

YORK UNIVERSITY
BUDGET PROCESS REVIEW PROJECT
FINAL REPORT

Prepared by

Office of the Vice-President Finance and Administration

March 2007

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1.0 Foreword

Globally, higher education institutions are faced with the task of managing rapid growth in the context of declining government funding and rising expectations from the public of increased accountability and performance measurement. In response to these pressures, many institutions have embarked upon some form of budget process review to determine how responsive their internal processes are to the new demands being placed on universities and whether these processes provide the support required for institutional change.

Recognizing that York University faces many of the same pressures and challenges as other institutions, the Vice-President Finance and Administration recommended in the summer of 2005 that a comprehensive review of York's budget process be undertaken. The experience of the previous few years had suggested that York's budget process did not support strategic planning as effectively as it might. With the appointment of a new president in 2007, it was particularly important to ensure that the University had in place a budget framework that could adapt to change and support achievement of strategic objectives. The review was intended to provide a detailed and objective assessment of how senior level administrators understood the budget process and of where processes and mechanisms could be improved. The review was strongly endorsed by York University's President and unanimously supported by members of the University Executive Committee who recognized the importance of ensuring that York has in place the tools and mechanisms needed to pursue academic excellence in a context of tightened resources and increased demands for accountability.

Over the course of twelve months (from February 2006 to February 2007) this comprehensive pan-University review of budget processes examined internal perceptions and procedures, external experience, and expert research on alternative approaches to budget planning.

The review was conducted in part as an intensive self-study process that depended on broad community consultation. It was essential that the review provide an understanding of how the key decision makers actually involved in budgets and planning - whether within a central department or within a Faculty - experience and perceive the budgetary process. Thus at the core of the review lay an extensive series of in-depth interviews and meetings with senior level administrators from across the University to discuss the budget process and their analysis of its strengths and weaknesses. This extensive consultation formed the basis of the review as it moved forward.

The consultation phase was followed by a careful analysis of internal budget and financial data focusing on budget processes, allocation methods, and budget management practices to test the perceptions of those interviewed during the consultations. The convergence of practice with perception would be the objective measure of the state of York's budget process.

As this report will demonstrate, internal consultation and data analysis revealed that there are a number of opportunities for significant improvement in York's current budgetary and planning processes. This review has resulted in a clear recommendation for change and the identification of an extensive series of steps that need to be implemented if York is to be able to meet the challenges ahead. The urgency of this matter will be clear upon review of the findings of the self-study. The report recommends a solution for York University based not only on what those involved in budget processes feel they need, but also on the experience of other institutions, the expertise of administrators from across Canada, and findings from higher education literature. We must transform the University's budgetary planning framework if York is to be able to respond to the needs of stakeholders and move forward with an ambitious plan for the future.

2.0 Executive Summary

York University, as many HEI's globally, is facing a challenge. The University has adopted ambitious Strategic and Academic Plans intended to provide direction as York heads into its 50th year in 2009. At the same time, however, it is forced to operate in an environment of decreased per student government funding, increased public scrutiny, and reduced flexibility. Student fees increasingly account for a significant portion of the revenue of HEI's which has led to strident demand that Universities be accountable to the public for what they do. At the same time, government has increasingly tied the money that it does provide to HEI's to specific public policy goals and objectives. York's ability to achieve its goals will depend in large part of how well its budget planning process and mechanisms are able to support the prioritization of initiatives, align increasingly limited resources with objectives, respond to pressures, and be accountable for results.

In order to ensure that the University is well-served by the structures and processes it has in place, the University embarked in February 2006 on a comprehensive review of its budget processes and mechanisms. Framed broadly as an intensive self-study exercise, the review involved consultation with 65 senior administrators from across the University about their understanding and experience with budget processes. Their perspectives were substantiated through a detailed analysis of 10 internal budget planning and process case studies.

The Review revealed a number of strengths related to the University's budget processes. The University is fiscally sound and accountable to the Board; it has good systems in place to support budget processes and understandable institutional level budget information; a great deal of thoughtful planning occurs at all levels of the organization.

However, the majority of the findings revealed significant deficiencies with the University's budget processes. York's budget processes were found to be; complicated, historically based, poorly understood, informal, disconnected and resource intensive. In particular, there is no formalized process that effectively links all of the planning activities at the University.

An analysis of external institutional experiences and higher education literature largely mirrored what the review's self-study found and provided further direction and clarity on the direction toward the recommendation for change.

The review made it clear that the status quo is not an option for York University. Substantial changes must be made to the budget and resource planning processes in order to allow the institution to move forward effectively.

The Budget Process Review Project has resulted in a single overarching recommendation:

York must implement a fully Integrated Resource Planning Framework

Integrated Resource Planning framework at York will ensure that the University's budget processes are closely coordinated with and explicitly linked to its academic and strategic plans and priorities. This framework will be defined by 4 key attributes. It will be:

- Transparent
- Documented
- Accountable
- Timely

The Budget Process Review identified 7 core characteristics listed below which must distinguish York University's Integrated Resource Planning Framework in order for it to be effective.

Characteristic 1: Budget process integrates institutional planning activities and aligns resources with institutional priorities

- Feature 1: Revenue allocation models are aligned with strategic priorities
- Feature 2: Business planning framework is developed to operationalize academic and strategic plans
- Feature 3: Position control is implemented for all employee groups to support planning, labour relations and institutional analysis activities

Characteristic 2: Budget process is multi-year focused

- Feature 1: 10 year (Long term) institutional plan is developed
- Feature 2: 4 year rolling plan developed at institutional and unit levels
- Feature 3: Budget cycles and timing are aligned to support processes
- Feature 4: Corridor performance funding framework implemented to provide budget stability for units

Characteristic 3: Budget process provides information to decision makers

- Feature 1: Participants are in possession of timely, relevant and accurate information
- Feature 2: Systems are in place to provide information
- Feature 3: Budget processes are simplified and understandable

Characteristic 4: Budget process is informed by key stakeholder input

- Feature 1: Platform(s) provided for input into budget assumptions
- Feature 2: Stakeholder satisfaction with process is assessed

Characteristic 5: Budget process is accountable

- Feature 1: Processes are formalized and documented
- Feature 2: Individual and committee authority and responsibilities are clearly defined and documented
- Feature 3: Relevant, timely, mandatory training program is provided that supports budget process and invests in workforce

Characteristic 6: Budget process is clearly articulated and communicated

- Feature 1: Durable records of budget planning, processes and information are created and maintained
- Feature 2: Budget planning understanding is strongly promoted to community through various Platforms
- Feature 3: Institutional adoption of formalized processes, policies and procedures

Characteristic 7: Budget process is evaluated, continuously evolves and manages risk

- Feature 1: Performance management system is implemented to evaluate institutional and individual performance to plan
- Feature 2: External and internal risks are monitored and inform process

The Integrated Resource Planning Framework will address the challenges and disconnects in York's existing processes that were identified during the review process. This framework will strengthen York's accountability to internal and external community members; support executive decision making by enabling institutional leaders to decide on priorities using limited resources; provide the means for assessing the alignment of opportunities with objectives; promote collective acceptance of resource distribution; and

ensure institutional efforts produce intended results. Change will bring York strongly in line with a number of institutions that have taken steps to address the same issues.

Building on the wisdom and energy resulting from the review there is a need to move forward immediately with implementation in the Spring of 2007.

3.0 Acknowledgements

A large number of people and their offices, from both within and outside York University, contributed to this budget review process. Without the dedication of time and thoughtful contributions from these internal and external members of the University community this report would not have been possible.

The University Executive Committee approved and supported the review:

Lorna R. Marsden, President and Vice-Chancellor
Sheila Embleton, Vice-President Academic
Stan Shapson, Vice-President Research and Innovation
Gary Brewer, Vice-President Finance and Administration
Robert Tiffin, Vice-President Students
Harriet Lewis, University Secretary and Legal Counsel
Richard Fisher, Chief Marketing and Communications Officer
Bob Gagne, Executive Director Computing and Network Services, Chief Information Officer
Ted Spence, Senior Policy Advisory to the President and Executive Director of Institutional Research and Analysis
Naguib Gouda, Executive Director Alumni and Advancement Services
Bud Purves, President York University Development Corporation
Paul Marcus, President and CEO York University Foundation

The Budget Process Advisory Group provided guidance and feedback throughout the project, as well as documentation, and access to individuals and groups across campus:

Members:

Gary Brewer, Vice-President, Finance and Administration (Chair)
Trudy Pound-Curtis, CFO and Assistant Vice-President Finance and Administration (Vice-Chair)
Ted Spence, Senior Policy Advisor to the President and Executive Director, Institutional Research and Analysis
Steve Dranitsaris, Senior Executive Officer, Vice-President Finance and Administration
David Thompson, Senior Executive Officer, Vice-President Academic
Donna Smith, Senior Executive Officer, Vice-President Research and Innovation
Kevin Wilson, Senior Executive Officer, Vice-President Students

Budget Advisory Resource Group:

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Megan Sheppard, Senior Financial Analyst, Office of Budgets and Planning
Sarah Cantrell, Senior Advisor, Institutional Budget Planning
Judy Horwood, Coordinator of Administrative Services, VPFA
Iris An, Intermediate Financial Analyst, VPFA

The Office of the Comptroller and the Office of Budget and Planning devoted countless hours to compiling data, producing reports, and responding to questions that emerged during the course of this review.

Sixty-five York University community members from the Divisions of the President and Vice-Presidents devoted time to the consultation process and provided thoughtful, comprehensive and candid feedback during the internal consultation process.

External university staff, provincially, nationally, and internationally, generously shared information and their insight on best practices and lessons learned from their own budget review and reform processes.

4.0 Budget Review Project Overview

4.1 Context

Section 4.1.1: Higher Education Context

Perceptions and expectations worldwide of higher education institutions (HEIs) have changed dramatically in recent years as a result of a number of pressures. These pressures have included: decreasing government funding to universities; substantial growth in the post-secondary sector; a growing recognition of the importance of tertiary education and the primary research conducted within HEIs to the economy; and increasing levels of funding from private sources (tuition and donations). All have fueled a growing demand for accountability.

Through the 1990s in Ontario, universities experienced substantial decreases in real dollars (adjusted for inflation) to their operating grants resulting in Ontario universities becoming the most poorly funded institutions, on a per student basis, in Canada (see appendix A). More recently, in response to significant increases in university enrolments, total public spending on higher education has increased, although funding per student has continued to decline (COU, 2006; appendix A). For government, as the proportion of the provincial budget spent on higher education has increased, so too has the pressure for a greater level of accountability around how that money is being spent. At the same time, (as a result of the increasing recognition of the importance of the university and its role in the creation and dissemination of knowledge to the economy), government has increasingly targeted portions of the money it provides to HEI's to specific projects and purposes. This money must be rigorously and separately accounted for.

The decline in per student public funding has set the stage for increasing levels of private support to universities through tuition fees and greater reliance on private donations and sponsorships. This marked shift in the balance between public and private funding sources has given rise to an increased demand from students, parents, and donors for a much greater level of accountability and higher expectations of post-secondary institutions (GUNI, 2006; Massy, 1996).

These factors have had a profound effect on universities and how they operate. Universities have had to rethink how they manage their operations, account for public dollars, and report on their activities in order to address the demands of the government and public. Universities must do more than simply fulfill regulated fiduciary responsibilities by implementing proper accounting practices and producing financial statements. They must account to all vested interest groups for what they do, demonstrate how they are going to support broader public policy goals, as well as achieve specific institutional goals with the resources provided to them. In the context of tighter revenues, the pressure on HEIs has been enormous to find more efficient and effective ways of managing the budget process in order to ensure long-term institutional sustainability while responding to the demands for public accountability.

The pressure for change has been felt worldwide. In *Higher Education in the World, 2006: The Financing of Universities*, the Global University Network for Innovation (GUNI) which is part of UNESCO notes that “[T]he dawn of the new millennium has brought a significant amount of new ideas on financing higher education. This has been the result of:...massive expansion of higher education in the nineties;...decreasing state finance;...(increasing) private sector financing in higher education;...inability of the government to bear the cost pressure; some of the costs are being shifted to the parents and students;...cost-sharing is making the public at large and the students and their parents in particular demand ‘value for money’;...diversification of funding sources away from the state...will increase the individual cost of higher education and widen the inequality of opportunities” (GUNI, 2006, page 3 and 4). In the United Kingdom, the Higher Education Funding Council for England [HEFCE] has produced a system-wide tool to help

address these pressures. It has developed guides for senior level university staff reflecting ‘good practice’ processes and providing a common set of budgetary principles designed to help administrators set up rigorous processes that are responsive to the HE context while supporting the unique mandate of their institution (HEFCE, 2000). American organizations such as the National Association of College and University Business Officers (NACUBO) have hosted conferences devoted to changing management practices and introducing new budgetary processes and models that will allow institutions to meet institutional strategic objectives and fulfill increasingly complex accountability requirements. The NACUBO 2006 conference, for example, showcased over 120 sessions that examined the tools and approaches some universities and colleges have used to more closely integrate their budgetary processes with the strategic and academic goals of their institution.

Some Canadian Universities have also moved toward responsive budget modeling, more sophisticated resource planning, and rigorous business planning frameworks. This has been particularly true in the west where the majority of universities publish either a Service Plan (e.g. the University of British Columbia and Simon Fraser University) and/or a Business Plan (e.g. University of Calgary, and University of Lethbridge), both of which types of documents clearly outline institutional goals and performance measures for internal and external audiences. Some institutions have gone as far as adopting fully integrated institutional planning models (e.g. University of Alberta, University of Saskatchewan). The majority of these documents and processes are a direct response to provincial reporting and accountability requirements and to the impetus within each of these institutions to better connect the university’s activities to its strategic goals.

Section 4.1.2: York Context

York has been subject to the same pressures as other universities. The costs of academic support have risen including academic salaries, benefits, research and library support and so too have infrastructure costs including deferred maintenance, capital development, technological upgrading and the cost of renovation and construction. York has had to manage this increased financial burden in the context of constrained funding. At the same time, it has had to adjust to an increasingly complex external funding environment. New monies have tended to be incremental and targeted to specific projects and goals such as ATOP, Collaborative Nursing, bilingual education and double cohort growth. This new funding has come with rigorous and discrete reporting and accountability requirements conforming to timelines that often bear little reference to other processes.

