

President's Report to Senate

Dr. Rhonda Lenton
President & Vice-Chancellor

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SMA-4 Overview



SMA4 – 2025-2030

- Strategic Mandate Agreements (SMAs) are bilateral agreements between the Ministry and the province's 45 publicly assisted colleges and universities.
- In August 2024, the Ministry of Colleges and Universities (MCU) launched the SMA4 process, covering the period from 2025 to 2030.
- In SMA4, six metrics from SMA3 carry over, while two new metrics emphasize investment, innovation, and institution-specific objectives.



SMA4 PERFORMANCE METRICS

- **Eight metrics** are aligned with two priority areas and are included for the duration of SMA4—Skills and Job Outcomes, and Economic and Community Impact.
- Institutions have an opportunity to select **two metrics**.

Skills and Job Outcomes

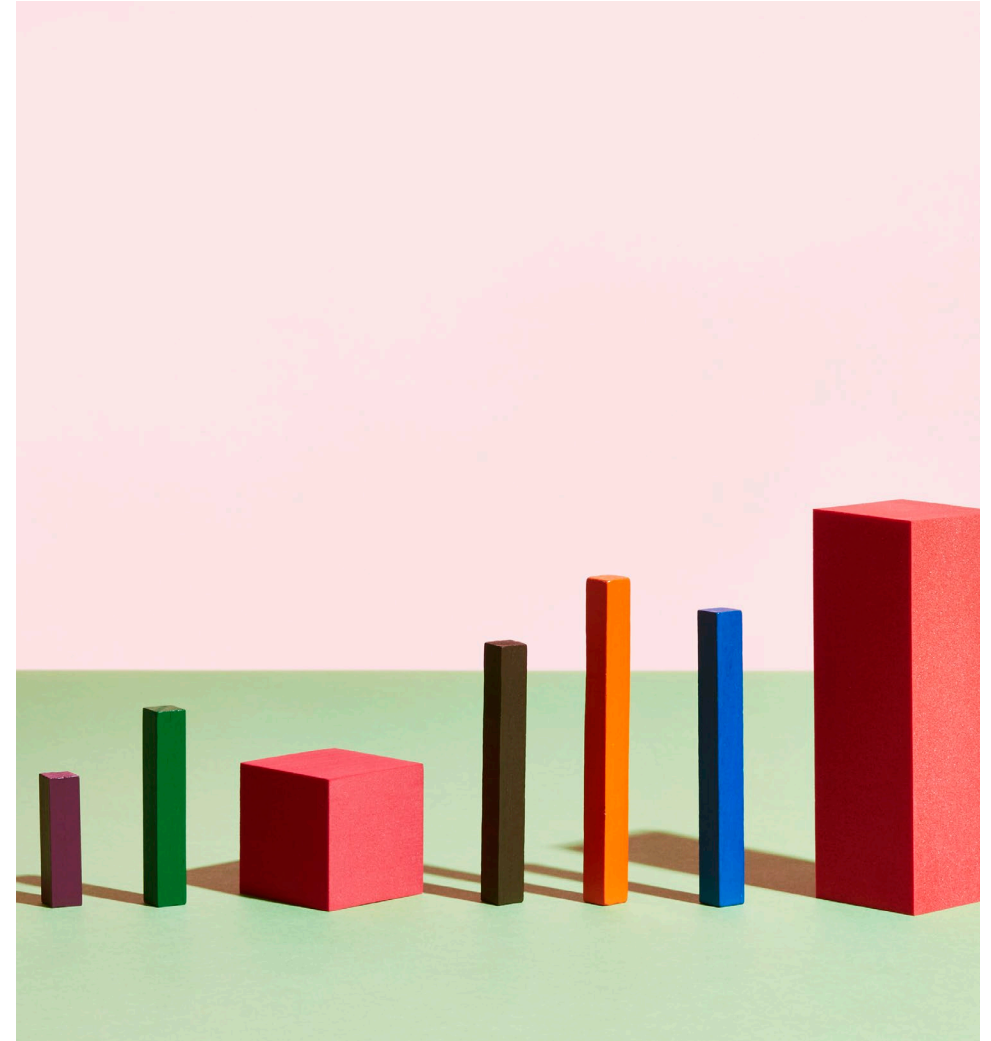
1. Graduate Employment Rate in a Related Field
2. Graduation Rate
3. Graduate Employment Earnings
4. Experiential Learning

