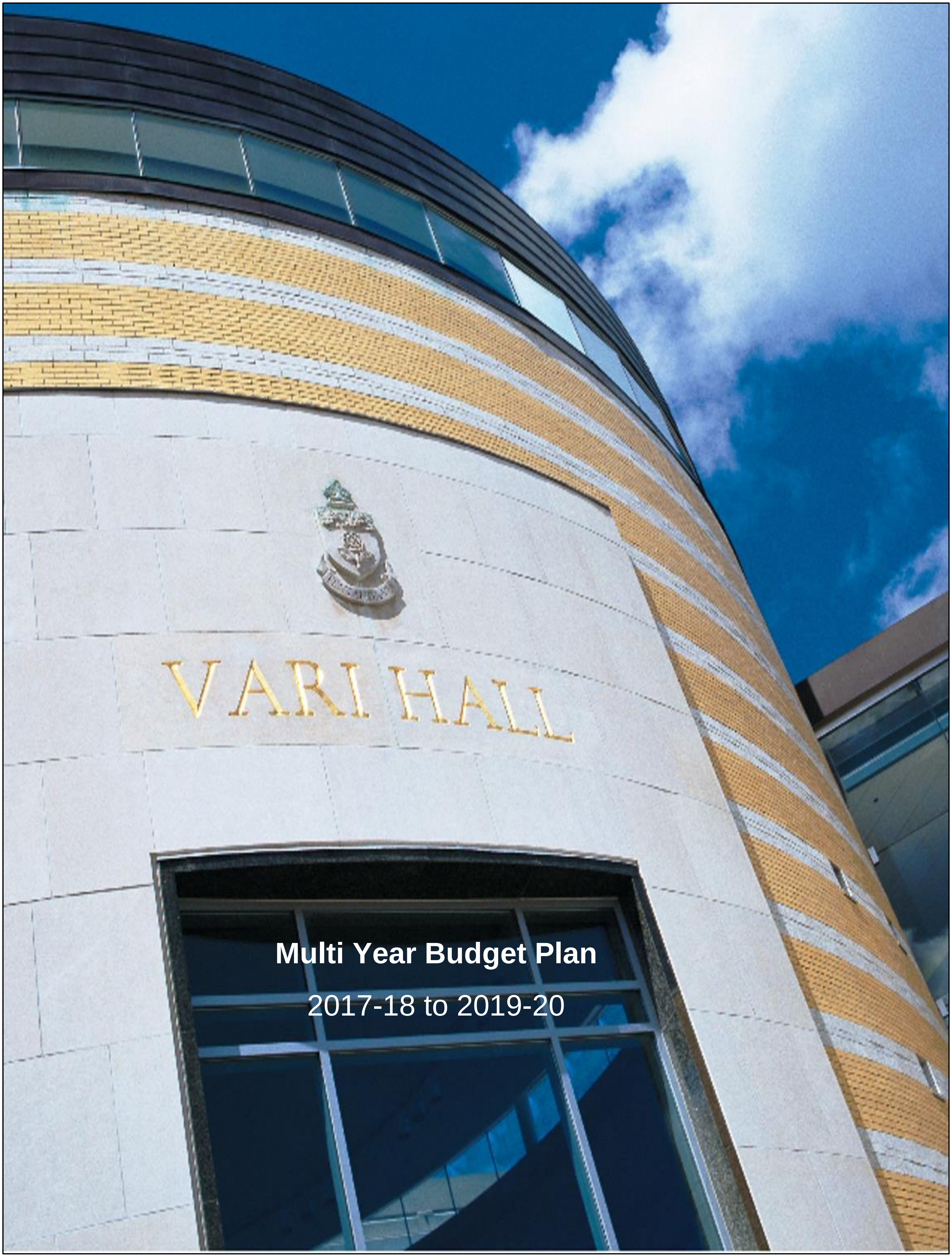

Multi Year Budget Plan

2017-18 to 2019-20

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Budget Highlights

This report contains the proposed Budget Plan Report for the three-year budget cycle 2017-18 to 2019-20. Fiscal 2017-18 is the first year of the new SHARP Budget model, and the proposed Budget Plan has been developed using this new model, based on projected data. The outer year projections provide the framework in which the university's budget will be prepared for fiscal 2018-19 and 2019-20 as anticipated at the time of the preparation of this report, and will be updated each year to reflect changes in the economic conditions and most recent information regarding the university's revenues and expenses. The budget framework is informed by the academic and financial priorities over the next three years.

The multiyear budget is projecting a small operating deficit in fiscal 2017-18 and an operating surplus in 2018-19 and 2019-20. Caution should however be exercised as the government has announced changes to funding under Funding Formula Review and through the ongoing negotiations for the next round of Strategic Mandate Agreements 2017-18 to 2019-20 (SMA2), as this may result in changes to future year enrolment projections and funding associated with domestic enrolments.

The current university projections were prepared based on the Strategic Mandate Agreement 2014-2017 (SMA1), which set out the domestic enrolment targets the University was planning to achieve. York experienced declines in domestic enrolments during this period as a result of weakening of enrolment demand in the system. This had a disproportionate impact on some faculties. The current projections are based on an enrolment plan that seeks to grow enrolments back to the SMA1 target, the level upon which Ministry funding is based.

It is important to note that 2017-18 is a pivotal year as the Ministry of Advanced Education and Skills Development (MAESD) is implementing a new postsecondary education funding formula. This is as a result of the recommendations from the Funding Formula Review undertaken by the Ministry in 2015-16, that proposed a framework to more strongly link funding to outcomes as opposed to enrolment only.

In the new funding formula, funding for universities has been grouped into three bins – 1) an enrolment bin linked to enrolment, 2) a quality and differentiation bin linked to outcomes based metrics and, 3) a special purposed grant bin.

Funding in the enrolment bin will be governed by a corridor mechanism which would ensure that grant revenue remains constant at 2016-17 levels as long as enrolment remains within +/- 3% of 2016-17 enrolments (also known as the corridor midpoint). There are ongoing discussions through the SMA2 process to negotiate funded enrolments beyond the 2016-17 levels. While the Ministry has not committed to providing additional funding for enrolment growth beyond the corridor enrolments, the proposed Budget Plan has been developed using projections based on the existing funding formula, which assumes funded enrolment growth. Should the ongoing SMA2 negotiations not yield additional funding for growth; revisions will have to be made to the outer year projections (2018-19 to 2019-20) in order to ensure the university aligns its enrolments to government funding. This could have significant implications to the projected revenue and may require concomitant adjustments to expenses.

The Budget Plan is guided by two foundational documents of the University. The *University Academic Plan 2015-2020* outlines three overarching principles:

- Academic quality
- Student Success
- Engagement and outreach

Also, the Budget Plan is guided by the *White Paper* - Becoming an Engaged University 2010-2020, which envisions York as having an international reputation as a leading engaged university that enhances learning and research through academic excellence, diversity, social relevance, and civic engagement by the year 2020.

As part of meeting the goals set out in the *University Academic Plan* and the *White Paper*, the University is planning on hiring 98 new faculty members (tenure track and contractually limited appointments) in 2017-18. This means a net increase of 50 new hires when retirees and departures are taken into account. In 2018-19 and 2019-20, the plan is to increase faculty by a net of 27 and 28 faculty, respectively, for a total of 105 net new faculty by 2019-20. These appointments will help ensure continued success in the future by enhancing the student learning and research experience, improving academic quality and support the *White Paper's* goal of becoming a leading engaged university. Table 1 shows the details of projected faculty hires for 2017-18 to 2019-20.

TABLE 1: Projected Faculty Hires

	2017-18	2018-19	2019-20
New Hires			
Tenure Track	79	58	54
CLAs	19	7	11
Total	**98**	**65**	**65**
Retirements/Departures			
Tenure Track	35	25	20
CLAs	13	13	17
Total	**48**	**38**	**37**
In-Year Increase (Decrease)			
Tenure Track	44	33	34
CLAs	6	(6)	(6)
Total	**50**	**27**	**28**

NOTE: These are budgeted numbers only, and do not represent approved hires at this time

The following strategic investments will also support the goals in the *White Paper* and in the *University Academic Plan*:

- $1.0 million in Strategic enrolment response funding
- $1.4 million in start-up costs for the Markham Campus
- $0.5 million for the Sexual Violence Response Centre
- $1.0 million Library investments
- $1.0 million for Community safety
- $1.0 million for Academic Strategic Appointments
- $0.35 million for new positions in the VP – Research and Innovation Division

To implement SHARP for May 1, 2017, the entire budget planning process shifted the enrolment planning target setting to September to achieve budget cycle integration. Faculties and Shared Service units were provided their budget envelopes in late November 2016, and detailed budget plans were developed at the end of February for review by divisional heads in March and April.

The university has been operating in a difficult budget context for a number of years where York's costs exceeded its revenues. Combined with declines in enrolment, this has led to significant faculty and institutional deficits within a constrained provincial funding policy context, where differentiation and accountability are major drivers. The university set in motion plans to address its financial situation over a four year time frame. The fiscal year 2017-18 is the third year of this four year framework, where all faculties and departments would be required to resolve their in-year structural deficits.

The Budget Plan presented accomplishes this objective with a reported small in-year deficit of $7.9 million in 2017-18 and future budget years reporting operating surpluses.

