

The “Faculties of the Future” Proposal: A Critical Analysis and Alternative Vision

Submitted by
CUPE 3903 Unit 2 (contract faculty) Stewards’ Council¹



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Introduction:

Reaffirming York’s Founding Mission in the Current Context

“Due to the job losses, I have lost roughly 80% of my teaching salary. I used to teach near the cap of 5.5 courses per year including lectures, tutorials, and summer teaching. For 2024-2025 I have a total teaching load of 1.0 FCEs. I can no longer afford to live in Toronto and have to move with my family to move in with my in-laws in another city from where I will teach my one online course. The job cuts due to restructuring have been absolutely devastating for me, my family, and my mental health. I am in a state of severe depression and I feel that my career is over and that after 27 years, I have no future at York or in academia.”

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

Universities are not passive in how they respond to their social and political environments. After World War Two, Canadian universities became increasingly oriented toward serving the public good by helping to develop an engaged citizenry.² When York University was established in

¹ We thank colleagues and allies in the [Alternative Restructuring Research Team](#) hosted by CUPE 3903, which provides a valuable space for sharing research and thinking through the issues we raise in this report.

² Paul Axelrod, *Scholars and Dollars: Politics, Economics, and the Universities of Ontario 1945-1980*. Toronto: University of Toronto Press, 2000. Cf. Ian Harkavy, “The role of universities in advancing

1959, it had the further mandate to promote social justice by expanding access to high-quality education for marginalized populations, fostering interdisciplinary learning, and engaging with its vulnerable surrounding community in the Jane-Finch area of Toronto. Rooted in liberal arts and sciences, York was envisioned as a place that could innovate, adapt, and provide progressive contributions to a diverse and evolving society.³

York's commitment to social justice and interdisciplinarity has always existed in tension with pressures to prioritize vocational training in response to the needs of the job market. Under pressure to get a job, the goals of promoting democracy and social justice might seem frivolous and impractical. Interdisciplinary instructors, however, know that is a false opposition. The real measure of York's success is whether we can speak to students in the full spectrum of their needs as people who not only want to adapt to a changing world, but who also want to be positive influences on the world and find meaning in the work they do: people who have the confidence and skill to influence change, not only adapt to it.

This is an urgent challenge for York University and its students. York students face a world in which they are increasingly expected to work longer hours for less pay and less job security. Employment relationships are becoming increasingly precarious while management is becoming more intrusive and controlling. As researcher Craig Dent details in his 2024 book *Cyberboss*, emerging algorithmic technologies that track every move and decision in the workplace extend the reach of management to more stringently and dispassionately control employees and place more demands on them. Many universities, including York University, are adopting similar technologies to track students during exams and application processes. As Allison Pugh powerfully argues, AI and automation are disrupting the activities of interpersonal connection that everyone depends on to feel seen and feel human – activities that are integral to education, healthcare and other fields.⁴ To succeed in the current period, it is not enough for university graduates simply to survive and adapt to emerging technologies. University graduate success also depends on being part of a generation of critically and creatively engaged global citizens possessing the confidence and skill to intervene in this emerging world to safeguard and promote the wellbeing of their communities and of the planet.

York University can distinguish itself in these uncertain and precarious times by reaffirming its commitment to its founding mission. That means defending academic offerings in the liberal arts against a growing intolerance and hostility toward diversity. Reductions to [international student enrolment](#) introduced by the Canadian federal government and [embraced by the Ontario government](#) coincide with [inhumane restrictions](#) on immigration, the [scapegoating](#) of immigrants for the [lack of affordable housing](#), and a worrying increase in [anti-immigrant](#)

citizenship and social justice in the 21st century," *Education, Citizenship and Social Justice* 1.1 (2006): 5–37.

³ Michiel Horn, *York University: The Way Must Be Tried*. York University, 1st ed. Montreal [Que.]: Published for York University by McGill-Queen's University Press, 2009.

⁴ Allison J Pugh, *The Last Human Job : The Work of Connecting in a Disconnected World*. Princeton, New Jersey: Princeton University Press, 2024.