Economic and Community Impact

5. Community/Local Impact
6. Institutional Strength/Focus (revised area of focus)
7. NEW: Investment and Innovation-Related (proposed: Total Sponsored Research Revenue - 3 year rolling average)
8. NEW: Institution-Specific (proposed: Start-Ups - Number of start-up companies incubated and/or supported)

Theoretical Performance Under the New SMA4

- Based on modelling of our historical performance using the SMA4 methodology, under SMA4, York will underperform on **Metric 1: Graduate Employment Rate in a Related Field**.
- **Funding loss is anticipated at \$25K.**
- YorkU Forward Action Plan **Project 6: Improve SMA Performance** aims to enhance York's performance across relevant SMA metrics by implementing strategic initiatives.
- The University is aligning programs with market needs, strengthening career services, expanding co-op, offering personalized career support, strengthening alumni networks, and adapting curricula to evolving industry trends—to enhance overall performance on this metric.





Auditor General of Ontario Audit Update

Auditor General of Ontario Audit Overview

- The Office of the Auditor General of Ontario (OAGO) published York University Operations and Capital Audit Report in December 2023.
- It included 13 recommendations, comprising a total of 29 recommended actions:
 - As of November 30, 2024, out of the 29 actions, 10 have been fully implemented, 3 are substantially implemented, and 16 are in progress
 - The next slide shows the statuses of the various recommended actions
- York's internal process to address these recommendations included establishing an internal working group comprising of representatives from the President's Office, Office of the Provost & VPA, Office of the VPFA, University Secretariat, and Internal Audit.
- On Feb 10, 2025, York received a request from OAGO to commence its two-year follow-up process regarding the recommendations. York needs to respond by March 31, 2025.
 - We are on track to provide our response

The OAG audit report includes 13 recommendations, comprising a total of 29 recommended actions

Recommended Actions Status as of November 30, 2024	# of Recommended Actions	Highlights of Actions
Fully implemented	10	<ul style="list-style-type: none"> • Develop Long-term debt policy and sinking fund strategy • Develop faculty-level targets for international students • Prepare a comprehensive business case for future major capital projects • Include all key information and indicators in the business case • Regularly compare budgeted amounts against actual costs for major capital projects • Maintain a level of senior administrator compensation • Regularly evaluate the strategies in improving performance metrics • Revise the TOR of the Executive Committee to have the ability to make decisions on behalf of the full Board • Fully document the rationale when Executive Committee make decisions on behalf of the full Board • Develop more extensive workplans of the Board and committees
Substantially implemented	3	<ul style="list-style-type: none"> • Review previous projects to understand factors and root causes contributing to budget increases • Develop a strategy in the skills matrix of the Board • Allow internal Board members to serve on any committee
Partially implemented	16	<ul style="list-style-type: none"> • Develop and implement a strategy to be compliant with the MCU Financial Health Indicator • Complete an analysis of profitability at the academic program and department level • Regular analyze and monitor department and program enrolment and profitability trends • Develop strategies for improvements for programs that are not profitable • Develop a contingency plan for faculties overly dependent on international student tuition revenue • Regularly monitor whether recruitment strategies are resulting in the admission from diverse countries • Conduct a thorough analysis during the project planning phase in establishing a comprehensive budget • Develop and implement a formal strategy to reduce its deferred maintenance backlog • Prioritize preventative maintenance • Create and implement a Whistle-blower policy • Create awareness of the Whistle-blower policy amongst all students, staff and faculty • Improve underperformed performance measures • Make cybersecurity awareness training mandatory • Annual competency analysis of Board members • Adopt an explicit and comprehensive charter for the Board • Adopt a Board-specific code of conduct
Total Recommended Actions	29	