Looking ahead, the major risk factors associated with the multi-year Budget Plan include:

- Achieving enrolment targets
- Achieving budget plans
- Addressing structural deficits within specific areas
- The impact of government funding formula changes
- Managing emerging budget pressures and funding strategic priorities in a resource constrained context

1. Structure of the Multi-Year Budget Plan Report

The multi-year budget report, including the 2017-18 Budget is presented in the Appendices as follows:

Appendix 1A	Provides a high level summary of projected revenue and expense
Appendix 1B	Provides a high level summary of apportionment of operating revenues
Appendix 2	Provides details on Provincial Operating Grants and Student Fees
Appendix 3	Provides further detail on Apportionment of Operating Revenues to Faculties/Schools and Administrative Units
Appendix 4	Provides a high level summary of projected expenses by nature of expenditure
Appendix 5	Provides a high level summary of projected expenses by Academic Unit, Shared Services and General Institutional Costs
Appendix 6	Contains the summary Budget Allocations to Shared Services and General Institutional Costs
Appendix 7	Contains the summary calculation of projected multi-year budget positions by Faculty/School
Appendix 8	Contains projected multi-year budget and expenditure allocations by Shared Service Unit
Appendix 9	Provides a summary of the General University Fund Allocations
Appendix 10	Provides details of Faculty Transition Adjustments

2. Fiscal Context

2.1 The Economic Climate

York's operating budget is comprised mostly of two revenue streams – 33% in government grants and 60% in tuition fee revenue, much of which is regulated or directed by government. This means limited flexibility for universities to increase revenue.

In the recent past, the government has limited funding increases to enrolment growth. The 2017 Provincial Budget announced that there would be no funds allocated for enrolment growth above the 2016-17 levels. According to government population projections, the provincial demographics of university age students are expected to decline for two more years. However, the government's OSAP reforms are having a positive impact on enrolments and accessibility at Ontario's universities. The number of high school students applying to Ontario's universities is up 1.6% over last year despite an overall decline in secondary school graduates. This demonstrates that postsecondary education is recognized as key to a brighter economic future for graduates, and for the province.

As indicated previously, the Ministry is implementing a new funding model in 2017-18. In this formula, more grant funding is linked to outcomes unlike previously when grant funding was linked strictly to enrolment. In the new formula, the Ministry has created three funding bins – a funding bin linked to enrolment, one linked to quality and differentiation measured using agreed upon outcomes based metrics and a special purpose or targeted funding bin which supports targeted funding for initiatives such as French language, disability supports, etc. The Ministry has committed to maintaining the 2016-17 funding level for all universities through the second round of SMAs that are currently being negotiated and will be in place for three years (2017-18 to 2019-20).

The government's tuition fee framework initially announced in March 2013-14, and set to expire in 2016-17 has now been extended for another two years. This framework limits the tuition fee increases to an institutional average of 3%. The proposed Budget Plan has assumed the same tuition fee framework for the next three years.

2.2 Enrolment Projections

A key planning assumption which drives revenue and cost changes is the enrolment plan. The current overall multi-year enrolment plan is provided in Table 2. The plan outlines the overall projected enrolment by domestic and international students for both undergraduate and graduate enrolments.

Overall, the actual 2016-17 enrolments were above budget targets with most of the growth coming from undergraduate and graduate international students.

There was an increase in total undergraduate enrolments (domestic and international) in 2016-17 compared to 2015-16, with the increase entirely resulting from strong growth in international students. Current enrolment projections indicate positive year-over-year growth in domestic students beginning in 2017-18 and onwards. This is supported by the strong applications for York from Ontario high school students for September 2017, at 9.9% increase over the previous year. This increase is higher than the average Ontario system-wide applications that were at 2.9% over the same period.

As a result of enrolment decline challenges in the domestic undergraduate category, York will continue to experience fewer enrolments in 2017-18 compared to previous years. This is attributed to more students in the graduating cohort compared to those in the entering cohorts in the last few years. It is expected that as the smaller cohorts flow through and begin to graduate, enrolment will reach 45,000 full time equivalent undergraduate (domestic and international) students by 2018-19, surpassing the 2012-13 levels of 44,300.

With respect to graduate students, the University's current plan for domestic graduate enrolment is to achieve the first round of SMA enrolment levels, which are similar to the enrolment levels reached in 2008-09 for masters and slightly lower for doctoral. This plan will be informed by the current discussions with the Ministry under the second round of SMA negotiations.

This enrolment plan is to grow domestic enrolments back to the levels that are currently funded by the Ministry and is in line with our SMA1 commitments. The enrolment plan will be revisited once the SMA2 negotiations with MAESD have been completed. The negotiations are expected to be finalized by the end of June 2017.

TABLE 2: Enrolment FTE results 2016-17 and projections to 2019-20

	2016-17*a*	**2017-18*p***	**2018-19*p***	**2019-20*p***
Undergraduate Domestic	37,002	37,395	38,746	40,262
Undergraduate International	5,058	5,703	6,301	6,768
Masters Domestic	6,216	6,426	6,802	7,101
Masters International	1,541	1,465	1,515	1,557
Doctoral Domestic	2,934	2,869	2,872	2,893
Doctoral International	596	633	654	672
TOTAL	**53,347**	**54,491**	**56,889**	**59,253**

a - actuals; p - projections

2.3 Tuition Fees

Tuition fees at York are determined in accordance with the provincial government's Tuition Fee Policy Framework for domestic students, and market demand and pricing in comparison to peer universities for international students.

On December 15, 2016, the Ministry announced a two-year extension of the current Tuition Fee Framework for Ontario universities. With the extension, the Tuition Fee Framework is now set to expire in the spring of 2019.

Under the extended Tuition Fee Framework, university governing boards may increase tuition fees subject to the following constraints:

- Tuition fees for domestic students in Arts and Science, and selected other undergraduate programs may increase by 3% per year in 2017-18 and 2018-19.
- Tuition fees for domestic students in graduate programs and high cost professional programs may increase by 5% per year in 2017-18 and 2018-19
- The overall average rate of tuition fee increase across all publicly funded programs at an institution is capped at 3.0% per year.

The tuition revenue projections for 2017-18 to 2019-20 have been developed based on the Ministry Tuition Fee Framework and using enrolment projections based on faculty enrolment contracts. The projections for the first two years (2017-18 and 2018-19) fall within the tuition framework, while revenue projections for 2019-20 assume a continuation of the current tuition fee framework. These rates were approved by the Board of Governors in February 2017.

As a condition of benefiting from tuition fee increases under the Tuition Fee Framework, the Ministry requires that universities and colleges agree to participate in the Student Access Guarantee (SAG). This SAG obligation warrants that participating institutions, such as York University, provide students in first-entry and second-entry programs with additional financial resources to fund direct education costs (tuition, books, compulsory fees, equipment and supplies) when these costs are above the range provided through the Ontario Student Assistance Program (OSAP). An amount of $22.9 million ($21.1 million in tuition set-aside funds and $1.8 million in other institutional funds) was disbursed in support of students in 2015-16 under the SAG program.

The computation of SAG is influenced by institutional decisions to increase tuition, students' need for OSAP, and students' additional resources above OSAP.

At York, approximately 67.1% of full time domestic undergraduate and graduate students receive support from the provincial needs based assistance program (OSAP), based on 2015-16 numbers. Within that population many students also receive funds from the University's student aid program. In addition, many undergraduate students benefit from the provincial Ontario Tuition Grant (OTG) program which provided $950 per term for up to 2 terms in 2016-17. The combination of these University and provincial student financial aid programs enhances access to the University's education opportunities for a wide array of students.

In addition to the Provincial and University student aid programs, The University provides scholarship funding to students who meet certain academic standards. In 2015-16, these programs provided funding to undergraduate and graduate students of approximately $25.3 million.

In the 2016 Ontario Budget, the Ministry announced a transformation of the OSAP program, which could impact York's SAG obligation.

Multi-year reforms to OSAP include:

- **"Free" Tuition for eligible students:** Effective in academic year 2017-18, the province will be consolidating many of the existing provincial OSAP grants into a single Ontario Student Grant. This will provide eligible full-time OSAP students with parental income of less than $50,000/year with grants to cover the average cost of tuition. MAESD estimates that this will allow over 200,000 Ontario university/college students to benefit from grants exceeding the cost of their tuition. Depending on York's proportion of these students, York's SAG may change.

- **Net Billing:** Effective in academic year 2018-19 (2017-18 for pilot institutions), all publicly assisted universities or colleges must present the student billing statement inclusive of OSAP aid and institutional aid (if applicable).

- **Net Tuition:** Effective for academic year 2018-19, first-year/first-entry students receiving an offer of admission, will be presented with the net cost of attending that program; i.e. tuition less OSAP aid and institutional aid (if applicable).

York University's Office of Student Financial Services (a department in the Office of the University Registrar) is actively engaged as a university sector representative in Ministry and the Council of Ontario Universities consultations on both OSAP Transformation and SAG. York leads the sector in the planning and implementation across the province, and has been regarded as "Best Practice" by the Ministry.

2.4 Federal Funding

Federal funding provided to universities to support research is not part of the University's operating budget. However, included in the Operating Budget is the Federal Research Support Fund, which together with the Provincial Research Overhead Infrastructure Envelope is provided to institutions in support of research overhead costs.