[sentiment in Canadian public opinion](#). In the United States, president-elect Donald Trump campaigned on a platform of mass deportation, and his incoming administration is using [the threat of tariffs to incentivize](#) the Canadian government's attack on migrants. Certain American universities, for their part, have [warned their international students](#) that they are vulnerable when Trump comes to power. This attack on migrants overlaps with an escalation of gender oppression, which is evident in sweeping [anti-trans legislation](#) (occurring also [in Canada](#)), and the attack on [reproductive freedom](#) and access to [abortion](#). Together, these and other assaults on diversity, community wellbeing, human rights and individual survival cross borders and directly impact York students and their communities worldwide.

York University needs to recommit to its mission of social justice and interdisciplinarity in order to prepare our students to face this challenging and dangerous environment. That means upholding the importance of diverse course offerings and diverse fields of engagement with social problems and issues. It means integrating academic research with community advocacy, the protection of human rights and the promotion of democracy. It means valuing and encouraging student activism and civic engagement.

In our view, the direction York is taking with its [“Faculties of the Future”](#) restructuring proposal fails to rise to the challenge of York's mandate and the context our students are facing. First [piloted at Glendon](#) and now proposed for Keele and Markham, the proposal introduces significant shifts in institutional structure. The plan advocates consolidating departments into larger clusters, reducing faculty and administrative roles, centralizing curriculum planning, and increasing class sizes. While the stated goals include meeting student demands and aligning with labour market needs, the proposal undermines York's founding mission and historical values, particularly those of accessibility, interdisciplinary learning, addressing the needs of vulnerable and marginalized students, and local community engagement.

This report critiques the proposal and its implications while offering the beginnings of an alternative vision that aligns with York's founding goals and values. We believe it is urgent to safeguard all community members' wellbeing at a time of increasing insecurity. In one way or another, all members of the York community have been impacted by the precarity of these times and we implore you to consider an approach to renewing York University that substantively upholds the values of democracy, accessibility, equity, human rights, and tolerance. Indeed, we think such an approach will foster the kind of innovation required and sought by the broader public to navigate these uncertain times. An approach that boldly recognizes the challenges ahead for democracy, equity, the environment and human rights will attract the best scholars across all disciplines. Successful renewal at York will require attention to collegial respect and engagement without fear of job losses.

In this initial version of our “living response” to the Faculties of the Future current draft, we raise the following Seven Concerns, detailed below:

- Concern 1:** Erosion of Academic Autonomy
- Concern 2:** Dubious Financial Claims as Justification for an Austerity Narrative
- Concern 3:** Deteriorating Student Wellbeing
- Concern 4:** STEM without STEAM
- Concern 5:** Equity Washing
- Concern 6:** Competition, Alienation, and Low Morale
- Concern 7:** Disregard for York's Tradition of Groundbreaking Labour Activism, Labour Scholarship, and Social Justice

We also include an appendix on the problems with “activity-based budgeting” (ABB), an approach to budgeting that is used at York and that has become the norm in the sector.

In developing this response, we used a collaborative and evidence-informed approach. Throughout, we have integrated (with permission) quotes from contract faculty who have participated in our [Contract Faculty Work Survey \(CFWS\)](#) on Fall/Winter 2024-2025 teaching. These quotes speak to the distressing impact of recent restructuring on contract faculty, much of which we interpret as retribution for upholding our Charter-protected right to collective bargaining. We engaged in collegial Stewards' Council meetings of contract faculty to discuss key themes and incorporated feedback to ensure a collective and well-rounded perspective. Our response is firmly grounded in a commitment to evidence, research, and best- and promising-practices. It reflects shared goals of fostering democracy, social justice, human rights, tolerance, equity, and wellbeing within the York University community – the goals, in short, of a critically and creatively engaged global citizenry. By embedding these principles, we aim to offer a vision that aligns with York's founding mission while addressing the challenges and opportunities ahead.

We thank Lisa Philipps, senior policy advisor to the president, for inviting our participation in the Faculties of the Future initiative. We will continue to engage in evolving discussions. We look forward to your response to our concerns and to further opportunities to participate in meaningful evidence-based, research-informed, collaborative discussions and decision-making.

Faculties of the Future Proposal: Seven Concerns

Concern 1: Erosion of Academic Autonomy

“For over 10 years, I taught a General Education course that attracted 300 students per year. ... I regularly updated the course over the years to hone it, broaden its appeal, deepen its interdisciplinarity, and push myself to grow with it. The course was successful by all metrics except one -- I am contract faculty and disposable. Next year the course will be no more, and I will be out of work. I am in mourning.”

