Multi Year Budget Plan

2024-25 to 2026-27

YORK U

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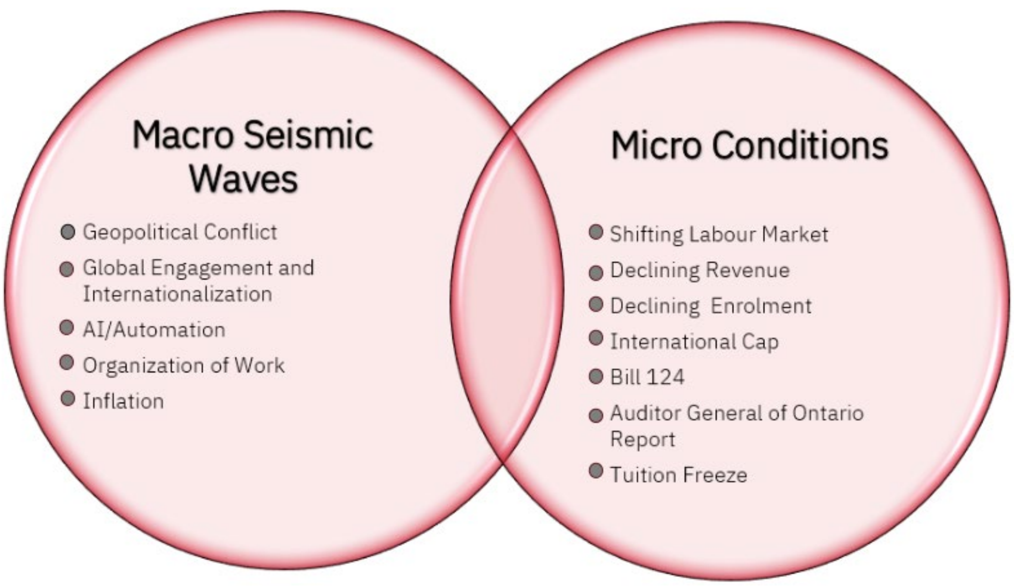
1. Context

This report contains the proposed Budget Plan for the three-year budget cycle 2024-25 to 2026-27 based on the University's Shared Accountability and Resource Planning (SHARP) budget model.

The Budget Plan is a key element of strategic planning at the University that integrates local and global developments in higher education, the differentiated vision for York and its priorities as articulated in the University Academic Plan (UAP), and the objectives and actions underway as part of the University's Integrated Resource Planning process.

The Budget Plan is intended to maximize advancement of UAP priorities, ensure long-term financial sustainability, and support bold thinking and the pursuit of newly emerging opportunities. While there are some significant challenges facing the higher education particularly in Ontario it will be essential that the University continue to strategically invest for future growth and success.

In general, the budget is guided by the current financial context and key long-range assumptions. As captured in the Figure below, both macro and micro conditions have cumulatively had a transformative impact on post-secondary education.



While the University has been both anticipating, and responding to these developments, three specific factors have emerged since the Board-approved budget in 2023 (i.e., 2023-24 through to 2025-26). These are: 1) the overturning of Bill 124, 2) the decision on the part of the provincial government to freeze tuition for another three years (2024-25 through 2026-27) despite contrary recommendations made by their own commissioned Blue-Ribbon Panel, and 3) a federally-imposed cap on international enrolment that has reduced Ontario admissions by about 50%.

The University had already begun the process of realigning budgeted expenditures in response to declining international enrolment over the last several years. In the last budget cycle (approved in June 2023), an institutional approach was used to lower costs in certain categories such as travel, conferences, hospitality, supplies, marketing, etc. For the Faculties and Units, this represented a significant change from their initial budget submissions, reducing expenditures by $47.9M in 2023-24, $39.9M in 2024-25, and $39.5M in 2025-26. Throughout fiscal 2023-24, the University continued to face international enrolment challenges and further cost containing measures were taken. In November 2023, the University implemented a temporary hiring pause, except for essential hires. While the University has applied cost containment measures, it has also prioritized, and in some cases, allowed growth in spending to support revenue generation.

As the University ends fiscal 2023-24, despite the challenges, it is poised for growth and continued leadership in York Region. The Markham Campus is scheduled to open in Fall 2024, and in March 2024, the province announced $9M in funding for the planning of a new School of Medicine at York. The University intends to fund the new School of Medicine capital costs through a combination of grants and philanthropic donations. As the University does not intend to fund the new School of Medicine using operating funds, any costs associated with planning the school are not reflected in the operating budgets. These major initiatives are enhancing York's reputation, strengthening our community projects, helping to meet urgently needed talent in STEM and health fields, creating new research opportunities, and importantly positioning York to increase enrolment in response to the growth of 18–24-year-olds in York Region.

Realizing the full potential of the actions that have been taken will take several years, and in the meantime, limits on the ability to reduce expenditures in response to missed international enrolment targets for degree programs and forecasted tuition losses exceeding enrolment contingencies of $27M by $34M have left the University forecasting a deficit for 2023-24 (Appendix 1). All faculties, except Osgoode and Schulich, have forecasted a deficit position (even before considering the salary adjustments for the wage-reopener).

The loss in tuition revenue was partially offset by increased revenues in the School of Continuing Studies, Ancillary Services, and investment income. In an effort to increase international enrolment and retention, the University established the International Strategic Enrolment Management working group (ISEM) in early 2024.

Looking forward to the three-year budget cycle of 2024/25 through 2026/27, the University necessarily must take further actions to address:

- The extended three years of frozen tuition resulting in a reduction of budgeted revenues by $49M – only partially offset by an estimated increase in grant revenue of $43M.
- The international student visa cap in combination with the geo-political landscape and increased competition for international students already impacting Fall/Winter 2024 intake estimates.
- The impact of the labour disruption for CUPE 3903, units 1, 2, and 3.
- In addition to the pressures on revenues, the repeal of Bill 124 will have a material impact on the expenditures of the University as salaries and benefits cost account for approximately 70% of University costs.
- The Markham campus is scheduled to open in Fall 2024. Markham is a key investment, and the campus is budgeted to break even in year six (2029-2030). As part of this investment, Markham has total budgeted operating deficits of ($61M) for the three-year budget period.

When accounting for the intake decline and the flow through impact, revenues have declined by almost $165M from the original target set in November 2023, for the three-year budget period from 2024-25 to 2026-27.

To mitigate these challenges, the University, as part of its financial stability strategy, has identified seventeen key projects to increase revenues and contain costs. Where estimable, the anticipated revenues and savings of these key projects have been captured in the multi-year budget plan for 2024-25 to 2026-27.

Program Enhancement and Sustainability

1. Course Enrolment Optimization
2. Expand Capacity in Programs with Unmet Demand
3. Redesign General Education
4. Program Sustainability Review
5. Supporting Program Innovation
6. SMA3 Improve Metrics Performance

Enrolment Recovery

7. Establish ISEM Working Group

8. New out of Province Strategy

9. Student Housing Working Group

10. New Pathways to Degrees

11. Collegial Forum on UG Student Retention

12. Faculties of the Future

Administrative Projects

13. Administrative Service Efficiencies

14. E-License Optimization

15. Space Optimization

16. Human Resource Programs, such as unpaid leave and/or reduced hours programs for staff, early retirement and voluntary exit programs

17. Alternative Revenue/Asset Monetization

The University is also investing in Advancement to increase philanthropic donations and advance strategic priorities, such as Markham Campus and the new School of Medicine. As well, the University continues to realign budgeted expenditures to the lower revenues including lowering the costs in certain categories such as travel, conferences, hospitality, supplies, marketing, etc., and containment based on their operations and strategies.

In order to effectively address more recent financial challenges further work is being done on these various actions the university has to take in order to achieve the budget as presented.

2. York's Budget Model

The Shared Accountability and Resource Planning Budget model (SHARP) was adopted in 2017-18 and is a modified version of an activity-based budget model with shared financial responsibility. The SHARP model is designed to flow revenue to the units generating it – the Faculties, School of Continuing Studies, and Ancillary Services – and attribute the shared services expenses to these revenue-generators based on cost drivers. The SHARP model utilizes a more rigorous, transparent methodology for allocating revenues and expenses than the prior incremental budget model, that simply adjusted prior period budgets on the margin.

A key component of the SHARP Budget model is the central University Fund, along with two Presidential Advisory Councils overseeing annual requests for strategic funds and base budget adjustments (see section 2.4).

2.1 Guiding Principles of SHARP

The key principles underpinning the SHARP budget model are:

- Support of the academic goals of the institution through the alignment of resources to priorities as outlined in York's planning documents
- Transparency
- Predictability and sustainability of the framework for budget planning
- Accountability
- Clear and straightforward allocation methodologies

Revenues and costs under the SHARP Budget model are attributed as follows:

- Revenue flows to the area that generates it and is attributed using the same formula or a simplified version through which the institution receives the revenue. The formula used to allocate grants reflects the Ministry's new funding formula implemented in 2017-18.
- Revenues which cannot be reasonably attributed to a revenue-generating area flow to the University Fund.
- Cost drivers are used to determine the proportion of shared services costs attributed to revenue generating areas. These drivers are transparent, objectively and consistently calculated, easily replicated, and based on the latest available data.
- Cost drivers are a measure of the extent to which a revenue-generating area utilizes a resource or service. Examples of cost drivers include number of students, number of faculty and staff, net assignable square meters occupied, etc.
- There is no opt-out of shared costs, except in a few exceptional circumstances, where services may not be provided centrally, in which case, some adjustments to cost attribution have been made.