In 2016-17, York was allocated $6.3 million from both the federal and provincial governments to offset institutional research costs. The budget projections have assumed the same amount for 2017-18 to 2019-20.

As a long standing subject of government advocacy, universities have been requesting that the federal government recognize the full cost of research in its research funding policy, with a 40% rate as a minimum target for indirect costs. The government began to provide institutional costs of research funding in 2003-04 through what is now called the Research Support Fund. This is currently contributing $5.3 million to the University's operating budget.

The federal government supports graduate students by providing fellowships on a competitive basis. These funds do not flow through the University's budget, but they provide indirect budget relief to faculties by freeing up funds that would otherwise have to be used for graduate student support.

2.5 Compensation

The University has been exercising restraint with respect to compensation both in collective bargaining and in setting compensation for employees not represented by unions. This restraint has been in effect for the last two rounds of collective bargaining and is in accordance with the direction that was signaled by the Province a number of years ago. This was further supported by the fiscal realities faced by the University due to recent undergraduate domestic enrolment declines, reduction in government grants and a change in the Ministry Tuition Fee Framework which reduced tuition fee increases from a previous 4-8% range to a 3-5% range. The University has negotiated multi-year compensation settlements with declining levels of increases in each of the last two rounds of negotiations.

With the exception of YUSA Unit 2, the University has completed negotiations with all of its unions including the Faculty. Agreements are in place through to the middle of 2018 for the major bargaining groups (YUFA, OHFA, YUSA, CUPE 1356). The University will commence its next round of bargaining over the summer and fall of 2017 with CUPE 3903 for its teaching assistants, sessional instructors and graduate assistants. Further details are included in the *Key Planning Assumptions* section of this report.

2.6 Pension

Similar to other Canadian public sector institutions the University has a defined contribution plan, which has a defined benefit component that provides a minimum level of pension benefits. The current economic and financial climate and the regulatory landscape create considerable uncertainty with respect to pensions.

The York Pension Plan currently reports a modest going concern surplus; however, due to historic long-term interest rates it is facing a solvency deficit. The University applied and received Stage ll solvency relief from the Province which relieved the University from making any principal contributions to amortize its deficit. In December of 2016, the Province provided an extension to Solvency Relief based on York's valuation that will be filed in summer 2017, for December 2016. The new relief provisions will require the University to commence payments to amortize 25% of the solvency deficit plus interest commencing in January 2018. Expense projections include annual pension special payments of $4.0 million in 2017-18. The estimated special payments for fiscal 2018-19 and 2019-20 are expected to rise to $8 million annually. Further details are included in the *Key Planning Assumptions* section of this report.

2.7 Other Future Liabilities

The University has many future liabilities not currently funded through the operating budget. Deferred maintenance across the two campuses is estimated at $178.3 million. Both the Keele and Glendon campus experienced an increase in their respective total liability compared to the prior year. The proportionate share of deficiencies is higher at the Glendon College with $19.9 million (15.2%) of the total liability a direct result of the age of the campus.

The operating budget sets aside a total of approximately $6.0 million annually for deferred maintenance at both campuses.

Additional funds are available to address deferred maintenance through the Provincial Facilities Renewal Program (FRP). In 2014 the Province announced its intention to phase in increases to the FRP program. With this increase, York expects to see its annual budget allocation grow from the current level of $2.5 million in 2016-17 to $6.0 million by 2019-20.

Pursuant to the Federal Government announcement in 2016 to create a Strategic Investment Fund to support investments in infrastructure in post-secondary institutions, the Province removed the restriction on the FRP funds that were originally intended for deferred maintenance related costs to permit its use to support new capital construction for a period of two years.

3. The Budget Process

3.1 The Planning Process

York University adopted the Shared Accountability & Resource Planning (SHARP) budget model in fiscal 2017-18. This is a modified version of an Activity Based Budget model (ABB) that assumes shared financial responsibility and will replace the former incremental budget model. The SHARP model is a culmination of many years of research and extensive consultation with the York community.

With the implementation of SHARP the University aligned its budget cycles to better support its academic priorities and processes. The new university budget planning cycle for SHARP is fully integrated with the enrolment planning cycle and identifies the parameters and timelines around which the annual university budget planning process is developed. The integrated budget cycle identifies all the activities and timelines required to support resource decision making at the University and to inform the development of the annual institutional budget

Academic and shared service units are responsible for developing strategic initiatives within their faculties/units that align with their priorities and with institutional priorities as outlined in the *University Academic Plan 2015-2020* and in the *White Paper*. These initiatives are submitted to the University Budget and Planning Committee (UBPC), which is responsible for prioritizing and rendering funding decisions that are reflect institutional priorities. Faculties also work with the Office of Institutional Planning and Analysis (OIPA) to develop multi-year enrolment projections, which are used to inform faculty budget envelopes.

University Shared Services support the central academic mission of York University by providing quality administrative services to the York community and enhancing quality of campus life. In 2017-18, Shared Service units will retain their previous year base budgets, adjusted for the permanent base reduction for the Transition tax under the SHARP Budget model and additional allocations that consist of 50% of their negotiated salary increments. For any other additional funding to their budget, Shared Service units are required to submit requests through the UBPC, and be approved by the President.

In early fall after the UBPC decisions are completed and approved, the Finance Department distributes Budget envelopes to faculties (excluding faculty direct revenues) and Shared Service units. Faculties and Shared Services then begin developing detailed three-year rolling budget plans to be completed by the end of January.

At this time, the faculties review their budget plans with the Provost & VP Academic, and the Shared Services also review their budget plans with their respective Vice-President. All budget plans are expected to be finalized and approved by the Vice Presidents by the end of February.

Once all the budgets are approved, the Finance Department prepares a comprehensive institutional budget document to be presented to the Board Finance & Audit Committee, and to the Board of Governors, for review and approval.

The faculty budget plans are based on projected enrolments. Once actual data is available at year-end, the Finance Department recalculates faculty budgets based on actuals and communicates any adjustments that will be made on a slip-year basis, to faculties to assist them with planning for the next budget cycle.

3.2 York's Budget Model

The new SHARP Budget model that is in place for 2017-18 has the following benefits:

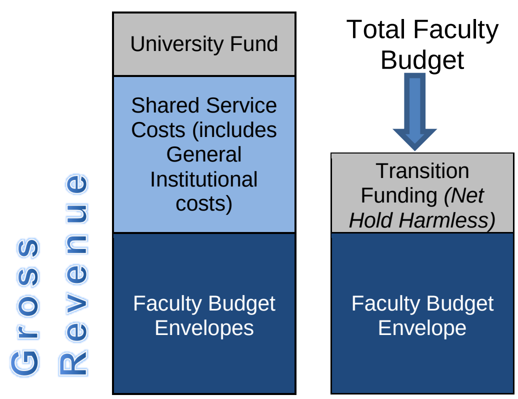
- Provides a high degree of transparency enabling a clear understanding of university revenues and expenses
- Facilitates greater alignment of resources with priorities
- Provides faculties with greater control over the revenue they generate and the costs they incur, and enables them to seek out new opportunities for revenue growth and cost control
- Is based on clear and agreed upon allocation methodologies
- Provides a predictable and sustainable framework for budget planning
- Clearly identifies accountability
- Highlights costs of operating and opportunities to improve service

Under the SHARP Budget model, revenue is attributed to the faculty/unit that generates it. Most of the institutional revenue is attributed to faculties, as they engage in teaching and research, and generate associated funding streams through tuition and government operating grants. Revenue that cannot be reasonably attributed to a faculty or unit is assigned to the General University Fund (see Figure 1).

A faculty's annual budget allocation is equal to its share of the University's gross revenue (attributed revenue) less its share of expenses, including shared service costs, and its contribution to the University Fund. This allocation primarily reflects revenues generated from its programs and student enrolments.

In addition to revenues generated from its programs and students, some faculties are allocated transition funding from the University Fund.

Figure 1: York's SHARP Budget Model



The process of attributing revenues and costs to faculties has been designed to be simple and straight forward, using readily available and easily verifiable revenue and cost parameters. For revenue attribution, the parameters used are the same or as close as possible to the parameters used to flow these funds to the University. Shared Service costs are attributed to faculties using costs drivers which were chosen based on their suitability as a measure of the extent to which a faculty/unit utilizes a particular resource or service. Examples of cost drivers include number of students, number of faculty and staff, net assignable square meters occupied, etc.

The budget planning cycle is based on a three-year rolling window. Planning assumptions are updated each year, and new assumptions are prepared for one additional year. Revised revenue and expense projections are then prepared for the new cycle based on these assumptions.

3.3 Surplus/Deficit Management

The University has a multi-year budget planning cycle that at an institutional level strives to achieve a balanced position on an annual basis. In recent years significant budget pressures have been experienced due to the decline in undergraduate domestic enrolment, a government approved tuition fee framework with a reduced level of fee increases, reductions in government grants and significant cost pressures created by pension solvency contributions.

Operating deficits have accumulated in the Academic Division. The University has been focusing on achieving balanced in-year positions in this Division for the period ending in 2017-18. Once the University has successfully achieved in-year balanced positions, it will focus on developing plans to eliminate the cumulative deficits.

