



President Rhonda Lenton's Remarks to Senate

January 25, 2024

Good afternoon, Senators. Bonjour. Boozyhoo.

I want to thank senators for the engaging discussion that we had last week at the special meeting of Senate. I hope to keep the dialogue going as we work our way through responses to the Office of the Auditor General Report in the larger context of the strategic projects and initiatives that we continue to advance in order to realize the goals of the University Academic Plan (UAP) 2020-2025: Building a Better Future.

I would like to focus my remarks two factors that are having a profound impact on our progress and the opportunities we have to continue to realize the vision and priorities set out in that Plan.

An overarching comment that I would make is the speed at which transformational change is happening in higher education. While the remaining timeline in the UAP extends only through to the end of 2024-2025, APPRC will necessarily soon be turning their attention to the next 5-year plan and perhaps what our aspirations are for York over the next 10 years.

Our ability to seize opportunities from emerging trends that are consistent with our vision and values is central to meeting the needs of our students and the communities we serve, strengthening our

contributions to society, and enhancing our reputation as a leading, high quality and research intensive university. Doing so will require careful planning to mitigate the financial challenges facing the HE sector over the next few years.

There are two primary causes that cumulatively are hitting our bottom-line especially in combination with inflation:

- *declining domestic revenue* -- York has approximately \$350M less tuition funding today than would have been expected based on the typical 3% annual inflationary increment given that the Province cut tuition by 10% back in 2019-2020 and has frozen fees in every subsequent year since then. Universities also receive no inflationary adjustments for grant revenues that are limited to enrolment corridors for domestic students established in 2016. This situation is impacting all universities (and colleges) with *at least* 10 of the province's 23 publicly assisted universities projecting an operating budget deficit for 2023-24 (Council of Ontario Universities, 2024) despite an urgent call to government from the Blue-Ribbon Panel to reinvest in higher education;
- *international enrolment* – York has missed international growth targets four years in a row resulting in two years (2024-2025 and 2025-2026) of double digit in-year deficits necessitating expenditure reductions and budget cuts. And most recently, the federal government has announced a cap international enrolment. Although there is still much that we do not know, the requirement that a student submit an attestation letter for their visa application has significant risks just in getting the process implemented not to mention the impact that it is having on the choices that international students are making.

As we know, the government has also established new financial metrics that further constrain universities. [For example, it is estimated that over 12 universities anticipate challenges in meeting their financial metrics for the 2024-25 fiscal year].

So how do we navigate this storm in ways that allow us to advance York, stay on course regarding our vision, and to realize our aspirations for the University in the long term? Our choices are either to downsize and cut expenditures, or to strategically support growth.

We have already been doing a great deal to reduce university overhead and to align budgets with historical spending in areas such as travel and hospitality. This past year it was necessary for us to apply an across-the-board budget cut of about 4% but anticipating future directions and identifying and advancing opportunities for the University are key if we are to mitigate negative consequences for the University.

We have been making excellent progress on several initiatives:

1) We are committed to expanding research in ways that contribute directly to greater external revenue from donors and philanthropists and that attract new partnerships. This will build on the remarkable success that we have seen in the past year in achieving record-breaking levels of tri-council funding in 2022/2023 and enhance our international reputation. Our aim is to engage in transformative projects that contribute to York's distinct value as a modern, progressive, international teaching and research university and reflect our core commitments to equity, diversity and inclusion and sustainability; and to further amplify research across our existing faculties and organized research units in line with our **Strategic Research Plan** and **UAP**. Seed funding to support research by equity-deserving scholars and academics have already resulted in successful grant applications.

2) The School of Medicine is an important initiative that will advance all of the priorities set out in the UAP including enhancing our impact on the communities we serve by working with partners, foundations, corporations and community groups committed to the best health care for all in Ontario. We continue to have conversations with the province regarding our submitted proposal and look forward to receiving their decision about a green light in the coming months. We will keep you informed of any updates.

3) Over the years our upward momentum in global rankings has been remarkable and will play a seminal role positioning York on the global stage. We are now one of Canada's top four comprehensive universities in the *Maclean's* ranking, and we score in the 351-400 band in the *Times Higher Education (THE) World University Rankings*; and rose 103 spots in the QS World University Rankings. Much of this recognition has come from the strength of our academic programming as well as its diversity.

4) We developed and are implementing an ***Internationalization and Global Engagement Strategy*** that aims to attract, retain, and support the success of international students and expand our global reach to respond to challenges such as climate change, poverty, inequality and political polarization.