At the same time, the University is committed to pursuing an ambitious program of development and improvement. In the fall of 2000, the University’s Board of Governors, approved a Strategic Plan for York that outlined the following five specific goals that would take York to its 50th year:

1. realize our academic strengths in teaching and research through innovative programs and practices, focused research areas of excellence, and the best recruitment of faculty and students into our program areas;
2. accommodate our share of the demographic growth and the double cohort that will expand the university-age population;
3. adjust to the possibilities of the web, internet and many other promising media in our teaching, learning and administration of the university;
4. enrich our international context and contacts and extend our grasp of what globalization in other sectors means for the university; and
5. adjust to all the many pressures of the daily events and the regular cycles of sin and penance in the economy and therefore in basic operating grants.

Within this broader context, in 2005, the York University Senate approved a new University Academic Plan (UAP) that identified the academic priorities for York University for the period 2005-2010. The UAP priorities centre around eight key academic areas:

1. Research
2. Overall Size and Enrolment Planning
3. Graduate Education
4. Student Experience
5. Strategic Priorities in Health
6. Maintaining and Extending York's Distinctiveness
7. Identities and Reputations
8. Academic Governance Issues

The realization of this plan will require the mobilization of resources from across the University. We cannot expect to receive substantial new monies to fund the initiatives it intends to undertake. Nor does the University have significant pools of uncommitted monies that can be diverted to support new activities. Indeed, a significant portion of the monies York has are targeted to specific goals and objectives for which it is externally accountable. The context of increased public pressure for accountability and performance measurement is an essential factor limiting York's flexibility and increasing pressure on the resources the University does have. In this context, the pursuit of new goals and initiatives requires very careful planning. An environmental scan conducted as part of the Budget Review Project (appendix B) identified a number of specific factors that will impact York's budget processes over the next five to ten years.

A brief overview of a number of specific issues helps to underline the challenges that change entails.

Over the last five years, the accommodation of York's share of the double cohort growth that resulted from secondary school reform placed enormous pressure on the University. Faculty complement, student support, classroom space, student services, library resources, network infrastructure, student life, security, housing, food services, facilities maintenance, and parking were all affected. In the longer term, the culture of these new and younger students will have a lasting impact on how York recruits students and what the University will do to support their success once they are here. The experience placed strains on University resources and required York to consider how it can make the best use of what it has.

Moving forward, the University has embarked upon an aggressive program of graduate growth. This is requiring York to develop resource strategies to support new programs and expand existing programs, provide competitive funding packages with concomitant impact on how the University supports learning in the undergraduate classroom, hire new faculty, and accommodate pressure on space [office, research, studio and student life], library resources, and housing. Once again, this growth has implications across the University and necessitates a balancing act between aligning resources with the new goals and continuing to support existing functions.

A new Faculty of Health was created in 2006, with an ambitious set of strategic objectives. The creation of this new Faculty has at the same time given rise to a larger discussion around the restructuring of the other Faculties on the Keele campus. The realignment of Faculty budgets that logically flows from the movement of units and programs between the restructured Faculties cannot assume net new resources will be available to the University. This will force the institution to think about how it funds what it is currently doing, to ensure resources are appropriately directed to strategic priorities.

The University must also be responsive to external demands for change. At York as elsewhere, student fees have come to constitute an increasingly larger portion of the University's total revenue (47% in 2004-2005). This trend has given rise to student demand for increased accountability and a new approach to student

service. Students ask more questions, expect shorter line-ups, demand smaller class sizes, want more extracurricular activities, and are vocal in expressing their concerns. They feel strongly that they have a right to expect certain things of the education they are paying for and are ready to make demands of faculty and governance structures.

York must also be ready to respond to and support the vision of a new President whose term will begin in July 2007.

It is essential to recognize the urgency of this comprehensive self-study. York has ambitious plans that must be achieved in the context of tight resources and heightened demand for transparency, accountability and value for money.

York's ability to achieve its goals will depend in large part on how well its various budget planning processes and activities can support these goals. These processes and mechanisms must be able to facilitate the evaluation of limited resources, align resources with initiatives, and allow for the clear assessment of results.

4.2 Initiating the Budget Process Review Project

The Budget Review Project was recommended by the Vice-President Finance and Administration (VPFA) to the President in the summer of 2005. The VPFA was concerned that although strategic considerations influence the way money is allocated at York, budgetary processes and reporting mechanisms do not always make it easy to tie allocations and expenditures back to strategic goals. The existing budget processes and mechanisms may have been adequate in the past but are they as responsive as they need to be in light of the changing environment of higher education and growing pressures? The VPFA could not say with confidence that the budget process would effectively support the achievement of academic objectives in the future. In particular, the budget processes and mechanisms tend to compound the complexities of government funding and allocations making it particularly difficult to connect allocations and results. In the context of York's commitment to the restructuring of the Faculties on the Keele campus, ambitious Strategic and Academic plans, tight funding, and increased demands for accountability from government and the public, this was a serious concern. The President fully endorsed the recommendation of a review, recognizing the importance of the questions being asked.

The purpose of the York University Budget Review Project was to assess the extent to which the appropriate budget processes are in place to support the realization of the institution's plans given the current context of higher education. As part of this, its role was to determine the extent to which the University's budget processes are understandable, stable and transparent, and can demonstrate internal and external accountability.

Changes have been made in the past to discreet aspects of the budget process. On a number of occasions, there have been adjustments to how internal allocations were calculated and budgets were set. These changes produced important improvements to specific aspects of the budget process. In York's almost 50-year history, however, a comprehensive pan-University review of the framework for allocating and managing the University's resources has never been undertaken.

Section 4.3 Budget Review Team

The Budget Process Review was conducted under the immediate direction of the VPFA. A Budget Project Advisory Group (BPAG) was established to guide the work of the review and to ensure the integrity of the process while providing both an institutional and divisional specific perspective as well as objective input during the review. The seven core members of the BPAG are senior level members of the five Divisions at York, who were nominated by their respective Vice-Presidents or by the President.

Gary Brewer, Vice-President, Finance and Administration (Chair)
Trudy Pound-Curtis, CFO and Assistant Vice-President Finance (Vice-Chair)
Ted Spence, Senior Policy Advisor to the President and Executive Director, Institutional Research and Analysis
Steve Dranitsaris, Senior Executive Officer, VPFA
David Thompson, Senior Executive Officer, VPA
Donna Smith, Senior Executive Officer, VPRI
Kevin Wilson, Senior Executive Officer, VPS

A five-member resource group supported the work of the BPAG. This group included the Project Team:
Sarah Cantrell, Senior Advisor, Institutional Budget Planning (Project Manager)
Iris An, Intermediate Analyst, Office of Vice-President Finance and Administration

And three additional members who provided on-going advice and support:
Glenn Craney, Director, Institutional Research and Analysis
Megan Sheppard, Senior Financial Analyst, Office of Budgets and Planning
Judy Horwood, Coordinator of Administrative Services, VPFA

The role of the BPAG was to:

- Develop the principles that York's budget process would ideally conform to (frame of reference)
- Define the objectives of the Budget Review which took the form of developing a series of questions that the budget review needed to be able to answer as the starting point of its work
- Conduct an environmental scan to assess the challenges York's budget process needed to be sensitive to/aware of and able to respond to
- Mobilize access for the Budget Review Project Team to resources (people) and information from key areas across the University
- Provide institutional knowledge and perspective
- Identify case studies for the data analysis component of the review
- Interpret results from data gathering, testing ideas and findings
- Share information with relevant Vice-Presidents
- Assist in the development of recommendations for change

Section 4.4 Principles

At the outset of the Budget Review process, the BPAG identified what it considered to be the seven qualities that a strong and effective budget planning process should possess. This list serves as the Review's touchstone – the criteria against which York's current mechanisms and processes would be assessed. The qualities helped define the questions that framed the self-study phase of the project and ultimately helped to frame the Budget Review project's recommendations.

The BPAG determined that an effective budget process should:

- Support and enhance the achievement of objectives set out in strategic plans at the institutional/divisional/unit levels (i.e. get the University to where it wants to be)
- Provide a stable, predictable and timely basis for multi-year budget planning at institutional/divisional/unit levels
- Provide for accountability at institution/divisional/unit levels
- Provide for appropriate communication to the York Community to facilitate an understanding of budget plans
- Foster the efficient/effective use of resources
- Appropriately reflect risk management considerations
- Reflect the uncertainty inherent in key assumptions and processes

Section 4.5 Objectives of the Review

The BPAG defined a series of broad questions that needed to be answered in order to determine whether York's budget planning processes accommodate the above criteria. These questions fall under four broad categories; Strategic Alignment, Transparency and Clarity, Support for Planning and Risk Management, and Accountability:

Strategic Alignment

- Can budget processes/results be tied back to strategic university objectives?
- Do processes allow for the redistribution of funds to support shorter and longer term strategic directions?
- Is York maximizing opportunities with its current revenue base?

Transparency and Clarity

- Are York's budget processes understandable at all levels? Are they clearly articulated? Do they accomplish the goals of the University?
- Are budget processes transparent?
- Can processes be simplified?

Support for Planning and Risk Management

- Do processes provide individual units and the University with a stable and predictable basis for multi-year budgeting?
- What is an appropriate budget planning horizon for the University?
- Do budget processes provide the appropriate level of risk management for the University?
- Do processes provide for flexibility to make decisions within an appropriate risk management framework?

Accountability

- Do budget processes facilitate/support internal and external accountability?
- Are budget monitoring and accountability measures in place?
- Do processes facilitate identification of line accountability?
- Is there an appropriate relationship between allocations and expenditures?
- Is there an appropriate reward or penalty regime in place for achievement of, or failure to, meet objectives?

Importantly, the answers to these questions were envisaged as the starting point of the review. If the answers to the questions above were largely affirmative, the review would be unnecessary and the VPFA would be

able to report to the President that York University had the necessary budget processes in place and was well prepared to meet the challenges of the coming years. A negative response to these questions either in whole or in part, or an inability to answer these questions, would suggest that change was required – perhaps urgently.

Section 4.6 Structure of the Review

The BPAG assessed the work that the Review needed to accomplish and identified four discrete phases. These phases are outlined in Table 1 below.

Table 1: Budget Review Project Phases and Critical Elements

Critical Elements
<p>Project Start-up</p> <ul style="list-style-type: none"> • Establish Advisory Group and Advisory Group mandate • Develop Principles to Guide Project • Identify Objectives of Project • Conduct Environmental Scan
<p>Phase 1: Self – Study</p> <ul style="list-style-type: none"> • Part A: Internal Consultations - perceptions of and experiences with current processes and practices • Part B: Internal Data Analysis – policies, procedures, processes, allocations
<p>Phase 2: External Information Gathering and Analysis</p> <ul style="list-style-type: none"> • Part A: External Institution Consultations and Information Gathering • Part B: Literature Research - theoretical perspectives
<p>Phase 3: Reporting and Recommending</p> <ul style="list-style-type: none"> • Develop recommendations that address issues from internal data gathering, incorporate external institution experiences and best practices, and consider literature findings • Table draft recommendation framework with UEC for approval • Communicate draft recommendation framework to community • Submit draft report of findings, best practices and recommendations to BPAG for review • Circulate report of findings, best practices and final recommendations to UEC then to community
<p>Phase 4: Implementation and Evaluation in a Process of Continual Improvement</p>

Phase 1: Self-Study

The Budget Review Project was framed in its first phase as a two-part self-study that would address the essential questions outlined above in section 4.5. The crucial self-study phase of the project was intended to provide a clear and comprehensive understanding of current processes and how well they are working.

Phase 1, Part A: Self-Study, Internal Consultations

Part A entailed an extensive set of interviews with senior administrators from across the University. The goal was to understand how those who have significant budgetary responsibilities perceive and experience the budgetary process. Interview participants were asked a series of detailed questions designed to get at the heart of how the budget process functions across the various Divisions and within Divisions of the University. The Project Team sought to understand from the perspective of those required to operationalize components of the budget, what works well and what does not; to get at the stresses and strains these

administrators have confronted; and to discuss what, from their perspective, might be improved. This consultative phase was intended to uncover the working reality of the budget from different levels and perspectives. It would clarify the extent to which – in the opinion and experience of key administrators – York possesses the budgetary mechanisms and frameworks required to support ambitious institutional plans in the context of increasingly complex and constraining circumstances.

Consultation with key York stakeholders was essential to identifying the problems, issues and gaps associated with York's current budget processes. The responses from the internal consultations would be a key driver for change, clarifying the extent of the challenges facing the University. The BPAG identified 65 senior administrators from across campus who should be interviewed. Interviewees came from all Divisions, ensuring representative feedback. All those interviewed occupied positions with significant budget responsibility. They included Administrative Officers, Directors, Executive Officers, Deans, Associate and Assistant Vice-Presidents, Vice-Presidents and the President.

The VPFA and Project Manager met with the same 65 senior University administrators following the conclusion of the initial round of interviews to share with them the themes and issues that had emerged from the self-study internal consultation phase. This was designed both to ensure the integrity of the process and to continue to engage participants in the Review Process.

Phase 1, Part B: Self-Study, Internal Data Analysis

Part B of the self-study phase was designed to provide an objective assessment of the internal perceptions gathered during the Phase One interviews. Based on the specific concerns highlighted in the consultative phase, the BPAG identified a series of key areas for further study. The goal was to 'test' the perceptions and experiences expressed by the community against the data relating to specific budgetary processes and functions. Convergence of evidence with opinion would confirm objectively the extent and nature of the challenges facing York and define what needed to be improved. Sometimes, opinions are formed that are unfounded or misinterpret the cause of a perceived problem. Part B – the data analysis component of the self-study - was designed to provide a safe-guard against this and to ensure that the Project Team was able to provide responses to the questions posed at the outset of the review process that were as accurate and well founded as possible. The results of the self-study would determine the direction of the remainder of the project.

The impetus to this review was a concern that York's budgetary processes did not function as effectively as the future will require. As this report will indicate, the self-study phase did identify a number of specific opportunities for improvements to York's budget process. Key findings from Phase One, Part A and B are summarized in section 5.0 of this report.

Phase 2: External Information Gathering and Analysis

York is not unique in questioning whether its budget processes are equipped for the environment in which it finds itself. Other institutions – especially in western Canada and the United States – have embarked upon similar reviews of, or changes to their planning and budget processes in response to many of the same pressures that York faces. Phase Two of the Review Project was designed to provide externally generated information on possible models for reform. The Project Team and BPAG members met with and studied the experience of other universities to analyze the problems they had encountered and to assess how effectively the new processes they had put in place had met their goals: it would draw on the lessons learned at other institutions and the informed assessments of their key personnel. At the same time, the Project Team, and through it the BPAG, would review the existing literature as both a way of understanding York's current situation and building a roadmap for the future. Phase Two of the Budget Process Review was designed to provide the opportunity: (1) to talk to other institutions about what they are doing, what has worked for them,

and about lessons learned and; (2) to look at documentation that supports their budget and planning processes.

