

Faculty Council SHARP

NOVEMBER 6, 2024

health | YORK 



INTRODUCTION TO SHARP

- In 2017-2018 York University transitioned to the Shared Accountability and Resource Planning (SHARP) budget model, a modified version of an Activity Based Budget model (ABB) that assumes shared financial responsibility.
- The SHARP model replaced the former incremental budget model.
- To ensure the alignment of resources with institutional priorities, a key component of the SHARP budget governance at the University is the creation of two Presidential Advisory Councils, namely:

University Fund Council (UFC)

The Budget Council

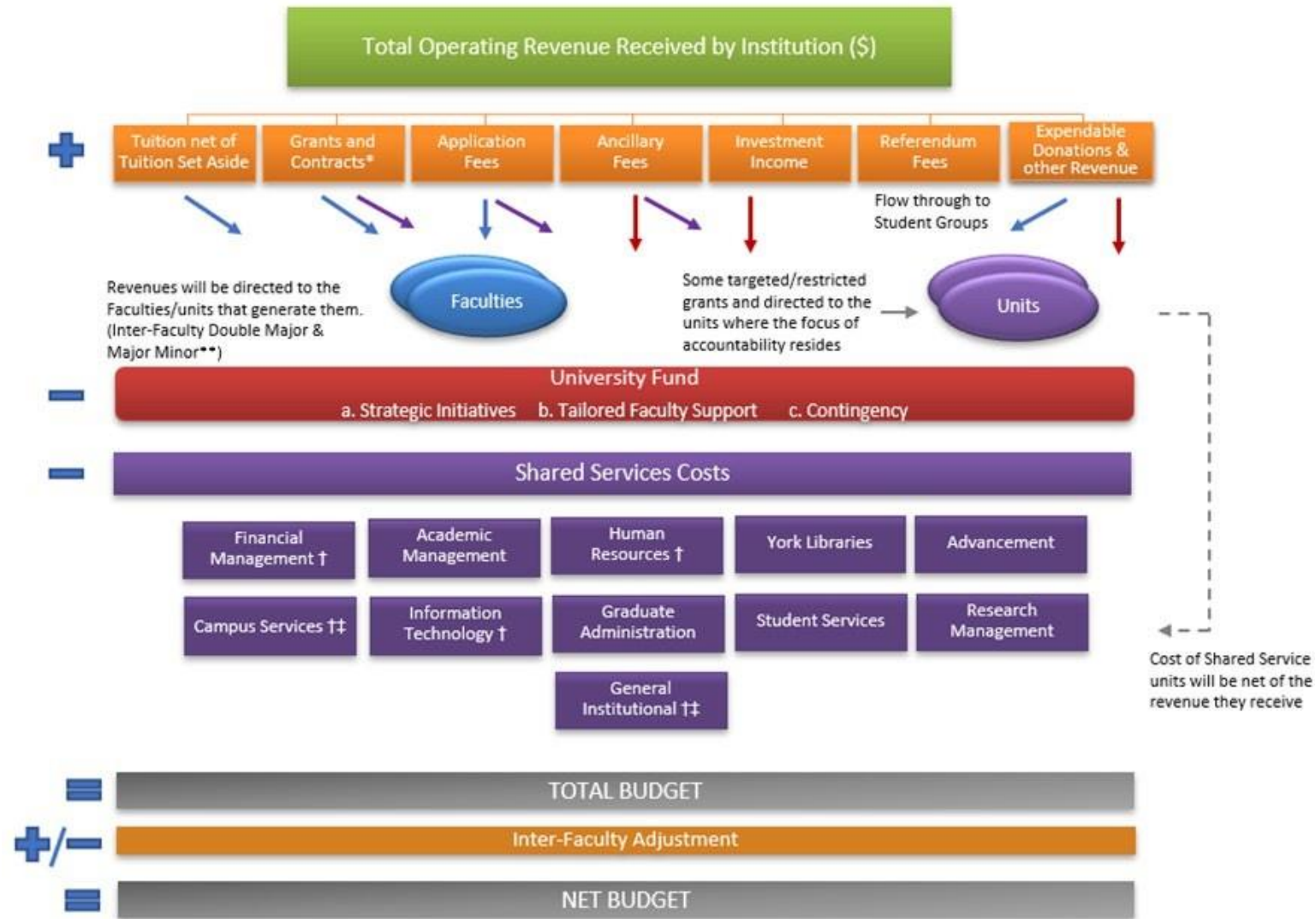
University Fund Council (UFC)

- The mandate of the UFC is to provide recommendations and advice to the President and Vice-Chancellor on the allocations from the University Fund to support University priorities.
- The University Fund is intended to support strategic institutional initiatives, provide Operating Support to Faculties where needed, and enable contingency/emergency funding.
- FOH contribution to the UF is approximately **10M**.

