



UNIVERSITY OF
WATERLOO

BUDGET TOWN HALL

NOVEMBER 18, 2024

AGENDA



Vivek Goel
President
and Vice-Chancellor



Jim Rush
Vice-President
Academic and Provost



Jacinda Reitsma
Vice-President
Administration & Finance



Q&A

Note: this session is being recorded and will be shared online

PRESSURES ON THE PSE SECTOR



Ford not willing to raise post-secondary tuition in Ontario despite schools reporting financial struggles

Government-commissioned panel has recommended province unfreeze tuition, raise student aid

Liam Casey and Allison Jones · The Canadian Press ·
Posted: Jan 31, 2024 12:41 PM EST | Last Updated: January 31



Premier Doug Ford said the provincial government will work with colleges and universities to 'support them in any way we can.' (Evan Mitsui/CBC)



Ottawa's foreign student crackdown will cost colleges billions, Ontario budget reveals

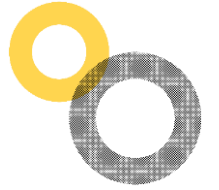
It will lead to more than \$3 billion in lost revenue for Ontario's colleges over the next three years.

Updated March 26, 2024 at 8:40 p.m. | March 26, 2024 | 3 min read



- Frozen domestic tuition
- Restricted funding from SMA
- Fewer international students
- Rising regulatory requirements
- Rising operational costs (inflationary pressures, salary and benefit costs)

At the University of Waterloo, we...



Think Differently

unconventional | bold | innovative

Great ideas are born when we **challenge the status quo** and ask **bold questions** and **embrace risks**

Act with Purpose

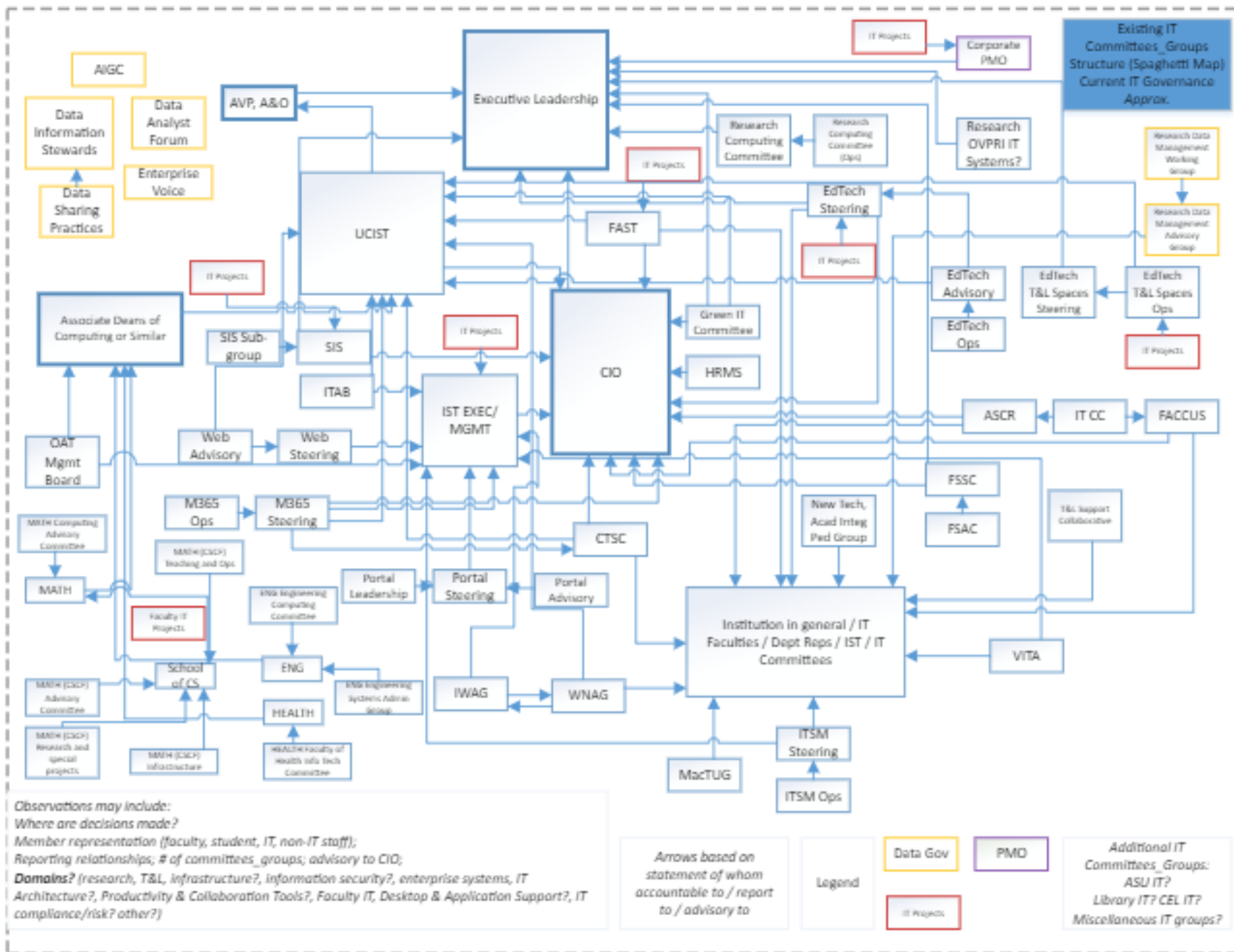
positive impact | responsible | we get things done