Phase 2, Part A: External Information Gathering and Analysis, External Institutions

The Project Team looked at 39 institutions in total; 18 Canadian Institutions, 20 American institutions, and 1 International institution (the majority of international HEI information is included in the literature review section of this report). After an initial review of documentation from these institutions, budget processes from 15 of the 39 institutions were explored further. BPAG and Project Team members collectively interviewed senior administrators from these institutions. Well over 100 documents were collected and analyzed as part of this phase. The institutions studied and the documents reviewed are identified in appendix D.

Of the institutions interviewed, all had a self-conscious recognition of the importance of having mechanisms in place to support their budget and planning processes in the context of the changing internal and external climate. Some were well along in the process of adopting new budgetary and planning models; others were actively engaged in the process of changing; while a number were actively evaluating current systems and establishing the need for change.

The purpose of the interviews with senior administrators at other institutions was to understand in greater detail and specificity:

- What budget processes these institutions have in place (and for how long)
- How these institutions are responding to internal and external pressures
- How well institutional budget processes support the university's strategic objectives
- How institutional budget processes are resourced
- How well these processes work
- What they would change about their processes
- Would they recommend their approach to others
- How budget processes and decisions are communicated

The majority of the material reviewed was available on institutional web sites. Additional documentation not available publicly was generously provided to members of the BPAG and the Project Team by institutions to support York in its review process. This institutional level material included: business plans, budget planning documents, budget frameworks, financial statements, budget reports and presentations, discussion papers, budget guidelines, multi-year budget papers, strategic plans, budget review reports, enrolment frameworks, and progress reports/report cards.

From the external documentation, the Project Team assessed what overall processes were in place and evaluated how other institutions:

- Link their budget processes to strategic and academic objectives
- Develop key planning documents to support their budget processes
- Communicate various budget processes, practices and policies
- Establish performance measures and report their performance
- Decide what documentation is available publicly

The answers to the interview questions and the information provided from the documentation allowed the Project Team to learn from the extensive and thoughtful experience of a wide variety of higher education institutions. Key findings from Phase Two, Part A are summarized in section 6.0 of this report.

Phase 2, Part B: External Information Gathering and Analysis, Literature Research

There is an extensive body of literature that looks at how HEIs are responding to the pressures and challenges that are now confronting them. Much of this focuses specifically on resource planning. The

literature throws into relief the findings of the Budget Process Review's self-study and what the Review learned from other institutions. The literature provides a critical and unbiased perspective on institutional best practices and tried courses of action from which York can learn. Key findings from Phase Two, Part B are summarized in section 6.0 of this report.

Phase 3: Reporting and Recommending

Phase Three of the Review Project involved the development of recommendations to address the particular issues that emerged from the self-study phase of the project, based on a careful analysis from Phase Three of experience elsewhere and the literature on University budget models. It was essential to the integrity of the Review process that Phase Three be highly consultative – emphasizing the need to establish the basis for an on-going dialogue around the University's budget and the opportunity to build capacity and a sense of engagement in the change process.

The VPFA (on behalf of the Project Team and BPAG) presented the draft recommendations to the University Executive Committee; to the Finance and Staff Resources Committee of the Board of Governors; and to the original 65 participants in the self-study process. At each stage, the goal was to engage in a full and candid discussion of the recommendations in order to ensure that they accurately responded to the concerns of the University community.

Following this broad consultation, a draft report incorporating the recommendations that had been circulated to the community was prepared by the VPFA with support from the Project Team and shared with the BPAG for input and comment. The final report was forwarded to the UEC for review prior to proceeding to the Implementation Phase.

Phase 4: Implementation and Evaluation in a Process of Continual Improvement

The circulation of the report to the community will begin the Fourth or Implementation Phase of the project. The first step in this phase will be the establishment of an Implementation Team which will develop a concrete plan for what can realistically be achieved within specific timeframes. This must involve a careful assessment of the capacity within specific areas across the University, the identification of champions who can support the change process, and consultation with subject matter experts in a variety of fields to identify what changes need to be made to facilitate the implementation of the Review's recommendations. Change of the magnitude envisaged is necessarily evolutionary. The Implementation Team will ensure that the Budget Review recommendations are implemented in a logical, incremental manner that draws the entire community into the process, building capacity, and developing an appetite for its completion.

An essential component of the implementation process must be the creation of a continuous loop of evaluation and assessment. This self-conscious and critical approach will serve to ensure that the changes being made actually achieve their intended objective and will allow for adjustments and changes to be made to ensure the maximum effectiveness of the process.

5.0 Key Findings - Phase One: Self-Study

5.1 Part A: Internal Consultations

A standard set of questions was developed by the BPAG for all 65 participants. A list of the participants interviewed is included in appendix C.

1. How would you characterize existing budget processes at York University?
2. Do you feel that the current budget processes and mechanisms provide a stable and predictable foundation for your budget planning purposes?
3. Do you have any concerns surrounding the current budget allocations and processes?
4. In your opinion, are there impediments from a budget planning point of view that interfere with your ability to meet strategic objectives?
5. Do you have the tools that are needed to manage your budget effectively?
6. What are allocations to your unit/Division/Faculty based upon?
7. Do your allocations align with the revenue generated and expended?
8. Are there clear links between budget, enrolment and complement (or related) planning?
9. Can you identify disconnects with current planning and budgeting processes?
10. Do you have budget monitoring and accountability measures in place? What are they?
11. Are your allocations in-line with your strategic objectives?
12. Are your expenditures in-line with the allocations you receive?
13. Do the budget processes help enhance accountability?
14. What source(s) do you obtain University budget information from?
15. Does York communicate its budget effectively?
16. What budget processes do you feel work well at York?
17. Do you think there are areas of missed opportunities?
18. What are 3 or 4 things that can be improved upon related to budget processes?

These questions were designed to encourage participants to discuss their experience in concrete and specific detail focusing on all aspects of the existing budget process including strategic goals, planning, priorities, accountability, resource allocation, budget tools, communication, flexibility, feedback mechanisms, continuity / stability, disconnects, frustrations, challenges, and opportunities.

The interviews were conducted largely as small group sessions: in total 49 sessions were conducted (48 in person and 1 teleconference) involving more than 70 hours of direct discussion. To ensure the integrity, objectivity and accuracy of the record of the consultation process, during the interviews notes were taken independently by two people, checked for consistency and combined. When discrepancies occurred, the original subjects were contacted for clarification and the records were adjusted accordingly. In addition to direct consultation, a handful of those interviewed also provided written responses to the questions. In preparing the presentations of the consultation findings, individual responses have been kept confidential. Instead, what has been shared in presentations is a summary document identifying common themes and perceptions.

Key findings:

BPAG members were struck by the candour with which participants responded to the interview questions. Through the consultation process, participants appeared to gain confidence that the Review was meaningful and would lead to concrete change. Increasingly, they spoke with honesty and forthrightness about their frustrations and challenges.

Early in the internal consultation process, a number of themes began to emerge. These were relatively consistent across Divisions. The summary below represents the views expressed by a majority of

respondents (minimum of 60% of those interviewed). It is important to emphasize that these themes emerged from participants' comments and are not the result of the interviewers attempting to impose coherence on what they heard.

The themes that emerged from Part A of the self-study process fell into three broad categories; strengths, deficiencies, and disconnects in the budgetary process.

1) Themes related to the strength of York University's existing budget process:

- ◆ Multi-year budgeting at the institutional level is done well
- ◆ The University is accountable to the Board of Governors
- ◆ Capital planning is done well
- ◆ The University is fiscally sound
- ◆ Institutional -level budget communication is done well. University-level budget presentations are helpful, understandable, transparent
- ◆ Budget tools (e-report system) support the budget process
- ◆ The Finance Division provides additional informal community support

2) Themes related to deficiencies in York University's existing budget process:

York's budget processes are:

- ◆ complicated
- ◆ resource heavy
- ◆ not timely
- ◆ historically based
- ◆ individualized, not consistent
- ◆ incremental
- ◆ inflexible
- ◆ unsupportive of change
- ◆ centralized in authority and devolved in accountability
- ◆ poorly understood
- ◆ arcane
- ◆ lacking in transparency
- ◆ predominately informal
- ◆ disjointed
- ◆ competitive rather than cooperative
- ◆ short term
- ◆ siloed

More particularly, respondents commented that:

- ◆ There is a lack of understanding of budgets at all levels
- ◆ Budget management training is needed at all levels
- ◆ Leaders are not given the tools necessary to communicate University positions on issues related to staff, faculty etc. in an environment where the community is exposed to numerous external sources of information
- ◆ Process works well because of people in positions not because of the integrity of the process
- ◆ Key stakeholders are not involved in any meaningful way in budget planning and priority setting
- ◆ Budget and planning information comes in bits and pieces
- ◆ Funding does not recognize the uniqueness of Faculties

- ◆ Funding reinforces current inequities
- ◆ Changes to processes are not communicated
- ◆ The relevancy of budget information below the university level is poor, no information on Divisional allocations is provided
- ◆ There are no clear performance measures for internal use of funds – funds are fungible
- ◆ There is no reward/penalty regime for budget performance – budgets are notional
- ◆ There are no metrics for accountability for internal allocations
- ◆ Finance fails to provide timely and accurate information, resulting in the duplication of effort at the unit level
- ◆ Increments are not completed in timely manner
- ◆ PBA is not an effective budget communication tool

3) Themes relating to the presence of disconnects in York University’s Budget Process:

- ◆ No institutional business planning exists to operationalize the UAP. No Divisional plans exist to operationalize the UAP. Existing unit plans have no formal mechanism to connect/integrate with institutional plan and objectives
- ◆ Institutional goals are individually interpreted and implemented
- ◆ Divisions and units invest in key priority areas according to individualized plans and priorities.
- ◆ Planning, decision and allocation processes are not connected
- ◆ Existing process does not provide platform for meaningful, tough discussions and decisions to be made
- ◆ Decisions are resource based not strategically based
- ◆ Processes do not provide mechanisms to support institutional initiatives
- ◆ Difficult to align budgets with strategic objectives
- ◆ Imposition of across the board budget cuts is counter productive to the achievement of strategic priorities
- ◆ Strategic objectives are not prioritized within the budget process
- ◆ Disconnect exists between expectations of budget management and timeliness of critical information required to do the job
- ◆ Disconnect between expectations for growth and lack of up front financial commitment to support growth
- ◆ University budget deadlines and information required to fulfill requirements are not provided to the community in a timely manner

Tie- back discussions

Following the initial interviews, the Project Team developed a presentation that summarized the themes that had emerged during the initial interviews. This was presented to the 65 original participants in a second round of meetings. The goal of these tie-back presentations was to provide participants in the self-study with an opportunity to correct misapprehensions and to comment on the themes that had been identified. At the same time the meetings provided a platform to engage the community further in the process and to update participants on the progress of the review.

The outcome of this two-stage consultation process was a clear and consistent call for change. The consistency with which those consulted identified deficiencies and disconnects in the budget process was striking. The community demonstrated a strong appetite for change that went beyond simple tinkering with current processes. Some participants framed this as an imperative, observing that “if we don’t change the way we do things, York is destined for mediocrity” and will continue “to work at cross purposes” with itself.

5.2 Part B: Internal Data Analysis

The BPAG identified 10 internal budget case studies to be analyzed as part of the self-study phase of the Review. The case studies are summarized in Table 3 below.

Table 3: Internal Data Analysis - Budget Processes Examined

Budget Process - Case Studies	
<i>Note: For the purpose of consistency, financial data from 2004-2005 was used for all cases unless otherwise indicated. 2004-2005 was chosen as the "sample year" because complete internal financial information was readily available for that year at the start of the Budget Review Project.</i>	
1.	Institutional: Overall Revenue, Allocations and Expenditure Analysis
2.	Institutional: Budget Cycles/Communication
3.	University Twin Pillar (Enrolment Growth Model) and related funding models
4.	Ancillary fee allocations (ancillary protocol)
5.	a) Deregulated Fee distribution
	b) International Fee distribution
6.	Capital Planning
	a) New Project – Technology Enhanced Learning Building
	b) New Project – Computer Science and Chemistry Building
	c) Ripple – Health, Nursing and Environmental Studies Building
	d) The Pond Road Residence (ancillary)
	e) Deferred Maintenance – process
7.	Research: Direct and indirect support at institution/division/unit levels
8.	BIU analysis - look at time series ('95, '00, '05)
9.	a) Application Fees (OUAC etc.)
	b) Associated course fees
10.	New Program Development Process

The findings arising from Part B of the self-study phase are the product of a lengthy and careful analysis of the case studies noted above. In conducting each case study, the Project Team worked closely with the other BPAG Resource Group members to review all relevant information (budgetary data, policies, procedures) and to prepare a thorough analysis. The results of this analysis were presented to the BPAG which devoted many weeks to its review and assessment. As required, the BPAG Resource Members conducted additional data analysis to test findings and confirm analysis. The BPAG compared the internal case studies findings to the themes that had emerged from the internal consultations. The key findings associated with each case study are outlined below.

