

Vivek Goel:

When we last got together in the fall to talk about our budget outlook, we shared to the university community a number of financial pressures, and we outlined this further in a communication from Jim and Jacinda this past March.

There are a number of forces, and we'll go through this in a little bit more detail, but I just want to highlight that our most significant challenges are at the provincial funding level, where we've had an ongoing tuition freeze for a number of years, and recently, the government has confirmed that it will continue for three more years.

The province did recently announce funding for the entire sector. \$1.3 billion over three years. That \$1.3 billion was not just for operating support to offset the budget challenges, but included many other important investments, directly affecting our operating budget.

So that announcement, while welcome, falls significantly short of what the sector needs and what we need, and was short of the recommendations made by the province's own Blue-Ribbon Panel to look at the financial sustainability of our sector.

In recent years - really, for the last 15 to 20 years - we've had significant constraints on our domestic revenue, even before the tuition freeze or tuition had been cut. Tuition was regulated. Our operating grants have been constrained. Have not kept up with inflation. We have a cap, effectively on the number of domestic students we can admit. So we can't grow the number of students, from within Ontario, and get more government grant for those students.

So, our one source of additional revenue has had been international students. They are a significant source of bringing new ideas, new vitality to our campus. But they've also been a significant source of income for us in recent years. We've had significant geopolitical tensions affecting our ability to recruit international students, particularly, in the tensions with China and more recently, tensions with India, which were our two largest source countries.

And then this January, the federal government announced caps on international study permits over the next two years and asked for provinces to make allocations within their envelopes of study permit applications for each institution in the province. And while out of that process, we did get a reasonable number of study permit applications for next year. That, in theory, would allow us to recruit, the same number of students as last year.

We're doing this now in an environment where we had several months of uncertainty during the peak recruitment cycle for international students. And so there's a lack of clarity about what our specific numbers for international students will be this fall.

All of these have an effect on our income. And then on the expense side, as we all know, we are in a period of high inflation, which follows a number of years with quite low inflation and interest rates.

We also had the period with the Bill 124 regulation of salary increases. So, we had a period where we had constrained revenue, but we also had constraints on our expenses. We're now into a period where we have much higher costs for our business and our most significant expense line, because we are a people centered activity, is our cost for our employees.

We have had and will continue to see significantly higher salaries government than in past years. We'll elaborate a little bit further, but we're in this period of increasing expenses with constrained revenue. We'll continue to work on our advocacy with government alongside our, partners in the post-secondary sector, and continue to advocate for the government to look at the regulatory and operating budget frameworks within which we operate.

We do occasionally get some good news from government. The federal budget last week had welcome investments in research as well as increases to the value of fellowships for master's, PhD students and postdoctoral fellows, something that our sector and our students in particular have been advocating for for a number of years.

These changes don't have a direct impact on our operating budget, but they certainly help us in continuing to, engage in our research and recruit the top talent, to our institution.

We recognize with operating revenue under pressure, that we need to be as efficient in our spending and to improve our planning and processes. I know that this kind of news brings a lot of uncertainty and a lot of stress. We hope that we can help address some of the uncertainty and fear and the questions that we might have.

This is not going to be a "one and done" sort of exercise. This is going to take continued collaborative work across the institution over the next several years. We have to reflect on how we've gotten to where we are. This institution has had the luxury since its founding of being essentially in constant growth mode.

Go back to 1957 and the years that followed. Every year there were new programs, new faculties, new buildings be created, and we're always growing students. In fact, the budget was always greater year over year. This coming year, we'll have our revenues decline. One of the byproducts of always being in growth mode was that we didn't necessarily develop the kinds of processes for making decisions, the kinds of systems for doing planning in an integrated way.

Whereas other institutions that have had to face up to these kinds of challenges have those systems. We've had to start work on developing them. The fortunate thing is,

these are all things over the last few years [that the] University of Waterloo has started to do.

