



## **Summary of President Rhonda Lenton’s Remarks to Senate**

March 28, 2024

Good afternoon. Bonjour. Boozhoo.

Colleagues, over these last few weeks, the famous quote from Charles Dickens “It was the best of times, it was the worst of times...” keeps coming to mind.

It seems to me that collectively, we in this Senate are charged with responding to present challenges and also with shaping the future of this institution in ways that advance the vision and the priorities set out in our University Academic Plan.

As you know, this past Tuesday, the Government of Ontario gave York the green light to establish a School of Medicine at York University and announced \$9M in funding to invest in its development.

I know that there will be many questions as we begin the next phase of planning. But I would like to take a moment to acknowledge the tremendous efforts of the many people who contributed to reaching this milestone, which has been an aspiration of York dating back to our inception 65 years ago.

York was established to enhance access to higher education on the part of a diverse student population and to serve the public good. Our vision captures that in offering a broad

sociodemographic of students access to a high quality, research-intensive university enhancing the well-being of the communities we serve.

We know from our inaugural Social and Economic Impact survey that there are a significant number of students who say that if it had not been for York, they would not have gone to university at all.

There are significant numbers of students who want to study medicine but who end up leaving the country to do so or who are unable to find a spot anywhere. Not only will a new school of medicine add more opportunities for students, but additionally, the plan includes a two-year pathway for those who might not have anticipated this option in high school.

Students will also be able to apply to the program after two years of undergraduate study, which makes it more affordable and attainable for all.

The School is primed to enhance York's reputation, strengthen both domestic and international recruitment not just in medicine, but in enrolment more broadly, while also creating new jobs, opening up opportunities for collaboration with other Faculties, and bringing in additional research dollars.

We have an incredible foundation of health and health-related academic and research programs across many Faculties, and partners from governments, hospitals, community health care clinics, long-term care organizations (LTCs), and Ontario Health Teams (OHTs) eager to participate in and excited about the plans for a medical school at York that will also support their aspirations.

Finally, the impact on the communities we serve will be significant – the proposed focus of our School is on primary care, which means that our goal is to produce much needed family doctors and general specialists in geriatrics, maternal care/obstetrics, pediatrics, general surgery, and psychiatry with a population health curriculum and team-based learning approach to fill the urgent gap we have, especially in our catchment area.

The City of Vaughan is offering the land beside the Mackenzie Health Cortellucci Hospital – and both partners are eager to collaborate with us on a unique healthcare complex bringing together learners, practitioners, research and innovation.

A School of Medicine represents a huge opportunity for our students, our University and our community – it is importantly an investment in our future that will strengthen our enrolment, our research, and our reputation.

We can now begin in earnest undertaking the collaborative process with colleagues and partners, the relevant Senate committees and Senate, and the various Board committees and Board as well as external organizations to imagine and shape the York University School of Medicine.

This has already been a regular topic at our Academic Policy, Planning and Research Committee (APPRC) meetings and I understand that the Technical Subcommittee of APPRC will be forming an Academic Advisory Group with plans to regularly update and seek input from Senate as part of the normal collegial process.

Several faculties continue to prepare for the opening of the Markham Campus just as others bring forward new programs for the Keele and Glendon campuses. We continue to exceed our research KPIs and expand partnerships around the world.

At the same time, however, the post-secondary sector in Canada, and especially in Ontario, continues to experience multiple pressures from shifts in internationalization to government policies that have resulted in a significant reduction in enrolment and revenue.

I have been and will continue to be very transparent about these challenges with our senators and the broader York community so that we are able to determine together how best to align our expenditures with our revenues while still ensuring that we are able to invest in growth. This will require an institutional approach that allows for flexibility by division, faculty and unit.

Differentiating between one-time expenses that might draw down cash versus structural deficits that reflect the gap resulting from declining revenue without concurrent cost containment is important as is understanding the sources of declining revenue; what options exist to close the gap

by growing enrolment, finding other sources of revenue, and reducing expenditures to align with revenue; and most importantly, what is within our control, and what is not?

I am confident in our ability to navigate these challenges. If we reflect on the last 5 years, we successfully managed a 10% cut in tuition and 4 subsequent years of frozen tuition through 2023-2024 (totaling approximately \$335 million).