5) We have also been attentive to new enrolment and labour market needs including the **Markham Campus**: when it officially opens in Fall 2024, the Campus will expand capacity for in-demand programs in technology and entrepreneurship in one of the largest tech hubs in the world, and in a region with the fastest growing 18-21 year old population in Ontario (perhaps Canada).

- Construction for Markham Campus is advancing well with significant progress achieved through Fall 2023. Based on the work pace, the current schedule identifies the end of May for building occupancy;
- As you know, the construction industry across all sectors was heavily impacted by COVID, notably affecting the supply-chain, cost of materials, and labour availability and related costs;
- Conditions across the construction sector have not rebounded, so project budget stability remains at risk due to the continued pressures;
- Statistics Canada tracked a 28 per cent year-over-year construction-cost escalation trend for institutional buildings in the Greater Toronto Area for three years from 2020 to 2022. A further 10 per cent increase for 2023 is estimated, bringing the four-year cumulative increase in the construction industry to nearly 40 percent;

- While the approved project budget is not depleted, continued construction-cost increase pressures are unavoidable and represent a pending budget increase risk that would have to be considered in a timely manner to avoid complications in the closing stages of construction, when building occupancy and substantial completion is at hand.

6) We have launched a Service Excellence Program to see how we can continue to streamline administrative costs while enhancing the quality of those services. Presentations are currently underway with Deans from shared service leads to find consensus on what level of services we want relative to affordability; and to determine if overlap can be eliminated by determining which services are needed at a local level and what can best be delivered at an institutional level through the University Service Centre, as an example, in areas such as IT, finance and HR.

7) And, through a Task Force on Pedagogy, we are identifying promising new directions shaping the future of quality education, such as supporting the growth of high-quality, technology-enhanced learning to create flexibility for students, increasing experiential learning opportunities, and advancing EDI. To date, consultations led by the Task Force have been completed and the Academic Policy, Planning and Research Committee (APPRC) is discussing a final report due in February. Recommended next steps will be forthcoming aimed at strengthening York's reputation for innovative and high quality student learning experiences.

8) At a local level, important steps have been taken to address enrolment decline including the implementation of Strategic Enrolment Management initiatives by York International, the Division of Students and Faculties including efforts to re-envision the path forward such as **Glendon** and the **Faculty of Environmental and Urban Change before**.

In light of recent funding challenges in the sector such as the international cap and the slower than planned recovery of international enrolment (exacerbated by the actions of a growing number of competitors including private colleges), we have been working on a further set of initiatives to

incorporate into the University's strategic plan based on consultative meetings with deans and President Vice-Presidents (PVP) bringing together input from all faculties and local units.

This Action Plan is also incorporating our responses to the Auditor General of Ontario Report and will link to the relevant collegial processes of the University to engage students, staff and faculty.

Further information will be forthcoming and shared with the community once further discussion has taken place.

Finally, I am also actively engaged with the Council of Ontario Universities (COU) and the Ontario Undergraduate Student Alliance (OUSA) as well as Universities Canada and the UC Internationalization Working Group to advocate for swift government action in implementing the recommendations in the Blue-Ribbon Panel Report to increase financial support for universities and addressing the international cap.

We have been through a great deal since the pandemic and the post-pandemic period does not show signs of letting up on the pace of change affecting education. What we have achieved together as a community over the last number of years nevertheless continues to inspire and to reassure me that York will continue on its trajectory as a leading academic institution committed to providing a broad demographic of students with access to a high quality education at a research intensive university driving positive change.

And now, before I conclude, I have a few short announcements.

Special Announcements

February 1st marks the beginning of Black History Month – an opportunity to recognize and celebrate the legacy, history and contributions of Black community members at York University.

This year's theme is "Black Voices, Black Stories" and I encourage all senators to listen and amplify the diverse voices and stories of Black community members at York, as well as to experience the rich heritage, traditions and culture of the Black community by attending various events, including **Word Sound Power**, an annual celebration of Black Artistic Expression presented by the Jean Augustine Chair in Education, Community and Diaspora on Feb. 7. More information can be found on yorku.ca/about/blackhistorymonth.

In other exciting news – in a few months, on April 8, York will hold a special honorary degree ceremony for Jane Goodall who will receive a Doctor of Science.

Dr. Jane Goodall is widely regarded as one of the world's most influential living scientists. She has devoted 60 years of her life to advancing our knowledge of chimpanzees and advocating for their protection and for the conservation of nature.

I hope some of you will be able to make it to what will be a very special celebration.

I want to close now by thanking you all for being here today. I very much look forward to hearing your insights and answering your questions.

Merci. Miigwech.