4. Key Planning Assumptions

4.1 Revenue Projections

University operating revenues are derived primarily from provincial operating grants and tuition fees. Other operating revenues include investment income, endowment income, donations, funding for indirect costs of research and other miscellaneous revenue. The University projects total revenues of $959.1 million in 2017-18; $1,006.7 million in 2018-19; and, $1,061.5 million in 2019-20, for a total increase of $102.4 million over the planning period.

4.1.1 Operating Grants

Operating grants are primarily enrolment-driven government grants that flow to the University based on eligible enrolments. A total of $309.6 million is projected in operating grants in 2017-18; $311.7 million in 2018-19; and, $316.6 million in 2019-20, for a total increase of $7.0 million over the planning period. Details of operating grants are included in Appendix 2.

The increase over the planning period is the result of a projected modest growth in the number of students; there is no increase to per student funding.

The budget assumes the following for provincial grants:

- No changes have been projected related to the revision of the provincial funding formula;
- The budget projections are based on faculty enrolment contract targets and the available information about the current provincial funding;
- The budget projections do not include funding for capital expansion;
- The provincial government operating grants do not include an inflationary increase;
- Funding will be received for enrolment growth for both undergraduate and graduate students using the current funding formula and existing envelopes. For graduate expansion, the assumption is that growth will be funded up to the SMA1 agreement allocation. In cases where faculty projections exceed this allocation, faculties will receive only the corresponding tuition revenue.

4.1.2 Tuition Fee Revenue

Faculties receive tuition revenue generated from credit programs based on the number of students registered in the faculty. This methodology applies to domestic and international students, both at the undergraduate and graduate levels.

A breakdown of tuition fee revenue, including centrally collected ancillary fees, continuing/professional education fees, student referenda fees and application fees, is included in Appendix 2. The domestic tuition fee revenue is generated using enrolment projections from faculty enrolment contract targets and Board approved tuition fee rates based on the current Ministry Tuition Fee Framework for 2017-18 and 2018-19. The fee rates used for 2019-20 assume a continuation of this Tuition Fee Framework.

It is important to note that tuition revenue increases are as a result of both increases in tuition fee rates and higher enrolments. The Ministry Tuition Fee Framework allows for fee increases of up to 3% for entering and continuing domestic students in undergraduate Arts and Science programs, and up to 5% for entering and continuing students in graduate and high cost professional programs; with the overall average institutional fee increase not to exceed 3%. In order to stay within this framework, the University must balance fee increases between the graduate and professional programs. In most cases, fee increases are not applied to regular graduate programs (both masters and doctoral). The overall institutional tuition fee increase for the next two years is estimated to be slightly lower than 3% on average for domestic students.

International tuition fees are not regulated under the Ministry's Tuition Fee Framework and are set at a level that takes into consideration the full cost of providing a program and fees for comparable programs at peer universities. It is estimated that on average, international tuition fees will increase by about 5% for most programs over the next three years, with slight variations depending on the faculty and program. With the decline in the Canadian dollar, tuition fees are relatively more favorable for students from key international markets such as China, India and the United States.

Table 3a to Table 3d summarizes the approved tuition fee rates for some of the programs offered at York.

TABLE 3a. Approved Undergraduate Domestic Fee Rates ($)

	2016-17	2017-18	2018-19
Arts, Science and Other	6,408	6,600	6,798
Bachelor of Design	9,425	9,708	9,999
UG Prof. Programs (BCom, ITEC, BPA, BBA/iBBA, etc)	8,715	9,151	9,608
BEng - Computer Science	10,458	10,981	11,530
BEng - Mechanical/Civil/Electrical	11,576	12,155	12,763
JD/LLB	24,996	26,246	27,558

TABLE 3b. Approved Undergraduate International Fee Rates ($)

	2016-17	2017-18	2018-19
Arts, Science and Other	21,512	23,664	26,030
Bachelor of Design	21,985	23,084	24,238
UG Prof. Program (BCom, ITEC, BPA, BDEM)	23,820	25,725	27,783
UG Prof. Programs (BBA/iBBA)	25,825	27,116	28,472
BEng - Computer Science	23,820	25,011	26,261
BEng - Software, Computer, Geometrics, Space	28,584	30,013	31,513
BEng - Mechanical/Civil/Electrical	29,702	311,887	32,746
JD/LLB	25,821	27,112	28,468

TABLE 3c. Approved Graduate Domestic Fee Rates ($)

	2016-17	2017-18	2018-19
Non-Professional Masters Programs (3 Terms)	4,785	4,785	4,785
Doctoral Programs (3 Terms)	4,785	4,785	4,785
MBA/iMBA/MF/MBAN (2 Terms)	35,311	37,076	38,930
LLM/PDP - International Business Law	22,983	24,132	25,339
Master of Real Estate and Infrastructure (2 Terms)	34,420	36,141	37,948
Master of Human Resources Management	32,640	34,272	35,985
Master of Conference Interpreting	7,293	7,293	7,293

TABLE 3d. Approved Graduate International Fee Rates ($)

	2016-17	2017-18	2018-19
Non-Professional Masters Programs	18,825	18,825	18,825
Doctoral Programs	18,000	18,000	18,000
MBA/iMBA/MF/MBAN (2 Terms)	45,002	47,502	50,002
LLM/PDP - International Business Law	35,538	35,538	38,381
Master of Real Estate and Infrastructure (2 Terms)	45,002	47,502	50,002
Master of Human Resources Management	47,286	51,069	55,154
Master of Conference Interpreting	20,755	20,755	20,755

4.1.3 Ancillary Fees

Centrally collected ancillary fee revenue includes fees charged to students as permitted by Ministry Guidelines. These include fees in the following categories: athletics and recreation, counselling fees, cultural and special services fees and student referenda fees. Increases in compulsory ancillary fees are regulated by Ministry Guidelines and in accordance to a student protocol agreement between the University and the student government.

4.1.4 Tuition Fees for Continuing and Executive Education Programs

The School of Continuing Education and some faculties offer continuing and/or executive education programs. The fees in these types of programs are not regulated by the Ministry's Tuition Fee Framework, and are set based on the cost of the program and market demand. These programs generate a significant amount of revenue (they are projected to generate revenue of $49.5 million in 2017-18, $51.3 million in 2018-19 and $53.1 million in 2019-20). Some of the continuing and executive education programs offered are certificates in Advanced Cyber Security, Dispute Resolution, Big Data Analytics, Risk Management, and Human Resources Management; and English language courses taught at the English Language Institute (including the Summer Immersion Program), etc.

4.1.5 Endowment Income

The University has been the beneficiary of many generous donations over the years and has experienced significant growth in its Endowment Fund as a direct result of these donations and strong investment performance. The value of the Endowment Fund at the end of April 2017 was $468.0 million dollars. The income generated from these endowments is restricted for the purposes identified by the various donors to support student aid and endowed chairs.

The University has adopted a distribution formula which pays out to the University operating budget in the range of 3% to 5% of the market value of the assets, with a target of around 4%. The distribution formula aims to increase the payout annually by the rate of inflation, while preserving the purchasing power of the original endowment's capital. The payout rate is confirmed in the spring and paid out during the summer of each fiscal year. For 2017 the payout rate has been set at $3.96 per unit and is projected to increase by 1.52% to $4.02 per unit for 2018. The total distribution in 2016 was $14.0 million and is expected to increase to $14.5 million in 2018.

4.1.6 Investment Income

The University has short and medium term assets composed of operating and research funds, expendable donations, and capital reserve funds. These Short-Medium Term investments are held and managed separately from the assets of the University endowments and pension funds and are governed by the Short-Medium Term Fund Investment Guidelines under the responsibility of the Board Investment Committee.

The investment strategy of the Fund is formulated to address the University's requirements for maintaining adequate liquidity and producing incremental yield while ensuring the flexibility needed for matching of the University's obligations and commitments to planned and anticipated cash flows.

The investment income generated by this strategy makes up a small but important portion of the total operating revenue. This revenue will fluctuate based on the size of available funds and market conditions.

The projection is based on assumptions of cash balances, revenue and expenditure rates, divisional reserve balances, capital expenditure patterns, research revenue forecasts and investment return rates. The investment income is projected at $8.0 million for the duration of the planning period.

4.1.7 Fees and Other Recoveries

The income source of $48.3 million in 2017-18, $45.7 million in 2018-19 and $45.9 million in 2019-20 includes application, registration and examination fee revenue, fines and penalties, course material fees, contributions from ancillary operations, miscellaneous income, etc.

4.1.8 Indirect Costs of Research on Grants and Contracts

The funding in this category includes the Federal Research Support Fund (previously known as Indirect Costs of Research Program) and indirect costs recovered through the Provincial Research Overhead and Infrastructure program. The Research Support Fund applies to certain NSERC, SSHRC, CIHR and Networks of Centres of Excellence funding programs, whereas the Research Overhead and Infrastructure applies to all indirect costs of research.

The University's rate of federal indirect costs of recovery is now at 18.7%. The value at $5.4 million is projected to remain constant over the planning period. Revenue from the provincial Research Overhead and Indirect Costs of Research Envelope is projected to remain at $0.9 million over the planning period.

4.2 Expenditure Projections

Expenditure projections by nature of expenditures are included in Appendix 1A. A more detailed view outlining projections for each faculty, shared service and general institutional costs are included in Appendix 5, 7 and 8.