Temporary Suspension of New Admits

- **Policy Framework**

- **Procedures**

- **Next steps**

Guiding Principles to Shape the Path Forward

Principles

- Academic priorities drive budget decisions
- Protect the academic core
- Organize curriculum as efficiently as possible
- Focus on recovery and growth
- Right-size where appropriate through cost rationalization
- Maintain 70% of revenues within Faculties
- Operate Shared Services within the remaining 30% envelope

Seeking solutions through:

- Forward Action Plan
- Sustainable revenue growth
- Aligning expenditures with revenue
 - Natural attrition
 - Voluntary exits
 - Prioritizing limited staff resources to support students first - deferring initiatives where needed to manage workloads
 - Further reducing expenditures at the management level

Forward Action Plan

Voluntary Exit Program (part of Project 16 HR Initiatives)

Unionized Voluntary Exit Program

132 exits (92 YUSA; 40 CUPE 1356, CUPE 1356-1)

32 positions require replacement

24/25 payouts: **\$5.5 million**

25/26 savings: **\$9.4 million** (net of replacements)

CPM Selective Voluntary Exit Program

VEP timeline: invitations extended Feb 6; responses due Feb 21; exits effective Mar 31

Results: 195 invitations extended; 41 accepted (20.9% acceptance rate)

24/25 payout estimate: **\$2.7 million**

25/26 projected savings: **\$6.2 million**

Questions?

YORK
UNIVERSITÉ
UNIVERSITY

Keele Campus

Welcome to

Appendix

Risks

› Outcomes of Inaction: Unacceptable Academic and Financial Implications

› Academic Risks

- Falling behind in responding to the transformational pace of change in higher education—impacting program demand, emerging fields, pedagogical innovation, flexible credentialing, and urgently needed research and innovation.
- Reduced ability to attract and retain students, faculty, and staff—resulting in a downward spiral in quality.
- Failure to fulfill our commitment to students and the communities we serve.
- Reputational damage to York’s standing as an impactful, future-focused institution.

› Financial Risks

- Continued decline in applications, enrolment, and revenue.
- Risk of breaching the high-risk threshold under MCU’s financial accountability metrics (now MCURES), which could trigger the appointment of an external advisor.
- Ongoing in-year deficits resulting in cash reserves falling below the minimum threshold.
- Inadequate response to the Auditor General’s recommendations (also relevant to academic risks).
- Failure to meet the Board-approved rolling budget targets.

Details of recommendations, target implementation dates, and status as of November 2024 – Part 1/4