Case 1: Overall University Revenue, Allocations and Expenditure Analysis

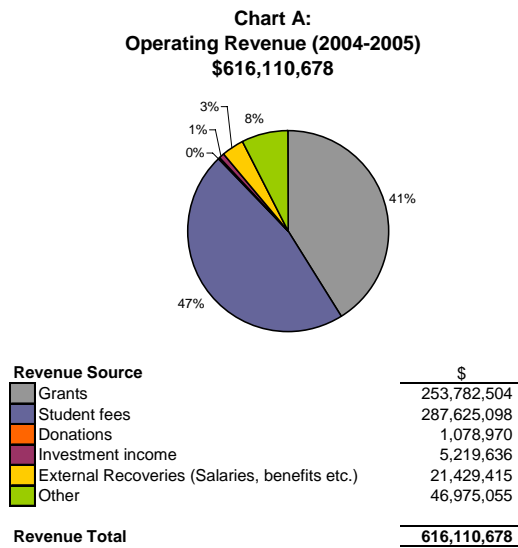
Data Examined:

- Sources of revenue and expenditure by type at the institutional and Divisional levels for 2004-2005.
- University and divisional budgetary results/performance (e.g. carryforwards)
- University allocations to divisions and allocation type to divisions (base/one time only - OTO)

Findings:

1.1 **This case emphasizes the size and complexity of the University budget. It also reinforces what is known regarding sources of revenue: student fees represent the largest source of the University’s income. This situation emphasizes the need for sound enrolment planning and management to support the budget planning process and maintain York’s fiscal soundness.**

Chart A – University Operating Revenue by Source

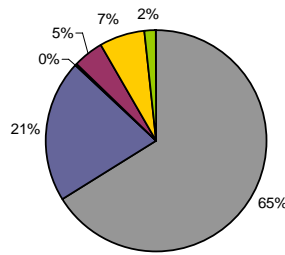


Note: Other revenue source includes deferred capital contribution
land sale, rentals, leases, sponsorships etc.
Source: York University PBA and E-Reports

- 1.1.1 Chart A illustrates that the University’s total operating revenue in 2004-05 was \$616,110,678.
- 1.1.2 Tuition fees are the largest source of revenue for York University, followed closely by government grant income. The balance of revenue sources highlights the University’s need to be accountable to a large number of interest groups e.g. students, government and the broader public.

Chart B University Expenditure by type

**Chart B:
Operating Expense (2004-2005)
\$593,828,442**

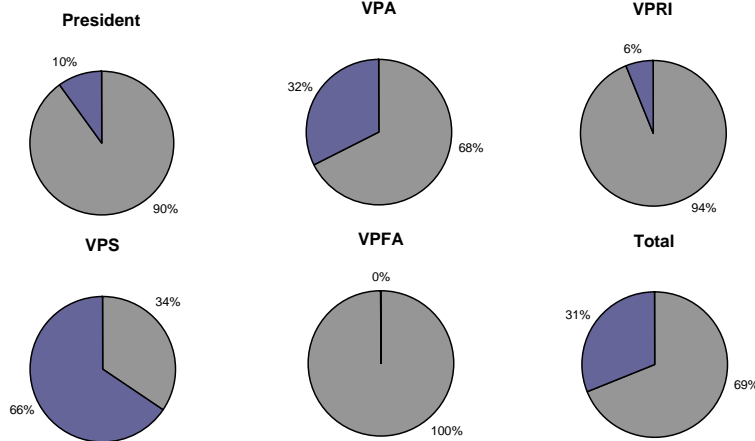


Expense Category	\$
Salaries and benefits	392,307,379
Operating costs	124,017,989
Cost of goods sold	935,045
Taxes, utilities & space rental	26,999,632
Scholarships & bursaries	38,855,704
Interest on long-term debt	10,712,693
Expense Total	593,828,442

Source: York University PBA and E-Reports

1.1.3 Chart B illustrates that salaries and benefits represent the largest portion of University expenditures but there is no formal central staff (academic and non-academic) position control system at the University to estimate salary projections for budget planning purposes for all employees and employee groups at York (e.g. no way to determine whether the proportion of budget expenditures on staff salaries in 2004-2005 reflects the intended expenditures).

**Chart C:
BASE and OTO Allocations to Divisions (2004-2005)**



	BASE	OTO	Total
Division of the President	\$ 24,823,728	\$ 2,735,649	\$ 27,559,377
Division of VPA	\$ 211,775,281	\$ 101,638,437	\$ 313,413,718
Division of VPRI	\$ 4,584,856	\$ 293,216	\$ 4,878,072
Division of VPS	\$ 19,586,747	\$ 37,386,552	\$ 56,973,299
Division of VPFA	\$ 55,404,546	\$ (1,176)	\$ 55,403,370
Total	\$ 316,175,157	\$ 142,052,677	\$ 458,227,834

Source: York University E-Reports

- 1.1.4 The University allocated \$517,621,886 to Divisions and the General Institutional fund in 2004-2005. Of the \$517.6 million, \$458.2 million was allocated to Divisions and the balance went into the General Institutional fund. Chart C illustrates that the University allocates a significant portion of revenues to Divisions on an OTO basis. 69% of the total amount allocated in base and 31% of total amount allocated on an OTO basis. In 2004 over \$140 million was allocated to units on an OTO basis by the University. This type of annual allocation method is labour intensive, complex and difficult to track. The level of in-year allocations requires an incredibly high level of university resources to manage, and the OTO nature of allocations makes longer term planning difficult because of a perceived lack of stability in the resource base. The level of OTO funding varies by Division and is illustrated in Chart C.

Case 2: Budget Cycles and Communication

Data Examined:

- Institutional and divisional budget cycle information e.g. timing of budgetary decisions and allocations (base and OTO).
- How institutional and divisional budget cycle information is communicated.

Findings:

2.1 This case highlights the lack of system and standardization in the budget cycles.

- 2.1.1 Budget cycles are Divisional specific. There is no institutionally recommended/mandated process for the timing of reports and related meetings (i.e. quarterly budget meetings, committee review), each Division is managed independently.
- 2.1.2 There are no clear institutional reporting requirements for Divisions on allocations.
- 2.1.3 Budget cycle information focuses on in-year planning.
- 2.1.4 Budget information and allocations comes in many bits and pieces. This adds complexity to the budget process (tracking and managing information becomes difficult).
- 2.1.5 Base allocations are made at the beginning of the fiscal year. The majority of OTO funds and OTO adjustments are distributed/processed at the end of the year.
- 2.1.6 Budget cycles support the theme that up front commitment to support growth is not optimal.

2.2 This case underlines that there is no clear communication process around budget process.

- 2.2.1 One comprehensive budget cycle communication document does not exist. The only formal communication that is sent late in the budget year by Finance relates to the budget submission and year-end exercise. Divisions do not send out budget planning documents to their units at the beginning of the year.
- 2.2.2 Allocation approvals are not standardized, central receives the 'go ahead' in different forms (e-mails, phone calls, memos) and processes allocations based on this information.
- 2.2.3 Budget and planning communications are Divisional specific. Communications are not standardized: take many different forms (meetings, notes, e-mails, memos).
- 2.2.4 Volume of paperwork and transactions associated with current processes are astronomical and are focused in a short time frame (end of the year).

Case 3: University Twin Pillar (Enrolment Growth) Funding Model

Data Examined:

- How the government accessibility funds were allocated to Divisions by the University using the University Twin Pillar Model – Enrolment Growth Model.
- How the Academic Division allocated accessibility funds to the Faculties.
- OTO and Base Funding in VPA Division.

Note: The UTP model was created in 2001 to support the enrolment growth related to the ‘double cohort’. Assumptions in the model were created and agreed upon by people in key positions in VPFA and VPA offices and approved by UEC. The UTP has a number of complex formulas related to the main drivers in the model: faculty complement (and related support resources) and capital expansion required to support the student growth.

Accessibility Funds flowed to York by the government and related tuition fees are run through the model, and create pots of money to support: faculty complement, administrative staff, building, student support, and inflationary costs related to growth. The majority of the allocations are formulaic and automatically calculated with the exception of the administrative staff pot.

Findings:

3.1 This case highlights the complexity of the budget allocation process at the University level and how this complexity is compounded in the Academic Division through Faculty allocation processes.

- 3.1.1 The UTP is a complex budget planning model that allocates revenue based on an agreed upon set of assumptions (e.g. full-time and part-time faculty and staff costs, student support, and space/capital expansion) established to support the double cohort growth.
- 3.1.2 There is an additional approval process when incremental funds are available from the ‘administrative pot’ (funds are not always available). When funds are available, Divisions draw up proposals requesting funds from the administrative pot and submit them to UEC for approval. Once the UEC makes its decisions, the revenue is allocated to Divisions in base. For some Divisions (e.g. Research and Innovation, Finance and Administration, President), the administrative pot is the only source of incremental revenue to their operating budgets.
- 3.1.3 The complexity of the UTP model is compounded further in the Academic Division by the complex distribution model used to fund Faculties. The UTP model allocates funds to the Academic Division on a faculty complement basis. These funds are then distributed to Faculties on a student growth FFTE basis. The VPA Division runs analysis on the FFTE funding basis against their Twin Pillar model (VPA TP - - using similar assumptions in UTP model) to test whether Faculties are being over or under funded using the FFTE model versus the VPA TP model. Faculties that are over funded using the VPA TP assumptions retain their overage, and those Faculties that are under funded using the same assumptions are eligible to receive a “top up” from VPA if funds are available.
- 3.1.4 VPA allocations to Faculties are summarized on individual growth sheets that incorporate UTP revenue.
- 3.1.5 UTP analysis highlighted the large amount of OTO transfers that occur on an annual basis (over \$105 million in VPA Division alone), and the substantial amount of resources (time and human) that it takes to track and process these OTO allocations.
- 3.1.6 The UTP model distributes resources based on specific assumptions, however, no specific internal accountability or performance measures are tied to the Divisional allocations for this revenue source. There are various reporting mechanisms (VPA to Senate on faculty complement,

Deans to VPA on Enrolment Plans and Rolling Budgets, VPFA to BOG on capital etc.) that occur at various levels, but there is no University required reporting mechanism for Divisions to account for the allocations they receive as part of the Twin Pillar model (e.g. number of staff, faculty, capital etc.).

3.2 The case highlights the disconnects between budget planning and the enrolment process.

- 3.2.1 Tracking the UTP revenue is a particularly time consuming process for staff in Finance and the office of the VPA. It is difficult (takes time) to reconcile one distribution model against another (involves a significant number of cost centres and processes that borrow from one to fund to another) as they do not align.
- 3.2.2 Allocations to Faculties from the growth sheets occur at the end of the fiscal year (in April). This supports the theme that allocations are not done in a timely manner. The time of year when the allocations do flow is a very busy time of year for all units across campus and this has a negative influence on the ability of units to plan effectively.
- 3.2.3 Gathering the information related to this case study strongly supported the theme that budget information is distributed in bits and pieces and is disjointed.

Case 4: Ancillary Fees

Data Examined:

- How ancillary fee rates are set, collected, allocated and expended.

Findings:

4.1 Study shows ancillary allocations are complex and are based on historical norms.

- 4.1.1 The University collects ancillary fees from students on a per credit basis. In 2004-05 the University collected \$19.9 million in ancillary fees (represents 3% of the University's revenue in 2004-05). Fees collected are based on the University's Ancillary Fee Protocol (BOG approved), which is in accordance with the Ministry Guidelines for setting such fees.
- 4.1.2 The ancillary fees are targeted to support the costs of a number of activities including; convocation, Office of the Ombudsperson, student space, technology, counselling, cultural (student community), athletics and recreation and associated overhead. The University allocates ancillary fee revenue to units and Divisions on the basis of a complex set of formulas established in 1992-1993.
- 4.1.3 Internal reporting and accountability measures need to improve for ancillary fee revenue allocations and expenditures.

Case 5a: Deregulated Tuition Fees

Data Examined:

- How deregulated tuition fees are collected by the University and how they are allocated to Faculties.

Findings:

5a.1 The case study highlights a lack of formal documentation to support the process of deregulated fee allocations.

- 5a.1.1 The University collected \$28.6 million in deregulated fees in 2004-05 from three Faculties: Osgoode (LLM), Schulich (MBA, MPA and IMBA), and Atkinson (MHRM).
- 5a.1.2 There is no formal documented policy on the distribution of deregulated fees. Standard practice has developed around how deregulated fees are shared.

- 5a.1.3 Faculties receive the deregulated portion of tuition fees (minus any applicable Tuition Set Aside funds). The revenue associated with deregulated programs is not part of the individual growth sheets.
- 5a.1.4 Graduate Studies receives a portion of the tuition fees at the end of the fiscal year from all graduate programs for student support and these funds are summarized on their growth sheets.
- 5a.1.5 Timing of allocations to Faculties varies based on individual practice.

Case 5b: International Tuition Fees

Data Examined:

- How international (undergraduate and graduate) tuition fees are collected by York and how they are allocated to Divisions/Faculties.

Findings:

5b.1 The case is a concrete example that shows how complex the University distribution of funds can become as the revenues filter down from the central budget.

- 5b.1.1 \$23.8 million in undergraduate and \$5.15 million in graduate international fees was collected in 2004-05.
- 5b.1.2 Formulae for the distribution of international fees is not documented well.
- 5b.1.3 International fees are a significant part of the University's incremental revenues in its budget plan.
- 5b.1.4 International tuition fees are distributed on four different bases: (1) pre '97, (2) '97-00, (3) 00-01 to 04-05, (4) 05-06 and beyond to Divisions. Enrolments up to '97 levels provide revenue that funds historical base budgets at the University. From 1997-00, international tuition fees were allocated by the University on a FFTE basis. The University integrated international growth over 2000 levels to 2004-05 levels into the University Twin Pillar model to support the double cohort growth. The increased fee over 04-05 levels went towards budget pressures.
- 5b.1.5 Within the Academic Division, Faculties are allocated International growth fees based upon the University's 97-00 distribution model which creates a disconnect between the University and Divisional funding models.
- 5b.1.6 The Division of Students, York International and the Library receive a portion of the international fees based on the 97-'00 University distribution model.

Case 6: Capital

Data Examined:

- Relationship of various capital projects/processes and the operating budget
- 4 capital projects (2 new academic buildings – TEL and CSE, the HNES ripple and one new ancillary building – PRR) were examined as part of this case study.

Findings:

6.1 The case illustrates that the capital budgeting process is not communicated well to the larger York community and the relationship between capital costs and operating budgets is not clear.

- 6.1.1 New capital projects are supported by external and internal funds. The University finances its capital projects in five main ways (and various combinations of financing): 1) through external borrowing; 2) external donations; 3) government grants; 4) internal debt financing; and 5) University cash resources.

- 6.1.2 The capital planning and budgeting process is understood well at the Institutional and Board level. The University Capital Plan 2000-2010 outlines the background and context for planning, cost and categories of projects, clarifies the status of projects, and identifies short and long term projects with estimated costs of capital projects and deferred maintenance items.
- 6.1.3 Academic capital projects have an impact on the University's operating budget. Mortgage/debt financing payments are paid from the University's operating budget (debt servicing represents 10% of the total budget). When there are cost overruns or revenue sources fall short of planned levels, the university has to absorb the difference through its capital reserves or adjustments to debt servicing costs in the budget.
- 6.1.4 The cost of debt servicing the buildings is included in the University budget plan, however, the relationship between capital and operating budgets is not explicit.
- 6.1.5 Communication of capital budget decisions is not clear to the community.