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

The restructuring proposal claims that cost-cutting measures will promote a key point of pride at York University: its commitment to interdisciplinary teaching and research. We find that deeply unconvincing. Merging departments only centralizes their administration, and cancelling courses with similar topics and themes only flattens what interdisciplinarity means. True interdisciplinarity presupposes a diversity of disciplinary commitments. It involves learning from colleagues working outside one’s chosen area of specialization. It means intentionally developing lines of inquiry that allow one to communicate one’s research to those working in other fields. It grows out of a sense of obligation to the broader community to address issues of common concern in a way that values a diversity of contributions.

Interdisciplinarity is promoted by offering a diversity of courses and programs that are adequately supported by administrative staff, and by organizing broad participation in talks, exchanges, symposia, forums and conferences that cross disciplines. The commitment to interdisciplinarity is thus inseparable from York’s foundational mission to provide a diverse, accessible, and community-engaged education. That commitment is undermined when cost-cutting is prioritized over educational quality and accessibility, and when economic efficiencies are pursued at the expense of student, staff, and faculty wellbeing.

By consolidating control over curriculum planning and departmental organization, the proposal diminishes academic autonomy and reduces faculty and student input in university governance.⁵ The move toward an administrative model where faculty are overseen by “managers” rather than academic leaders echoes corporate structures that value efficiency over socially engaged, quality education. This model not only isolates contract faculty, who are limited to teaching-only roles, but also marginalizes research that may challenge prevailing narratives, putting areas like social and political advocacy at risk.

In a related move, York is promoting the [commercialization of intellectual property](#) while [pausing](#) or [tightening](#) the university’s internal funding for research. Such changes risk marginalizing interdisciplinary and socially engaged research that support non-market values such as collective wellbeing and democracy.

If York is to maintain its reputation as a progressive, socially conscious institution, it should safeguard academic autonomy, actively advocate for a model of education that produces a

⁵ The Faculties of the Future project is part of a larger plan that, among other things, requires changing academic policy on general education course requirements (project 3 of the [Forward Action Plan](#)). But these academic policy changes are being developed outside a collegial process, in a closed committee composed almost exclusively of Deans and Associate Deans.

critically engaged global citizenry, and resist pressures to impose a corporate model on its academic community.

Concern 2: Dubious Financial Claims as Justification for an Austerity Narrative

"I seem to be very lucky to have found work that is roughly the equivalent of work lost to the cuts (I was hit very badly by the cuts.) at least this year. However, I am also working twice as hard for the same course load, since these courses are ones I've never taught before and may never do so again. So it's not just a loss of work that's the problem; it's an intensification of work for those who "survive" the cuts."

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

The Faculties of the Future discussion paper claims that 2023-24 saw a “dramatic turn” in the university’s finances due in part to enrolment loss. Yet the [Provost’s October 2024 presentation to the Board of Governors](#) reported that domestic undergraduate enrolment in fact *increased* in 2023-24 and is projected to grow. A recent [report from the Council of Ontario Universities](#) finds that “By 2030, there could be more than 100,000 Ontario students wanting to attend an Ontario university than there are spaces for them.” [Latest figures at York](#) show a stable or increasing domestic enrolment even if York’s share of the sector has slightly declined relative to other universities. If enrolment is either stable or expected to grow, the proposed reorganization is less a response to a financial problem than it is a strategic plan to mould and shape anticipated growth, in which case financial planning is being used as a veil to change academic policy.

The discussion paper also cites “external forces” – such as the Federal government’s cap on international student enrolment and the provincial government’s ongoing tuition freeze – as key reasons why cost-cutting is necessary. Yet, such financial constraints have not stopped York University from pursuing ambitious plans to expand by [investing in the Markham campus](#) and a new medical school in Vaughan. Though we are told that such expansion will be financed through donations and grants, the expansion clearly relies on internal funding transfers that shift long-term building and operational costs onto existing faculties. If internal and external funding is available but not directed to support existing courses and staff, this confirms that the planned cuts represent a shift in academic priorities rather than a response to financial pressures.