Area / Title	Recommendations	Recommended Actions	Implementation Date	Current Implementation Status
4.1 Financial Sustainability and Debt Levels	#1: To reduce the university's financial risk and to ensure the university's ability to repay its debt at time of maturity, we recommend that York University:	• develop and implement a strategy to be compliant with the Ministry of Colleges and Universities' Financial Health Indicator low-risk thresholds, including for the debt ratio, debt-to-revenue ratio and interest burden ratio;	12/31/2026	Partially Implemented
		• develop a plan to ensure it is able to meet the obligations of all debentures when they come due.	12/31/2026	Fully Implemented
4.2 Many of York's Faculties Operate at a Deficit	#2: To strive for better financial sustainability across all faculties, combined as well as individually, we recommend that York University:	• complete an analysis of profitability at the academic program and department level;	12/31/2026	Partially Implemented
		• regularly analyze and monitor department and program enrolment and profitability trends within all faculties;	12/31/2026	Partially Implemented
		• for programs that are not profitable, develop strategies for improvements in program design, course planning and resource allocation or assess whether to stop program intake and phase out the program.	12/31/2026	Partially Implemented
4.3 Enrolment Trends and Reliance on International Students	#3: To reduce the risk to the financial sustainability of the university as a whole, in the event that international enrolment from one nation or region were to suddenly decline, we recommend that York University:	• develop faculty-level targets for an optimal level of international student enrolment;	12/31/2025	Fully Implemented
		• develop a contingency plan for faculties found to be overly dependent on international student tuition revenue;	12/31/2025	Partially Implemented
		• regularly monitor whether recruitment strategies are resulting in the admission of international students from diverse countries.	12/31/2025	Partially Implemented
4.4 Major Capital Projects and Deferred Maintenance	#4: To guide decisions on whether or not to proceed with major capital projects, we recommend that, for all future projects, York University:	• prepare a comprehensive business case for each major capital project to help management and the Board of Governors make fully informed decisions on whether or not to proceed with major capital projects;	12/31/2025	Fully Implemented
		• include all key information and indicators in the business case, including the internal rate of return, return on investment and payback period, to assess the financial viability of major capital projects.	12/31/2025	Fully Implemented

Details of recommendations, target implementation dates, and status as of November 2024 – Part 2/4

Area / Title	Recommendations	Recommended Actions	Implementation Date	Current Implementation Status
4.4.2 Capital Projects We Reviewed Exceeded Their Originally Approved Budget Amounts	#5: To improve financial planning for major capital projects, enhance the accuracy of budgets and prevent future cost/budget escalations on major capital projects, we recommend that York University:	<ul style="list-style-type: none"> conduct a thorough analysis, including a risk assessment, during the project planning phase, in establishing a comprehensive budget that considers all potential costs, including appropriate contingencies and scoping requirements; 	12/31/2025	Partially Implemented
		<ul style="list-style-type: none"> regularly compare budgeted amounts against actual costs/expenditures to identify variances/ discrepancies early to enable necessary corrective action; 	12/31/2025	Fully Implemented
		<ul style="list-style-type: none"> review previous projects to understand factors and root causes contributing to budget increases, and incorporate lessons learned on future projects. 	12/31/2025	Substantially Implemented
4.4.3 York's Deferred Maintenance Backlog Has Left Many Buildings and Systems in Poor Condition	#6: To maintain assets in good condition, reduce emergency repair costs, and avoid further deterioration of its buildings and the risk of serious health and safety issues, we recommend that York University:	<ul style="list-style-type: none"> develop and implement a formal strategy to reduce its deferred maintenance backlog, including prioritizing capital resources toward deferred maintenance instead of new builds and expansion; 	12/31/2030	Partially Implemented
		<ul style="list-style-type: none"> prioritize preventative maintenance. 	12/31/2030	Partially Implemented
4.5 Increase in Size of Senior Administration Outpaced York's Enrolment and Tuition Revenue	#7: To maintain a level of senior administrator compensation reflective of enrolment and revenue growth, and to ensure the Board of Governors has oversight of changes and impacts at senior levels that have an ongoing financial impact on the university, we recommend that York University provide to the Board of Governors information supporting the need for Associate/Assistant Vice President positions for re-assessment, including the nine most recently created and re-classified positions.	To maintain a level of senior administrator compensation reflective of enrolment and revenue growth, and to ensure the Board of Governors has oversight of changes and impacts at senior levels that have an ongoing financial impact on the university, we recommend that York University provide to the Board of Governors information supporting the need for Associate/Assistant Vice President positions for re-assessment, including the nine most recently created and re-classified positions.	12/31/2025	Fully Implemented

Details of recommendations, target implementation dates, and status as of November 2024 – Part 3/4