In March of 2020, Ontario shut down due to a pandemic. And despite closed borders and declining international enrolment, we performed better to plan throughout the three subsequent years, 2020-2021, 2021-2022, 2022-2023, all with no inflationary adjustments on grant revenue. There were, of course, human costs resulting from the pandemic.

Throughout this period, we ran several scenarios in order to plan for contingencies, balancing carry forwards with urgently needed faculty and staff appointments and strategic initiatives such as the Decolonization, Equity, Diversity and Inclusion Plan, and the Sustainability Plan. This allowed us to build up our cash reserves while we waited to see the outcome of Bill 124 and the full implications of the pandemic.

We also sustained the University Fund (UF) for investment in strategic opportunities for York's future and to provide support for faculties experiencing unanticipated challenges and/or budget issues requiring some period of adjustment. Many people have questioned the UF allocations. As I have previously mentioned, a website is in preparation to post the contributions to the UF as well as the expenditures. Importantly though, revenue-generating units including faculties receive revenue attributed to them, they pay their share of central costs including the UF, and then they get an allotment from the UF. In recent years, all faculties have received an allotment in the form of a "refund" given the budget challenges associated with the pandemic – that allotment was in addition to those faculties who sought and received special support. The goal is to establish a transparent and principled approach for the UF allotments that allow for investments in our growth and for cross-subsidization across faculties to address inconsistencies that have emerged over the years between costs and revenue, and that is flexible enough to respond to changing / unforeseen circumstances.

Unfortunately, several factors came together in 2023-2024 that have rippled through the entire sector: 1) the government froze tuition for another three years despite the conclusion reached by its own Blue Ribbon Panel that a tuition fee framework was an essential component to stabilizing the post-secondary sector. 2) the federal government imposed a cap on international enrolment that has had a profound impact on students choosing Canada -- in Ontario, the situation has been made worse by the time it took to assign the institutional allotments -- we have built in a 50% drop and are currently assessing our ability to meet that target. 3) the provincial government linked budget cuts in the broader public sector with Bill 124 which was overturned in 2022 with only a small increase to grant beginning in 2024-2025 -- York's share of that increase to grant is estimated to be \$8.4M in 2024-2025 followed by \$14.2M in 2025-2026 and \$20.1M in 2026-2027 whereas the wage reopener over these three same years is estimated to be more than \$160M.

## **Conclusion**

The combined impact of these factors will draw down our cash reserves considerably in the short term (not completely unexpected as we contemplated the implications of the challenge to Bill 124), but more important, is the urgent need to address the widening structural deficit. This is the process in which we are currently engaged in discussions with the senior leadership and colleagues across the University. Specific initiatives have been identified that can be broadly grouped into program enhancement and sustainability, enrolment recovery, and administrative projects aimed at aligning expenditures to revenue. Reducing expenditures at least in the immediate future will be necessary but growing revenue will mitigate that challenge while allowing the University to continue advancing our vision and priorities.

Our efforts will call on us to reflect on what we want for York 10 years from now and beyond, how we might evolve the University's business model (e.g., revenue diversification, administrative effectiveness), and on our enrolment strategy, including a focus on:

- Ensuring high quality student learning, including but not limited to the potential of AI, experiential learning and technology in the curriculum;

- Program enhancement and sustainability including increasing our capacity in high demand programs;
- An optimal organizational structure to support sustainability student success;
- Enhancing our reputation and rankings to boost domestic enrolment and to recover international enrolment based on a sustainable model in the context of global shifts in transnational learning; and
- Innovation and research success.

Finally, we need to maintain sufficient funds for strategic initiatives and create space for having conversations about how best to address challenges that need bigger solutions in a collegial, collaborative manner.

### **Kudos Updates**

I would like to conclude my remarks by sharing some accomplishments of our community members.

I would like to acknowledge and congratulate Professor Noam Lemish, who was nominated for a JUNO Award for Jazz Album of the Year (Solo) for his album “Twelve”. The JUNO Awards honours achievements in Canadian music, and it is a huge testament to Professor Lemish’s talent that he was recognized among a group of accomplished artists.

I would also like to congratulate Professor Pina D’Agostino, who was recognized with the 2024 Canadian Italian Business Professionals Association Women in Leadership Award. At York and beyond, Pina has left a significant and lasting impact as a distinguished law professor, lawyer, public speaker, and board director; and has made invaluable contributions to the fields of intellectual property, technology, and innovation law and policy.

I would be happy to take any questions now.

Thank you. Merci. Miigwetch.