References to a promising “future” are pervasive in the university’s efforts to market its restructuring plan and solicit support for its investments in the Markham campus and Vaughan medical school. But those images draw attention away from the deep cuts to jobs and academic

offerings in the present. Growth should be financed from surpluses gained from investing in a renewal of the institution's commitments to its mission, not at the expense of that renewal.

See the Appendix to this report for more about financial decision-making at the university.

Concern 3: Deteriorating Student Wellbeing

"I, along with many contract faculty in the [department] have had contract employment with the Department for over a decade ... I was told that the merge with [another] department was the reason why I was not offered a contract this Fall 2024 semester The lack of positions for ... experts to teach ... signals a much larger loss of care, commitment, knowledge, and community. Employment circumstances for [professionals in the field] are already dire, especially post-COVID."

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

The restructuring plan's push for increased class sizes and decreased staff support compromises York's ability to deliver the personalized, accessible education central to its mission. According to the 2023 [National Survey of Student Engagement](#), York students already experience a significantly lower quality of interaction with administrative staff and offices compared to students in other universities. Downsizing services would only add to the problem.

Furthermore, innovative teaching models that uphold the health, security and dignity of all community members must be supported by sufficient instructional staff and smaller classes. The proposed cuts and increased workloads contribute to a teaching and learning environment that is detrimental to wellbeing. [Recent data from Statistics Canada](#) confirms the growing prevalence of serious mental health challenges faced by Canadians since the pandemic, especially by young Canadians. We believe York University could champion mental health and wellbeing for this post-pandemic generation by offering plans for renewal that offer more, not fewer, opportunities for mentorship and teaching in smaller, not larger classrooms; and we believe this would be a draw for students and parents alike.

Finally, [studies have confirmed](#) what many of us observe first-hand in our classrooms: student wellbeing is harmed, and students' sense of isolation increases, the more they see education simply as a means to get a job or add a line to their CV. Yet, the Faculties of the Future proposal frames students' needs in precisely those narrow transactional terms. Such framing is out of touch with what motivates students to learn and succeed. [National surveys](#) show that compared to students at other universities, York students tend to be more interested in applying what they learn in the classroom to societal problems or issues. That social conscience

often drives the love of learning and teaching, and York University should celebrate it and make it central to any renewal effort.

Concern 4: STEM without STEAM

"I used to teach 4.5 Type 1 courses for many years. I have lost 1 course last year and another more this year. From 4.5 to 2.5."

"Cuts started last year, and include cuts to a well-respected experiential certificate program that's been running for over 30 years. While I'm being offered the same number of courses, they're the wrong ones to run IMO."

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

The proposal cites increased demand for STEM (science, technology, engineering, and mathematics) skills, student preferences for flexibility, and integration of work experience as justifications for restructuring. However, these goals lack a clear connection to the proposed structural changes. Increasing class sizes and merging departments are unlikely to address STEM demand or enhance student flexibility effectively. If York is to stay true to its mission of interdisciplinary education, which includes liberal arts and sciences, it should avoid cuts that reduce course diversity or diminish faculty availability. By emphasizing administrative efficiency over educational substance, the proposal may ultimately undermine both York's academic integrity and its commitment to diverse learning opportunities.

A truly ground-breaking approach to offering enhanced STEM learning opportunities that stand out from those opportunities offered by other universities would engage York's strong foundation in critical liberal *arts*, turning STEM into STEAM. Indeed, York could attract unique funding opportunities and more students by showcasing how the liberal arts augment STEM skills and turn out STEM graduates who are better able to engage our rapidly changing social, political and cultural contexts. For example, STEM education at York could be framed as human-mediated and relationally engaged rather than embracing the prevailing approaches of siloing STEM from liberal arts and turning to greater usage of technology-mediated learning. Students and parents are worried about the swift turn to technology-mediated learning and AI and the implications for developing skills and building community and relationships. As instructors, we are witnessing how these approaches are leaving behind the most vulnerable students without the resources and social supports needed to thrive while navigating online, large class learning.

Concern 5: Equity Washing

"I have mobility problems and bad lungs. Since 2020 and until now I was teaching all my courses online. This academic year (2024-2025) [York] didn't want to give me courses online. I'm afraid because basically any respiratory virus can kill me. Also, the schedule I have is difficult because 2 days a week I have to be 11 hours [on campus], without being able to take off the mask and having difficulty to breathe with it because of my asthma."