Area / Title	Recommendations	Recommended Actions	Implementation Date	Current Implementation Status
4.6 York Did Not Have a Comprehensive Whistle-Blower Policy for Disclosure of All Types of Wrongdoing	#8: To promote integrity and detect misconduct, we recommend that York University:	• create and implement a whistle-blower policy that covers both the improper use and/or misuse of university assets, as well as other unethical behaviour, and includes a definition of what types of activities can be reported and how and to whom they can be reported;	12/31/2025	Partially Implemented
		• create awareness of the policy amongst all students, staff and faculty.	12/31/2025	Partially Implemented
4.7 York Has Achieved Lower Results than Other Ontario Universities in Graduation Rate, Employment and Earnings, and in Attracting Research Revenue	#9: To promote continuous improvement in the metrics contained in the university's Strategic Mandate Agreement and other performance measures tracked by the Ministry of Colleges and Universities, we recommend that York University:	• put in place strategies and timelines to improve performance in areas where it has underperformed;	12/31/2026	Partially Implemented
		• regularly evaluate the effectiveness of the strategies in improving performance in the metrics and adjust the strategies accordingly.	12/31/2026	Fully Implemented
4.8 York Has Been Proactive in Preventing Cyberattacks, but Further Employee Awareness Is Needed	#10: To reduce the risk of exposure of its systems and to protect student and faculty data from external attackers, we recommend that York University make cybersecurity awareness training mandatory for all employees with York University accounts.	To reduce the risk of exposure of its systems and to protect student and faculty data from external attackers, we recommend that York University make cybersecurity awareness training mandatory for all employees with York University accounts.	12/31/2025	Partially Implemented

Details of recommendations, target implementation dates, and status as of November 2024 – Part 4/4

Area / Title	Recommendations	Recommended Actions	Implementation Date	Current Implementation Status
4.10.1 Overall Governance Could Be Enhanced - Executive Committee of the Board Allowed Too Much Leeway to Make Decisions on Behalf of the Full Board	#11: To allow for decision-making and accountability to reside with the full Board, as opposed to only the Executive Committee, in all instances other than emergencies, we recommend that York University:	• revise the Terms of Reference of the Board of Governors' Executive Committee to have the ability to make decisions on behalf of the full Board only when matters are so time-sensitive that it is not feasible to convene a special Board meeting;	12/31/2025	Fully Implemented
		• in these instances, fully document the rationale for making such an exception.	12/31/2025	Fully Implemented
4.10.2 Overall Governance Could Be Enhanced - York Does Not Annually Assess for Gaps in the Competencies of Board Members	#12: To track and identify gaps in the necessary competencies of the Board of Governors (Board), and to have a more explicit, transparent and robust competencies- based selection process for Board members (both new and the renewal of incumbents), we recommend that York University's Board of Governors:	• annually identify the desired level of competency in each governance area, and complete a gap analysis of skills and competencies of the Board and all Board committees	12/31/2026	Partially Implemented
		• develop a strategy to address identified gaps in the skills matrix of the Board;	12/31/2026	Substantially Implemented
		• allow internal Board members with the requisite expertise and demonstrated character to serve on any committee where they would add the most value. Where a conflict of interest arises, they may recuse themselves from the agenda item.	12/31/2026	Substantially Implemented
4.10.3 Overall Governance Could Be Enhanced by Improved Policies and Procedures - Improvement Needed in Establishing Policies to Define and Monitor Accountability and Compliance with Governance Standards	#13: To strengthen its Board's policies and procedures, we recommend that, before the end of 2024, York University:	• adopt an explicit and comprehensive charter for the Board, going beyond the bylaws to outline its core roles and responsibilities and what is expected of members of the Board (mandate, duties and responsibilities, governance, functioning, culture);	12/31/2025	Partially Implemented
		• adopt a Board-specific code of conduct, including confidentiality, conflicts of interest and attendance expectations, along with a remedial process and compliance monitoring;	12/31/2025	Partially Implemented
		• develop more extensive workplans incorporating all duties and responsibilities of the Board and committees and outlining when in the fiscal year they will be addressed.	12/31/2025	Fully Implemented