Under SHARP, most of the institutional revenue flows to the Faculties who generate the University's key revenue streams through tuition and government operating grants.

A Faculty's annual budget allocation (the "budget envelope") is equal to its share of the University's revenue generated from its programs and student enrolments, less its attribution of shared services costs and general institutional expenses, and its contribution to the University Fund. In addition, some Faculties are allocated operating support funding from the University Fund.

2.2 Benefits of SHARP

The SHARP Budget model 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 operating costs and opportunities to improve service

2.3 SHARP Budget Cycle

With the implementation of SHARP, the University aligned its budget cycles and processes to better support its academic priorities and processes. The SHARP budget cycle is integrated with the enrolment planning cycle.

Faculties work with the Office of Institutional Planning and Analysis (OIPA) to develop multi-year enrolment projections, commonly known as "enrolment contracts", which are used to calculate Faculty budget envelopes.

Administrative Units support the central academic mission of the University by providing services to the York community and campuses. The Administrative Units (also known as shared service Units) have fixed base budgets, increasing annually by salary increments, along with any other negotiated base increases recommended by the Budget Council and approved by the President. Administrative Unit budgets may also be subject to budget cuts, if required.

As a result of declining enrolments, particularly on international, the base budgets for Shared Services were reduced by 4% for 2024-25. Faculties and Administrative Units are responsible for developing strategic initiatives that align with institutional priorities as outlined in the University Academic Plan. Requests to advance initiatives are submitted to the University Fund Council, which advises the President for a final decision on a time-limited funding allocation.

In late Fall, after requests for strategic support and base budget adjustments are completed and approved, the Office of Budgets and Asset Management (BAM) distributes budget envelopes to Faculties, and base budgets to the shared service Units which then begin developing detailed three-year rolling Budget Plans to be completed by the following Spring.

Faculties review their Budget Plans with the Provost & Vice-President Academic, and shared service Units review their Budget Plans with their respective Vice President. The Vice Presidents, as well as other direct reports to the President, present their budgets to the President. Historically, a draft rolled-up institutional budget is reviewed and presented to PVP for final approval by the President. BAM then prepares the institutional Budget Plan which is presented to the Board Finance & Audit Committee and Board of Governors for review and approval in April. For the 2024-25 rolling budget, the budget has been determined at the institutional level, as the University is determining the respective impact of its financial sustainability strategy (see Section 1) at the Faculty and shared service Unit level.

The Faculty budget envelopes are based on projected enrolments and shared services costs. When actual data is available at year-end, BAM recalculates the Faculty budget envelopes based on actuals, and communicates any adjustments to be made to the Faculties to assist them with planning for the next budget cycle. Adjustments are made on an in-year basis.

The Budget Planning cycle is based on a three-year rolling window. Planning assumptions are updated each year, with the revised revenue and expense projections prepared for the new cycle based on these assumptions.

2.4 SHARP 2.0

In 2022-23, the University implemented SHARP 2.0 based on recommendations contained in the report from the external review of SHARP, that was conducted by a three-person panel with expertise working with activity-based budgets in universities. The report, issued in February 2020, identified recommendations and advice across five main areas. These were incorporated into SHARP 2.0 and implemented as follows:

- Budget Cycle and Accountability: Enrolment planning over a longer time horizon; multi-year budgets approved by Board each April before entering the new fiscal year (previously June); Service Tables for revenue-generating areas and shared services providers to discuss priorities, needs, resources, outcomes, and service levels

- Hold Harmless: Hold Harmless amounts that were automatically provided to the Faculties based on 2013-14 budgets, replaced by a transparent method of providing Operating Support where required based on current data and business/recovery plans, and reviewed annually
- University Fund: 8% annual contributions[1] from the revenue-generating areas for a sustainable, predictable University Fund to support institutional strategic priorities and provide Operating Support for Faculties as needed.
- Governance: Two distinct Councils to provide advice to the President:
    - University Fund Council on time-limited strategic requests of Faculties and Units for University Fund support. This Council is chaired by the Provost with membership comprised of the VP, Finance and Administration, VP, Research and Innovation, and four resource Faculty Deans representing large and small Faculties, and professional Schools
    - Budget Council on base budget requests of shared services Units. This Council is chaired by the President with membership comprised of Divisional VPs, all resource Faculty Deans (excluding Graduate Studies and Libraries), and the Executive Director of the School for Continuing Studies
- Interfaculty Revenue Sharing: New framework proposed by the Interfaculty Working Group for an enhanced approach to revenue sharing, with further consultation and modeling currently underway.

The SHARP budget is continually reviewed and refined over time.

[1] The 8% University Fund contribution from revenue generating areas was implemented in 2022-23. As a result of enrolment challenges faced by Faculties both in 2022-23 and 2023-24, the University made a decision to refund 3% in 2024-25, 2.5% in 2025-26 and 2% in 2026-27 of the Faculty contributions for 2024-25. The 2024-25 multi-year budgets have also incorporated annual refunds to the Faculties from the University Fund in acknowledgement they will need more time to adjust to the full 8% under the current enrolment pressures.

3. Priority Investments

The University Academic Plan and strategic priorities are represented in Figure 1 below and continue to form the foundation for the planned investments in the multi-year Budget Plan. As the University further develops and refines its financial stability strategy and seventeen key projects, priority investments may be modified or paused.

Figure 1: York University Priority Areas

Each of the six priorities focuses on a key dimension of positive change that York University is pursuing. The priorities are conceptualized as a wheel to reflect their fluidity and interdependence.

The University Budget consultations, which are conducted annually with the community, also provide valuable input in developing the Budget Plan by identifying community priorities for investment. Over 844 faculty, staff, and students participated in the 2023-24 budget consultations, including members of the Senate Academic Policy Planning and Research Committee, Faculty Councils, student leadership, employee group leadership, divisional staff members, and the Board of Governors. The themes emerging from this year's community consultations are summarized in the word cloud below (Figure 2). These provide additional input in the development of the Budget Plan and the strategic investments being made by the University.

Figure 2: Priority areas identified through Community Consultations

The multi-year Budget Plan includes strategic investments to advance the priorities of the University Academic Plan and to support local efforts, as well as concerted measures to enhance financial sustainability of the University.

3.1 Faculty Complement

One of the most important investments to advance virtually all the UAP priorities is the faculty complement. A robust and diverse faculty complement contributes to new program development, pedagogical innovation, research intensification and innovation, our global engagement strategy, and living well together. Alongside the core tenure stream complement, the University has many talented contract faculty and graduate teaching assistants who contribute significantly to these priorities.

The University has achieved considerable success over the last several years in growing the faculty complement, despite higher numbers of retirements than anticipated. This has advanced UAP priorities around 21st Century Learning, Knowledge for the Future, Living Well Together, and other priorities of the University, including enhancing the student learning experience. In the current financial context, the University has now slowed hiring considerably to include essential replacements and new hires in programs with net new enrolment growth or to maintain program and research excellence.

The salary costs of faculty complement reside in the Faculties where the appointments are made, with some bridging funds made available through the central University Fund to support strategic hiring in support of research, and diversity hiring.

3.2 Research Leadership

The University Fund has committed $8M in the budget plan to advance the UAP priority Knowledge for the Future, in alignment with the Strategic Research Plan. The investments build on areas of interdisciplinary research strength, supporting emerging areas of research leadership by securing large-scale funding, and advance Equity, Diversity and Inclusion through scholarship, research, and related creative activities.

Funding has also been allocated to Phase 2 Catalyzing Interdisciplinary Research Clusters (CIRC), focused on the UN Sustainable Development Goals (SDGs), and to implementing the governance/support structures needed to run the Canada First Research Excellence Fund (CF-REF) program – Connected Minds: Neural & Machine Systems for a Healthy, Just Society, which was recently approved for funding and is the largest research grant in the University's history. As well, funding has been allocated to fund the Evergreening Plan of Vision: Science to Applications (VISTA), a forever program that has just completed 7 years of funding, in part funded by the CF-REF.

To establish shared research infrastructure and support collaborative research activities at the Markham Campus, funding has been allocated to the Markham Shared Research Infrastructure funding.

The University Fund has also committed:

- $1M in 2024, matched by $1M from the Provost's Office, to provide bridge funding for faculty complement growth and renewal, specifically pertaining to research amplification intended to support up to 40 strategic hires
- $1.1M in 2024-25 to critical infrastructure updates to YSciCore advancing excellence in research and teaching.

3.3 Supporting Students

To support the priority From Access to Success, the University's student financial assistance offerings were expanded in 2023-24 to ensure York remains competitive and responsive to student needs by providing:

- Improved entrance scholarships for domestic students recognizing academic excellence
- A higher volume of domestic and international bursaries
- A new *Tentanda Via* award to students demonstrating fortitude, resilience, and a commitment to progressive and sustainable development

The expanded student awards represent $36.6M in the 2024-25 multi-year Budget Plan. Student awards will continue to evolve over time in alignment with student needs, Strategic Enrolment Management, the financial context, and the University's academic priorities.