The university finds itself in a resource constrained environment resulting from weakness in domestic enrolments, no expected growth in provincial funding, a tuition fee framework that limits fee increases for domestic enrolments and pressures to fund a pension solvency deficit, compensation increases and ongoing economic instability. The university is therefore restrained in allocation of resources while it must continue to focus on its mission to deliver quality academic programs and commitment to research. Expenditure allocations are proposed within these competing constraints to ensure quality of programs.

The relative size of government funding envelopes in comparison to total university funding has been declining for years, and is projected to continue to decline. In light of this, as well as declining enrolments over the last few years and fee increase restrictions under the tuition fee framework, the University must be prudent in its resource allocation while ensuring that teaching and research quality, and the student experience are not compromised. Decisions on the proposed expenditure allocations have taken into account these competing priorities and constraints.

Total expenditures are proposed to increase from $976.0 million in 2017-18, rising to $1,010.9 million in 2018-19 and compared to $1,041.9 million in 2019-20, a total increase of $65.9 million (or 6.8% compared to 2017-18).

4.2.1 Shared Service Costs

As described in the *Budget Planning Process* section, Shared Services provide faculty, students, and academic administrators with physical, technological, administrative and human services in support of teaching and research. The Shared Services are organized in 11 “cost bins” as follows: Financial Management; Academic Management; Human Resources; York Libraries; Advancement; CSBO; UIT; Graduate Studies; Students Services; Research; and, General Institutional costs.

General institutional and space costs make up the largest and second largest shared service cost bins. General institutional costs consist of collective agreement commitments, pension and post-retirement costs, tuition waivers, bad debts, interest on capital debt, capital reserve payments and scholarships and bursary costs. The space costs are occupancy costs related to utilities, maintenance and caretaking.

Shared Service costs attributed to faculties and ancillaries are projected to total $232.2 million in 2017-18, $229.4 million in 2018-19 and $231.4 million in 2019-20, whereas General Institutional costs are projected to total $118.2 million in 2017-18, $110.9 million in 2018-19 and $120.9 million in 2019-10.

The annual budgets for Shared Services are established as follows:

- Rolling the 2016-17 incremental base funding of the Shared Service forward to 2017-18 and later years;
- Adding estimated salary increment funding (Shared Service units are funded at 50% of funded salary increases);
- Applying any transitional plan assessments or budget cuts as required; and
- Applying any additional funding outlined in the institutional budget plan or approved by the President based on recommendations of the University Budget Planning Committee.

The annual budgets for the general institutional costs are established as follows:

- Funding decisions outlined in the institutional budget plan approved by the President based on recommendations of the UBPC; and
- Automatic adjustments as required by collective agreement commitments.

4.2.2 Pension Special Payments and Pension Related Costs

The University is required to file a pension valuation every three years. The last year the valuation was filed was for December 2013, when the University reported a going concern deficit of $17.7 million and a solvency deficit of $124.1 million. The University applied and was granted solvency relief under stage 2 of the Ontario Government's temporary solvency funding relief program. This relief reduced the University's requirement to amortize the solvency deficiency over five years and limited the required contributions to interest only. These special payments amounted to $4.0 million annually and are included in the cost tables.

To address the budget pressure created by the going concern and the pension solvency deficiency, the University employed a number of strategies. One of the strategies included obtaining agreement from its employee groups to gradually increase the employee and employer contribution for the Money Purchase component of the Pension Plan. Prior to March 1, 2014 employee contributions were 4.5% of earnings up to the YMPE (year's maximum pensionable earnings) plus 6% of earnings above the YMPE. These contributions have increased to to 6.75% on earnings up to the YMPE and 9.15% on earnings above the YMPE by March 1, 2016.

Notwithstanding, the University continued to make annual special contributions of $4.0 million annually and the Fund has experienced strong investment returns in the intervening period.

The overall economic and financial climate and the regulatory landscape continue to be challenging for pension plans. Interest rates continue to be at historic lows, affecting investment returns and risk taking, making it much more difficult to achieve higher investment returns in the long term.

The increased contributions from employee groups, strong investment returns, combined with the University's continued special payments has resulted in an improvement in the financial health of the Pension Plan. This actuarial valuation reported a going concern surplus of $134.2 million in 2016 ($115.9 million in 2015) and a solvency deficit of $122.1 million ($170.9 million in 2015).

In the fall of 2016, the Ontario Government extended the Temporary Solvency Relief Program and based on the 2016 valuation results, the University will be required to amortize 25% of the solvency deficit over 7 years and pay interest on the remaining deficit. It is projected that this will increase the University's Pension Special Payment from the current level of $4.0 million to $8.0 million effective 2018. The Budget Plan has included these costs in the multi-year expenditure estimates.

The government recently announced a new funding framework for Defined Benefit plans that is a result of its review of the solvency funding. Highlights of the new framework include requiring funding on an enhanced going concern basis; requiring funding of a reserve within the plan; and, requiring funding on a solvency basis in the event the plan's funded status falls below 85%. These requirements may be advantageous to

York and may reduce the pressure on requirements for solvency payments. The details of the calculation of the size of the reserve are yet to be released.

4.2.3 Academic Expense Budgets

Each faculty is expected to budget total expenditures within its faculty Budget envelope and other direct revenue. Examples of direct revenue are non-credit tuition fees, external cost recoveries, internal cost recoveries, inter-fund transfers and budget allocations to/from other departments (i.e., allocations that are not centrally sourced).

Faculties are responsible for the hiring of tenure and teaching stream faculty, the hiring of staff, and to fund costs such as salary increments, professional expense reimbursements (PER), which are funds made available to faculty members for the direct pursuit of their professional responsibilities, progress-through-the-ranks (PTR) funding as per collective agreements with Faculty Associations, research overloads, graduate supervision, graduate student support, service teaching among faculties, etc. They are also responsible for their enrolment shortfall (100% impact of grant and tuition), and to budget contingency funds for items such as renovation costs.

4.2.4 General University Fund

As part of the SHARP Budget model, the University has created a General University Fund that will be financed from unallocated revenue and by attributions by faculties and units. This Fund has been created for the purposes of funding the following:

1) Strategic Initiatives

These are funds set aside for strategic allocations including incentives for institutional priorities and assistance for special projects undertaken by Faculties and/or Units.

2) Transition Funding

As part of transitioning from the incremental budget model to the SHARP Budget model, the university made a decision to hold faculties harmless to the impact of the change in Budget Models based on their 2013-14 budgets. Hence faculties that will be negatively impacted by the change to SHARP will receive a total of $26.4 million from the General University Fund through what is called the Budget Implementation Formula Adjustments (BIFA's). This is the difference between funding for a faculty under the incremental budget model and SHARP based on 2013-14 results.

3) Contingency Funds

These are funds set aside to manage institutional risks and unforeseen costs. Contingency funding may be earmarked for such risks as increased pension solvency contribution, government grant adjustments, etc.

4.2.5 Compensation Assumptions

The budget model holds all faculties responsible for covering salary and benefit increases. Shared service units receive 50% of their salary increments and are held responsible to fund the remaining portion of their increments through cost efficiencies. Most employee compensation increases are driven by collective agreements and all known and assumed agreements have been factored into the budgets of the faculties, schools and shared service units. Where agreements are not known, an extension of the current negotiated rates of increases has been assumed.

The contract expiry dates for employee groups with agreements are as follows:

TABLE 4: Contract Expiry Dates

Employee Group	Contract Expiry Date
CUPE 3903 Unit 1 (Teaching Assistants)	August 31, 2017
CUPE 3903 Unit 2 (Contract Faculty)	August 31, 2017
CUPE 3903 Unit 3 (Graduate Assistants)	August 31, 2017
YUSA Unit 1 (Full-time Clerical, Technical)	July 31, 2018
CUPE 1356-1 (Full-time Security and Parking)	August 31, 2018
CUPE 1356 (Caretakers/Groundskeepers, Drivers & Maintenance Employees)	August 31, 2018
IUOE Local 772 (Stationary Engineers)	June 30, 2018
OHFA (Osgoode Faculty - 53 members)	June 30, 2018
YUFA (Full-time Faculty)	April 30, 2018
OPSEU-1 (Full-time instructors at YUELI)	April 30, 2018
OPSEU-2 (Casual instructors at YUELI)	April 30, 2018
CUPE 3903 Unit 4 (part time librarians)	August 31, 2018
CUPE 1356-2 (Part-time Security and Parking)	Pending Ratification
YUSA Unit 2 (Part-time Clerical, Technical)	Negotiations in Progress

5. Review of the University Funding Formula

5.1 Funding Formula Review

The government is currently conducting a review of its funding formula for Universities. The revised formula will be implemented in fiscal 2017-18. The revised formula will flow grants to institutions through three funding buckets:

Enrolment Driven grants – this will include a Core Operating Grant (COG) in which each institution will be given a base level of operating funding based on a specific level of eligible university enrolment. Each eligible student will generate an equal level of grant which will be weighted by program, and the COG will be governed by an enrolment corridor mechanism.

Differentiation Envelope – allocates a portion of total grant funding based on an institution's performance against negotiated outcomes. The negotiated framework for these outcomes is part of the 2017-2020 SMA negotiations. These negotiations are currently ongoing.

