WATERLOO BUDGET MODEL: SECURING OUR FINANCIAL FUTURE

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Deputy Provost and Associate Vice-President Integrated Planning and Budgeting
AGENDA

- Background
- Role of Deputy Provost
- High Level Overview Waterloo Budget Model
- Leveraging Resources
- Questions
BACKGROUND

- 1993 B.Sc. Chemical Engineering, Queen’s
- Worked 4 years PEng: Construction, Design, Policy
- 1997 M.A.Sc. Civil Engineering, UW
- 2000 Ph.D. Civil Engineering, UW
- UW Professor 2000 – Present
- Sabbaticals: Australia, New Zealand, England
- PEng: 23 years
BACKGROUND

- Founding Member, Associate Director, Director Centre for Pavement and Transportation Technology (CPATT)
- Past President Canadian Society for Civil Engineering
- Board of Advisor National Research Council
- Principal Investigator, Transportation Association of Canada Pavement Asset Design and Management Guide
ROLE OF DEPUTY PROVOST

- Advises and supports Provost on all aspects of academic, budget and space planning
- Assists Faculties and Academic Support Units in Developing Plans
- Academic Planning: Understand each Faculty’s academic aspirations and financial circumstances
ROLE OF DEPUTY PROVOST

- Communications: Openness in flow of information to create cooperative working relationships with all Faculties, ASU’s and AFIW

- Budget Planning: Ensure multi-year planning and budgeting with Waterloo Budget Model with realistic budget plans where financial objectives are not an end in themselves

- Space Planning: Assist with ensuring consistent and effective space planning
WATERLOO BUDGET MODEL

- Resource allocation: Developed Using Principles and Guidelines to better inform Strategic Decisions
- WBM derived from Responsibility Center Management Budget Model
- Revenue is allocated to the Budget Planning Unit responsible for its generation
- Faculties Share Administrative and Facilities Costs
- Part of that income is returned to Create University Fund to Support University-Wide Strategic Initiatives and Plans
## WATERLOO BUDGET MODEL

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<th>Academic excellence</th>
<th>Efficiency</th>
<th>Strategic alignment</th>
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<td>Clarity</td>
<td>Long term budget planning</td>
<td>Support for strategic initiatives</td>
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<td>Collaboration</td>
<td>Risk management and flexibility</td>
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Fund Types at the University

- When we talk about budgets and the budget model we’re talking about operating funds.

Operating Funds + Research Funds + Trust and Endowment Funds

Day-to-day operations + Restricted uses
2017/2017 the University’s operating revenues totaled $716M

- 70% operating funds come from tuition and grant generated by our undergraduate programs

- 20% operating funds come from international undergraduate tuition

- Tuition and grant from graduate programs account for 13% of the University’s operating funds
• 2016-2017 the University's operating expenses totaled $685 M

• Employee compensation (salaries plus benefits) account for close to 70% of the University’s operating expenses

• Revenues from undergraduate programs fund salaries and operating funds from graduate programs and other sources fund everything else.
Budget vs Budget Model

- **Budget**
  - A spending plan

- **Budget Model**
  - A mechanism for determining how funding is allocated across units
Waterloo Budget Model (WBM)

**Operating Revenues**
- Tuition
- Provincial Grants
- Operating Research
- Student and Co-op Fees
- Other Income

**Interdivisional Teaching**
- Revenues adjusted for teaching between divisions (Faculties and AFIW*)

**Space Cost**
- Standard cost rate

**Academic Support Units Cost**
- Student Administration
- General Administration
- IST
- Library
- Research Administration
- Advancement
- Finance & Administration
- University Relations
- HR Administration

**University Fund**
- Strategic Planning
- Request-based Temporary Agreements
- Salary Increases and Benefit Changes
- Pre-determined Ongoing Agreements
- Budget Transition Support Fund

**Budget Allocation**
- Faculty Net Revenue
- University Fund Allocation to Faculties, ASUs**, and AFIW*
Past a significant portion of the central funding held in the Provost’s Office (University Fund) was used to support initiatives that were operational in nature

WBM faculties will be encouraged to fund operations (new hires, renovations etc.) through net revenues with the University Fund focus on strategic initiatives
LEVERAGING RESOURCES

- Transparent and intentional governance of those resources
- Resource use in alignment with our organizational values
- Periodic reviews of resource use and availability: shared with the campus community
- Utilize resources (e.g. equipment, classrooms, research IT) for cross-functional processes
- Flexibility to respond to changing needs
- Enabling success
- Managing risk
RESOURCE MANAGEMENT

- Full lifecycle of our resources to optimize the investment in that resource
- Sustainability is considered
- Find new ways to optimize our research, teaching and office space
- Avoid empty/wasted space, allow some flexibility for spontaneous “coming together”
- Can we consider ways to provide University resources for differentiation?
- Innovative teaching, Novel student experiences, Interdisciplinary activities, Internationalization, High risk research approaches…..
  - If successful, will it change the world?
WORKING BETTER TOGETHER

- Management of resources will mean: avoid duplication and streamline practices
- Vital to understand that many of our most important processes cross organizational unit boundaries or require connections
- Need good mechanisms for people to work together to use resources
- Supported by using processes that are documented, stored, maintained, and adapted as needed.
- Measure and benchmark effectiveness of our core processes
QUESTIONS MOVING FORWARD

- How do we effectively govern and manage our resources to ensure that the University of Waterloo has the ability to meet its strategic goals?
- How can resources best be used to enable innovation and collaboration across a decentralized structure?
- Are our resources “strategic” differentiators or are they primarily “enablers” which support the core of the university?
- Are there any performance metrics that could be introduced to help improve how we manage resources?
- How can resources be leveraged to improve student experience, education campus wide and research?