As global competition for talent continues to grow and international student recruitment faces an increasingly challenging environment that is compounded by the lingering effects of the pandemic, the Budget Plan has committed an additional $7.1M to support the University's international student recruitment plan.

3.4 Pursuing Decolonization, Equity, Diversity, and Inclusion

To diversify faculty complement, build capacity for research success of diverse scholars, and support the University's DEDI Strategy, Indigenous and Anti-Black Racism frameworks and action plans, the Budget Plan includes:

- $0.8M DEDI-related scholarship funding to advance Black, Indigenous, and other equity scholarship, research, and related creative activities
- $1.2M funding for high priority initiatives to:
    - help implement the University's Framework on Black Inclusion and the Strategy on Decolonization, Equity, Diversity, and Inclusion
    - develop and nurture relationships across the University and provide opportunities to do outreach to the external community

3.5 Digital Transformation, Innovation, and Systems

Recognizing the critical importance of providing an integrated technology environment to deliver quality services, support faculty, staff, and students, leverage data analytics, and enhance information security, the Budget Plan incorporates several key investments, including:

- $40M in capital support and $1.9M in early operating deployment costs for the Student System Renewal Program (SSRP) that will replace outdated legacy systems. This multi-year project will unite student-centered services, provide for better data intelligence, enhance the student experience, optimize administrative and academic processes, and become the cornerstone of the University's enterprise architecture. The capital project began in 2020-21 with a total budget of $120M funded from a combination of capital reserves and debenture ($41M) and the University Fund ($79M). In response to vendor changes in the development roadmap, Release 2: Current Student and Graduate Milestones of the Constituent Relationship Management (CRM) project is being delayed, resulting in some short term savings that are timely in light of current financial pressures.
- $3M in a base budget increase to University Infrastructure Technology (UIT) in 2024-25, to support institutional technology needs into the future including:
    - Enabling faculty and staff productivity and post-pandemic capabilities e.g. licensing and expanded after-hours service desk technicians, Office 365 resources, additional applications, and platform analysts/developers

    - Permanent operating costs associated with the new SSRP (staff support, licensing, cloud technologies, and infrastructure)

- $16M for technology deferred maintenance to ensure ongoing renewal of technology infrastructure
- $3M for a new Advancement Customer Relationship Management (CRM) system that will replace the current outdated CRM
- $0.8M for automation and service improvements in budgeting and forecasting

3.6 Improving Space

An important and ongoing investment being made to Living Well Together is addressing deferred maintenance backlogs in a more impactful and sustained manner and developing a long-term plan with increased annual funding for prioritized projects.

The Budget Plan's deferred maintenance investments are shown in Table 1 below:

TABLE 1: Investments in Deferred Maintenance

	2023-24	2024-25	2025-26	2026-27
	$M			
Internal Funds*	19.2	19.2	21.1	21.1
External Funds**	6.5	6.5	6.5	6.5
TOTAL	**25.7**	**25.7**	**27.6**	**27.6**

Note: Totals may not add up due to rounding
**From faculty budget envelopes, University Fund, Markham, and central reserve*
***From Provincial Facilities Renewal Program (FRP)*

York is investing in two priority areas of work – classroom and washroom renewals – previously identified through community consultations and working groups. Phase 1 of this multi-year initiative ended in 2022 and was extended into Phase 2 which will see investments in washroom renewals continued, and additional investments in classroom renewal following important work on the future of pedagogy.

3.7 Sustainability and meeting the SDG Challenge

York University is recognized as an international leader in sustainability research, teaching, partnerships, and campus practices. Building on the momentum of the past and with an influx of new partners and projects, a synergetic and coordinated framework is being implemented between on-campus sustainability activities, including teaching, research, and practice.

The framework includes a structure of new initiatives and the expansion of existing programs to address the needs for new research, policies, and innovation to bring

York's expertise to bear on this critical global issue. In line with the University Academic Plan, this framework will help to better enable the implementation of the York Sustainability Plan and its goals that include contributing to the Sustainable Development Goals (SDGs).

In support of the Office of Sustainability, $0.6M was approved from the University Fund for 2024-25.

3.8 Investments in Advancement

To increase philanthropic donations and advance strategic priorities such as Markham Campus and the new School of Medicine, the University is investing $4.7M in support of Advancement. This is in addition to the $3M for a new Advancement Customer Relationship Management (CRM) system that will replace the current outdated CRM.

3.9 Major Capital Projects

The University continues to invest in capital projects to advance its academic, research, and student success/experience priorities. Capital projects are funded from a combination of sources including external donations, government grants, external loans (debentures), central and Faculty/Unit capital reserves, the University Fund, and internal loans. The major capital projects approved by the Board of Governors and currently underway are as follows (in order of expected completion):

- $13.5M for a new building for the Goldfarb Gallery York University, located within the Arts, Media, Performance and Design (AMPD) precinct, creating a focal point for the celebration of visual art for communities within and beyond York's campuses. This project is funded by external donations and the University Fund, with an expected completion date of September 2024.
- $54.5M for a Neuroscience Facility and additional office space, as part of the expansion of the Sherman Health Science Research Centre. This project is funded from a combination of the University Fund, an internal loan to the Faculty of Health, capital reserves, and debenture funds, with an expected completion date of April 2025.

3.10 Markham Campus

The University's largest capital project is the Markham Campus, which will open to students in Fall 2024. The budgeted capital costs are shown in Table 2 below.

TABLE 2: Budgeted Capital Costs – Markham Campus

Description	Budget ($M)
Region of York Financial Contribution	$25.00
York University - New Debt Issue	$100.00
York University - Existing Debentures	$35.00
York University - Working Capital	$50.50
Fundraising	$50.00
Internal Loan	$20.00
Subtotal	**$280.50**
Land - City of Markham	$50.00
Total Project Value	**$330.50**

The University issued a $100M debenture in April 2020 to finance the debt portion. The debenture carries an interest rate of 3.39% and is due in 2060.

At steady state, the Markham Campus is expected to attract over 4,000 students and generate an annual surplus, enabling it to re-pay its early year deficits, invest in its own renewal, and financially contribute to the institution overall.

Markham's program offerings have received Senate approval, and the University has developed ten-year operating budgets for the new campus, which are incorporated into the Budget Plan. Work continues to ensure the necessary investments are being made for Markham's long-term success.

3.11 Other Strategic Initiatives

Other strategic initiatives which are funded through the University Fund are outlined in Section 4.2.1 d).

4. Key Planning Assumptions

4.1 University Revenues

University operating revenues are derived primarily from provincial operating grants, tuition fees, and other student fees, all of which are tied to enrolment. Other operating revenues include investment income, endowment income, donations, funding for indirect costs of research, and miscellaneous revenue. The University continues pursuing ways to grow and diversify its revenues, including negotiating additional enrolment growth to accommodate new programs, intensifying research activity to increase research funding, philanthropy, the monetization of assets, and expanding lifelong learning, among others. Revenue growth is a priority of the University.

a) Enrolments

A key assumption driving revenue is the enrolment plan. The enrolments achieved in 2023-24 are outlined in Table 3 and 4 below. At the undergraduate level, the difference between actuals and targets for visa enrolments are mostly due to the flow-through impact of lower-than-expected enrolments in 2022-23, missed intake targets for new visa students in 2023-24, and lower than projected retention of continuing visa students.

TABLE 3: Undergraduate Enrolment Targets vs Actuals by Term - 2023-24

		Target FFTEs	Actual FFTEs	Difference
Summer	Eligible	3,430	3,995	566
	Ineligible – Visa	1,055	946	-109
Fall	Eligible	15,666	15,880	214
	Ineligible – Visa	3,323	2,561	-761
Winter	Eligible	16,061	16,629	568
	Ineligible – Visa	3,585	2,593	-992
Total	Eligible	35,156	36,504	1,348
	Ineligible – Visa	7,963	6,101	-1,863

SOURCE: OIPA. *Excludes 15.1 domestic Markham Digital Tech enrolments (FFTEs) that are not reported in this Table; totals may not add up due to rounding*