Special Purpose grants – these are grants that address government and system priorities such as special funding for initiatives that improve access for indigenous learners, francophone students and students with disabilities.

Key elements of the new funding formula include:

A planned approach to enrolment growth – there no longer will be automatic funding for growth. Institutions will need to participate in a growth planning and funding allocation exercise through the SMA process, and the government will need to decide to provide the funding for any projected growth outside the funding corridor.

Support for declining enrolments – the new model has a provision for transitional support for institutions with declining enrolments. This will be done through the SMA process.

Protecting institutional revenue – a key principle of the reforms to the funding model is that institutions will not be adversely affected by changes to the formula. The total grants in each institution's COG and in the Differentiation Envelope will remain the same in 2017-18 through 2019-20 as the final actual operating grants in 2016-17. There will be no additional funding provided as result of funding formula changes and no institution will see a reduction in grants.

5.2 Impact of proposed Funding Formula changes on the University Budget

The SHARP Budget model will continue to attribute funds to faculties based on the current funding formula until such a time as the implications of changing to the revised funding formula will be determined. A full review of the implications for the University and faculty budgets will be carried out once the SMA2 negotiations are complete and the metrics are confirmed with MAESD. The process for developing a revised SHARP allocation mechanisms that mirrors the new provincial funding formula will commence shortly after, and will identify the split between enrolment-driven and differentiation grants. At that time shadow results will be developed and a transition plan will be put in place.

APPENDICES

Total Operating Budget
(in $millions)

	Table Reference	2017-18	2018-19	2019-20
University Operating Revenues				
Government Operating Grants	[Table 2]	$ 309.6	$ 311.7	$ 316.6
Student Fees	[Table 2]	584.7	633.8	683.6
Grants and Student Fees Subtotal		894.2	945.5	1,000.1
Funding from Donations, Endowments, & Trusts		8.0	6.9	6.9
Investment Income		8.6	8.5	8.5
Other Recoveries		48.3	45.7	45.9
Total Operating Revenues		**$ 959.1**	**$ 1,006.6**	**$ 1,061.5**
Total Expenditures	[Tables 4 /5]			
Salaries and Wages		$ 541.8	$ 559.4	$ 581.7
Employee Benefits		148.7	152.6	158.1
Operating Costs		138.8	152.0	153.1
Taxes and Utilities		26.2	28.7	28.9
Scholarship and Bursary		73.7	72.9	74.1
Interest on Long-Term Debt		20.8	21.0	21.1
Transfers to Research, Ancillary, and Capital Funds		25.9	24.3	24.9
Total Expenditures		**$ 976.0**	**$ 1,010.9**	**$ 1,041.9**
In Year Surplus (Deficit)		**(16.9)**	**(4.2)**	**19.6**
Opening Accumulated Surplus (Deficit)		(16.9)	(33.8)	(38.3)
Closing Accumulated Surplus (Deficit)		**$ (33.8)**	**$ (38.0)**	**$ (18.4)**

Appendix 1B

Apportionment of Operating Revenues
($ millions)

	Table Reference	2017-18	2018-19	2019-20
APPORTIONMENT OF OPERATING REVENUES				
Apportionment of Operating Revenues				
Faculties & Schools	[Tables 3 / 7]	$ 606.8	$ 646.4	$ 702.4
Shared Services	[Tables 3 / 8]	232.2	229.4	231.3
General Institutional (GI)	[Table 3]	118.2	110.9	120.9
University Fund	[Table 3]	1.9	20.0	7.0
Total Apportionment of Operating Revenues	[Table 3]	**$ 959.1**	**$ 1,006.7**	**$ 1,061.5**

Operating Grants and Student Fees
($ millions)

	2017-18	2018-19	2019-20
Government Operating Grants			
Base Operating Grants	$ 251.3	$ 251.3	$ 251.3
Undergraduate Accessibility	-	-	4.7
Graduate Accessibility	1.0	1.0	1.2
General Quality Tied To Multi-Year Accountability Agreer	13.0	13.0	13.0
Performance Funding	1.1	1.1	1.1
Municipal Tax Grant	2.9	2.9	2.9
Targeted Program Grants			
Nursing	11.0	11.0	11.0
French Language	10.4	12.6	12.6
Teacher Education	6.3	6.3	6.3
Collaborative Design	1.4	1.4	1.4
Accessibility for Students with Disabilities	1.5	1.5	1.5
Bursaries for Students with Disabilities	0.8	0.8	0.8
Aboriginal Support	0.5	0.5	0.5
Interpreter Fund	1.0	1.0	1.0
Research Overhead	6.3	6.3	6.3
Other Special Purpose Grants	1.2	1.2	1.2
Total Government Operating Grants	**$ 309.6**	**$ 311.7**	**$ 316.6**
Student Fees			
Credit Tuition Fees	$ 498.4	$ 545.8	$ 593.8
International Student Recovery	(4.7)	(5.2)	(5.5)
Continuing/Professional Education Tuition	49.5	51.3	53.1
Centrally Collected Ancillary Fees	29.6	29.9	30.2
Student Referenda	8.2	8.3	8.4
Application Fees	3.6	3.6	3.6
Total Student Fees	**$ 584.7**	**$ 633.8**	**$ 683.6**

Calculation of Budget Envelopes for 2017-18
($ millions)

	SHARP Revenues	Budget Allocations to Shared Services & GI	Contribution to University Fund	Net Transition Adjustments	SHARP Budget Envelope	Strategic University Fund Commitments	Faculty/Unit Revenues	Total Budgeted Revenues
Faculties & Schools:								
Liberal Arts & Professional Studies	$ 293.7	$ (100.3)	$ (5.0)	$ (5.5)	$ 182.9	$ 6.0	$ 1.5	$ 190.3
Arts, Media, & Performance Design	43.5	(21.2)	(0.9)	13.7	35.1	0.9	2.0	38.0
Environmental Studies	13.3	(5.6)	(0.4)	4.0	11.4	0.4	0.5	12.3
Education	19.5	(6.2)	(0.4)	2.5	15.4	1.0	5.1	21.5
Glendon	29.8	(13.5)	(1.0)	3.5	18.9	1.0	16.5	36.4
Schulich	84.5	(17.3)	(2.2)	(0.3)	64.7	2.2	21.8	88.7
Osgoode	40.0	(10.0)	(1.2)	3.6	32.5	1.2	8.6	42.2
Health	119.4	(45.8)	(2.2)	(8.9)	62.6	2.3	3.8	68.6
Science	68.8	(25.8)	(1.0)	8.8	50.8	1.2	1.3	53.3
Lassonde	46.7	(15.7)	(0.6)	(0.3)	30.1	2.6	2.6	35.3
Continuing Studies	-	(1.3)	(0.5)	(0.5)	(2.3)	0.5	21.9	20.1
Faculties & Schools Subtotal	**759.4**	**(262.7)**	**(15.4)**	**20.6**	**501.9**	**19.3**	**85.6**	**606.8**
Shared Services		[Table 6] 178.9		(4.0)	174.9	10.4	46.9	232.2
General Institutional		[Table 6] 87.1			87.1	4.4	26.7	118.2
Contribution from Ancillary Units	4.5	(3.2)		(1.3)	-	-		-
University Fund	36.0	(0.1)	15.4	(15.4)	36.0	(34.1)		1.9
Total University	**$ 799.9**	**-**	**-**	**-**	**$ 799.9**	**-**	**$ 159.2**	**$ 959.1**
								[Table 1]

Budgeted Expenses, Net of Recoveries by Nature of Expenditure

($ millions)

	2017-18	2018-19	2019-20
Budgeted Expenses, Net of Recoveries			
Salaries & Wages	$ 541.8	$ 559.4	$ 581.7
Employee Benefits	148.7	152.6	158.1
Operating Costs	138.8	152.0	153.1
Scholarships & Bursaries	73.7	72.9	74.1
Taxes and Utilities	26.2	28.7	28.9
Interest on Long-Term Debt	20.8	21.0	21.1
Transfers to Research, Ancillary, and Capital Funds	25.9	24.3	24.9
Total Budgeted Expenses, Net of Recoveries	**$ 976.0**	**$ 1,010.9**	**$ 1,041.9**

Appendix 5

Budgeted Expenditures by Faculty/Unit ($ millions)