You've heard us talk about integrated planning and budgeting, talent development work that HR is undertaking, campus master planning, work on IT governance, creating those kinds of processes that will help us make the decisions that will allow us to do things in more efficient and effective ways.

Our vision for Waterloo at 100 has given our community clarity about where we're going and what our priorities are, and in the next few months will be taking to the board for endorsement, our institutional values, which I think will help guide us in the decisions that we have to make. We recently released last week the employee engagement survey results.

We know that clarity about University's direction and decision making processes are areas that we need to improve on, and that's why events such as today are important for us to be able to share with you and hear from you what your questions and concerns are.

So today, we'll very briefly share with you details around the budget challenges and our proposed strategies around cost containment and revenue generation, and try to answer some of your questions. We may not be able to answer every question, today, but as I said, this is the start of an ongoing dialog.

I'm joined by Jim Rush, vice president, academic and provost, and Jacinda Rietsma, vice-president, administration and finance and other colleagues here in the audience who can help answer your questions.

We'll start with Jim giving a quick overview on the budget and then Jacinda will speak to some of the initiatives that are underway, and we'll dedicate the bulk of the time to questions and answers.

I appreciate everyone that submitted, questions in advance. we're overwhelming number of questions, but they grouped into, some common theme areas. And so we will start with some of the most commonly asked questions in the pre-submitted questions. Then we'll take questions from the floor and online.

For those online there will be a Q&A which will open after the presentation. And finally and note that the event is being recorded so that the recording can be available for those who are not able to take part in person or online at this time. So with this, I'll pass it over to the Jim.

James Rush:

I've just been told that there are online audio issues, so they just want to pause for a minute, see if they can fix that for the folks that are online.

Well, thanks. Vivek, for the overview, and I'll keep my comments brief. They'll mostly illustrate what has been in the public communications to the whole community both in the fall and in March, and that has been shared in more explicit forms in a number of other fora, including the governance bodies that feed into and approve the budget, including the Board of Governors, which last week approved the budget and the budget plan for the for the coming year.

I won't go over this slide in detail because it captures a number of the factors that Vivek, outlined in his opening remarks. But it was just to put a fine point on some of the extraordinary challenges that define this particular time from a financial point of view in Ontario in the post-secondary sector.

There had been great hope in the review, when the government commissioned the Blue-Ribbon Panel to actually comment on sustainability of the post-secondary sector in Ontario. That, those recommendations, would be helpful and would be implemented.

And so although I think the Blue-Ribbon Panel did a great job in, in articulating the challenges and making great recommendations. The second part of that equation hasn't really been implemented yet, in a way that would effect sustainable change. And so that's an ongoing, challenge, as is the ongoing tuition freeze that, that Vivek outlined that was announced at the same time that the response of the government to the Blue-Ribbon Panel was released and the, both the enrollment challenges that have been developing at the International undergraduate level for the last several years that have shown in trends that have been driven by a number of factors and including the geopolitical factors and also the interest, but also, in this particular cycle by the permit study permit, challenges, etc..

The bottom line for us of all of these challenges coming together at a point in time is that, we're left with a projected \$75 million, gap in between our projected revenues and our projected expenses for the coming year.

For those of you who have been in governance meetings or in the previous town halls, you'll be familiar with this format of trying to show those projections in a convenient way, which is showing for the coming three years an expense projection in the black line that, was, based on, our, projected expenses, realizing that we were going into a period where we were entering new, employment agreements with all of our employee groups, and because salaries and benefits and wages are the primary driver of that black line, the expense line, it was a, projection. We have had some certainty that's come from one of those agreements now being in place.

The other major groups are still, outstanding. And that could be one variable that will change as certainty comes to that over the coming months. But for now, that projection, remains in intact.