"I teach in the school of social work, we rely on Unit 2 as we are currently working in the field and are still practicing. The lack of practicing social workers teaching drastically impacts quality of education as we are able to provide real life examples of issues in the field and complement full time faculty's knowledge of theory with our practice background. York needs to understand the value of working professionals who also teach."

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

The Faculties of the Future plan claims to centre decolonization, equity, diversity, and inclusion (DEDI) along with opportunities for engaged experiential learning. Yet in practice, the restructuring plan has resulted in deep cuts to courses in the School of Gender, Sexuality and Women's Studies (GSWS), particularly at Glendon, but also in LAPS. The cuts to the School of GSWS have resulted in terminating the employment of [a full-time faculty member who was on a renewable contract](#). These cuts should be immediately reversed if the Faculties of the Future proposal is to have credibility in its vision of DEDI.

Students, staff, faculty, and the public are all too familiar with hollow virtue signaling that lacks genuine substantive commitments to safeguarding vulnerable communities and perspectives, especially in these volatile political times. As women, trans, and LGBTQ2S+ groups in Canada and around the world face direct attacks on their rights, it seems ever more critical that York University offer education in GSWS and defend education and research opportunities for minority and marginalized groups. Further, we are in a period of increasing rates of [intimate partner violence](#), violence against women, and family violence including the highest recorded levels ever of violence towards children and youth in families. [More students are having to live at home during their university education](#) and may therefore face greater exposure to family violence. As instructors, we are deeply concerned about reducing access to programs and courses that offer education that might help students process and address this context of rising violence, much of which is gender-based.

Concern 6: Competition, Alienation, and Low Morale

“There is an extremely disturbing and frustrating trend - constantly increasing - towards much larger class sizes, cutting elective courses, reducing course offerings to student, discouragement and despair among the teaching staff, seasoned professors leaving, student discontent with larger classes yet fewer courses to choose from, student disenchantment with their education.”

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

The restructuring proposal points to financial deficits in certain faculties but fails to account for how York’s [SHARP budgeting model](#) has exacerbated financial pressures. SHARP, introduced in 2017–2018, allocates revenue based on program majors, which has led to a competitive environment where faculties and departments vie for students. This budgetary competition obscures the cohesive interdependence of academic fields in student learning and experience. It also undermines York’s vision of a collaborative, interdisciplinary university. (See the appendix to this report for a political primer on the costing and budgeting method used in SHARP.)

Instead of promoting cuts as a way to bring people together,⁶ York could revisit SHARP and promote a cooperative funding approach, fostering collaboration that aligns with the university’s founding mission and commitment to interdisciplinary scholarship. The restructuring plan’s focus on efficiency overlooks the emotional and wellbeing costs to faculty and staff facing job uncertainty, role changes, and increased workloads, all of which can diminish York’s traditionally collaborative and critically engaged mandate. There is considerable [research](#) in this area, some produced by [esteemed colleagues at York](#), that points to the deleterious toll large-scale restructuring can have on employees and organizational operations, including [research already emerging](#) on the damaging impacts of recent restructuring undertaken at the University of Alberta.

Reorganizing in a manner consistent with York’s values would better position the university to achieve its financial goals without detracting from its foundational commitments. Investing in education rather than centralizing control could allow York to honor its original aim of providing accessible, innovative education.

⁶ [“Faculties of the Future”](#), 9, 16, 24.

Concern 7: Disregard for York’s Tradition of Groundbreaking Labour Activism, Labour Scholarship, and Social Justice

“York University will continue to survive and exceed its reputation by ensuring experiential education continues with Course Directors who have real life experience in their field, and can transition theory and practice in an educational setting.”

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

The report’s attribution of lower enrolment in 2024 to the CUPE 3903 labour action disregards the positive impact of York’s strong labour tradition on its reputation. York has long been recognized for groundbreaking research on labour relations, precarious employment, and social justice, which has been shaped by the advocacy of CUPE 3903 and other campus unions. The institution’s collective labour advocacy and community engagement have strengthened York’s reputation for innovative and socially conscious scholarship. By singling out labour action as a detractor, the proposal undermines [York’s legacy of supporting labour rights and social justice](#). Further, singling out CUPE 3903 fails to recognize the prevailing context of insecurity brought on by the Ontario Conservative government through Bill 124.