	2017-18	2018-19	2019-20
Faculties & Schools			
Liberal Arts & Professional Studies	$ 190.3	$ 197.5	$ 211.8
Arts, Media, & Performance Design	39.2	40.4	43.5
Environmental Studies	14.0	13.9	14.2
Education	22.0	21.9	22.4
Glendon	36.4	38.0	40.1
Schulich	86.1	92.6	99.0
Osgoode	38.1	39.9	41.0
Health	67.7	69.9	71.6
Science	51.4	55.3	57.3
Lassonde	43.0	45.6	47.4
Continuing Studies	20.6	21.0	21.7
Provost's Academic Fund	6.0	6.0	6.0
Total Faculties & Schools	**614.7**	**642.1**	**676.1**
Shared Services			
Financial Management	15.9	16.0	16.2
Academic Management: President's Division	12.7	10.7	10.7
Academic Management: VPA&P	17.6	17.2	17.4
Human Resources	7.9	7.2	6.8
York Libraries	30.7	32.3	33.3
Advancement	12.1	12.2	12.4
CSBO & Community Safety	66.8	66.0	66.1
UIT	21.0	20.7	20.5
FGS: Administrative Support	3.9	3.4	2.7
Student Services	43.8	43.8	43.6
VPRI	8.7	8.3	8.3
Total Shared Services	**241.2**	**237.9**	**238.0**
General Institutional			
Collective Agreement	6.7	7.0	7.0
Pension & Post Retirement	11.5	11.5	15.5
Tuition Waivers	7.5	7.5	7.5
Bad Debts	4.9	4.9	4.9
Other GI Costs	12.9	12.1	12.1
Capital Debt	20.9	21.1	21.2
Capital Reserve Payments	11.0	11.0	11.0
Scholarships & Bursaries	25.3	23.1	23.1
Other GI Commitments	17.4	12.7	18.5
Total General Institutional	**118.2**	**110.9**	**120.9**
General University Fund	1.9	20.0	7.0
Total Operating Expenditures	**$ 976.0**	**$ 1,010.9**	**$ 1,041.9**

Budget Allocations to Shared Services & GI
($ millions)

	2017-18	2018-19	2019-20
Shared Services Costs			
Financial Management	$ 13.8	$ 13.8	$ 13.9
Academic Management: President's Division	10.5	10.5	10.6
Academic Management: VPA&P	15.2	15.3	15.3
Human Resources	7.0	7.0	7.1
York Libraries	31.3	31.7	32.2
Advancement	6.7	6.8	6.8
CSBO & Community Safety	53.5	53.8	54.1
UIT	16.4	16.5	16.6
FGS	2.7	2.7	2.7
Student Services	18.6	18.8	19.0
VPRI	7.9	8.0	8.0
Shared Services Cost Charged to Faculties & Schools	183.5	184.8	186.2
Attribution of General Insitutional Costs to Shared Services[1]	(4.6)	(4.6)	(4.6)
Total Shared Services Budget Allocations	**$ 178.9**	**$ 180.2**	**$ 181.6**
General Institutional Costs			
Collective Agreement	$ 7.0	$ 7.0	$ 7.0
Pension & Post Retirement	8.4	8.4	8.4
Tuition Waivers	7.5	7.5	7.5
Bad Debts	4.8	4.8	4.8
Other GI Costs	11.5	11.5	11.5
Capital Debt	20.9	21.1	21.2
Capital Reserve Payments	11.0	11.0	11.0
Scholarships & Bursaries	11.5	11.5	11.5
General Institutional Costs Charged to Faculties & Schools	82.5	82.7	82.9
Recovery from Shared Services[1]	4.6	4.6	4.6
Total General Institutional Allocations	**$ 87.1**	**$ 87.3**	**$ 87.5**
Total to Shared Services and General Institutional	**$ 266.0**	**$ 267.5**	**$ 269.0**

Note[1]
The amount reported for each Shared Service is reflective of its respective cost of space, collective agreement benefits, pension & post retirement, and bad debts.

Faculty/School Budget Positions
($ millions)

	2017-18	2018-19	2019-20
Liberal Arts & Professional Studies			
Total Budgeted Revenues [as per Table 3]	$ 190.3	$ 202.1	$ 220.8
Total Budgeted Expenses, Net of Recoveries	(190.3)	(197.5)	(211.8)
In Year Surplus/(Deficit)	0.1	4.6	9.0
Opening Accumulated Surplus/(Deficit)	**(52.8)**	**(52.7)**	**(48.1)**
Closing Accumulated Surplus/(Deficit)	**$ (52.7)**	**$ (48.1)**	**$ (39.1)**
Arts, Media, & Performance Design			
Total Budgeted Revenues [as per Table 3]	$ 38.0	$ 40.8	$ 44.2
Total Budgeted Expenses, Net of Recoveries	(39.2)	(40.4)	(43.5)
In Year Surplus/(Deficit)	(1.3)	0.3	0.8
Opening Accumulated Surplus/(Deficit)	**(15.7)**	**(17.0)**	**(16.6)**
Closing Accumulated Surplus/(Deficit)	**$ (17.0)**	**$ (16.6)**	**$ (15.9)**
Environmental Studies			
Total Budgeted Revenues [as per Table 3]	$ 12.3	$ 13.5	$ 15.3
Total Budgeted Expenses, Net of Recoveries	(14.0)	(13.9)	(14.2)
In Year Surplus/(Deficit)	(1.6)	(0.5)	1.1
Opening Accumulated Surplus/(Deficit)	**(3.0)**	**(4.6)**	**(5.1)**
Closing Accumulated Surplus/(Deficit)	**$ (4.6)**	**$ (5.1)**	**$ (4.0)**
Education			
Total Budgeted Revenues [as per Table 3]	$ 21.5	$ 21.8	$ 22.3
Total Budgeted Expenses, Net of Recoveries	(22.0)	(21.9)	(22.4)
In Year Surplus/(Deficit)	(0.5)	(0.1)	(0.0)
Opening Accumulated Surplus/(Deficit)	**4.0**	**3.5**	**3.4**
Closing Accumulated Surplus/(Deficit)	**$ 3.5**	**$ 3.4**	**$ 3.4**
Glendon			
Total Budgeted Revenues [as per Table 3]	$ 36.4	$ 38.1	$ 40.3
Total Budgeted Expenses, Net of Recoveries	(36.4)	(38.0)	(40.1)
In Year Surplus/(Deficit)	0.0	0.1	0.2
Opening Accumulated Surplus/(Deficit)	**(8.9)**	**(8.9)**	**(8.8)**
Closing Accumulated Surplus/(Deficit)	**$ (8.9)**	**$ (8.8)**	**$ (8.6)**

Faculty/School Budget Positions
($ millions)

	2017-18	2018-19	2019-20
Schulich			
Total Budgeted Revenues [as per Table 3]	$ 88.7	$ 93.7	$ 101.0
Total Budgeted Expenses, Net of Recoveries	(86.1)	(92.6)	(99.0)
In Year Surplus/(Deficit)	2.6	1.1	2.0
Opening Accumulated Surplus/(Deficit)	**(10.1)**	**(7.5)**	**(6.4)**
Closing Accumulated Surplus/(Deficit)	**$ (7.5)**	**$ (6.4)**	**$ (4.5)**
Osgoode			
Total Budgeted Revenues [as per Table 3]	$ 42.2	$ 43.0	$ 44.8
Total Budgeted Expenses, Net of Recoveries	(38.1)	(39.9)	(41.0)
In Year Surplus/(Deficit)	4.1	3.1	3.8
Opening Accumulated Surplus/(Deficit)	**11.7**	**15.9**	**18.9**
Closing Accumulated Surplus/(Deficit)	**$ 15.9**	**$ 18.9**	**$ 22.7**
Health			
Total Budgeted Revenues [as per Table 3]	$ 68.6	$ 72.8	$ 79.4
Total Budgeted Expenses, Net of Recoveries	(67.7)	(69.9)	(71.6)
In Year Surplus/(Deficit)	0.9	2.9	7.8
Opening Accumulated Surplus/(Deficit)	**0.2**	**1.0**	**3.9**
Closing Accumulated Surplus/(Deficit)	**$ 1.0**	**$ 3.9**	**$ 11.7**
Science			
Total Budgeted Revenues [as per Table 3]	$ 53.3	$ 58.3	$ 63.6
Total Budgeted Expenses, Net of Recoveries	(51.4)	(55.3)	(57.3)
In Year Surplus/(Deficit)	1.9	3.1	6.3
Opening Accumulated Surplus/(Deficit)	**(3.0)**	**(1.1)**	**2.0**
Closing Accumulated Surplus/(Deficit)	**$ (1.1)**	**$ 2.0**	**$ 8.3**
Lassonde			
Total Budgeted Revenues [as per Table 3]	$ 35.3	$ 40.8	$ 47.8
Total Budgeted Expenses, Net of Recoveries	(43.0)	(45.6)	(47.4)
In Year Surplus/(Deficit)	(7.6)	(4.8)	0.4
Opening Accumulated Surplus/(Deficit)	**(10.5)**	**(18.2)**	**(23.0)**
Closing Accumulated Surplus/(Deficit)	**$ (18.2)**	**$ (23.0)**	**$ (22.6)**

Faculty/School Budget Positions
($ millions)

	2017-18	2018-19	2019-20
Continuing Studies			
Total Budgeted Revenues [as per Table 3]	$ 20.1	$ 21.5	$ 22.9
Total Budgeted Expenses, Net of Recoveries	(20.6)	(21.0)	(21.7)
In Year Surplus/(Deficit)	(0.5)	0.6	1.2
Opening Accumulated Surplus/(Deficit)	**17.1**	**16.6**	**17.1**
Closing Accumulated Surplus/(Deficit)	**$ 16.6**	**$ 17.1**	**$ 18.3**
Provost's Academic Fund			
Total Budgeted Expenses, Net of Recoveries	$ (6.0)	$ (6.0)	$ (6.0)
In Year Surplus/(Deficit)	(6.0)	(6.0)	(6.0)
Opening Accumulated Surplus/(Deficit)	**20.3**	**14.3**	**8.3**
Closing Accumulated Surplus/(Deficit)	**$ 14.3**	**$ 8.3**	**$ 2.3**
Total Faculties & Schools			
Total Budgeted Revenues [as per Table 3]	$ 606.8	$ 646.4	$ 702.4
Total Budgeted Expenses, Net of Recoveries	(614.7)	(642.1)	(676.1)
In Year Surplus/(Deficit)	(7.9)	4.3	26.3
Opening Accumulated Surplus/(Deficit)	**(50.6)**	**(58.5)**	**(54.2)**
Closing Accumulated Surplus/(Deficit)	**$ (58.5)**	**$ (54.2)**	**$ (27.9)**