The yellow line is the revenue line, in the downward, trajectory from 23/24 into 24/25, reflects, enrollment challenges primarily at the international undergraduate, level. But it also includes the small amount of, operating grant supplement that's coming from that program that you mentioned in terms of the \$1.3 billion across the sector, program that the government announced it to us. It probably only means about \$7 million in the first year with some sort of an escalator in the subsequent years, but it's included in that yellow projection.

So the gap at 24/25 is about a \$74.5 million gap. And you'll know from other communications that, the plan we put forward with this budget projection, for approval included the plan to manage that gap in the coming year, which is a multi-modal approach that involves both ongoing and one time components distributed across different organizational levels of the university.

So, it involves 4%, budget reductions to the faculties and the use that involves a considerable constraint on the central budget and involves some targeted, reductions and some of that comes up to \$42.5 million that's being dealt with in an ongoing, manner, because those are ongoing cuts.

That leaves a gap of \$32 million, which would technically be what we would be now projecting to be our budget deficit, because of the ongoing nature of the addressing of the, top part of that problem. That's about \$32 million, and that's coming from one time, from the faculties. And as who's in from the central, reserves to manage that, remaining gap in the current year, I mentioned that it's, multi-modal in approach because of the combination of ongoing and one time cuts in the distribution of those across organizational levels.

But also as Vivek outlined both the challenges and the solutions are likely to be multi year, solutions. So we need to recognize that in that although this is a package of measures that helps us to manage the budget in the 24/25 year, it is these are early measures that will allow us to have the time to clarify as other factors that continue to be uncertain and get a little bit more clarified, and it will set the stage for us both to understand and identify efficiencies in the way that we operate, but also to implement, more targeted approaches to, both the budget, solution and efficiencies.

Over time, some of this is about cost containment, which I focused on for most of the remarks that I've made so far. But of course, we'll also be needing to look at revenue generation, opportunities that I think will need to leverage both our traditional, and some non-traditional, modes of, of doing so.

Some of those have to do with approaches to sustainable enrollment management, which is both about strategic enrollment management and also on, how we deliver our curriculum in efficient ways, while maintaining quality, but also exploring new modes of revenue generation, both in terms of high quality academic program development, and in terms of more, novel, out of curriculum modes of revenue generation in more decided and deliberate ways than we, have had to in the past.

A lot of this as it evolves over time, as well as naturally going to converge on, how we're organized, structured and how we coordinate and operate across the institute. That's what the the last point is getting at in terms of roles and structures. A lot of that falls into the category or feeds into the process that Vivek flagged about integrated planning, processes and the new budget model, which in its essence is a systematized way of doing that on an annual basis in a large institution, in any case.

So we're in a situation where that is not in place, we're developing that, and it happens to be this challenging time as well. So I don't want you to dissociate those two things or think one is a response to the other. It is going to be a systematized method by which we achieve some of our multi-year goals. And it also is, is just, good process in terms of integrating planning with budgeting.

I'm going to end my comments there and pass to Jacinda to make some other brief comments before we go to the Q&A.

Nick Manning:

Sorry for the brief interruption here. Many of you online have not been able to hear what has been said in the room so far, or an impartial amount of what has been said in the room. We apologize, and we'll make sure that you will, have access to the remarks that Vivek and Jim have shared today.

And we'll get a transcript of what was said, shared online. Bear with us for the rest of this, particularly those of you online who are now going to be hearing this through a laptop, which, should now transmit the sound much more effectively to all of them. There is a bit of an echoing, we'll fix.

Jacinda Reitsma:

Okay, that there is a bit of an echo, but I'll just keep talking through that, if that's all right. I'll wait. That's better. Thank you, everyone, for your patience. Knowing we want to spend as much time as possible on questions, I'll just make a few comments here on really what we've done so far and what we need to think about as we manage the deficit gap.

And so I draw your attention to the graph that Jim highlighted that this isn't a one-year issue. This is something that is a trend and something we need to think about. So I'll just share some of the things we've done so far. And some of the areas that we'll focus on. One of the things we've, put in place is workforce planning process and restricted hiring program.