We believe York University should invest less in building a draconian office for labour relations that expects the university’s most vulnerable workers to shoulder economic pressures. Instead, York could leverage its position as a progressive institution to model a renewal process that upholds labour rights and educational accessibility. This would not only respect the university’s legacy but also position York as a true leader in advocating for and providing equitable, democratic academic reform—something the community as whole could celebrate. If there was ever a time in recent history to recognize and uphold the rights of workers to collectively negotiate and bargain as central to upholding and promoting democracy and democratic decision-making, it is now.

Conclusion: Towards a Vision of the Sanctuary University

“I have had 2 courses cancelled so far for the 24-25 year, both of which I had signed contracts for. The first course was cut in the early wave of restructuring cuts. This was a course that would have drawn 100 to 150 students. I was then offered an additional teaching contract late in the summer, only to have that course cancelled less than two weeks before the start of the term.”

–Source: [Contract Faculty Work Survey, Fall/Winter 2024-2025](#)

We appreciate the opportunity to engage with Lisa Philipps and her team in shaping the future of teaching and research at York. This report represents a living response and we remain committed to refining and expanding our contributions as discussions evolve both within the York community and in broader public forums.

The “Faculties of the Future” proposal, as it stands, appears to prioritize financial efficiency at the expense of academic quality and autonomy, democratic decision-making and wellbeing. This shift risks moving York away from its founding mission of inclusivity, interdisciplinarity, and social justice -- principles that have defined its legacy since its founding in 1959. The cancellation of high-demand courses, as highlighted by faculty testimony from the CFWS, further underscores concerns that these cuts may be driven less by financial necessity and more by ideological motivation or retribution against collective bargaining efforts. Such actions undermine the trust and collaborative spirit needed to sustain a vibrant academic community.

At a time of deepening insecurity and heightened challenges, York has a rare and urgent opportunity to lead as a socially responsible institution through reaffirming its founding mission while offering innovative vision for a promising future. By centering its restructuring efforts on educational access, equity, wellbeing, democracy and labour rights, York can set an example for higher education that counters the narrative of austerity and corporatization, demonstrating that universities can meet political and economic challenges without sacrificing their core research and educational values.

We believe a vision that honours York’s founding principles will inspire the trust, collaboration, and creativity necessary to navigate these uncertain times. It will attract and retain scholars, students, and staff who are committed to shaping a just and sustainable future. We look forward to continuing this dialogue and contributing to a shared vision of York University as a sanctuary for critically and creatively engaged global citizens, where democracy, social justice, human rights, tolerance, equity, and wellbeing are valued and defended.

Appendix

A Political Primer on Activity-Based Budgeting at York University (and Beyond)

Introduction

Beginning in 2007-2008, Ontario universities started using a certain budgeting process that promotes competition among academic units over students, narrows what counts as serving the education mission, cuts jobs and increases workloads.

This approach to budgeting management was developed over a long history. Since the early 19th century Harvard University has had a highly decentralized system of financial management in which academic units are self-financing and compete with each other for student enrolment. Associated with the phrase “every tub has its own bottom” or [ETOB](#), the Harvard system sought to foster a spirit of entrepreneurial competition among self-reliant academic units.

In the 1980s Harvard and other American universities developed forms of organization and planning – known as “Responsibility Center Management” (RCM) – that preserved decentralized budgeting but incorporated it into a clearer organizational structure that gave the institution greater coordination around shared missions or strategic objectives.⁷ Furthermore, in the same period a new cost accounting system compatible with RCM was developed at the Harvard Business School and was soon widely adopted.⁸ Known as “activity based” budgeting (ABB), this costing and management method translated decentralized, intra-university competition into performance indicators that allow management to identify labour costs that can be cut without reducing revenues.

The first Ontario university to adopt ABB was the University of Toronto in 2007-2008. York’s “Shared Accountability & Resource Planning” (SHARP) budget, designed starting around 2011 and implemented in 2017, is another example of ABB.⁹

⁷ Edward Whalen, *Responsibility Center Budgeting: An Approach to Decentralized Management for Institutions of Higher Education* (Indiana University Press, 1991).