We **make a positive impact** in the Waterloo community and around the world

Work Together

collaborative | community | “one Waterloo”

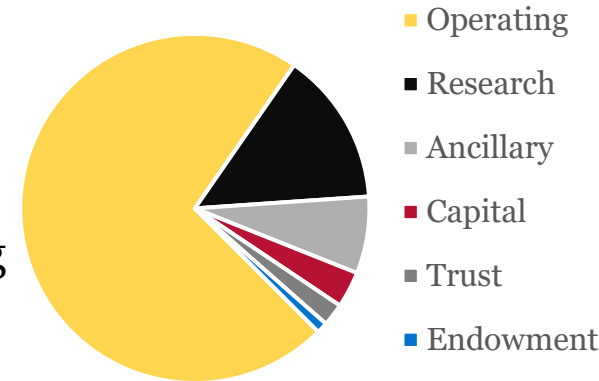
We are at our best when we **work together** – which results in fresh thinking, inspiration, and innovative breakthroughs



Overview - University Funds

University revenues and expenses are segregated and **managed** in separate funds based on their source and purpose

Total annual revenue and expenses of the University include activities in the following funds:



Operating (tuition, provincial operating grant, and other revenue, related expenses for general operations)

Research (external funds received restricted for specific research, related expenses)

Capital (costs of significant construction projects and related funding, including funding transferred from operating)

Trust (external funds received restricted for specific purposes, related expenses)

Endowment (external funds received restricted for specific purposes and held in perpetuity, with investment income to fund related expenses)

Ancillary enterprises (revenues cover expenses including capital renewal)

Operating Fund One-Time Resources

Also referred to as reserve funds, carryforward funds, or internally-restricted net assets

Accumulated over time through intentional saving designated to manage capital projects, strategic projects, operational commitments, and risk and transition

Total available (April 30, 2024): \$607 million

Approximately 60% of these funds are being managed by the Vice-President, Academic and Provost (Provost) and President

Approximately 35% of these funds are being managed by the Faculties, with the Provost approving the Faculty plans

Approximately 5% of these funds are being managed by the other VP's, with the Provost approving the VP plans

Operating Fund One-Time Resources (in millions)

Total available (April 30, 2024): \$607 million

Managed by Provost and President	\$M
<u>Risk and Transition Funds</u> These funds are available to cover one-time deficits and one-time costs related to returning to a balanced budget	\$ 146
<u>Capital Commitments</u> All central commitments to major building construction and deferred maintenance are included in these one-time funds set aside	\$ 115
<u>Strategic priorities</u> These one-time funds can be reallocated to risk and transition funds as required, or used for strategic priorities	\$ 74
<u>Committed benefits</u> These funds have been committed to pensions	\$ 30
Total	\$365 million