The Budget Council

- The Budget Council's responsibility is to provide recommendations and advice to the President and Vice-Chancellor on the budgets of shared services units.
- The Budget Council ensures shared services Unit budgets reflect the priorities of the University Academic Plan and facilitates an annual review process for budget requests.

CONCEPTUAL ILLUSTRATION



* Grants and Contracts includes formula funding, target grants, research overhead, accessibility grants, grants in lieu of municipal taxation .

** Inter-Faculty tuition and grant revenues for Double Major and Major Minor programs will be allocated to both Faculties.

Shared Service units cost bins attributed to Faculties. Each cost bin has associated sub-bins and drivers.

† Cost attribution to Faculties and Ancillary units.

‡ Assigned space (Campus Services bin), Collective Agreement benefit commitments and Pension & post-retirement benefit costs (GI bin) attributed to Faculties, Ancillary and Shared Service units.

Average cost of Shared Services and GI for FOH is 38%-40%

- **Revenue:** FOH generates associated funding streams through tuition and government grants.
- **Shared Services** are administrative units within the University. Examples of Shared Services include the functions of Human Resources, Campus Facility Services, Student Services, Information Technology, York University Library, Advancement, etc.
- **General Institutional (GI)** costs include collective agreement commitments, cost of pension special payments, tuition waiver charges, capital reserve, centrally funded student scholarships and bursaries, etc.
- **Costs** of Shared Service and GI are charged to Faculties using applicable drivers, e.g. student full-time equivalents, faculty heads, net assignable square metres, etc.
- As an example, the Human Resources Shared Service is charged to Faculties based on faculty and staff headcount in each respective Faculty.

INTER-FACULTY TEACHING

- The inter-Faculty teaching adjustment applies where a student takes a general education credit course outside of his/her home Faculty. It is intended as a revenue-sharing formula between the home Faculty of the student and the Faculty providing the teaching (often referred to as the responsible Faculty).
- The reimbursement rate is calculated using one rate:
 - For tuition fee revenue, 40% of the average Arts and Science tuition fee rate is flowed to the teaching Faculty, while 60% is retained by the home Faculty; and,
 - For grant revenue, 40% of the average Arts and Science grant rate is flowed to the teaching Faculty, while 60% is retained by the home Faculty

BUDGET RECONCILIATION AND ADJUSTMENT

- Revenue - grant and tuition revenue - are based on contract enrolment targets established between the Faculty and the Provost, with input from the Office of Institutional Planning & Analysis (OIPA) and tuition rate assumptions.
- The reality is that budgets are expectations of the revenues (based on enrolments) for the upcoming fiscal year. While actual experience should closely align, there will be differences between actual enrolment results and the enrolments included in the enrolment contracts. There is also the potential that General Institutional costs may vary from the original budget projections. Any variances between actual and budget will be included in a final year-end reconciliation.

Budget Vs Actuals FY 18/19 to FY 23/24

	FY 18/19		FY 19/20		FY 20/21		FY 21/22		FY 22/23		FY 23-24	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals
Revenue	67,989,886	71,270,524	77,549,806	78,404,687	75,256,652	74,758,425	73,638,316	74,946,821	76,880,159	75,306,184	73,784,487	66,876,716
Expenses	69,205,922	70,384,640	73,676,143	69,120,074	75,282,104	72,918,158	75,345,668	73,457,231	78,734,178	75,350,086	78,601,166	78,661,877
Revenue - Expenses	- 1,216,036	885,884	3,873,663	9,284,613	- 25,452	1,840,267	- 1,707,352	1,489,590	- 1,854,019	- 43,902	- 4,816,679	-11,785,161
Previous year carry forward	6,333,163	6,333,163	7,219,048	7,219,048	16,503,662	16,503,662	18,343,929	18,343,929	19,833,519	19,833,519	19,789,617	19,789,617
Carry forward to next year	5,117,127	7,219,047	11,092,711	16,503,661	16,478,210	18,343,929	16,636,577	19,833,519	17,979,500	19,789,617	14,972,938	8,004,456

COSTS ASSUMED BY FACULTIES UPON SHARP IMPLEMENTATION

Cost

Professional expense reimbursements

Faculties are responsible for PER allocations to Faculty members.