This is very different than a hiring freeze, because we want to ensure that we have a process in place to identify key positions, to make sure that we continue to move

forward when those positions become vacant, but also that we're looking at this across the university to ensure where there are positions that can be shared with other groups, or when there are other ways that we may want to handle those vacancies, that we do that in a very, organized fashion.

I'll also share that H.R. has been working very closely with departments, not just on individual, position requests, but also looking at the structure of the department, the roles within that department and how we might organize that differently. As some of those positions may become vacant. So I do encourage you to reach out to your HR partner and to our workforce planning group, to make sure that that is happening in your area as well.

I'll also highlight that we really want to find ways to save costs and find efficiencies, through coordination and rationalization. So we talk a lot about coordination, collaboration, rationalization. And really a lot of that comes down to process. What is the process? Is it working? Is it more complicated than it needs to be? Can we achieve the same results by doing things a little differently?

We really encourage everyone to take a look at how their units operate and how do they collaborate with other areas and find ways that maybe we can do that differently. We also highlight in that case that, you know, looking to technology and looking to different ways to do things where we may have done things in a very manual system before is also a way for us to look long term at, our use of resources.

I do want to highlight that due to the limited hiring program, we will be relying on each other. So when we streamline work, we need to think about our shared responsibilities and how we can work more closely with other units.

And to make sure you're reaching out and receiving the help that you need in these areas. So, on that note, I will turn it over to Vivek, who will help us with the question and answer portion of our session today. Thank you.

Vivek Goel:

We're going to use technology here. So again, apologies, but, these are the things that happen in this day and age. And so as I mentioned, we'll go through some of the questions that were received in advance as well. If people in the room have questions, please come up and, line up at the mic and we'll try to alternate, between the questions from the room as well as those we receive online. If our technology works, I'll be seeing them on my iPad here.

So, you know, first question, which came in various forms from, quite a few different people related to one of the last points that Jacinta just made, that with the limited hiring program, we're going to have existing responsibilities and deliverables being distributed across the remaining employees.

What are we going to be doing to prevent burnout? And, are we going to reprioritize initiatives because the staff shortages.

And it maybe I'll just start by saying, again, this is a theme that came through in the employee engagement survey results around workloads, around tasks. I think one of the things, again, as we think about efficiencies is not necessarily about reducing the number of people.

It's about reducing the amount of duplication of effort or the amount of effort that sometimes goes into something. And then you're waiting on another team who's not ready for the next stage of something. And so again, these planning processes and so on are around creating those kinds of efficiencies within the organization. So we don't have as much frustration.

And so that will certainly help reduce burnout but also loss of effort. That's not necessarily being the most productive.

Jacinda Rietsma:

A couple of other things as it relates to burnout. And it is about clarity and communication. So in times of uncertainty, which is where we are now in, and in times of change, burnout isn't only due to workload, but also some of those other factors.

And so we want teams and leaders to keep that in mind as well. Is communicating with your teams ensuring that everyone feels like they're receiving the information that they need. And as Vivek mentioned, timeliness of decisions. That's part of the feedback we heard from the engagement survey results is, you know, are we structured in such a way that we can't move things along as quickly as we would like?

And how is that adding to people's workloads as well? So, while we want to be cautious in the limiting hiring program that we're not reducing our resources too much. We also need to be cognizant of other ways that we can take some of the pressure off, for all of our employees.

Vivek Goel:

Thanks. I think there's also a query about repeating some of your earlier comments, but I think what we'll do is as we go through the questions, you can just go back to some of those themes.

And, the other thing, we'll follow up afterwards is to look to see if we can schedule, another session just given the technical issues.

Jim, do you want to talk a little bit, but reprioritization of initiatives?

James Rush:

I think it probably follows on the same theme of the first question because even in advance of talking about efficiencies in terms of managing the budget situation, the two major planning processes that have occurred over the last couple of years that have, been at the Provost Advisory Committee on Building a Resilient Waterloo and then at the Waterloo at 100 visioning exercise.