⁸ T. Colwyn Jones and David Dugdale, “The ABC Bandwagon and the Juggernaut of Modernity.” *Accounting, Organizations and Society* vol. 27, no. 1 (2002): 121–63, [https://doi.org/10.1016/S0361-3682\(01\)00035-6](https://doi.org/10.1016/S0361-3682(01)00035-6).

⁹ John Holmes wrote a very informative report on the introduction of ABB in Ontario universities in “[Queen’s University New Budget Model: A Report Prepared for Queen’s University Faculty Association](#)”

How ABB works (or doesn't work)

To understand what is distinctive about ABB, it is important to clarify the difference between direct and indirect costs at a university. Costs are “direct” if they are incurred in the process of generating revenue, that is, delivering courses and programs that attract tuition dollars and government funding. Direct costs include labour costs (salaries and benefits for professors, tutorial assistants, staff, administrators), office supplies, technological equipment, sabbatical funding, and a charge for use of space. Everything that isn't clearly identifiable as a direct cost is an “indirect” or “overhead” cost. Overhead costs would include advertising, buildings, digital infrastructure, central administration, libraries, student services, IT support, legal services, accounting, maintenance, custodial services, security, and so on.

In theory, ABB is supposed to help companies identify costs that can be cut without reducing the output of products that bring in revenue. It is supposed to do this by requiring revenue-generating units¹⁰ to balance a budget that includes a share of overhead costs allocated to them by management. With ABB, moreover, indirect costs are reconceptualized as dependent upon, and strictly justified by, the activity of generating revenue. They become a species of direct costs. By requiring units to consider not only academic offerings but also the overhead costs needed to provide those offerings, ABB is supposed to instill a sense of shared responsibility among units for the costs of running the entire university. It also confronts units with the challenge to either operate within the budget they are given or reveal themselves to be disproportionately costly compared to other units. If a unit is unable to generate enough revenue to cover its costs, including its allocated overhead, it reveals itself to involve “inefficiencies” that should be cut so as to shrink its footprint in the institution.

In practice, this approach to budgeting creates a number of confusions that undermine planning, decision-making and organizational coordination.¹¹ First, instead of recognizing how overhead costs reflect an interdependence of units in the same enterprise, ABB distorts and fragments them by dividing them among units as though they were direct costs. Second, deeming productive, revenue-generating units each responsible for their share of overhead creates the impression that units consume more resources in the institution than they actually do.¹² A group of professors, administrative assistants, and tutorial leaders might work

(August 2018). On the introduction of ABB at York University in the form of the SHARP budget specifically, see Kean Loach [YUFA Response to SHARP Budget Model](#) (May 2015).

¹⁰ The revenue-generating unit is normally the faculty. But [sometimes](#) deans also implement the budgeting process below the faculty, at the level of academic departments or schools.

¹¹ Peter Armstrong, “The Costs of Activity-Based Management,” *Accounting, Organizations and Society*, vol. 27, no. 1 (2002): 99–120, [https://doi.org/10.1016/S0361-3682\(99\)00031-8](https://doi.org/10.1016/S0361-3682(99)00031-8).

¹² This year, York's Faculty of Liberal Arts and Professional Studies gave its departments budgets that reduced revenue by 54% to cover overhead (46% the university level, and an additional 8% at the faculty level). In a confusing distortion, the budget added [the same salaries three times](#), once per category of tuition revenue, giving the impression that academic labour costs are much larger than they are.

generously, efficiently, cooperatively and effectively to deliver a range of popular courses and programs at a university. But if central administration makes decisions that cause increases to overhead costs – for example, directing more money to the office of the President or for financing the construction and operation of new buildings or campuses – in ABB those increases are distributed to units in a way that creates the impression that overhead costs are *driven* by academic offerings and required by current teaching and research activities. This pressures units to find ways either to generate enough revenue to cover their share of costs or cut courses and the jobs of those who teach and support those courses. There are a number of problems with this.