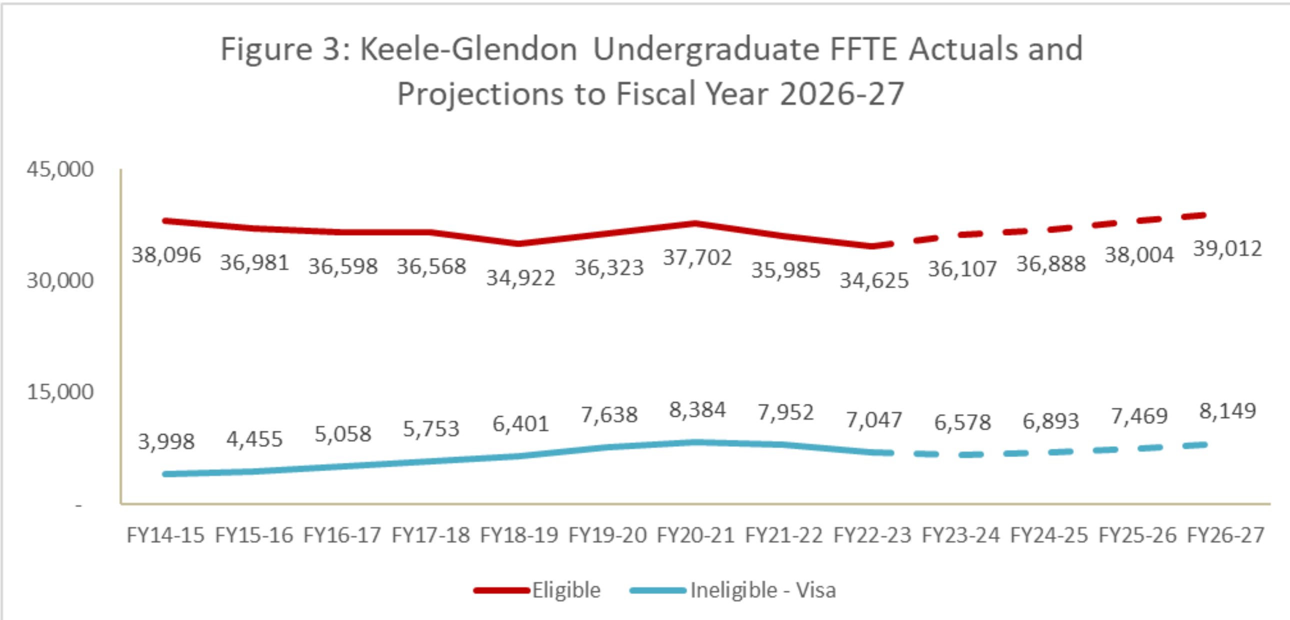
At the graduate level, the domestic market continues to remain challenging for recruiting new students into masters and doctoral programs. Similarly, on the international side, missed intake targets due to student visa processing delays and deferrals and a relatively challenging competitive landscape for recruitment contributed to shortfall in enrolments.

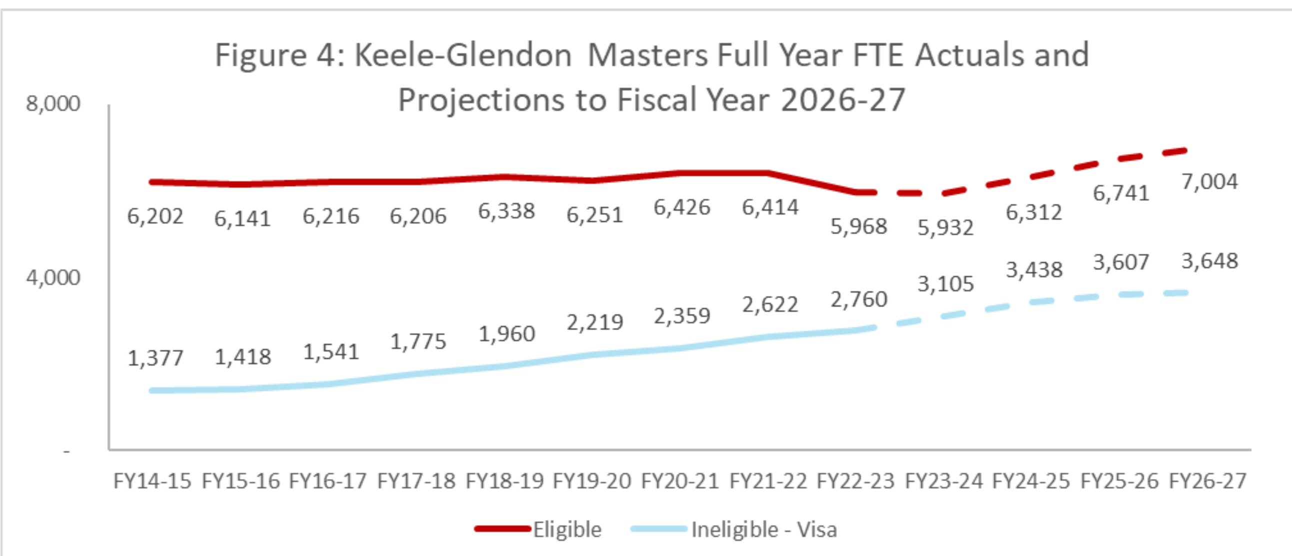
TABLE 4: Graduate Enrolment Targets vs Actuals by Term - 2023-24

		Target FFTEs	Actual FFTEs	Difference
Summer	Eligible	2,772	2,738	-34
	Ineligible – Visa	1,113	1,148	35
Fall	Eligible	3,454	3,070	-384
	Ineligible – Visa	1,644	1,498	-146
Winter	Eligible	3,322	3,058	-264
	Ineligible – Visa	1,615	1,433	-183
Total	Eligible	9,548	8,866	-683
	Ineligible – Visa	4,372	4,079	-293

SOURCE: OIPA. *Totals may not add up due to rounding*

The overall multi-year enrolment plan for Keele-Glendon is provided in Figures 3 through 5, and for Markham campus in Figures 6 and 7 below. The plan outlines the projected enrolment targets by domestic and visa students in terms of FFTEs for both undergraduate and graduate enrolments. These targets were developed in Fall 2023, based on new student intake targets established in Summer 2023 in consultation with the Faculties.





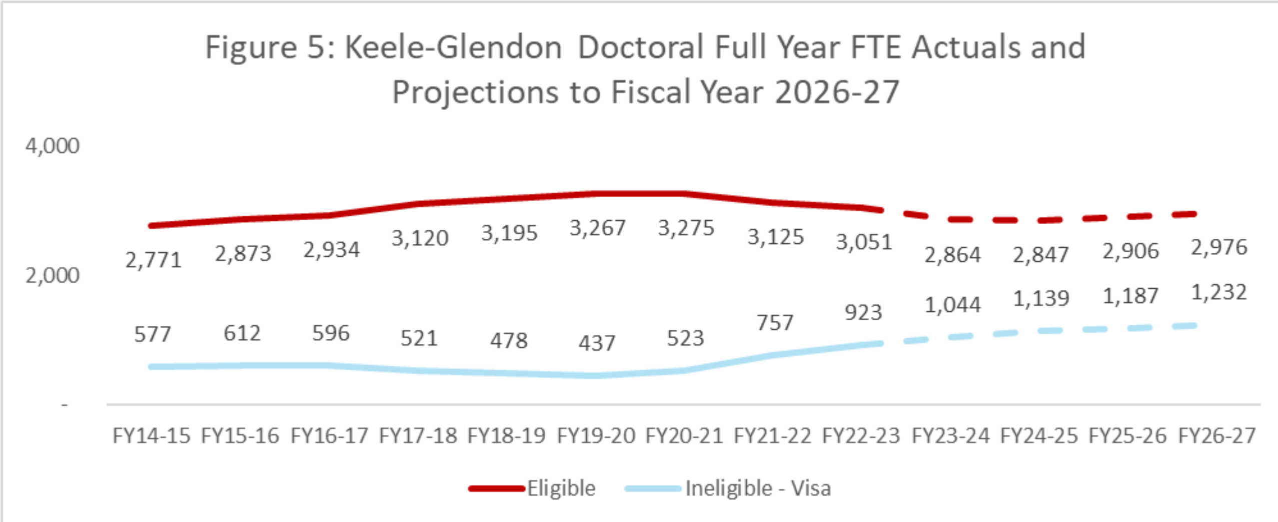


Figure 5: Keele-Glendon Doctoral Full Year FTE Actuals and Projections to Fiscal Year 2026-27
4,000
2,000
-
2,771
2,873
2,934
3,120
3,195
3,267
3,275
3,125
3,051
2,864
2,847
2,906
2,976
577
612
596
521
478
437
523
757
923
1,044
1,139
1,187
1,232
FY14-15 FY15-16 FY16-17 FY17-18 FY18-19 FY19-20 FY20-21 FY21-22 FY22-23 FY23-24 FY24-25 FY25-26 FY26-27
Eligible
Ineligible - Visa

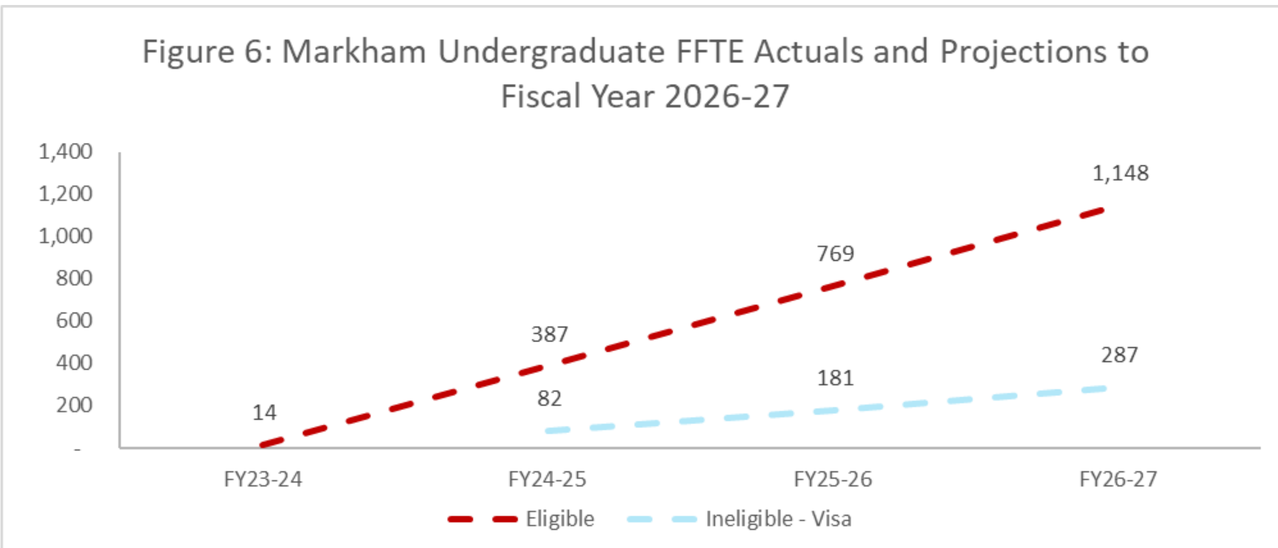


Figure 6: Markham Undergraduate FFTE Actuals and Projections to Fiscal Year 2026-27
1,400
1,200
1,000
800
600
400
200
-
14
387
769
1,148
82
181
287
FY23-24
FY24-25
FY25-26
FY26-27
Eligible
Ineligible - Visa