Case 7: Research: Direct and Indirect Support at Institution/Division/Unit Levels

Given the scope of this case study and the amount of analysis required to undertake a review of research spending and support at York University, this case study was undertaken in the form of an audit by the Internal Audit Department. The results of this audit will be reported through the normal channels to the Board Audit Committee.

Case 8: Basic Income (BIU) Analysis

Data Examined:

- A time series analysis (2000-2001 and 2004-2005) of BIU and fee income generated by each Faculty and compare it to the allocations flowed to Faculties in that year.
- Undergraduate and Graduate BIUs and FTEs, along with all grant (BIU) and fee income generated by Faculties (except for Libraries and FGS as they do not have any income generating capacity) was summarized. Operating Grants were valued at full average cost and pro-rated to actual MTCU allocation. Tuition fees included both domestic and international tuition fee revenue. Additional grants were also included in the calculation (ATOP, Bilingualism Grants, Education, FODEFAD and Deaf Education grants).

Findings:

8.1 The case illustrates that the University is funded on one basis and distributes monies on another basis and this is not understood by the larger York community.

- 8.1.1 Government funds the University on a home program basis. BIU values vary as a reflection of an estimated cost of program that has not been revised/revisited in over 30 years.
- 8.1.2 The University funds in large part on a responsible Faculty (FFTE) basis.
- 8.1.3 The difference between two funding models has resulted in some Faculties securing a larger portion of their generated income over the time period examined. This can be attributed to a number of factors including deregulated fee sharing arrangements, and special targeted grants for specific programs (e.g. Bilingual grant for Glendon programs).

Case 9a: Application Fees

Data Examined:

- How application fees are collected by York and how they are allocated and expended.

Findings:

9a.1 There is no clear and unified process for the collection and distribution of application fee revenue.

- 9a.1.1 York collected over \$3.5 million in revenue from application fees in 2004-2005.
- 9a.1.2 The University receives the majority of application fee income from OUAC.
- 9a.1.3 A number of units receive application fees directly (e.g. Schulich, Graduate Admissions).
- 9a.1.4 Central allocates a significant portion of application fees to the Registrar's Office, Admissions and the Faculty of Education.
- 9a.1.5 Central retains a portion of funds to cover institutional overhead costs.
- 9a.1.5 For Graduate admissions, the graduate application fees are used exclusively to support the Graduate Studies admissions process.
- 9a.1.6 Education, Osgoode and Schulich use the revenue to support the costs associated with Faculty specific admissions processes and student services operations.

Case 9b: Associated Course Fees

Data Examined:

- Course material fee process: how fees are approved, collected and recorded, allocated and expended.

Findings:

9b.1 Processes in place do not support internal accountability.

- 9b.1.1 The University collected over \$1.5 million in revenue from this source in 2004-2005. The STAC system credits the appropriate Faculty/unit account for the fees mounted on the system (as indicated on the course material fee application form).
- 9b.1.2 A standing University Associated Course Fee Committee (ACF) reviews all new and existing associated course fees for all degree credit courses. The fees are approved using guidelines from MTCU's Operating Funds Distribution Manual. Fees charged are based on direct cost recovery (there should be no profit).
- 9b.1.3 This is a two-part system. A) Fees approved by ACF Committee *by the deadline date* are mounted on SIS and charged to each student as they enrol on behalf of the Faculties by the Registrar's Office. B) Fees approved by ACF Committee *after the deadline date* are not mounted on SIS. Fees are charged and collected by the Faculty department/unit. The University can track fees collected from A but not from B.
- 9b.1.4 Institutionally, there should be better reporting and monitoring mechanisms related to how the funds are expended at the local level. It is assumed that the fees are being expended as approved and cover the costs associated with additional materials for the course.

Case 10: New Program Budget Approval Process

Data Examined:

- The budget approval process for new graduate and undergraduate academic programs.

Findings:

10.1 This case underlines the absence of formalized and transparent connections between the Senate approved development and approval of new program proposals and the corresponding development and approval of associated program budgets at the undergraduate and graduate levels.

- 10.1.1 There is a formal, documented Senate approval process for the approval of new undergraduate and graduate program proposals.

- 10.1.2 The VPA provides a resource statement for all new programs proposed for Senate approval.
- 10.1.3 Board approval is required for all new non-standard fees (previously deregulated).
- 10.1.4 There is no formal, standardized, documentation that outlines and illustrates the approval process for the associated budgets for new program proposals and how it links to the Senate process.
- 10.1.5 There is common practice for the development of new program budgets however, there are different levels of approval required for different programs depending upon the fee level being proposed.
- 10.1.6 Changes in government regulations relating to non-standard fees (previously de-regulated fees), has changed the internal practice for new program budget approval process for programs that are proposing non-standard fee rates.
- 10.1.7 There is no documentation on the internal distribution of non-standard fees and no real understanding of this process.
- 10.1.8 Changes that have occurred around non-standard fee sharing have not been communicated well.
- 10.1.9 Lack of formalized administrative process makes it difficult for units to ensure all appropriate administrative/budgetary approvals are completed prior to proposals being considered by Senate.

6.0 Key Findings - Phase Two: External Information Gathering and Analysis

6.1 External Institutions:

The documentation and interviews with external institutions revealed that:

- Institutions need to support long-term planning
- Institutions must be able to demonstrate alignment between budget process and strategic and academic processes.
- There are a number of different approaches to managing the challenges HEIs are facing in respect to resource planning. There is no one accepted approach or model that has worked for all. HEIs have adopted a wide variety of budget models, frameworks, structures and process. “One size does not fit all”.
- Many Universities are moving toward integrated planning frameworks.
- Some Universities are moving toward “principle” based budget process and frameworks. For example, the University of Missouri Kansas City’s budget model has six primary attributes/principles:
 1. Open: Understandable and transparent, allowing for input from all stakeholders
 2. Vision and value driven: links resource allocation to the University’s vision and values
 3. Documented: Guided by established budget policies and procedures that are communicated campus-wide by decision makers at all levels
 4. Accountable: Place responsibility for decisions in the units themselves
 5. Responsive: Enable change
 6. Strategic: Multi-year plan identifying needs and opportunities
- The Budget Planning process is only one piece of the whole (but a critical piece as it touches all facets of university operations).
- Good budget systems allow for thoughtful choices around what opportunities to enhance or forego, define what’s possible, and organize decision-making.
- The University community needs to have access to information. Most institutions make a wide range of budgeting and planning materials available to the community dealing with both policy and process issues relating to budgets, allocations, strategic investments and budget decisions.
- Many of the documents produced by HEIs have multiple purposes and audiences. For example, the University of Alberta’s Business Plan, the result of an integrated process, is an accountability and performance document that is made available to the immediate university community (Board, Senate, staff, students, faculty and administrators) as well as the broader community (government, parents, donors).
- Processes should empower decision makers to exercise creative, entrepreneurial leadership.
- Budget processes should distribute income as a reward for the achievement of stated goals, and create incentives and provide feedback that lead to improved long-term planning.
- Performance indicators must be established to improve internal accountability and support the achievement of goals. University administrators ought to be able to explain what they are doing and why.
- There are powerful pressures that require greater accountability and transparency in processes. Processes need to ensure accountability through some type of committee review process and performance reporting.
- Institutions need to commit to a process of continual improvement whereby changes are made on an ongoing basis to models and processes adopted based on their perceived and/or evaluated strengths and weaknesses.
- Universities are struggling with managing the increasing costs of inflation.

Lessons Learned:

- There needs to be an acknowledgement and ownership of existing weaknesses in order to bring about effective change. University leaders must understand the capacity and appetite for change within their organization in order to implement significant changes to processes.
- Leaders must continuously endorse and support any new system.
- Mechanisms put in place need to effectively integrate and/or coordinate planning activities at the institution.
- No budget system can solve the problem that there are not enough resources to support all that Universities want to do. No budget system can eradicate disagreements about what to prioritize when resources cannot support doing everything.
- Good budget systems serve academic commitments, rather than define them. It is the university's task to be clear about commitments and to configure the budget to make desired goals as affordable as possible.
- An ideal budget model is only one part of a cohesive whole.
- Budget processes need to create incentives and welcome feedback.
- Institution must be committed to a process of continual engagement and communication with the university community.
- Processes need to assign accountability within the process itself.
- The integrity of planning and budgetary processes requires effective performance management.

In speaking to and reading about other institutions, it is clear that all HEIs are subject to similar pressures. There is a general recognition that times have changed. Many institutions have asked the same penetrating questions that York is asking. These institutions have been very willing to share what they have learned with York: to share stories of their success, and to provide advice and caution. York's review is well timed in that it will allow the institution to learn from a number of mature, tested processes and to incorporate what others have learned into York's review process.

6.2 Literature Research:

1) Universities must be aware of and responsive to the context in which they operate.

- In the United States, the rising demand for tertiary education and "...incentives to expand research and scholarship have collided with financial constraints" – this is happening in other countries as well even where economies are growing rapidly. In addition, "...criticisms about higher education's quality, relevance, and cost have become commonplace. The result has been a profound shift in how the public views universities and colleges". The California Higher Education Policy Center goes as far as to state that the "...changes most important to the university are external to it". External factors such as societal demand become market forces that, in the American context, have reshaped the university. The failure of HEIs to understand these changes puts the university at risk (Massy, 1996; pages 15 and 16).
- The shifting of a greater portion of the cost of education to student fees (to make up in part for the government funding gap) is giving rise to financial worries and rising levels of educational debt. This has led to parents and students demanding more value for money (Massy, ed. 1996).
- The reality of the Canadian context is that government income is accounting for a smaller proportion of universities' operating revenue over time (GUNI, 2006).
- "...Ontario universities are now faced with a significant challenge (although the government acknowledges) the value of a university education, is committed to expanding access to that education, and wants to ensure that students have access to excellence" public funding for Universities is not keeping pace with the rising costs of University education. Funding for Ontario universities must compete "...with other pressing public priorities for funds health care, elementary and secondary education, and the plight of cities" (George, 2005; page 559).

2) The external context coupled with internal pressures is pushing universities to start making tough decisions related to resource planning.

- Universities "...need to pursue strategies that selectively target and strengthen programs that are central to their core objectives...Universities are increasingly realizing that they can no longer afford to be all things to all people" (as cited in Phillips, Morell, Chronister, 1996; page 15).
- Universities need to allocate resources based on an objective assessment of the best case for a particular proposal and not on "...history, politics or privilege" (Rosenstone, 2005; page 81).
- "Resource allocation is one of the most powerful of administration's management tools. Spending authorizations provide incentives for change in desired directions. They are the mechanism for translating plans into action, for channeling resources toward the accomplishment of goals" (Lisensky, 1988; page 18).
- Universities need to recognize the limitation of incremental approaches to fiscal management: such approaches are "...quick and appear equitable, but they inappropriately treat effective and efficient programs the same as (those that are) ineffective and inefficient". Incremental budgeting is no longer affordable in the current context of higher education. Universities need to consider implementing "growth by substitution" which is "...based on the notion that for every new activity, an old one must be discontinued". Growth by substitution "...advocates enhancements that are funded by savings in the budget, rather than by additions" (Phillips, Morell, Chronister, 1996; pages 11 and 15).
- Universities need to put in place a rigorous process that clarifies institutional goals and context in order to facilitate decision-making, general direction and general priorities for budgetary decisions (Phillips, Morell, Chronister, 1996).
- "Although the trade-offs are often complex and the outcomes uncertain, resource allocation decisions are essential for achieving organizational objectives...(and) such decisions ultimately shape an organization's failure or success" (Rodas, 2001; page 1).
- In the United States, public institutions have responded to the decline of state funding by creating a framework "...composed of expenditure control and budget management; changes in academic

programs;” increases in non governmental sources of revenue; and new ways of doing business (Phillips, Morell, Chronister, 1996; page 10).

3) Universities must focus planning on the longer term.

- Universities need to avoid expedient choices that fix short-term issues and jeopardize long-term vitality and goals. Incrementalism is equal to short term planning (Rosenstone, 2005).
- Short-term incremental adjustments in planning and operations are appropriate responses only if ‘...decision makers interpret the financial constraints of the 1990s as merely a cyclical reflection of a larger economic slump and expecting that usual good times and business are around the corner... However, (if) decision makers view the current situation as a societal shift in funding values, then evolutionary...change is necessary” and a fundamental change in institutional strategy is an appropriate response (Lissner and Taylor, 1996; pages 3 and 4).

4) Universities have to become more efficient at what they do.

- Universities need to work in an “...efficient and cost-effective manner”. Universities need to be able to evolve, change and adjust “...in response to new opportunities, conditions and needs” (Rosenstone, 2005; page 81).
- Universities have to do more with less. Effective management of Higher Education requires that both the Higher Education system and the HEIs prudently manage cash reserves, develop financial indicators, and find better ways to utilize resources, evaluate and audit activities, and protect funds from fraud (GUNI, 2006).
- Institutions must change their auditing processes so that they assess the efficiency and effectiveness of resource utilization by relating service outcomes to policy objectives (effectiveness) and resource utilization (efficiency) instead of focusing on transactions (GUNI, 2006).
- A “...university’s budget is the single most powerful controller of activity there is on a campus... There are rarely ever enough resources to meet needs”. Universities need to find methods of resource planning that make the most effective use of funds (Rowley, Sherman, 2001; pages 174 and 175).
- Increasingly, universities must rely on their own performance to secure sufficient funding for high-quality teaching and research programs. Increasingly, universities are unprotected in a highly competitive world (GUNI, 2006).

5) University leadership has to actively engage the internal community in the planning process

- Universities need to have people engaged in the process and “living the plan” on a regular basis. There needs to be an emphasis on moving from formulation to implementation (Snowdon, 2005; page 22).
- A characteristic of a healthy planning process is one that “...employs wide participation and that is generally understood and supported by the campus community. Evaluation, or assessment, is a vital part of this process. Evaluation must discover what works and why. It must determine what is not working and what should be done about it” (Lisensky, 1988; page 15).
- Universities need to recognize the “silos” mentality that is associated with decentralized organizations by reaching out and involving all parts of the organization in planning. Having “...cross-functional quality improvement teams” is one way to help break down the silos by “...focusing on the operational actions (that are) required to translate goals into reality” (Snowdon, 2005; page 22).
- All members of the university community need to have a fuller understanding of the current fiscal environment and its impact, including those involved in the university’s teaching, research, and service mission, as well as those involved in financial and operation management (Lissner and Taylor, 1996).
- A continuous learning initiative is defined as a process that “...begins by developing a clear picture of where an institution is headed (vision) and how it plans to get there (strategy)...through continuous learning, a public university ...can enhance its resilience, a trait that allows the institution...to have a clear understanding of (its) central purpose and educational philosophy”. This allows it to respond more effectively to fiscal challenges (Phillips, Morell, Chronister, 1996; page 16).