Three intertwined problems

1. Anti-labour bias

Activity-based budgets are said to incentivize labour to meet revenue targets or risk being cut. But to the extent that revenue targets are adjusted to cover decisions made by upper administration about overhead, shortfalls are not driven by those who design and teach courses. The budgeting process, in other words, creates a culture of suspicion about the costs of academic labour while absolving managerial decisions affecting overhead. Efforts to defend the needs of academic workers (including the staff that support them) and secure investment in the education mission become framed as courting the financial ruin of the university. This austerity rhetoric is repeated continuously by York University in labour negotiations and in departmental and faculty council meetings with deans and other figures of the central administration.

Suspicion about the costs of academic labour in the present goes hand in hand with an unshakeable faith that capital projects—such as construction of new campuses and buildings—will secure future long-term growth. Large investments in projects that may or may not eventually pay off create revenue shortfalls in the present so that job cuts are needed *now* to finance those future projects. The supposed cure brings the disease into being, as it were.

2. Financial concerns displace focus on education mission

When budgetary conversations enter collegial governance venues at York University, they are not focused on how best to fulfill the academic mission but on how to cover overhead costs that departments can neither influence nor examine. Academic units are invited to impose on themselves budgets that cover costs resulting from decisions made by upper administration in advance, behind the scenes.

A significant problem with these budget-driven conversations is the working assumption that success in the education mission is measured by revenue generation and capital expansion. Responsible deliberations cannot take place if they require agreeing in advance that as long as

an initiative is expected to generate more revenue than it costs, it automatically serves the education mission. But clearly, even if it can be shown that cost-cutting will not undermine revenue, that does not mean that cost-cutting cannot or will not have negative consequences for teaching, learning and student experience.

It is vital that financial decisions be justified in terms of how they promote the education mission. But for that to be possible, the commitment to financial responsibility must be disentangled from educational and research commitments so that a critical and constructive dialogue between these commitments becomes possible. As elaborated below, that requires open and transparent deliberation on both sides of the dialogue.

3. Decentralization without democracy

Since academic units at York University have little influence on decisions about whether to invest surpluses in existing commitments or in new capital projects and expansions, the conditions of democratic deliberation are not present when units receive their budgets and are invited to make decisions about how to spend resources. If a unit is consulted only after decisions about overhead and long term investments have already been made, it has only one option for balancing its budget, namely to cut courses and jobs. Managerial discretion over overhead costs thus allows central administrators to restructure the workplace under the cover of the budgeting process: the budgets invite academic units to apply cuts to themselves, relieving management of any need to discuss options for reducing overhead. When management exerts itself through the budgeting process, this hides its responsibility and creates the impression that cuts are simply the natural outcome of letting the numbers speak for themselves.

What room does this leave for collegial input? Academic units are no longer equal participants in the work of shaping a collective project. This deterioration of the collegial relationship is effected precisely by “empowering” units to participate in activity-based budgeting and management. Unless there is democratic control over how indirect costs are created and how surpluses are spent, participatory budgeting is only a veil for top-down decision-making. It does not provide a way to make sound and prudent judgments about the academic mission and striking a balance between what is and isn’t possible given existing resources.

Now, it is indeed possible for central administration at York University to support cooperation among units by sharing data on the university’s position in the sector, enrolment forecasts, and other relevant social research on the university. But if managerial decisions are to be justifiable, they must be open to a process of contestation and deliberation in which different options are presented and openly discussed by all affected parties. Collegial governance requires robust democratic decision-making involving independent and transparent financial analysis of university operations and strategic decisions. Only under those conditions can educators assess and debate the impact a budget would have on fulfilling the education mission.

Conclusion

No budget model is perfect, and every one can be misused. An approach to budgeting is only as reliable as the quality of decision-making practices that use the budget. When done well, budget processes can motivate greater cooperation, inspire optimism about the future, unlock new capacities, and promote creativity and wellbeing. But when done poorly, budgeting can become a form of workplace bullying, one that enables a kind of deniable aggression toward certain groups of employees.¹³ Such is the climate when unions are under attack, or when some departments and staff are singled out for cuts while others look on and wonder if they will be next.

Pushing back against precarity requires developing an alternative to activity-based budgeting – one that is better suited to centering the education mission and supporting transparent democratic deliberation about how to act on it.

¹³ Peter Armstrong, "Budgetary Bullying," *Critical Perspectives on Accounting*, 22, no. 7 (2011): 632–43. <https://doi.org/10.1016/j.cpa.2011.01.011>.

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