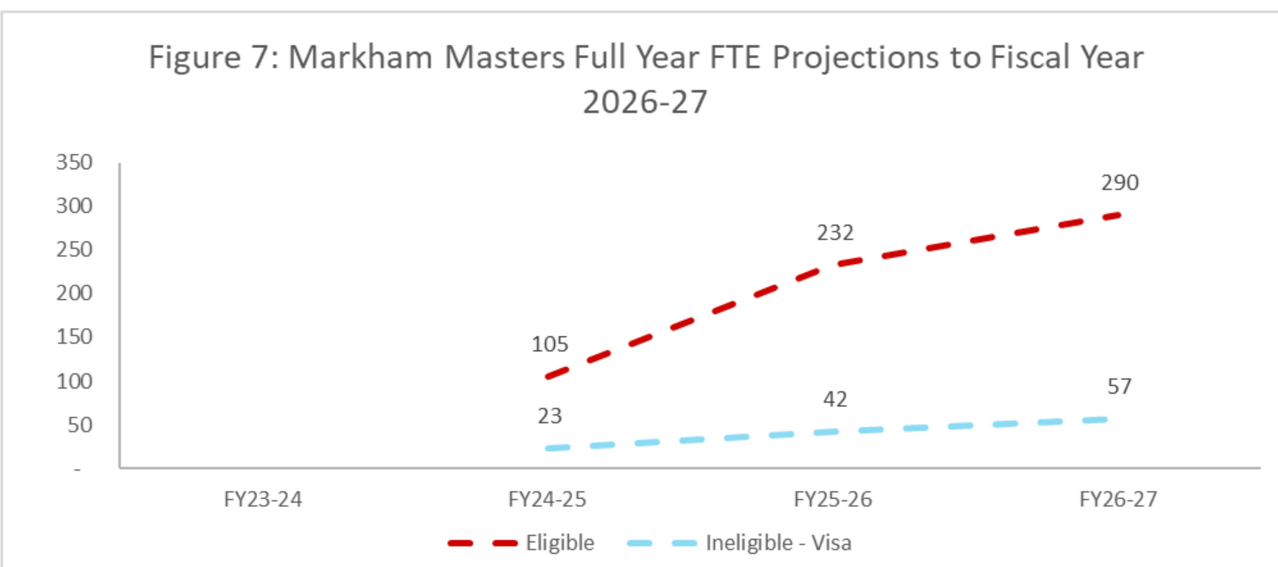


Figure 7: Markham Masters Full Year FTE Projections to Fiscal Year 2026-27
350
300
250
200
150
100
50
-
105
232
290
23
42
57
FY23-24
FY24-25
FY25-26
FY26-27
Eligible
Ineligible - Visa

Applications data for Fall 2024-25 as of January 2024 highlights substantial enrolment risk for the university. There has been no increase in the overall number of applications to York from domestic students in Ontario high schools, with a slight decrease of 0.4% compared to January 2023. York is also experiencing a decline in applications across all choices except greater than 5, underscoring the importance of conversion efforts to achieve enrolment targets. There is also a decline of 12.9% in 105 applications relative to last year, primarily due to a decline in international applications.

b) Provincial Funding/Grants

Ontario's postsecondary education system operates under a differentiation policy framework in which institutions are funded based on performance. The framework is operationalized through a series of Strategic Mandate Agreements (SMAs) between the government and each institution. The SMAs form a key component of the government's accountability framework – encouraging institutions to focus on programs and initiatives that will result in positive economic and labour market outcomes for students and the people of Ontario.

In March of 2024, the postsecondary system completed Year 4 of the 5-year SMA3 agreement (2020-21 to 2024-25) cycle. In this cycle, each institution's role and how it will build on its current strengths to help drive system-wide objectives and government priorities is outlined.

Funding is flowed to each institution through three different buckets: core operating grants; performance/differentiation grants; and special purpose grants.

<u>Core Operating Grants:</u> Each institution's SMA includes an enrolment corridor made up of midpoint enrolments, with a ceiling and floor (3% above or below the midpoint enrolments). Institutions receive enrolment-based grant funding, known as Core Operating Grants, for domestic enrolments based on corridor midpoint enrolments set using 2020-21 enrolment counts. York will continue to receive this funding as long as the 5-year moving average of eligible weighted enrolments (Weighted Grant Units) does not fall below the corridor floor. When the moving average rises above the corridor ceiling, it does not automatically trigger additional grant funding. While universities can grow above the midpoint corridor based on a five-year rolling average, the operating grant level remains unchanged. Falling below 3% of the midpoint corridor puts the institution's enrolment-driven funding at risk.

<u>Performance/Differentiation Grants:</u> The following are key features of the performance-based funding:

- Each institution is measured against its own historical data and criteria, with provincially calculated targets based on this information.

- Each institution confirms a proportional weighting to each metric, within ranges permitted by the SMA3 framework.
- Performance is evaluated using a pass/fail approach, with tolerance bands for underachievement. Performance is expressed as a percentage of the target achieved.

In its 2019 Budget, the Ontario government announced that an increased percentage of funding for colleges and universities would be tied to performance outcomes. Under SMA3, performance-based funding gradually rose from 25% of total operating grants in 2020-21 and was expected to reach 60% by 2024-25. This funding is provided to universities through the performance/differentiation envelope. To access the full funds in this envelope, the University will have to achieve government-set performance targets against metrics.

Allocation of differentiation/performance funding based on achievement of targets against metrics was initially intended to begin in fiscal 2020-21. Due to the COVID-19 pandemic, the Ministry postponed the activation to 2023-24, at which time 10% of the total grant funding became subject to the metrics. Activation in subsequent years will be determined through the SMA3 annual evaluation process. Despite delaying activation, metric data collection, evaluation and publication has proceeded as planned and the differentiation/performance-based funding has been operationalized. MCU will continue to move grants from the enrolment-based envelope to the differentiation/performance-based envelope.

There are 10 university metrics (9 system-wide and 1 specific to York) used to link funding to performance. Six are aligned with priorities in skills and job outcomes and four are aligned with economic and community impact. The metrics are weighted to reflect University priorities based on analysis of historical data, plans and projections for the future, and the University's ability to impact performance on specific metrics. While the Ministry established allowable performance target for the 10 metrics, institutions decided on the weighting distribution of total funding among the metrics. On an annual basis, institutions are measured and assessed against their own performance, and not against other institutions.

Special Purpose Grants: The government provides special purpose grants to address government and system priorities such as special initiatives to improve access for Indigenous, francophone and first-generation students, and for students with disabilities, and to address mental health challenges in the system, among others.

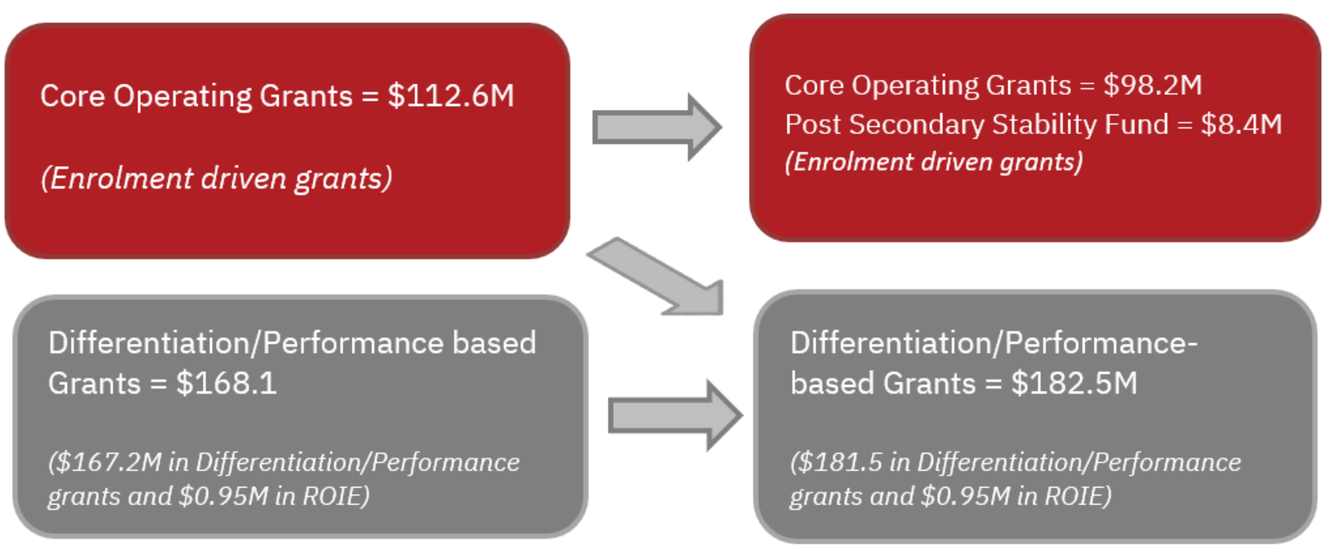
Postscondary Sustainability Fund: In February 2024, the government announced the implementation of a three-year, $903 million Postsecondary Education Sustainability Fund that included $700 million over three years in broad based support for institutions as well as $203 million over three years in targeted support for the financial sustainability of publicly funded colleges and universities facing greater financial need. Based on York's share of provincial operating support grants, it is estimated that of the $700 million, York will receive $42.7 million in additional grants over three years broken down as follows: $8.4 million in 2024-25; $14.2 million in 2025-26 and $20.1 million in 2026-27. The increases in operating grants are reflected in the budget plan.