Shared Services Budget Positions
($ millions)

	2017-18	2018-19	2019-20
Financial Management			
Total Budgeted Revenues [as per Table 3]	$ 15.0	$ 15.1	$ 15.1
Total Budgeted Expenses, Net of Recoveries	(15.9)	(16.0)	(16.2)
In Year Surplus/(Deficit)	(0.9)	(0.9)	(1.0)
Opening Accumulated Surplus/(Deficit)	**7.3**	**6.4**	**5.4**
Closing Accumulated Surplus/(Deficit)	**$ 6.4**	**$ 5.4**	**$ 4.4**
Academic Management: President's Division			
Total Budgeted Revenues [as per Table 3]	$ 12.0	$ 10.5	$ 10.5
Total Budgeted Expenses, Net of Recoveries	(12.7)	(10.7)	(10.7)
In Year Surplus/(Deficit)	(0.6)	(0.3)	(0.2)
Opening Accumulated Surplus/(Deficit)	**2.0**	**1.3**	**1.0**
Closing Accumulated Surplus/(Deficit)	**$ 1.3**	**$ 1.0**	**$ 0.9**
Academic Management: VPA&P			
Total Budgeted Revenues [as per Table 3]	$ 18.8	$ 18.2	$ 18.3
Total Budgeted Expenses, Net of Recoveries	(17.6)	(17.2)	(17.4)
In Year Surplus/(Deficit)	1.2	1.0	0.9
Opening Accumulated Surplus/(Deficit)	**0.6**	**1.8**	**2.8**
Closing Accumulated Surplus/(Deficit)	**$ 1.8**	**$ 2.8**	**$ 3.7**
Human Resources			
Total Budgeted Revenues [as per Table 3]	$ 7.3	$ 6.7	$ 6.8
Total Budgeted Expenses, Net of Recoveries	(7.9)	(7.2)	(6.8)
In Year Surplus/(Deficit)	(0.6)	(0.5)	(0.0)
Opening Accumulated Surplus/(Deficit)	**1.4**	**0.8**	**0.3**
Closing Accumulated Surplus/(Deficit)	**$ 0.8**	**$ 0.3**	**$ 0.3**
York Libraries			
Total Budgeted Revenues [as per Table 3]	$ 30.5	$ 31.0	$ 31.9
Total Budgeted Expenses, Net of Recoveries	(30.7)	(32.3)	(33.3)
In Year Surplus/(Deficit)	(0.2)	(1.3)	(1.4)
Opening Accumulated Surplus/(Deficit)	**1.0**	**0.8**	**(0.5)**
Closing Accumulated Surplus/(Deficit)	**$ 0.8**	**$ (0.5)**	**$ (1.9)**

Appendix 8

Shared Services Budget Positions
($ millions)

	2017-18	2018-19	2019-20
Advancement			
Total Budgeted Revenues [as per Table 3]	$ 9.6	$ 9.1	$ 9.2
Total Budgeted Expenses, Net of Recoveries	(12.1)	(12.2)	(12.4)
In Year Surplus/(Deficit)	(2.6)	(3.1)	(3.2)
Opening Accumulated Surplus/(Deficit)	**4.3**	**1.7**	**(1.4)**
Closing Accumulated Surplus/(Deficit)	**$ 1.7**	**$ (1.4)**	**$ (4.6)**
CSBO & Community Safety			
Total Budgeted Revenues [as per Table 3]	$ 65.9	$ 65.7	$ 66.1
Total Budgeted Expenses, Net of Recoveries	(66.8)	(66.0)	(66.1)
In Year Surplus/(Deficit)	(0.8)	(0.4)	0.1
Opening Accumulated Surplus/(Deficit)	**1.5**	**0.7**	**0.3**
Closing Accumulated Surplus/(Deficit)	**$ 0.7**	**$ 0.3**	**$ 0.4**
UIT			
Total Budgeted Revenues [as per Table 3]	$ 20.4	$ 20.1	$ 19.9
Total Budgeted Expenses, Net of Recoveries	(21.0)	(20.7)	(20.5)
In Year Surplus/(Deficit)	(0.6)	(0.6)	(0.6)
Opening Accumulated Surplus/(Deficit)	**1.9**	**1.3**	**0.7**
Closing Accumulated Surplus/(Deficit)	**$ 1.3**	**$ 0.7**	**$ 0.1**
FGS: Administrative Support			
Total Budgeted Revenues [as per Table 3]	$ 2.7	$ 2.7	$ 2.7
Total Budgeted Expenses, Net of Recoveries	(3.9)	(3.4)	(2.7)
In Year Surplus/(Deficit)	(1.2)	(0.7)	(0.0)
Opening Accumulated Surplus/(Deficit)	**2.8**	**1.6**	**0.9**
Closing Accumulated Surplus/(Deficit)	**$ 1.6**	**$ 0.9**	**$ 0.9**
Student Services			
Total Budgeted Revenues [as per Table 3]	$ 41.9	$ 42.1	$ 42.6
Total Budgeted Expenses, Net of Recoveries	(43.8)	(43.8)	(43.6)
In Year Surplus/(Deficit)	(1.9)	(1.6)	(0.9)
Opening Accumulated Surplus/(Deficit)	**7.8**	**5.9**	**4.3**
Closing Accumulated Surplus/(Deficit)	**$ 5.9**	**$ 4.3**	**$ 3.3**
VPRI			
Total Budgeted Revenues [as per Table 3]	$ 8.1	$ 8.0	$ 8.1
Total Budgeted Expenses, Net of Recoveries	(8.7)	(8.3)	(8.3)
In Year Surplus/(Deficit)	(0.6)	(0.3)	(0.3)
Opening Accumulated Surplus/(Deficit)	**2.9**	**2.3**	**2.0**
Closing Accumulated Surplus/(Deficit)	**$ 2.3**	**$ 2.0**	**$ 1.7**
Total Shared Services			
Total Budgeted Revenues [as per Table 3]	$ 232.2	$ 229.4	$ 231.3
Total Budgeted Expenses, Net of Recoveries	(241.2)	(237.9)	(238.0)
In Year Surplus/(Deficit)	(9.0)	(8.5)	(6.7)
Opening Accumulated Surplus/(Deficit)	**33.7**	**24.8**	**16.3**
Closing Accumulated Surplus/(Deficit)	**$ 24.8**	**$ 16.3**	**$ 9.5**

General University Fund
($ millions)

	Table Reference	2017-18	2018-19	2019-20
REVENUES				
SHARP Revenues, Net of Shared Services Cost				
Net Investment Income		$ 8.5	$ 8.5	$ 8.5
Fines and Penalties		3.0	3.0	3.0
Contribution from Ancillary Operations		2.4	2.4	2.4
Centrally Collected Ancillary Fees		8.6	8.6	8.6
MAESD Unearned Grant		13.1	3.9	-
Miscellaneous Revenues		0.2	0.2	0.2
Total SHARP Revenues, Net of Shared Services Cost	[Table 3]	35.9	26.6	22.7
Faculty/School Contributions to University Fund	[Table 3]	15.4	15.4	15.4
Total Revenues		**51.3**	**42.0**	**38.1**
ALLOCATIONS				
Net Transition Adjustments	[Table 3]	**15.4**	**15.4**	**15.4**
Strategic Investments				
Faculties	[Table 3]			
Refund of University Fund Contribution		15.4	-	-
Other Commitments		3.9	1.9	0.8
Shared Services	[Table 3]	10.4	0.9	0.9
General Institutional	[Table 3]	4.4	3.8	14.1
Total Strategic Commitments	[Table 3]	**34.1**	**6.6**	**15.8**
Total Allocations	[Table 3]	**49.4**	**22.0**	**31.1**
Revenues less Allocations	[Table 3]	**1.9**	**20.0**	**7.0**
Cumulative Opening Balance of University Fund		21.9	23.8	43.8
Cumulative Ending Balance of University Fund		**$ 23.8**	**$ 43.8**	**$ 50.8**

Calculation of Faculty Transition Adjustments
($ millions)

	Hold Harmless Funding	Tax	Net Transition Adjustments
Faculties & Schools:			
Liberal Arts & Professional Studies	$ (5.5)	-	$ (5.5)
Arts, Media, & Performance Design	14.2	(0.5)	13.7
Environmental Studies	4.2	(0.2)	4.0
Education	2.9	(0.5)	2.5
Glendon	4.2	(0.7)	3.5
Schulich	1.5	(1.7)	(0.3)
Osgoode	4.4	(0.8)	3.6
Health	(8.9)	-	(8.9)
Science	9.4	(0.6)	8.8
Lassonde	-	(0.3)	(0.3)
Continuing Studies	-	(0.5)	(0.5)
Total Faculties & Schools	**$ 26.4**	**$ (5.7)**	**$ 20.6**