The resilience exercise being primarily through consultation with leadership from the vice-presidents level to the executive council level to two levels below, to identify what the barriers were to doing more coordinated work, revealed the drive and the need and the desire, to be taking a more coordinated approach. That's where the one Waterloo approach terminology came from that was focused on efficiencies and coordination and collaboration and alignment.

And a really pure expression of that is also that concept of interdisciplinarity. What are the barriers to interdisciplinarity. That was reinforced by the general thousands of imports that came through the Waterloo at 100, visioning exercise, the people that came into that. So, that means that, what we can't be doing, everything, in isolation.

And we have to be able to concentrate on a small number of priorities that have alignment in them so that they're meeting the goals and objectives of the institution and of units that have maybe slightly version different versions of what is most important. So I think that prioritization, and the systematization that will come from that, from integrated planning on a regular basis will be tools that will help us to drive in that direction.

But I think it's I think it's just, important to put that in the context of that. That's a good thing to do under any circumstances. And we have an even greater imperative to do it now in terms of optimizing the who's doing what, with what level of authority. So that's what I would add is context.

Vivek Goel:

So a question that's obviously relevant to us is: Has leadership considered becoming leaner at the top, increasing the number of senior positions with the titles of associate Vice President and associate provost?

Again, I'll start by just saying all options will be on the table as we move forward. And certainly this would be something that we would look at as an institution.

But I also, again, want to just remind us that the Waterloo evolved in a very lean way. It grew very rapidly in its first 60 years. It's one of the largest universities in the country with 40,000 students. And we operated in a much leaner way than other institutions. We've also had many new mandates required of us, either by our community or by government.

So whether it's, indigenization, equity, inclusion, anti-racism, student mental health, research security--over the last few years, you can look at all the new areas that we've had to continue to adopt and develop, quite rightly. And so some of the growth that may seem to be there is a result of us having had to catch up with our rapid growth in overall enrollments and make sure we have the kinds of management structures in place to help manage an institution of the size.

And some of that growth is because of these additional mandates. And then finally, the kinds of exercises that we're engaged in, in rethinking our administrative processes will require us to have capacity to execute on those sorts of things. And so it may also be that we may need to maintain some positions for a period of time until we get to the stage that we have more efficient processes that might allow us to start the drawdown on those.

So we have a question from online. And again, if anyone in the room has questions, please come up the mic.

How will we ensure equity and accessibility aren't cut during the reprioritisation of initiatives. And I think we have some core areas.

James Rush:

I mean I think you could expand that, that list to other things that are really important and feedback actually, Vivek made some comments in his preamble, but both were about why is it important to continue to make certain, kinds of investments.

And that's about the that is about identity. It's about values. And it's a and it's about the priority setting. So they will come up in other, portfolios as well, when the question is more about having to make an investment in a system or in a technology or in some other kind of process that will lead to future paybacks.

And so there is that from the financial element. And there's also the what do what kind of institution do we want to build with what kind of values and what kind of commitments to the community. And there will always be in, odds to if we think of every investment of having, equal value or of having a financial, return, because we're not, a Lego factory, we're a people centric university who, as we've just referred to in the answer to the last question, has had an enormous number of responsibilities that are both mission related and a little more peripheral to our mission, but important about the way that we build the community, that that is part of the institution. And so, it'll come through our institutional, acceptance and agreement on what our priorities are.

Jacinda Rietsma:

Yeah. And I think as well, when we look at some of the major projects that we've mentioned and campus planning, some of our monetization of assets, a lot of that work requires, lens of accessibility and equity as well.

And we're committed to doing that. And with the groups that are working on this, that has already become very clear that that's a key part of the values, of the university. And to ensure that that's embedded in what we do. So I think there are ways as well, that as we move forward with these projects and with these changes that we embed those, those pieces into informing how we move forward.