For the performance grants, the amount at risk for not achieving performance targets is 25% of total grants in 2024-25. The Ministry has implemented two mitigation strategies which will help minimize any funding loss: a metric re-weighting opportunity in Year 5 of the agreement and a stop-loss mechanism that will ensure any performance below 95% does not translate to a loss of funding, below this amount. The University will continue to monitor the achievement of targets against metrics through the planning period and provide updates when needed.

Figure 8 below shows the split of funding between the enrolment-based envelope (COG) and the differentiation/performance envelope in year 5 of SMA 3 (2024-25).

Figure 8: Enrolment-based vs Differentiation/Performance funding in SMA3, Year 5

<u>2023-24 Actuals (SMA3 Year 4)*</u> **<u>2024-25 Proj. (SMA3 Year 5)*</u>**



**Totals may not add up due to rounding*

The multi-year Budget Plan projects a total of $325.1M in provincial operating grants in 2024-25, and $328.8M in 2025-26 and $335.8M (details are found in Appendix 5).

The Budget Plan assumes the following for provincial grants:

- Enrolment-driven and differentiation/performance grants will remain stable at the 2020-21 level of $280.7M for the 3-year planning period, with an additional estimated amount of $8.4M in York's share of the recently announced operating grant funding from the Postsecondary Sustainability Fund
- Future multi-year budgets will be reviewed to consider any potential impact of the government-set performance metrics
- Budget projections are based on Faculty enrolment contract targets, and in cases where Faculty projections exceed government allocations, Faculties will receive the additional tuition revenue only, subject to any adjustments.
- The Ministry's operating grants do not include an inflationary increase

c) Tuition Revenue

Domestic Students: the Ontario provincial government regulates tuition fees for domestic students in government funded programs.

In a memo dated February 27, 2024, announcing a major set of initiatives, the Ministry noted that they "would support and strengthen the postsecondary education experience for students and make institutions more accountable and sustainable." As part of these initiatives, the government announced a continuation of the tuition freeze for domestic students in government funded programs for another three years (2024-25 to 2026-27), with the flexibility to increase tuition by up to 5% for out-of-province domestic students. The continuation of the tuition freeze follows a 10% cut to domestic tuition fee rates in 2019-20, and tuition freezes since then (2020-21 to 2023-24). The fee increases approved as part of the Tuition Anomaly Initiative announced in the 2023-24 Tuition Fee Framework were also allowed to continue as per the approvals each institution received (up to the approved maximum of 7.5% per year). York submitted four programs that fit into the tuition anomaly programs category in 2023-24, and the government approved three of the submitted programs for fee increases of 7.5% annually to a maximum that is aligned to the sector average. The budgeted increased for these fees was $2.3M for 2024-25 and $4.2M for 2025-26.

As part of the announced initiatives, the government also signaled that it would be reaching out to colleges and universities to engage on the tuition fee transparency commitment that they made in 2021 in an effort to help students and families better understand how tuition fees are used.

The enrolment contracts underpinning the Budget Plan were finalized in Fall 2023, before the government announced the extension of the tuition freeze and incorporated a 3% domestic tuition fee increase assumption for 2024-25 and 2025-26, and 2%

increase for 2026-27. As a result of the government's decision in late February 2024 to continue the domestic tuition freeze for the next 3 years, the budgets were revised to account for the $49M loss in tuition revenue.

International Students: international tuition fees are based on market demand. The tuition revenue projections for 2024-25 to 2026-27 incorporate increases of 6% to 13.84% per year in tuition fee rates for new to institution undergraduate international students, and 5% tuition fee increases for continuing students as approved by the Board of Governors in February 2024. While tuition fee revenue for the outer years (2025-26 and 2026-27) also assumes 6% increases for new students and 5% increases for continuing students per year, these have not been approved by the Board of Governors and are used for planning purposes only. For international graduate students in research-based programs, tuition fees will remain at the 2023-24 levels (i.e. 0% increase) for the duration of the planning period. For international professional masters and full-cost recovery programs, the multi-year Budget Plan incorporates 1 – 18.45% fee increases depending on the program.

Fee increases for the planning period are shown in Table 5 below.

Table 5: Tuition Fee Rate Increase Assumptions

Degree:	Category	2024-25	2025-26	2026-27
Undergrad	Domestic, regular arts and science programs	0%	0%	0%
	Domestic, professional programs[1]	0%	0%	0%
	International, regular arts and science – new students[2]	6% - 13.84%	6% - 7.5%	6%
	International, regular arts and science – continuing students	5%	5%	5%
	International professional programs[2]	6% - 10%	6% - 10%	6%
Graduate	Domestic and International, research-based masters and doctoral	0%	0%	0%
	Domestic professional masters programs	0%	0%	0%
	International professional masters programs[2]	1%-18.45%	2-10%	2-10%

Note 1. Fee increase of 7.5% for new students in the 2023-24 cohort in tuition anomaly programs (BCOMM, BHRM & BBA/iBBA) until the approved MCU cap is reached

Note 2. Based on a comparison of similar programs at peer institutions in Ontario in the regular arts and science and professional categories, and for the Bachelor of Design program, the proposed increases for new students range from 5.74% to 18.45% in 2024-25 and 6% to 10% in 2025-26.

Faculties receive tuition revenue generated from credit programs based on the number of students registered (domestic, international, undergraduate, and graduate). Estimated tuition revenue before contingencies for the planning period is reflected in

Appendix 3 as follows: $737.5M in 2024-25, $803.7M in 2025-26 and $890.2M in 2026-27.

Tuition fee revenue is generated using enrolment projections from Faculty enrolment contract targets and tuition fee rate assumptions used for the planning period.

For Continuing and Executive Education programs, tuition fees are not regulated by the ministry's Tuition Fee Framework and are based on the cost of the program and market demand.

d) Research Overhead and Indirect Costs

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

The federal government began to provide institutions with funding for the indirect cost of research in 2003-04. An amount of $5.8M was allocated to York in 2022-23, and York's share of RSF is projected to remain stable over the planning period. As part of the re-categorization of operating grants in SMA3, the ROIE funding of $1M from the provincial government is included in the Differentiation/Performance funding envelope. This Budget Plan is projecting that the ROIE will remain stable over the funding period.

The federal government also supports graduate students by providing fellowships on a competitive basis. These funds do not flow through the University's budget, though they provide budget relief to Faculties by freeing up funds that would otherwise have to be used for graduate student support. Similarly, the provincial government provides support to graduate students through the Ontario Graduate Scholarships (OGS) and the Queen Elizabeth II Graduate Scholarships in Science and Technology (QEII-GSST).

e) Investment Income

The University has short and medium-term assets comprised of operating and research funds, expendable donations, and capital reserves, held and managed separately from the assets of the University endowments and pension funds and 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 represents an important portion of the total operating revenue, which fluctuates 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 projected investment return rates. The investment income is projected at $26.1M in 2024-25, $17.8M in 2025-26 and $13.8M in 2026-27 (see Appendix 2). Interest income on operating funds is highly susceptible to changes in interest rates.

f) Donations/Endowments/Trusts

The University receives restricted and unrestricted donations, income from endowments, and other income from trusts, which support specific expenditures in the operating fund. Income from donations is susceptible to variations and may change from year to year. The University is investing in its advancement department to increase its revenues from philanthropic sources for both capital and operating needs.

g) Other recoveries

This income source is projected to be $43.9M in 2024-25, $43.2M in 2025-26 and $44.3M in 2026-27 (shown in Appendix 2 as Other Recoveries), and includes application, registration and examination fee revenue, fines and penalties, course material fees, contributions from ancillary operations, and other external/miscellaneous income.

4.2 University Expenses

4.2.1 Cost Allocations

The University's expenditures are incurred by the revenue-generating areas (Faculties and School of Continuing Studies), the shared services (Units, General Institutional cost centres, and the University Fund.

a) Faculty Costs

Each Faculty is normally expected to budget total expenditures within the financial parameters of its budget envelope and other direct revenue, e.g., non-credit tuition fees, external and internal cost recoveries, inter-fund transfers and budget allocations to/from other departments.