Graduate support (including fellowships, graduate assistantships, grant-in-aid, and other related support to graduate students)

Faculties are responsible for the cost of graduate support administered by FGS for respective home students

Additional costs under SHARP

**Faculties now bear the full cost of the following:
Research officers
Faculty-dedicated development officers
Computer Renewal Program**

COSTS ASSUMED BY FACULTIES UPON SHARP IMPLEMENTATION

Cost

Faculty/staff complement

Faculties are responsible for all compensation costs, including:

- ATB increment funding**
- PTR funding**
- Maternity leave top-up**
- Early retirement settlements**

Standard benefit rate changes

Standard benefit rates may be updated periodically to reflect changes to the cost or coverage of benefits. Faculties are responsible for the cost of all benefit rate changes

Costs of assumed collective agreement provisions

- YUFA marketability**
- CUPE continuing sessional standing program**
- CUPE long service teaching appointments**

Faculty of Health 2024/25 – 2026/27 Rolling Budget

	2023-24	2024-25	2025-26	2026-27
	Actuals	Budget	Budget	Budget
Revenue	66,876,716	72,701,874	73,640,209	77,047,657
Expenses	78,661,877	80,670,681	85,375,614	87,172,083
Revenue-Expenses	(11,785,161)	(7,968,807)	(11,735,405)	(10,124,426)
Previous year carry forward	19,789,617	8,004,456	35,649	(11,699,756)
Carry forward to next year	8,004,456	35,649	(11,699,756)	(21,824,182)

Not included revenues for 24/25 and rolling budget:

1. Refund for University fund (should be combined with Bill 124 for union employees and CPM)
FOH contribution to UF: 24/25 10.3M, 25/26 10.7M, 26/27 11.2M
2. Tuition Credit Opportunity (TCO) 2.9M
3. Tuition Revenue Deferral (for students with uncompleted coursework): 3.1M domestic and 1.3M visa

York University Total Operating Budget (\$ million)

	2024-25	2025-26	2026-27	Total Budget for 2024-25 to 2026-27
	Budget	Budget	Budget	
Operating revenues				
Government operating grants <i>(note 1)</i>	325.1	328.8	335.8	989.7
Student fees	794.1	860.0	942.1	2,596.3
Grants and student fees subtotal <i>(note 2)</i>	1,119.2	1,188.8	1,277.9	3,585.9
Funding from donations, endowments, & trusts	9.8	9.3	9.0	28.2
Investment income	26.1	17.8	13.8	57.8
Other recoveries	43.9	43.2	44.3	131.3
Total operating revenues	1,199.0	1,259.1	1,345.0	3,803.1
Preliminary enrolment shortfalls on 2023-24 and Fall 2024 intakes	(56.6)	(56.3)	(51.9)	(164.8)
Enrolment contingencies <i>(note 3)</i>	(20.0)	(19.0)	(21.0)	(60.0)
Total operating revenues, net of enrolment contingencies	1,122.40	1,183.8	1,272.1	3,578.3
Operating expenditures				
Salaries and wages	690.4	706.8	725.4	2,122.6
Employee benefits	182.6	186.9	191.4	560.9
Operating costs	174.6	172.6	181.7	528.9
Scholarships and bursaries	94.9	98.8	102.1	295.8
Taxes and utilities	24.1	23.8	24.7	72.6
Interest on long-term debt	25.8	26.0	26.3	78.2
Total operating expenditures before other items	1,192.30	1,215.0	1,251.7	3,659.0
Estimate for wage reopener	50.9	54.0	57.0	161.9
Financial sustainability projects under development	(30.0)	(80.0)	(90.0)	(200.0)
Total operating expenditures	1,213.2	1,189.0	1,218.7	3,620.9
In year surplus/(deficit) for operating fund, before transfers	(90.8)	(5.1)	53.4	(42.6)
Transfers to restricted funds				
Transfers to capital fund	(37.3)	(30.7)	(35.7)	(103.7)
Transfers to ancillary fund	(3.2)	(3.4)	(3.4)	(10.0)
Transfers to other funds	(0.7)	(0.7)	(0.8)	(2.2)
Total transfers to restricted funds	(41.3)	(34.8)	(39.9)	(115.9)
In year surplus/(deficit) for operating fund	(132.0)	(39.9)	13.4	(158.5)
Opening accumulated surplus/(deficit) for operating fund	107.9	(24.1)	(64.0)	107.9
Closing accumulated surplus/(deficit) for operating fund	(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: Enrolment contingencies include contingency for loss tuition revenue due to labour disruption for 2024-25, and contingency for missed enrolment targets for 2025-26 and the flow through impact for 2026-27. **Note 4:** Does not include any investment in emerging opportunities.