - Globally competitive market
 - International policies
 - Disruptive world events
 - Potential for increased domestic competition to mitigate international enrolment pressures
- Government policies, e.g. future tuition frameworks, performance-based funding, availability of funds to support sector priorities, accountability frameworks and financial metrics, etc.
- Inflationary pressures

Key Messages

- The University is entering 2023-24 with sustained and significant carry forwards and a strong financial position
- Utilizing a portion of the carry forward surplus, the University will continue strategically investing in the priorities of the University Academic Plan, with a view to long-term sustainability, growth, and success
- The University is taking a cautious approach to its enrolment revenues by budgeting significant enrolment contingencies until longer-term global impacts are better known
- The University will continue to identify opportunities for further savings (e.g., optimizing the delivery of administrative services to maximize the resources available for the core academic priorities through the service excellence program) and new revenues (e.g., through SEM, diversification of revenue).

Appendix



	Actuals (\$M) 2022-23	2023-24	Budgets (\$M) 2024-25	2025-26
Faculty Support				
Faculty Complement Renewal	0.2	0.1		
Black Faculty Hires (Glendon, AMPD, EUC)	0.5	0.5		
Faculty Operating Support (AMPD, EUC & Glendon)*	30.4	24.7	18.5	18.5
Research Strategic Faculty Complement Bridging	1.0	1.0	1.0	
Maloca Garden Revitalization (EUC)		0.2	0.1	0.1
Flowable System Integrator (FGS)		0.1	0.4	0.3
Capital Investment for Colleges Re-Visioning/Student Retention and Success (LAPS)		7.0	0.0	0.0
Critical Infrastructure Updates to YSciCore (FSc)		1.5	1.1	0.0
	32.1	35.0	21.1	18.9
Research Support				
Electronic CV Management System	0.2	0.2		
OTO to address 2022-23 in-year deficit	1.7			
National Centre of Excellence (NCE)	0.2	0.2		
Large-Scale Research Initiatives	1.1	1.1		
Catalyzing research clusters - Phase 2	1.1	1.5	1.5	
CFI matching Funds	2.1			
Decolonization, Equity, Diversity and Inclusion in Research	0.8	0.8	0.8	
VPRI Sherman extension: Cagewasher equipment	0.3			
CF-REF Connected Minds		2.0		
	7.5	5.8	2.3	0.0
Student Support				
International Student Recruitment & Admissions	1.5	1.5	0.9	
International Student Financial Aid - pandemic support	3.0			
Enhanced Student Awards Program **	9.7			
	14.2	1.5	0.9	0.0
Institutional Support				
Las Nubes (EUC)	0.5	0.1	0.1	0.1
Markham Campus - Provost's Office	0.5			
Markham Campus - VPRI (Yspace)	0.2	0.2	0.2	0.2
Congress 2023	0.8			
Equity, People & Culture - high-priority indigenization, reconciliation and decolonization initiatives	1.0	1.0	0.5	
Equity, People & Culture - HR Initiatives	0.5	0.1	0.1	
President's Division (top-up funding for Secretariat, Office of the Counsel, Communications & Public Affairs, AGYU)	0.7			
COVID-19 - return to campus fund	3.0			
VPFA - Green Building Standard		0.4		
Sustainability Innovation Fund		0.5		
Office of Sustainability		0.5		
President's Division – Stakeholder Relations	0.1	0.3	0.2	
	7.4	3.0	1.0	0.2

University Fund commitments – details

	Actuals (\$M) 2022-23	Budgets (\$M) 2023-24 2024-25 2025-26		
Capital Projects and Renovations				
Incremental Funding for Deferred Maintenance	6.0	6.0	6.0	6.0
Goldfarb Gallery York University (GGYU)	2.0			
	8.0	6.0	6.0	6.0
Technology Investments				
Information Technology projects (network infrastructure, SAVY, Data Warehouse, Office 365, Omnibus of Technology Support)	5.5			
HR System Transformation	1.1			
VPFA Technology Projects (Mobile Maximo, Budgeting and Forecasting system, YU Card Mobile credentials)	1.2	1.1	0.4	
Student System Renewal Program (SSRP)	12.0	12.0	27.5	27.6
Advancement Customer relationship Management (CRM)		2.0	2.5	0.5
Technology deferred maintenance infrastructure - ongoing infrastructure refresh		5.2	8.0	8.0
SSRP – time-limited deployment efforts		3.8	1.7	0.2
	19.9	24.1	40.1	36.3
TOTAL	89.0	75.4	71.5	61.4

University Fund commitments – details (cont'd)

*As part of SHARP 2.0, the fixed Hold Harmless adjustments allocated to Faculties based on the 2013-14 data were eliminated and replaced with Operating Support allocations from the University Fund. Operating Support is provided in acknowledgement of a Faculty's financial pressures caused by a misalignment between revenue and cost structures, and is intended to support ongoing operations and reduce the accumulation of further negative carry forward while the Faculty implements a business plan that will over time strengthen its financial sustainability and quality.

** Enhanced Student Awards for 2022-23 were funded from the UF to support the Faculties as they transition into SHARP 2.0. Beginning in 2023-24, the enhanced student awards are attributed directly to Faculties through the SHARP Budget envelopes.