Vivek Goel:

So and another question online, I think, kind of relates that the answers you just gave. Many are asking about the process for the limited hiring process program and have questions about decisions will be made to allow some roles. And so I think some of that is the prioritization of areas like that are going to help us generate revenues, find efficiencies, or are in these core areas of value. But do you want to say a little bit about the process?

Jacinda Reitsma:

Yeah, yeah, I'll, I'll talk a little bit about the process. The, the limited hiring program is really intended to ensure that we're taking a step back. We're taking a look at a position as it becomes vacated. Whether somebody left the position, was seconded somewhere else or retired and making sure making sure we have an opportunity to see what are their options. Are there are there other ways that we can achieve the results of this role and then helping make a recommendation so that we have an approval process in place. And to a previous point, it also helps us to ensure that we're focused on the different areas that that we need to focus on as a university.

So it was not intended to be a, rules based approach where only these types of positions will move forward, but really ensuring there's a collaborative review of what the positions are. And we've actually heard some really positive comments from people saying, this has really helped me think more about where I want our group to be and what sorts of positions we need to have. So that's the the real intent of that program.

Vivek Goel:

Okay, so I'll do one more question on line and then we'll go to the question in the room. does the University of plans to generate more revenue streams to secure a financially stable future? And the answer is absolutely yes. And so maybe I'll ask Jim to start on the academic side and then Jacinda some of the other side.

James Rush:

Yeah. There are some, opportunities on the academic and the curriculum side that deans are, actively discussing and pursuing. Some of it has to do with programs that we, already, have in place where interest, level is, high. And there are limits to delivery that are based on what resources are available to, to, to deliver those.

And so some of those are fairly straight forward in terms of finding ways to support the additional costs of, enhanced delivery. Some are about programs that, have been, underdeveloped. under development, that are rationalizing whether the mode of delivery in the way that they can be delivered in the audience, that they're being delivered to, can rationalize a, high revenue, high quality, but low cost of delivery scenario.

So there are those, those that discussions, underway. It's important in that context to realize some of the constraints, which include the corridor on domestic students that limits the limits, incremental grant funding, to help fund those students. And so that helps that helps to points and in direction of where you're recruiting, what level you're allowed for in classrooms at etc..

But, there is room within that milieu, I think, as well as for new program development or programs, we don't have that are programs that are in need, that we could, make political arguments to have new, allocation for. And that's part of some of the discussions that are underway as well. So I'd say, yeah, that's active, healthy academics.

Vivek Goel:

And so you mentioned some things in your opening remarks, but maybe you could elaborate?

Jacinda Rietsma:

Yeah, elaborate a bit more. I mentioned land and I should, I should clarify that that's not something that happens overnight there. You know, we want to work forward very thoughtfully on what some opportunities might be and how those how those opportunities might sustain us in the future.

There's also a process in place where we're getting, input from all units on other revenue generating activities, ideas and we're very innovative institution. We love to come up with new ideas. And I think this is a great opportunity for us to do so well. Also, balancing that with some caution about what what is our mission? What are we looking to do and how are we focusing on the academic piece so that we don't get, sidetracked with with great ideas that maybe don't don't fit that criteria? So you'll be hearing more about those as we go? but but we want to look at some innovative ideas of, of how we can, generate revenue in new and different ways to offset some of the funding reductions that we've had.

Vivek Goel:

Okay. So we'll go in the room. And for those of you online, I'll repeat the questions just so they'll be able to hear.

AndrewBauer:

Hi everyone, AndrewBauer from the School of Accounting and Finance. A confirmation question first and then the real question. The confirmation question first: we have programs at University of Waterloo that are known as cost recovery or direct entry or [inaudible]. If I understand correctly, they're not subject to corridors. And they're probably also not subject to expiration dates.