Faculties are responsible for the salaries and benefits of their faculty and staff, other employment costs such as professional expense reimbursements to faculty members, progress-through-the-ranks (PTR) funding as per collective agreements, research overloads, graduate supervision, service teaching, graduate student support, and operating costs such as renovations, equipment, travel, supplies, etc. They can also budget enrolment contingencies for possible shortfalls.

b) Shared Services Costs

Under the SHARP model, the costs of Shared Service Units are attributed to the revenue-generating areas, primarily the Faculties, based on cost drivers.

The annual budgets for Shared Service Units are based on:

- Their 2016-17 base funding, rolled forward to 2017-18 and later years; plus
- Estimated salary increment funding each year; plus
- Any additional funding approved by the President based on recommendations of the University Budget Council; less
- Budget cuts as required[2]

c) General Institutional Costs

General Institutional (GI) costs include collective agreement, pension and post-retirement, insurance, HR, external legal, loan interest, and other pan-institutional obligations. Some GI costs require regular adjustments, e.g., re-negotiated collective agreement commitments. The GI reserve balances include outstanding financial obligations, GAAP adjustments, and contingency funds.

d) University Fund

A key part of the SHARP budget model was the creation of the central University Fund with contributions from the revenue-generating areas and some additional revenues that cannot be easily attributed to a specific Faculty, e.g., interest income, student fines, etc. (details are found in Appendix 4). The University Fund is intended to support strategic institutional initiatives, provide Operating Support to Faculties where needed, and enable contingency/emergency funding. The University Fund does not spend funds directly, it acts as a means to allocate the funds it has collected to the Faculties and

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[2] To help the Faculties absorb the 10% tuition fee roll-back in 2019-20, budgets for Administrative Units were reduced by 4.5% in 2019-20 and a further 1% in 2020-21. The Administrative Units also experienced a 4% budget cut in 2024-25 to help Faculties absorb the substantial enrolment loss in international students.

shared services Units in support of time-specific strategic initiatives and Operating Support.

Strategic institutional commitments from the University Fund in the Budget Plan are shown in Table 6 below.

TABLE 6: University Fund Commitments

	Budgets ($M)		
	2024-25	2025-26	2026-27
Faculty Support			
Faculty Operating Support (AMPD, EUC, GL, EDU, LAPS, SCI)	46.5		
Research Strategic Faculty Complement Bridging	1.0		
Maloca Garden Revitalization (EUC)	0.1	0.1	
Flowable System Integrator (FGS)	0.4	0.3	
Critical Infrastructure Updates to YSciCore (FSc)	1.1		
Critical Infrastructure in the Sherman Extension (FSc & FH)	1.0		
Allocation to Faculties/Strategic priorities TBD in the future		46.5	46.5
	50.1	**46.9**	**46.5**
Research Support			
Catalyzing research clusters - Phase 2	1.5		
Decolonization, Equity, Diversity and Inclusion in Research	0.8		
CF-REF Connected Minds			0.7
Vista Evergreening program	0.3	0.3	0.3
Markham Shared Research Infrastructure	1.0	2.0	2.0
	3.5	**2.3**	**3.0**
Student Support			
International recruitment	0.9		
Las Nubes	0.1	0.1	0.0
VPS - International & Global Engagement Strategy Implementation: High Priority Investments	3.3	1.4	1.5
	4.3	**1.4**	**1.5**
Institutional Support			
Markham Campus - VPRI (Yspace)	0.2	0.2	0.2
Equity, People & Culture - high-priority indigenization, reconciliation and decolonization initiatives	0.5		
Equity, People & Culture - HR Initiatives	0.1		
VPFA - Green Building Standard/Space audit			
Office of Sustainability	0.6		
President's Division - Government and Community Relations & Protocol – Stakeholder Relations	0.2		
Advancement Additional staff costs	1.3	1.4	
Advancement Convocation shortfall	0.3		
Advancement Internal cost recoveries & other revenue shortfalls	1.7		
EPC AVP - Indigenous Initiatives	0.4		
EPC DEDI Institutional Initiatives (CHREI)	0.2		
President's Division - Institutional advertising campaign	0.3		
President's Division - Event funding to replace CCA funds transferred to Advancement	0.5		
	6.4	**1.5**	**0.2**
Capital Projects and Renovations			
Incremental Funding for Deferred Maintenance	6.0	6.0	6.0
	6.0	**6.0**	**6.0**
Technology Investments			
VP - Finance and Administration Division (Mobile Maximo & Budgeting and Forecasting system)	0.4		
Student System Renewal Program (SSRP)	5.8	9.9	24.3
Advancement Customer relationship Management (CRM)	2.5	0.5	
Technology deferred maintenance infrastructure	8.0	8.0	
SSRP – time-limited deployment efforts converting	1.7	0.2	
	18.4	**18.6**	**24.3**
TOTAL	**88.7**	**76.7**	**81.4**

4.2.2 Cost Categories

a) Compensation

Compensation is the largest cost of the University and consists of salaries and benefits. Since the Fall of 2023, the University has been engaged in discussions with a number of bargaining units at York to resolve the matter of Bill 124 moderation period salary increases.

b) Operating Costs

The University's operations incur a wide range of costs including:

- Occupancy costs, e.g., maintenance, caretaking, utilities, renovations, and deferred maintenance
- Equipment, furniture, and computers e.g., hardware, software, licences, tele-communications, etc.
- Travel, conferences, and hospitality
- Office supplies
- Books and periodicals
- Miscellaneous other

As previously described, the University has identified several key cost categories for savings and reductions in alignment with revenue pressures, using a strategic and prioritized approach.

c) Student Financial Support

Student financial support is an important priority for the University, and a growing cost in the Budget Plan. Most of the student aid is funded from operating funds, along with funding from endowments and provincial scholarship grants. The funds are managed through a combination of central and Faculty-specific programs.

d) Pensions

The University has a defined contribution pension plan, with a defined benefit component that provides a minimum level of pension benefits. The current economic climate and regulatory landscape create uncertainty with respect to pension plans. The solvency position/ratio of the pension is relevant to the Budget Plan since government regulations require that a ratio below 85% be funded through annual special payments from the operating budget.

The December 31, 2021 actuarial valuation of the York University pension plan reported a solvency ratio more than 85%, and the University filed this valuation, ensuring there will be no going concern or solvency special payments until January 1, 2026 at the earliest (i.e. one year after the next required valuation of the plan on December 31, 2024).

The University continues to budget for special payments given the uncertainty of pension plan returns, particularly considering uncertain capital market conditions. These funds are held in reserve until needed.

5. Appendices

The multi-year Budget Plan 2024-25 to 2026-27 describes the current strategic and fiscal environment in which the University operates, and highlights key assumptions used for projections of revenues and expenses for a three-year planning period.

The multi-year Budget Plan, plus the 2023-24 Budget and Forecast, is presented in the Appendices as follows**:**

Appendix 1	2023-24 Operating Forecast
Appendix 2	Total Operating Budget
Appendix 3	Student Fees
Appendix 4	University Fund
Appendix 5	Operating Grants

Appendix 1

Divisional Operating Forecast for 2023-24

($ millions)

Division	Opening Cumulative Position (A)	Approved Budget In-Year Surplus (Deficit) (B)	Forecast In-Year Surplus (Deficit) (C)	Variance Budget vs Forecast (C-B)	Forecasted Closing Carryforward (A+C)
President	**5.3**	**0.1**	**0.8**	**0.7**	**6.1**
Advancement	**3.8**	**(3.3)**	**(3.1)**	**0.2**	**0.8**
Academic					
Arts, Media, & Performance Design	(16.9)	(4.8)	(5.7)	(0.9)	(22.6)
Education	0.9	(5.4)	(5.3)	0.1	(4.4)
Environmental & Urban Change	(23.2)	(7.0)	(8.5)	(1.6)	(31.7)
Glendon	(36.7)	(5.1)	(5.2)	(0.1)	(42.0)
Health	19.8	(4.8)	(2.0)	2.9	17.8
Liberal Arts & Professional Studies	12.6	(23.8)	(44.6)	(20.8)	(32.0)
Lassonde	(1.0)	(0.1)	(8.3)	(8.3)	(9.4)
Osgoode	43.0	1.2	0.3	(0.9)	43.3
Schulich	1.1	2.1	(0.0)	(2.1)	1.1
Science	8.9	(16.9)	(14.6)	2.2	(5.7)
Continuing Studies	40.4	(2.6)	14.1	16.7	54.5
Total Faculties & Schools	**48.9**	**(67.2)**	**(80.0)**	**(12.8)**	**(31.1)**
Graduate Studies	**(1.1)**	**(1.4)**	**(1.3)**	**0.1**	**(2.4)**
Libraries	**5.5**	**(0.4)**	**0.1**	**0.4**	**5.6**
Vice Provost Students	**5.6**	**(6.0)**	**(7.1)**	**(1.1)**	**(1.5)**
PVPA	**12.1**	**(4.2)**	**(2.4)**	**1.8**	**9.6**
Academic Total	**70.9**	**(79.1)**	**(90.7)**	**(11.5)**	**(19.7)**
Equity, People and Culture	**7.0**	**(2.4)**	**(0.7)**	**1.7**	**6.3**
Finance & Administration	**0.9**	**(0.6)**	**(0.3)**	**0.3**	**0.6**
Research	**12.5**	**(3.0)**	**0.7**	**3.7**	**13.1**
Markham Campus	**(9.5)**	**(19.6)**	**(15.5)**	**4.1**	**(25.0)**
University Fund	**71.1**	**33.8**	**48.4**	**14.6**	**119.5**
General Institutional	**88.4**	**6.3**	**(82.1)**	**(88.4)**	**6.3**
Total University	**250.4**	**(67.9)**	**(142.5)**	**(74.6)**	**107.9**