Managed by Faculties



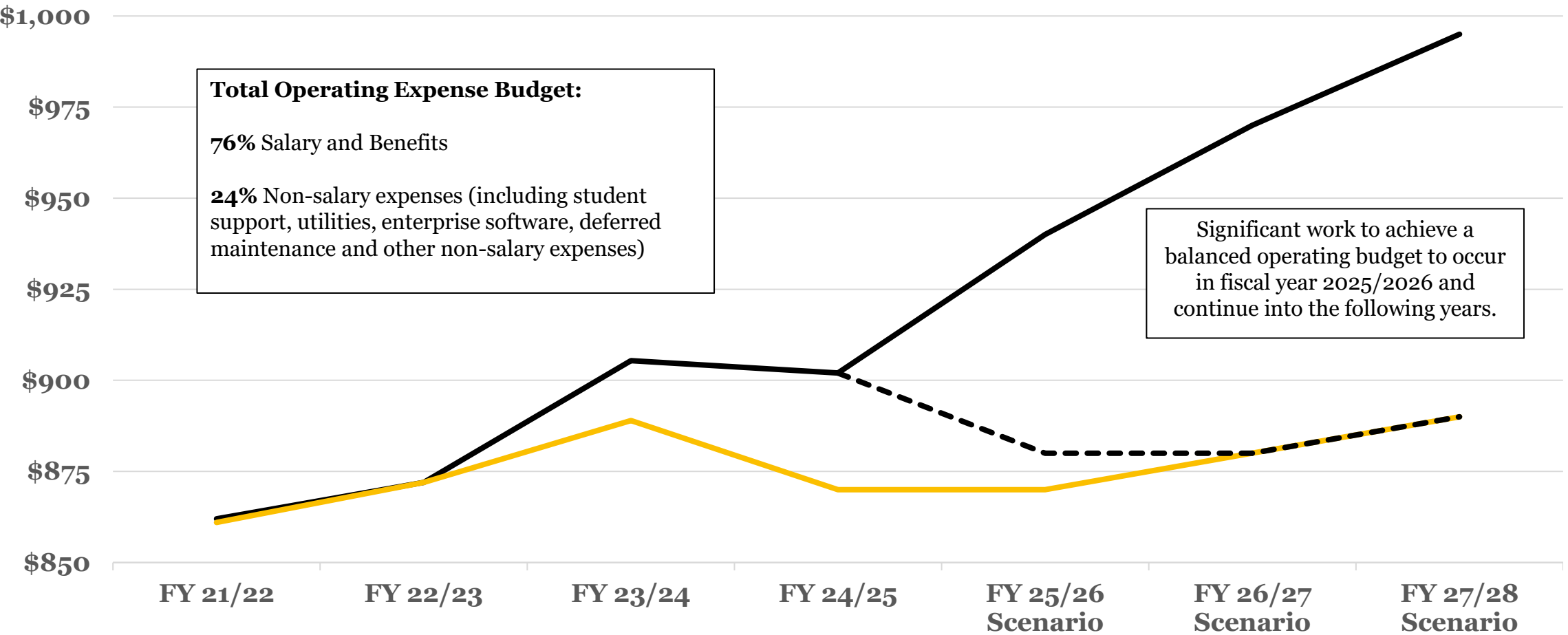
- Major Capital Projects
- Research Support
- Risk and transition
- Commitments and Projects

One-time funds managed by Faculties will be applied first to Faculty capital commitments for major building construction and research support funds; Faculty plans for one-time funds are revisited annually and subject to annual approval.

BUDGET

2024/2025 Operating Budget as at April 2024 (Approved by Board of Governors)	in millions
Unmitigated deficit	(\$ 74.5)
Ongoing budget reductions included in operating budget	42.5
Deficit (to be addressed, if necessary, through use of one-time resources on hand)	(\$32.0)
2024/2025 Operating Budget Fall Developments as at October 2024	in millions
Deficit in 2024/2025 operating budget	(\$32.0)
Estimated financial impact relating to:	
Increased tuition income - enrolments	9.0
Increased salary and benefits expenses - compensation agreements	(2.0)
Current estimate: Deficit (to be addressed through use of one-time resources on hand)	(\$ 25.0)

Multi-year Operating Budget Scenario (in millions)



Total Operating Expense Budget:
 76% Salary and Benefits
 24% Non-salary expenses (including student support, utilities, enterprise software, deferred maintenance and other non-salary expenses)

Significant work to achieve a balanced operating budget to occur in fiscal year 2025/2026 and continue into the following years.