- The success of strategic planning is “...limited if institutional members are unable to view planning as a learning process” (Phillips, Morell, Chronister, 1996; page 15).
- 6) Universities need to integrate their planning processes.**
- Universities need to integrate planning documents into all aspects of the university’s operation ‘...enrolment planning, financial planning, capital planning, and academic planning” (Snowdon, 2005; page 22).
 - “To make responsible decisions about resource allocation, a sound base of information should be available to the decision makers. The integration of the planning and budgeting processes provides the necessary linkage among environmental factors and institutional priorities and resource allocation” (Green and Monical, 1985; pages 47 and 48).
 - “Linking planning, assessment, and budgeting is vital to the well-being of any college or university. Planning and assessment enable an institution to make decisions about day-to-day activities and future goals, revising them as experience suggests. Resource allocation is what converts the decisions and goals into actions” (Lisensky, 1988; page 16).
 - “Institutions should develop an integrated financial strategy to ensure the viability and coherence (or balance) of their activities”. Components of financial strategy would include:
 - Setting priorities and managing operations, recognizing the financial climate and the constraints it places on their ability to achieve goals.
 - Identifying and quantifying future resource needs.
 - Developing an integrated response to funding initiatives and opportunities which create long-term financing implications.
 - Managing resources effectively in a way that satisfies external stakeholders without damaging the culture of the institution.
 - Mitigating financial risks. (HEFCE, 2002; page 5).
 - “Formal planning is one of the most unnatural activities that takes place in an institution...Planning requires administrators to think differently and to redirect their attention and interests to the well-being of the institution for the next decade...Planning provide(s) a framework for better decision making by enabling management to evaluate the potential consequences of alternative courses of action...Planning should be performed on an integrated basis, rather than independently or piecemeal. While decentralization of major academic areas is important, complete autonomy, independence, and lack of integration within the institutional planning are not recommended” (Green and Monical, 1985; pages 52 and 53).
 - “Budgeting, in most colleges and universities, is a process of making incremental adjustments up or down from the previous year’s allocation. The funding base is defined in terms of financial precedents rather than in terms of programmatic aims or priorities. In order to link planning with budgeting, the administrators must find a method to transcend the annual budget cycle, with its tendency to perpetuate what is rather than to explore and elaborate what ought to be” (Lisensky, 1988; page 18).
 - Careful integration of an institution’s strategic plan with its various fundraising arms is critical to the success of any research support effort (Karr, Kelley, 1996).
 - Universities must try to avoid “... ‘compartmentalization syndrome’, where planning is carried out without relation to other management activities”. What is often missing in this scenario “...is a comprehensive picture of the status and activities of the entire institution in its changing demographic, social, economic, and political environments” (Lisensky, 1988; page 18).
- 7) There are a variety of different approaches and models in operation at universities, the key is to develop an approach that ‘fits’/works best within the specific institutional context.**
- “...Universities have different models of resource allocation in accordance with their contextual characteristics of culture, history, and structure...These differences are manifested in a tension between centralization and decentralization, and varying degrees of balance between locus of strategic direction,

cross-subsidy and control”. Specific resource allocation models are “...less a matter of best practice, neatly transferable between institutions, than one of internal fit...All forms of resource allocation models are inherently problematic when carried to extremes; therefore internal fit is, ideally, flexible to changes in the university and the wider environment” (Jarzabkowski, 2002; page 29).

- Overall there are six basic methods of resource allocation. These may be combined or varied to give rise to a much larger number.
 - Last year’s allocation plus or minus a fixed percentage;(incremental)
 - Dollars per student number (plain);(activity based)
 - Dollars per student/ staff numbers;(weighted activity based)
 - Dollar entitlement per student according to a complex formula; (formulaic activity based)
 - Fixed proportions (eg. 60 percent split for academic departments; 40 percent split for non-academic departments);(proportionate overhead)
 - Dollars per student, less charges related to resource use of central and other services (charge back) (Dickson, 1999; page 11).
- “In recent years, changing financial and political conditions have prompted many colleges and universities to revise their internal management processes. Especially notable is the increased implementation of incentives-based budget systems (IBBS), which place greater authority but also greater accountability at the level of individual academic units. Although the terminology varies across campuses (other popular titles include Responsibility Center Management [RCM] and Value Center Management [VCM]), the general aim of all such approaches is to integrate budgeting and management decision-making more fully at the level of individual cost centers with institutions” (Hearn et al., 2006; page 286).
- There are factors to be taken into account when selecting an allocation method to be applied in a given situation:
 - The method to be applied must match the university’s strategy/philosophy, particularly relating to devolution and the provision of incentives.
 - The data available must be of good quality and produced in a timely manner.
 - There must be good quality staff available to produce the data, continually update it and ensure it is accurate.
 - The IT system must be sufficiently robust and the reporting capacity must be able to provide budget holders with appropriate monitoring information.
 - The budgets must be acceptable to, and owned by, the budget holders with clear accountability and responsibility being accepted.
 - The budget holder must have sufficient training or experience in the financial management skills required.
 - Any parameters must be clearly laid out and understood by all, together with any rules on virement. The resource allocation process itself should be as transparent as possible with no hidden reserves or secret allocations (Dickson, 1999; page 19).
- “Since 2000, The Transparent Approach to Costing (TRAC) has been the standard methodology used by the 165 higher education institutions (HEIs) in the UK for costing their main activities (as required by government), and it is increasingly informing the public funding of higher education” (JCPSG, 2005; page 1). Transparency requirement is legislated and not an option in UK. This system allows flexibility for institutions by providing a firm set of rather simple principles and processes which include “...materiality, costs are fair and reasonably stated...choice of methods, consistency of costing treatment (and)...auditability” (JCPSG, 2005; page 5). “The purpose of the Transparency Review was to establish an approach to demonstrate the full costs of research and other publicly funded activities in higher education to improve the accountability for the use of public funds” (JCPSG 1998; page 1).

8) Universities must be able to demonstrate accountability to a variety of vested interests groups.

- “Increasing accountability through external audit and quality control mechanisms places responsibility upon universities to show transparent and ostensibly rational resource allocation procedures” (as cited in Jarzabkowski, 2002; page 6).
- Universities have a corporate responsibility looking at all part of University through accountability exercises (GUNI, 2006).
- “Universities...have a responsibility to ensure that the assets of the institution are expended for the purposes intended and that they are expended in a fiscally responsible manner” (Hyatt, 1985; page 5).
- Higher Education must be considered a public service regardless of the sources of financing need to “know why and the what for” as it relates to finances (GUNI, 2006).
- In order to maintain autonomy, higher education institutions have to be accountable for their academic and financial performance (GUNI, 2006).

7.0 Conclusions:

The impetus to this review was a concern that York's budgetary processes did not function as effectively as the future will require. The self-study process identified a number of specific opportunities for improvements and has made it clear that there is an urgent need for change at York in the way its budget processes are structured and function. The Budget Process Review substantiated that the University needs to better position itself administratively through its budgetary processes and reporting mechanisms in order to effectively support strategic and academic planning. (e.g. there is no explicit alignment between the budget and the University's plans).

It was clear that across the University many shared the perception that York's processes are no longer serving us well. Key community members provided candid and concrete feedback about the budget processes. Their perspective was confirmed by extensive internal financial/budgetary analysis. The self-study indicated that:

- York is fiscally sound
- Budget mechanisms work well
- York employees work hard and are well intentioned
- Planning processes are thoughtful

At the same time, the self-study process made it abundantly clear that York must confront a series of significant weaknesses in a number of areas: (1) Process and Planning, (2) Accountability, (3) Structures and Mechanisms, (4) Communication, and (5) Knowledge and Training.

Area 1: Process and Planning

- Institutional/Divisional/unit cycles and processes are not aligned. The majority of budget planning is done in isolation. Budget processes are not integrated; units often work at odds with one another, cross-Divisionally and within Divisions. This fosters a competitive budget management mindset compounding the perception of disjointed and siloed processes.
- Process complexity is exacerbated by the fact that government budget and related announcements on grants and fees are fundamental to the budget planning process. The timing of government announcements are late, and out of sync with the University's internal budget processes and budget planning cycles. Internal processes do not mitigate against timing of government budget cycles and announcements.
- The processes by which revenues are allocated, recovered and transferred are complicated. This is compounded by the number of different formulae, agreements, caveats etc. that are employed. This complexity and poor communications leads to limited understanding of various budget processes.
- Current processes and systems are plagued by informal, subjective, "back of the envelope" decisions, deals and adjustments. Much time and energy is spent tracking down resources and managing these 'deals.' This is resource heavy.
- Financial commitments are not provided in a timely and formalized manner often requiring/forcing units to pursue strategic initiatives and growth without being assured of the necessary resources.
- The basis upon which base budgets were historically established is no longer relevant. Existing budgets are built on a base established in a very different time and context.

- Budgets are what people got last year plus or minus and adjustment. Allocations do not align with strategic objectives but rather support current inequities. The perception and experience is that there is no room in the existing budget processes for strategies and new initiatives. The process is inflexible and inhibits change. This does not support longer term planning. Current processes cultivate conservative spending and positive carry forwards are greater than conservative contingency levels require.

Area 2: Accountability

- Participants describe the budget process as centrally controlled and decentrally implemented. Authority rests centrally while accountability falls to the unit level. The ability of units to achieve established performance measures is hampered by a lack of autonomy and authority to make the necessary decisions.
- There is a disconnect between expectations of units and the timely provision of the tools (data, information etc.) those units need to do their job.
- Current budget processes work because of a few key individuals and relationships rather than because of the integrity of the process. There is a perception that the budget process would break down with leadership and position turnover.
- York does not have an established framework to support a full accountability for internal allocations. There is no explicit reward or penalty regime for budget performance.

Area 3: Structures and Mechanisms

- Structures and communications around budget decision-making processes leave members of the community feeling that their input is ineffectual.
- There are no formal mechanisms linking unit level budget plans to the institutional budget plan. Because of the extent to which planning lacks coordination across units and Divisions and resource prioritization is siloed, there is a fundamental lack of synergy at the institutional level. York does not use funds efficiently.
- Budget tools and systems work well, negative feedback focused predominately on poor planning and decision-making processes. Existing budget processes do not provide a platform for meaningful and tough discussions and decision-making on limited resources.
- Weaknesses in the central provision of resource information (including delays, incompleteness, inadequacy or perceived inadequacy and differences in assumptions) give rise to duplication of effort at the Divisional and unit levels.

Area 4: Communication

- Budget and planning information comes in bits and pieces.
- Communication surrounding budget processes, policies and procedures needs to improve. Mechanisms do not effectively filter complex information concerning budget decision-making and external budget pressures to the community.
- Budget processes are arcane; allocations lack transparency and appear secretive and mysterious due to the lack of standardized and complete documentation to those involved in the process and who have responsibility for budget accountability. The predominately informal nature of the budget process including budget decision-making creates the impression that budget processes at York are arbitrary.

- York budget processes and mechanisms do not support effective communications with and reporting to students on budgetary matters.

Area 5: Knowledge and Training

- The depth of understanding of budgets differs across units in the University. In particular, many areas feel they do not understand how their budgets have been derived. This creates a backward-looking preoccupation with budget history in these areas instead of a forward-looking approach to budgeting that is focussed on achieving objectives with the resources available.
- Budget system training is inadequate and not always provided when needed.
- Training is required in the areas of budget management, budget planning, business planning, goal and objective setting.

The combination of the external environment (decreased resources, increased demand for accountability) and internal pressures (York's determination to grow, innovate and improve) require us to look at how we function. York needs to do more with less, run a tight and efficient organization, and be able to make objective decisions that will allow it to achieve its academic and strategic results within the confines of its resource base.

Maintaining the status quo of the current budget process is not an option. Significant changes must be made to existing practices, processes and mechanisms.

8.0 Phase Three: Recommendations

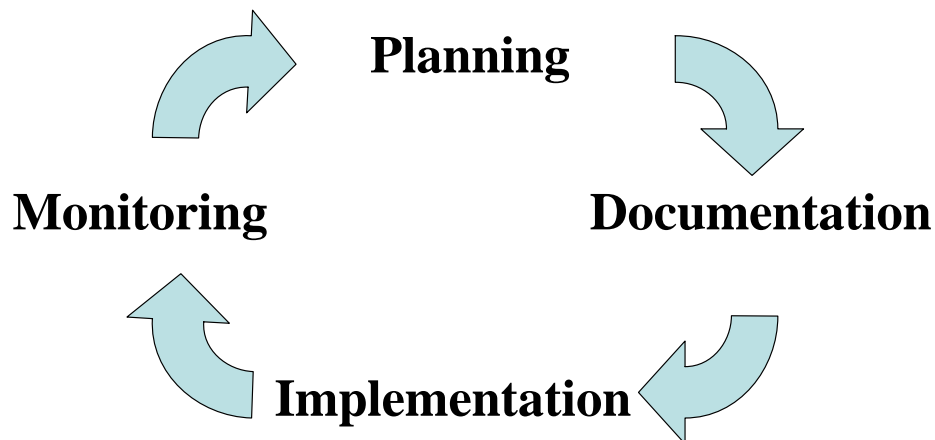
The University cannot change the external environment in which it finds itself. There will never be enough money, and there will always be uncertainty.

York can, however, change the internal environment in which it operates. By changing the way the University functions, it has the ability to mitigate the impact of some of the external pressures to which it is subject. York can also develop the means to better respond to the expectations of students, government and the public. Most importantly, the University can develop processes that support the alignment of priorities, activities and resources with its strategic and academic goals. The Budget Review Project revealed a strong appetite for change and gave rise to a sense of commitment, enthusiasm and excitement about the future. This twelve-month review process has allowed us to know ourselves better than we have before; to be frank about our strengths and the areas in which we can improve. It has provided us with an enormous opportunity to engage in a transformational change process, an opportunity that we cannot ignore.

The Budget Process Review Project has resulted in a single overarching recommendation: that York adopt a fully integrated resource planning framework. This framework encompasses many specific changes that address the opportunities for change identified during the self-study. It transcends dealing with each specific issue in isolation and provides an entirely new way of conceptualizing the links between resources and planning that lie behind every one of the processes and mechanisms studied during the review.