Appendix 2

Total Operating Budget

($ millions)

	2023-24 Budget	2023-24 Forecast	2024-25 Budget	2025-26 Budget	2026-27 Budget	Total Budget for 2024-25 to 2026-27
Operating revenues						
Government operating grants *(note 1)*	312.4	311.0	325.1	328.8	335.8	989.7
Student fees *(note 2)*	787.5	746.6	794.1	860.0	942.1	2,596.3
Grants and student fees subtotal	1,099.9	1,057.5	1,119.2	1,188.8	1,277.9	3,585.9
Funding from donations, endowments, & trusts	9.6	9.8	9.8	9.3	9.0	28.2
Investment income	29.0	36.5	26.1	17.8	13.8	57.8
Other recoveries	48.1	46.7	43.9	43.2	44.3	131.3
Total operating revenues	**1,186.6**	**1,150.5**	**1,199.0**	**1,259.1**	**1,345.0**	**3,803.1**
Enrolment shortfalls for 2023-24 and projected F/W 2024-25 intakes	-	-	(56.6)	(56.3)	(51.9)	(164.8)
Enrolment contingencies *(note 3)*	(26.9)	-	(20.0)	(19.0)	(21.0)	(60.0)
Total operating revenues, net of enrolment contingencies	**1,159.8**	**1,150.5**	**1,122.4**	**1,183.8**	**1,272.1**	**3,578.3**
Operating expenditures						
Salaries and wages	670.0	684.5	690.4	706.8	725.4	2,122.6
Employee benefits	183.0	175.1	182.6	186.9	191.4	560.9
Operating costs	176.4	168.4	174.6	172.6	181.7	528.9
Scholarships and bursaries	95.8	90.9	94.9	98.8	102.1	295.8
Taxes and utilities	22.7	24.4	24.1	23.8	24.7	72.6
Interest on long-term debt	25.6	25.6	25.8	26.0	26.3	78.2
Total operating expenditures before other items	**1,173.4**	**1,168.8**	**1,192.3**	**1,215.0**	**1,251.7**	**3,659.0**
Estimate for wage reopener	**-**	**76.5**	**50.9**	**54.0**	**57.0**	**161.9**
Financial sustainability projects under development	**-**	**-**	**(30.0)**	**(80.0)**	**(90.0)**	**(200.0)**
Total operating expenditures	**1,173.4**	**1,245.3**	**1,213.2**	**1,189.0**	**1,218.7**	**3,620.9**
In year surplus/(deficit) for operating fund, before transfers	**(13.6)**	**(94.8)**	**(90.8)**	**(5.1)**	**53.4**	**(42.6)**
Transfers to restricted funds						
Transfers to capital fund	(49.2)	(42.2)	(37.3)	(30.7)	(35.7)	(103.7)
Transfers to ancillary fund	(3.4)	(3.1)	(3.2)	(3.4)	(3.4)	(10.0)
Transfers to other funds	(1.8)	(2.3)	(0.7)	(0.7)	(0.8)	(2.2)
Total transfers to restricted funds	**(54.3)**	**(47.6)**	**(41.3)**	**(34.8)**	**(39.9)**	**(115.9)**
In year surplus/(deficit) for operating fund	**(67.9)**	**(142.5)**	**(132.0)**	**(39.9)**	**13.4**	**(158.5)**
Opening accumulated surplus/(deficit) for operating fund	250.4	250.4	107.9	(24.1)	(64.0)	107.9
Closing accumulated surplus/(deficit) for operating fund	**182.5**	**107.9**	**(24.1)**	**(64.0)**	**(50.6)**	**(50.6)**

Note 1: Operating grants include estimated funding from new Postsecondary Sustainability Fund.

Note 2: Tuition revenues adjusted for tuition freeze extension through to 2026-27.

Note 3: In 2024-25, enrolment contingency is for expected tuition revenue loss in Summer 2024 due to labour disruption. In 2025-26, the contingency is for a potential miss on international intakes for 2025-26 and its flow through impact for 2026-27.

Appendix 3

Student Fees

($ millions)

	2023-24		2024-25	2025-26	2026-27
	Budget	**Forecast**	**Budget**	**Budget**	**Budget**
Student Fees					
Credit Tuition Fees	667.9	607.1	671.5	736.8	804.1
Continuing/Professional Education Tuition	67.5	86.4	67.5	65.7	78.4
Centrally Collected Ancillary Fees	36.5	36.7	38.3	40.3	42.0
Student Referenda	9.7	10.5	10.7	10.9	11.1
Application Fees	5.9	5.9	6.1	6.3	6.5
Total Student Fees before enrolment adjustments	**787.5**	**746.6**	**794.1**	**860.0**	**942.1**
Preliminary enrolment shortfalls on 2023-24 and Fall 2024 intakes	-	-	(56.6)	(56.3)	(51.9)
Enrolment contingencies (note 3)	(26.9)	-	(20.0)	(19.0)	(21.0)
Total Student Fees	**760.6**	**746.6**	**717.5**	**784.7**	**869.2**

Appendix 4

University Fund

($ millions)

	2023-24		2024-25	2025-26	2026-27
	Budget	**Forecast**	**Budget**	**Budget**	**Budget**
Revenues					
Gross Contributions from Faculties and SCS	76.3	76.3	75.0	79.8	85.5
Refund to Faculties[1]	(23.1)	(19.9)	(26.7)	(23.8)	(20.4)
Net Contributions from Faculties and SCS	53.2	56.4	48.2	55.9	65.1
Contributions from Ancillary Services	3.4	3.4	4.5	4.3	4.4
Investment Income	27.8	35.8	25.3	17.1	13.0
Fines and penalties	4.9	4.9	5.4	5.4	5.4
MCU Unearned Grant	18.7	14.3	15.3	14.5	13.8
Miscellaneous Other	1.3	1.4	2.2	1.4	1.4
Total Revenues	**109.2**	**116.2**	**101.0**	**98.6**	**103.1**
Expenses: Approved Commitments					
Faculty Operating Support	24.7	24.7	46.5		
Allocation to Faculties - Operating/Strategic Support TBD				46.5	46.5
Strategic Investments	50.7	43.1	42.2	30.2	34.9
Total Expenses: Approved Commitments	**75.4**	**67.8**	**88.7**	**76.7**	**81.4**
In Year Surplus/(Deficit)	**33.8**	**48.4**	**12.3**	**21.9**	**21.6**
Opening Accumulated Balance of University Fund	71.1	71.1	119.5	131.7	153.7
Closing Accumulated Balance of University Fund	**104.8**	**119.5**	**131.7**	**153.7**	**175.3**

Notes:

[1]University Fund Refund to Faculties - 2.5% in 2023-24, 3% in 2024-25 (previously 2%), 2.5% in 2025-26 (previously 1.5%) and 2% in 2026-27

Appendix 5

Operating Grants

($ millions)

	2023-24		2024-25	2025-26	2026-27
	Budget	Forecast	Budget	Budget	Budget
Provincial Operating Grants					
Enrolment					
Core Operating Grant - Keele & Glendon	114.9	115.4	98.2	98.2	98.2
Core Operating Grant - Markham			1.0	1.9	2.8
International Student Recovery - Keele & Glendon	(6.9)	(6.9)	(6.1)	(6.6)	(7.1)
International Student Recovery - Markham			(0.1)	(0.2)	(0.3)
Differentiation					
Performance/Student Success - Keele & Glendon	165.8	165.3	182.5	182.5	182.5
Performance/Student Success - Markham			1.4	3.4	5.0
Mission Related - Bilingualism	3.2	3.2	3.2	3.2	3.2
Mission Related - French Language Access	0.5	1.2	0.5	0.5	0.5
Special Purpose					
Municipal Tax Grant	3.2	3.2	3.4	3.5	3.6
French Language Support	6.9	9.1	10.8	9.2	9.2
Nursing	8.5	7.8	9.5	7.2	6.2
First Generation Support	0.2	0.2	0.2	0.2	0.2
Aboriginal Support	0.5	0.5	0.5	0.5	0.5
Support for Students with Disabilities	3.9	3.9	4.5	4.5	4.5
Mental Health	0.4	0.4	0.3	0.3	0.3
Post Secondary Education Sustainability Fund			8.4	14.2	20.1
Other Special Purpose Grants	5.6	2.0	1.2	0.5	0.6
Total Provincial Operating Grants	306.7	305.3	319.3	323.0	330.0
Federal Research Support Fund	5.7	5.7	5.8	5.8	5.8
Total Government Operating Grants	**312.4**	**311.0**	**325.1**	**328.8**	**335.8**