- Expense Budget Scenario
- Revenue Budget Scenario
- - - Expense Budget Reduction Scenario



COST-SAVINGS, EFFICIENCIES AND IDEAS

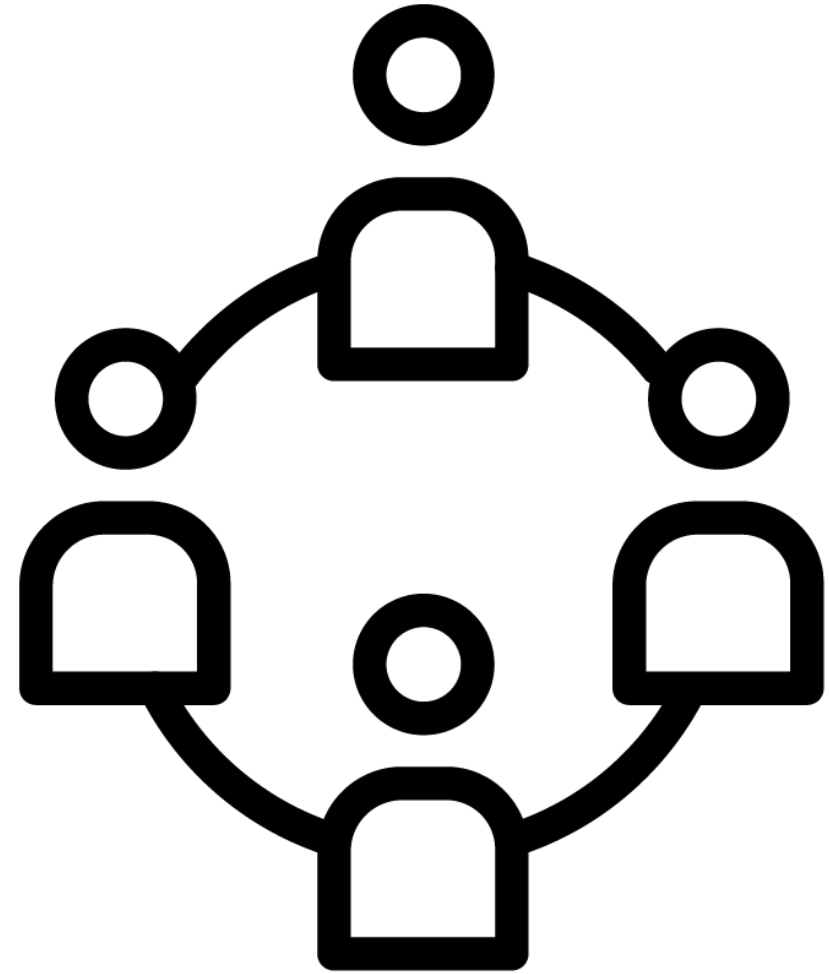
REVIEWS UNDERWAY OR COMPLETE

Office of the Vice-President,
Research and International

Office of Graduate Studies and
Postdoctoral Affairs

Office of the Associate Vice-
President, Academic

Plant Operations



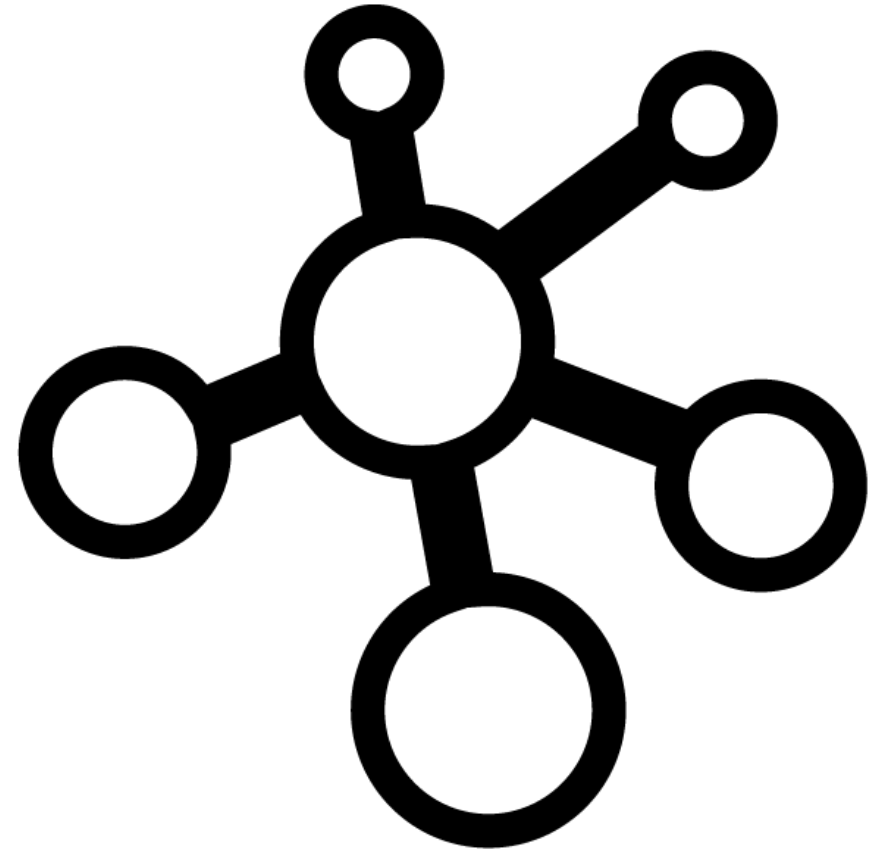
GOALS: recommendations on existing organizational structures and the alignment of work, staffing, processes, and practices