Integrated Resource Planning is a mechanism that coordinates the linkage of budget processes to the University's academic and strategic plans and priorities. It ensures resource planning and related processes explicitly complement and facilitate the implementation of the institution's academic and strategic plans. It establishes an institution-wide, comprehensive approach to resource planning that continuously evolves. Chart E is an illustration of the continuous nature of how an integrated resource planning process cycle operates.

Chart E: Integrated Resource Planning Process Cycle



Integrated Resource Planning will support the objectives of the University and be transparent, consistent, documented, accountable and timely. These attributes are based on a careful assessment of what good planning at York requires. This is a “made in York solution” that is absolutely necessary practice. It draws on industry experience and is cognizant of York's unique culture.

The Integrated Resource Planning Framework being recommended for York is distinguished by 7 characteristics and 20 features.

Characteristic 1: Budget process integrates institutional planning activities and aligns resources with institutional priorities

- Feature 1: Revenue allocation models are aligned with strategic priorities
- Feature 2: Business planning framework is developed to operationalize academic and strategic plans
- Feature 3: Position control is implemented for all employee groups to support planning, labour relations and institutional analysis activities

Characteristic 2: Budget process is multi-year focused

- Feature 1: 10 year (Long term) institutional plan is developed
- Feature 2: 4 year rolling plan developed at institutional and unit levels
- Feature 3: Budget cycles and timing are aligned to support processes
- Feature 4: Corridor performance funding framework implemented to provide budget stability for units

Characteristic 3: Budget process provides information to decision makers

- Feature 1: Participants are in possession of timely, relevant and accurate information
- Feature 2: Systems are in place to provide information
- Feature 3: Budget processes are simplified and understandable

Characteristic 4: Budget process is informed by key stakeholder input

- Feature 1: Platform(s) provided for input into budget assumptions
- Feature 2: Stakeholder satisfaction with process is assessed

Characteristic 5: Budget process is accountable

- Feature 1: Processes are formalized and documented
- Feature 2: Individual and committee authority and responsibilities are clearly defined and documented
- Feature 3: Relevant, timely, mandatory training program is provided that supports budget process and invests in workforce

Characteristic 6: Budget process is clearly articulated and communicated

- Feature 1: Durable records of budget planning, processes and information are created and maintained
- Feature 2: Budget planning understanding is strongly promoted to community through various platforms
- Feature 3: Institutional adoption of formalized processes, policies and procedures

Characteristic 7: Budget process is evaluated, continuously evolves and manages risk

Feature 1: Performance management system is implemented to evaluate institutional and individual performance to plan

Feature 2: External and internal risks are monitored and inform process

There are a number of important benefits associated with integrated resource planning. Integrated resource planning will: create a sophisticated planning, documentation, evaluation and implementation framework that will strengthen York's accountability to internal and external community members; support executive decision making by enabling institutional leaders to decide on priorities using limited resources; provide the means for assessing the alignment of opportunities with objectives; promote collective acceptance of resource distribution; and ensure institutional efforts produce intended results.

Other institutions have found similar approaches beneficial because integrated planning:

- provides an institutional view of resources and planning
- breaks down silos by creating institutional focus
- ties together strategic planning decisions with operational plans and activities
- creates seamless integration of financial modeling, academic and strategic objectives and budget planning
- ensures academic/strategic planning and budgeting decisions are coordinated
- establishes common timeframe for planning activities
- introduces strong element of collegiality and openness to the planning and budgeting exercises
- ensures decision making accountability where commitments are made within context of due process and due diligence
- allows evaluation of goal achievement
- clearly links performance to rewards
- provides for improved management of resources in financially challenging times and periods of rapid growth
- provides platform for difficult decisions to be made
- allows flexibility to respond to opportunities
- establishes disciplined approach to achieving goals and priorities
- improves transparency

In keeping with the consultative nature of the Budget Review Process, the recommendation has been shared with the original review participants in an extensive series of presentations. The purpose was to explain the recommendation that was being made, provide an opportunity for discussion and elicit feedback. The result of the meetings was a groundswell of support and lively discussion about how the recommendation should be implemented. It is clear those consulted have embraced the Budget Review Process and its recommendation.

9.0 Phase 4: Implementation

The fourth and final phase of the Budget Process Review will be the implementation of the Project's recommendation: that York establish an Integrated Resource Planning Framework as set out in Section 8 of this report.

This recommendation is transformational in scale: it will affect the way people work across the University and all its functions. While it will change numerous aspects of the budget planning process, it goes far beyond the budget and involves the way the entire University plans.

By virtue of the scale of this change, its implementation must be incremental and evolutionary. Realistically, it will take two to three years for the University to so fundamentally transform itself. However, staged implementation will mean that York can see significant improvements in specific areas almost immediately. The process of implementation will require leadership, organizational will, and considerable resources. As other institutions have noted, change on such a scale requires investment – an investment that will pay off in terms of increased integrity in the University's resource planning processes.

The VPFA is committed to devoting new resources to support the implementation of this recommendation. In March 2007, a dedicated Integrated Resource Planning Implementation Team will be established in the Office of the VPFA. A process of this size and scope will necessarily rely on the energy, enthusiasm, and vision of individuals across all Divisions of the University to move it forward. The Implementation Team will play an essential role, however, providing support to the project as it is implemented across the University through such activities as providing advice, developing templates, creating models, coaching, facilitating process development, drafting documentation, coordinating the identification and provision of necessary training, addressing concerns, supporting problem solving, and integrating efforts. The Implementation Team will work in conjunction with a Steering Committee of committed senior University administrators who will meet quarterly to provide support and advice to help drive change forward.

The Implementation Team, in consultation with the Steering Committee, will undertake a number of initial steps:

1. Establish timelines for implementation of recommendations across the University.
2. Ensure that the Budget Process Review Report is shared more broadly with the York community. The success of this project necessitates the widest possible understanding and support.
3. Conduct an objective assessment of organizational capacity to support the new framework. The success of this project depends on being able to identify and mobilize all possible resources.
4. Develop a concrete and specific action plan. This plan must identify what is achievable in the first year and what must happen first in order to develop a staged and realistic implementation plan. The goal cannot be to attempt to change everything at once, but rather to achieve meaningful success year over year and to identify meaningful benchmarks.
5. Engage the community in specific discussions of how the action plan can be implemented.
6. Establish a process for continuous evaluation and improvement.

The key in a process of this size must be to steadily build capacity and to structure change so that each change helps to drive and facilitate further change.

The implementation phase is meant to be iterative. York will learn as it goes and knowledge gained early in the process will be used to shape how the institution moves forward. The first important step towards change

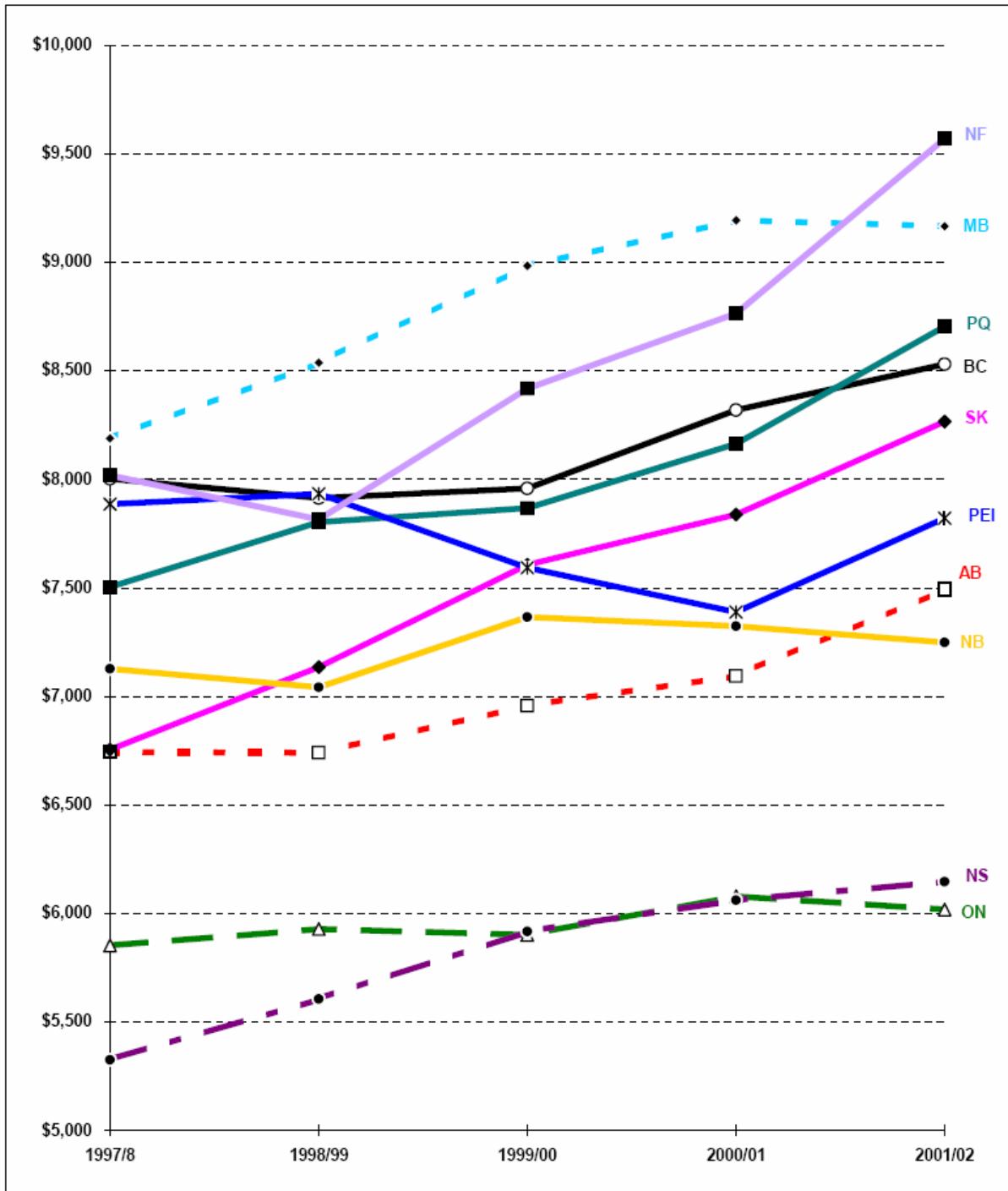
is to identify what needs to change. This has been done: the self-study process provided a candid assessment of York's strengths and weaknesses. As this report has indicated, parts of York's resource planning process must change. This situation threatens to impede the University's ability to achieve its strategic goals.

The Budget Planning Review Project has brought together members of the York community in a clear agreement that fundamental change is required in the way York approaches resource planning and has produced a single clear recommendation for change that will have widespread implications. It has also produced a framework for implementation. The next step is to develop a clear and complete plan of action. The next two to three years are anticipated to be both challenging and rewarding – ultimately they will provide the University with the processes and mechanisms it requires to effectively link resources to its strategic and academic plans.

Section 10: APPENDICES

Appendix A :

Provincial Operating Grant per FTE Student



Note: This graph represents the level of funding by provincial governments, on a FTE student basis, to universities within each province. Interprovincial transfer students and funds are included in the province from which they originate.
 Source: Resource Document Council of Ontario Universities 2004, Table 2.3

Appendix B : Budget Process Review Environmental Scan

Any budget process does not operate in isolation. It must serve the needs of its specific institutional or organizational context. This reality informs and shapes the requirements that the budget process and its mechanisms must support.

In very general terms, section 4.2 outlined the York context that formed the impetus to this review. The BPAG, however, needed to undertake a more detailed environmental scan to identify the full range of factors that could have an impact on York’s budgetary situation over the next 5-10 years.

This environmental scan built on the foundation of a larger Enterprise-Wide Risk Management Initiative conducted by York’s Internal Audit department. The purpose of the latter initiative is to identify, prioritize and monitor risk factors facing the University as a whole. These factors fell under 15 categories – the definition of each category is included in the latter part of this appendix for information (Enterprise Wide Risk Management: First-Tier Risk Definitions). The environmental scan performed as part of the Budget Process Review Project focuses on the factors that would have specific budgetary and resource implications. Table 2 summarizes the environmental factors that the BPAG identified as having an impact on York’s budget planning processes in the near term.

Table 2: Budget Review Environmental Scan

Environmental Scan	
1. Government Policy Risk:	
<ul style="list-style-type: none"> • End of Mandatory retirement • Tuition policy framework impact on University revenue source • Changes in research funding at Federal and Provincial levels as well as from corporate sources; Growing dependence on fundraising; Late or timeliness of government funding announcements • Implications the government’s Change Fund will have on the University’s funding envelope • Higher Education Quality Council of Ontario (HEQCO) development of new performance targets and university accountability framework • Impact of implementing/managing government policy (Freedom of Information and Protection of Privacy Act, Health and Safety, WHMIS, etc.) • Introduction of Slip year funding by government 	
2. Competitor Risk:	
<ul style="list-style-type: none"> • Competition from other universities, colleges and new market entrants (e.g. private institutions), locally, nationally and internationally 	
3. Change Readiness Risk:	
<ul style="list-style-type: none"> • Late or timeliness [see above] of government funding announcements • Government funding that is or is not in line with strategic objectives 	
4. Capital Availability Risk:	
<ul style="list-style-type: none"> • Further capital expansion needs and the University’s ability to manage its long term debt associated with the growth • University debt capacity 	

5. Leadership Risk:
<ul style="list-style-type: none"> • Appointment of a new President
6. HR Non-Academic Risk:
<ul style="list-style-type: none"> • University's capacity to carry out strategic objectives by having the right administrators/managers and support staff in place.
7. Student Satisfaction Risk:
<ul style="list-style-type: none"> • Ancillary fee levels - Student satisfaction • Student expectations (e.g. NSSE, BCSSE)
8. Communications Risk:
<ul style="list-style-type: none"> • No environmental factors identified
9. Organizational Structure Risk:
<ul style="list-style-type: none"> • York's ability to fulfill government and agency expectations within response timeframes, allowing it to capitalize on program and funding opportunities.
10. Performance Measurement Risk:
<ul style="list-style-type: none"> • Accountability requirements of government and other partners • Ability to align internal and external performance and accountability measures
11. HR Academic Risk:
<ul style="list-style-type: none"> • University's capacity to attract the faculty it requires in order to carry out strategic and academic objectives
12. Reputation Erosion Risk:
<ul style="list-style-type: none"> • Managing reputation building efforts
13. Strategic Labour Relations Risk:
<ul style="list-style-type: none"> • Budget impact of labour/contract negotiations
14. Enrolment Targets Risk:
<ul style="list-style-type: none"> • Enrolment changes and uncertainties <ul style="list-style-type: none"> ❖ Undergraduate stability ❖ Graduate expansion
15. Resource Allocation Risk:
<ul style="list-style-type: none"> • Do internal resource allocation models support U strategic objectives
16. Other Category Risks (not identified as 1st tier):
<ul style="list-style-type: none"> • Need for Contingency planning e.g. pandemics, emergency preparedness, IT continuity • Accommodating accessibility needs of various constituency groups on campus and managing the associated costs • Pressures of rising pension and benefits costs • Importance of philanthropy, growing dependence on non-operating revenue sources e.g. endowment, gifts and donations, government matching programs etc.