NEW
FUNCTIONAL REVIEWS
TO BEGIN

Information Technology

Finance

Communications and Marketing



GOALS: recommendations on existing organizational structures and the alignment of work, staffing, processes, and practices

YOUR IDEAS



IMPROVE OPERATIONAL EFFICIENCY

- Keep work in-house instead of hiring contractors
- Streamline processes and merge tools to save on licensing fees and warranties
- Review IT services to eliminate duplication
- Establish a centralized inventory system for interdepartmental resource sharing
- Reduce travel or optimize it by coordinating multiple stops/visits in one trip

REVENUE GENERATION

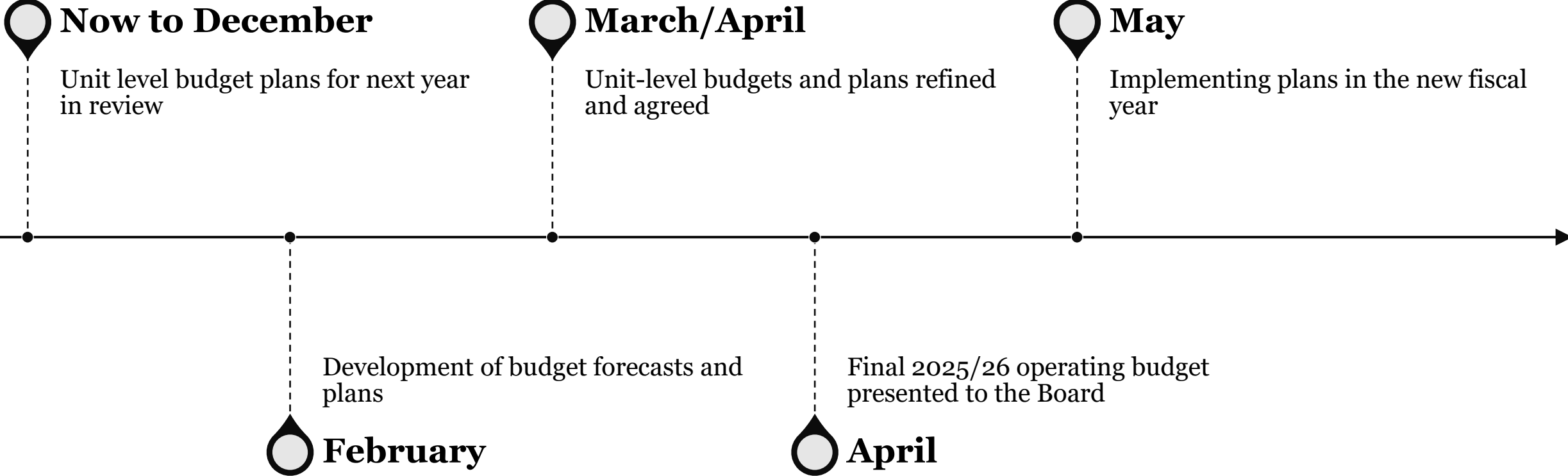
- Real estate opportunities (selling or leasing buildings)
- Increasing opportunities for online education
- Revitalizing or condensing courses to target graduates, practitioners, or a continuing education audience for certifications
- Corporate sponsorships for classroom renovations

FLEXIBLE WORK OPTIONS

- An optional four-day work week for those willing to reduce their salaries
- Voluntary unpaid time off in the summer

Submit your ideas to budget@uwaterloo.ca

NEXT STEPS



UNIVERSITY OF
WATERLOO