The factors identified highlight the complex environment that will challenge the University's ability to plan and manage its resources effectively. This environmental scan provides the BPAG with a context upon which to evaluate how well the institution's budget processes will be able to respond to these pressures.

YORK UNIVERSITY ENTERPRISE-WIDE RISK MANAGEMENT

FIRST-TIER RISK DEFINITIONS

1. *Government Policy Risk.* Changes in funding, regulations, and accountability requirements that affect strategic goals and objectives, or create new opportunities or obligations requiring leadership, management and response.
2. *Competitor Risk.* The risk that actions of competitors including other universities, colleges and new market entrants, affect York's ability to achieve its goals and objectives.
3. *Change Readiness Risk.* Pace of change is not responsive to external and internal movement in the academic programs and curricula, trends in research, student issues and government directions so that York's reputation, goals and objectives are put at risk.
4. *Capital Availability Risk.* The risk that the University lacks sufficient resources to meet its goals and objectives.
5. *Leadership Risk.* The risk that the University may not be effectively led, which may result in a lack of direction, focus, motivation to perform, credibility and trust throughout the University.
6. *HR Non-Academic Risk.* The risk that the University will not be able to attract and retain appropriate non-academic staff with management and specialized skill sets.
7. *Student Satisfaction Risk.* The risk that the University does not focus on its students and does not address issues surrounding student satisfaction, both from an academic and non-academic standpoint.
8. *Communications Risk.* Ineffective communication channels may result in messages that are not effectively communicated, not shared with appropriate stakeholders or are inconsistent with University objectives.
9. *Organizational Structure Risk.* An ineffective University organizational structure threatens its capacity to change or achieve its long-term strategies.
10. *Performance Measurement Risk.* Performance is not measured or performance measures and incentives are not aligned with the University's strategies, objectives and external rating agency criteria.
11. *HR Academic Risk.* The risk that the University will not be able to attract and retain sufficient and appropriate academic faculty to fulfill teaching and research objectives, in a manner consistent with academic plans, labour relations objectives, collegial governance expectations, including affirmative action and employment equity requirements.
12. *Reputation Erosion Risk.* The failure to re-establish, maintain and/or enhance the University's reputation or brand name, impacting York's ability to achieve its goals and objectives.

13. *Strategic Labour Relations Risk*. The risk that management of labour relations and related issues will impede achievement of strategic objectives.
14. *Enrolment Targets Risk*. The risk that the University fails to meet its enrolment plans and targets, those being to achieve the planned number of enrolments overall and in specific categories and that all students admitted/retained are of an acceptable quality.
15. *Resource Allocation Risk*. An inadequate resource allocation process, and the information supporting it, preclude the University from achieving its goals and objectives.

Appendix C: Internal York Community Consultation Participants

Community members:

A) Division of the President:

1. Lorna Marsden, President and Vice-Chancellor
2. Ted Spence, Senior Policy Advisor/Executive Director OIRA
3. Sylvia Zingrone, Chief of Staff
 - Ijade Maxwell Rodrigues, Executive Officer
4. Naguib Gouda, Executive Director, Alumni and Advancement Services
5. Richard Fisher, Chief Marketing and Communications Officer
6. Bob Gagne, CIO and Executive Director CNS

B) Division of the Vice-President Finance and Administration:

1. Gary Brewer, VPFA
2. Trudy Pound-Curtis, AVP Finance and CFO
 - Aldo Dimarcantonio, Comptroller
 - Steve Dewar, Asst. Comptroller, Manager Financial Reporting
 - Megan Sheppard, Senior Financial Analyst
 - Joyce Vance, Budget Manager
3. Mike Graham, AVP Facilities Services
 - Michael Deans, Director
4. Bruno Bellissimo, Director Internal Audit
5. Mike Markicevic, Acting AVP, CSBO
6. Steven Jacobson, Director, Financial Services, CSBO
7. Norm Ahmet, AVP Human Resources and Employee Relations
 - Alfred Ene, Senior Advisor Employee Relations
 - Lynette Pontefract, Administrative Assistant
8. Steve Dranitsaris, Senior Executive Officer

C) Division of the Vice-President Academic:

1. Sheila Embleton, VPA
2. David Thompson, Senior Executive Officer
3. Adrian Shubert, AVP International
4. Brian Abner, AVP ARP
5. Deans (Faculties and Libraries)
 - Robert Drummond, Arts
 - Rhonda Lenton, Atkinson
 - Paul Axelrod, Education
 - Joni Seager, Environmental Studies
 - Phillip Silver, Fine Arts
 - Kenneth McRoberts, Glendon
 - Ronald Pearlman, Graduate Studies
 - Patrick Monahan, Osgoode
 - Gillian Wu, Science and Engineering
 - Dezso Horvath, Schulich
 - Cynthia Archer, University Librarian
6. Executive Officers (Faculties and Libraries)
 - Bev McKee, Arts
 - Colin Deschamps, Atkinson

- Jane Crescenzi, Education
- Janet Morrison, Environmental Studies
- Catherine Shook, Fine Arts
- Gilles Fortin, Glendon
- Michele Young, Graduate Studies
- Richard Ooi, Osgoode
- Adrienne De Francesco, Science and Engineering
- Magda Szaki and Bill King, Schulich
- Tina Perera, Library

D) Division of the Vice-President Research and Innovation:

1. Stan Shapson, VPRI
2. Donna Smith, Senior Executive Officer
3. Phyllis Lepore Babcock, Executive Officer

E) Division of the Vice-President Students:

1. Rob Tiffin, VPS
2. Kevin Wilson, Senior Executive Officer
3. Jennifer Hebert, Executive Officer, AVP Enrolment Management
4. Sean Squires, Executive Officer, Colleges
5. Mary Verrilli, Administrative Officer
6. Joanne Duklas, Registrar
7. Lillian Nasello, Executive Officer
8. Barbara Brown, Senior Director, Admissions
9. Sylvia Schippke, AVP Student Community Development
10. Pat Murray, Director, Sport and Recreation
11. Sheila Forshaw, Executive Officer Sport and Recreation, Kinesiology and Health Sciences

Appendix D: External Institutions Publications and Documents

Canadian Universities

University of Alberta

- Presentations of Integration Planning and Strategic Planning.
- 06-07 Budget Planning Document
- 05-06 Budget
- 02-07 Strategic Business Plan: Update 2006
- Approved Budget Framework
- Financial Statements and Analysis

Athabasca University

- Business Plan 2004-2008

University of British Columbia

- 06-07 Consolidated Budget Summary
- 05-06 Budget Summary Book
- Institutional Service Plan Report (2005/06)

University of Calgary

- Restructuring: Second Report of the Budget and Restructuring Group (BARG) to the University Budget Committee (TUBC) and the University Planning Committee (UPC)
- Organizational Chart of Financial Services
- Open Letter to Members of the University Community
- Criteria for 2006-2010 Resource Allocation Process
- Planning & Resource Submission Instructions 2006-2007
- First Report of the Budget and Restructuring Group (BARG) to the University Budget Committee (TUBC) and the University Planning Committee (UPC)
- Raising our Sights: An Academic Plan for the University of Calgary 2002-2006
- 2005-2009 Budget and Business Plan Considerations for the University of Calgary
- University of the Future: 2006-2010 Business Plan
- University of the Future: 2006-2010 Budget and Business Plan Consideration

Carleton University

- 05-06 Budget Report
- Presentation: Framework for Financial Planning

Dalhousie University

- A Discussion Paper on Operating Budget Scenarios for 06-07 for Budget Advisory Committee
- An Operating Budget Plan for 02-03 for Budget Advisory Committee
- A Discussion Paper on Operating Budget Scenarios for 02-03

The University of Lethbridge

- 2004-2008 Business Plan

McMaster University

- 06/07/08/09 Operation Budget submission Guideline

- 06/07/08/09 Ancillary Budget Guidelines
- Multi-Year Strategic Budget Planning (prepared for the Board of Governors)

University of Ottawa

- Memo on 04-05 Budget

Queens University

- Report on the Annual Budget 04-05
- Presentation: The Changing Face of Queen's 1995-2015

Royal Roads University

- 2006-09 Three-Year Service Plan

Ryerson University

- Learning Together: An Academic Plan for Ryerson University
- Budget Policy

University of Saskatchewan

- Provost's Report Card on Progress Towards Completion of the Integrated plan Initiatives
- The Academic Agenda Address: A "Report Card" on Integrated Planning
- The Provost's White Paper on Integrated Planning
- University of Saskatchewan Integrated Plan
- The Multi-Year Operating Budget Framework (2003/04 to 2006/07)
- Strategic Directions 2002: Renewing the Dream
- A Framework for Action: Integrated Plan 2003-07
- A message to the University of Saskatchewan community, September 25, 2006
- The Second Integrated Planning Cycle: Emerging Trend and Themes, December 5, 2006
- Integrated Planning at U of S
- A Framework for Planning at the University of Saskatchewan, approved by Council, March 19, 1998
- Integrated Planning: Process for development of the Second University-level Integrated Plan. (A work in Progress, as of September 21, 2006)
- Faculty Complement Foundational Document: Terms of Reference
- The University of Saskatchewan Enrolment Plan: Bridging to 2010

Simon Fraser University

- Strategy for Improving SFU's Planning and Budgeting Processes – A Discussion Paper (2005)
- Institutional Service Plan & Report (2006/07 – 2008/09)

University of Toronto

- Task Force to Review Approach to Budgeting
- Meeting Minutes on Budget and Tuition Fees (06-07)
- Budget Green Book (Feb. 05)
- 06-07 Budget Report
- 05-06 Budget Report
- 05-15 Graduate Enrolment Planning Discussion Paper
- Administrative Functions and governance Arrangements for Graduate Education Discussion Paper
- Enrolment Projection Report for 05-06
- Facts and Figures
- A Framework for Enrolment Expansion

- Enrolment Expansion Discussion Paper

University of Victoria

- 06-07 Budget Framework
- 05-06 Base Operating Budget
- 06-07 5 Year Capital Plan
- Presentation: 06-07 Budget Framework
- Presentation: Operating Budget Overview
- Presentation: Chairs Guide to Budget Finance and Purchasing
- Presentation: 04-05 Year End Financial Report
- A Vision for the Future: A Strategic Plan for the University of Victoria
- Strategic Issues Discussion Paper
- Progress Report on the Implementation of the Strategic Plan, A Vision for the Future
- University of Victoria Accountability Framework

University of Waterloo

- Progress Report # 4 Building on Accomplishment
- Building on Accomplishment: A Plan for the University of Waterloo's Fifth Decade
- Strengthening Our Global Connections: The Next Phase of Internationalization at the University of Waterloo
- Beyond Borders: A Strategy for Enhanced Internationalization at the University of Waterloo
- Beyond Borders Report

University of Western Ontario

- Strategic Planning Task Force 05-06
- 05-06 Operating and Capital Budget
- Planning for 06-07: Final year of Four-Year Planning Process Guideline for the Faculties
- Making Choice: Western's Commitments as a Research-Intensive University
- 2006-07 Operating Budget, April 3, 2006
- Engaging the Future: Draft Report of the Task Force of Strategic Planning

US Universities and Colleges

Harvard University

- Core Central Administration Plan FY 1998-2000

Marist College

- Marist College Strategic Plan 2004-2009

University of Michigan

- General Fund Budget Review: A study of Perceptions
- General Fund Budget Review: A study of Perceptions (unabridged)
- Budgeting with the UB model at the University of Michigan
- Budget presentation to the Board of Regent: FY 05-06 General Fund operating Budget
- Budgets and Budgeting at the University of Michigan – A Work in Progress
- Business and Finance: Strategic Framework (Updated for FY 2006)
- Future Directions: Shaping the Michigan Difference by President Mary Sue Coleman (April 22, 2004)
- Business and Finance Business Plan and Budget Policies (September 2005)

University of Minnesota

- The Compact Planning Process
- Compact 2005-2006 School of Nursing
- Compact for University of Minnesota Crookston FY 2005-2006

Northwestern University

- Guiding Principles, Change of Management

Oregon State University

- A Strategic Plan for the 21st Century

University of Southern California

- Planning and Three-year Budget Forecast Manual

NACUBO Presentation, “The Campus of the Future- A Meeting of the Minds”, July 2006, Honolulu, Hawai’i

- Drew University: The Transparent Budget Process
- St. Edward’s University: All Hands on Deck: Successfully Navigating Institutional Change
- University of Minnesota: Budget allocation models: Why attribute revenues and costs?
- SunGard Higher Education: Effective Enrollment Management is within Your Reach
- Loyola College: How to Win: Planning and Budgeting Effectively
- University of New Hampshire: Financial Modeling for Capital Project
- Massachusetts Institute of Technology: Leader to Leader: Building Leadership Capacity
- Northwestern University: An Approach to Effectively Managing Change in Colleges and Universities
- Baylor University: Developing York Planning, Modeling and Budgeting Capacity
- Marist College: Integrating Strategic Planning, Operational Management, and Accountability
- California State University, Stanislaus: Balanced Scorecard as a Method to Assess Quality
- Oregon State University: How to Engage 30,000 People in University Finances

- Medical University of South Carolina: Integrated Academic, Financial, Strategic, and Facilities Planning
- Texas State University-San Marcos: Master Plan: Integrating Academic, Facilities and Financial Planning
- Point Park University: The Missing Link in Campus Planning: Strategic Integration
- California State University/ San Diego State University: They're Coming! Master Planning for Enrollment Growth

Other Universities

University of Oxford, UK

- Planning and Resource Allocation
- University of Oxford: Financial Budget for 2006-2007

University of Melbourne, Australia

- Operational Plan

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