Vivek Goel:

So I'll just repeat for the benefit of everyone, that it's about what I think are called full cost recovery programs in the provincial lingo. And so those are programs that are essentially not regulated by the province. So we can set tuition and we can admit students because we don't get grant for those students.

James Rush:

But that you had to follow up though, right? So I was just going to add to your question for context, because maybe it's part of the confirmation. There was a time, in the history of the university when we have, more of those at the graduate level than we do now, because, in the era of graduate growth, expansion, many universities made the decision to pivot from full cost recovery programs to, the corridor limited programs because it came with the with the grant funding at the time.

So this is an active part of that curriculum management conversation with we were having earlier because, one of the things when you make those proposals for FCR programs is, very unusual to be able to take an existing program and just ask for it to be converted to that program. I don't know if that helps set up the next part of your question.

Vivek Goel:

And I want to add one other point to that, because where your line of question is, is absolutely something that we have been talking about. If there were ideas for programs of this nature we can advocate with for the province to maybe amend the rules to allow us to do something that we might not currently be able to do. But I want to go back to the question about equity and accessibility. Like, if we start to go down that path as an institution, I think from the values that we've developed, we would want to ensure that we have financial aid in place, or that we're going to set aside a portion of that tuition to allow for individuals who may not be able to afford that level of tuition to take part in those programs.

So, again, that's something we want to explore, but we have to explore it in a holistic way and ensure we continue to meet our values.

Andrew Bauer:

Well, I mean, I think those opportunities are fantastic. Actually. Keep on thinking of those. I want to ask the question about risk associated with that. [Inaudible] When you talk about the risks that are facing university landscape, we talk about you mentioned. Domestic tuition, international student enrollments. But I haven't heard of as much about, how much we or how much the universities provide on the tuition raised by these full cost recovery programs and some these looked at some projections of when this cloud lifts and tuition in regulated programs and increased spending go to whatever is expected, but also imagine if we had more of those are what they are. How much will we continue to, be dependent on the full cost recovery programs to kind of make up the difference that the regulated programs that had a general student population.

Vivek Goel:

So, just to repeat that is what's the risk if we went too far down the path of creating full cost recovery programs, that became a source of significant revenue, and then the tuition freeze lifts, or we get more grants, and then would we be able to maintain that revenue or, would be able to maintain those high levels of tuition?

The short answer is we've lived that movie before. So I'm old enough that in the 1990s, when the Harris government did Common Sense Revolution and cut, you know, in one year, cut the operating grant by 30%. So there have been worse times than this. The first take up just say. And we survive. And that's why we have to always think long term.

One of the things they gave was the that's when these kinds of programs were introduced and the number of institutions created. Those programs. and then when the McGuinty liberals came to power and there was, of course, called the reaching higher plan, we were given expansion of both the operating grant and the enrollment numbers.

And the new those programs made it not efficient to continue to run the full cost recovery program. So there is a risk that if we invest too much in going down that path, then in future government cycle, it becomes redundant. Most of the full cost recovery programs got converted to regular programs. The only ones that Jim mentioned that I think we have are some graduate level programs.

I think some in your program and going to keep up the cost of what we use. So we've converted them all over.

Andrew Bauer:

Arts you have the graduate school at Stratford is sort of a recovery program. School of Accounting and Finance. So we're an unregulated solution, but not so.

Vivek Goel:

So the different categories of in the past, there were different categories of tuition regulations. So some programs were very limited. Some programs could increase tuition higher. So accounting was in one of those categories. But maybe because we do have quite a few other questions we can follow up. offline about some of that history, but I'll just go back. Those programs are still on the books. So if we wanted to create some, there's certainly opportunity. And Alan [Starr] will be happy to talk with anyone about what the rules are. And if the rules don't work for us, we're also it's prepared to go and advocate for changes. All right. So let's get back okay.

So we'll go to the next one here.

Matt Fagan:

Hi, everybody. My name is Matt Fagan.

I'm in the Department of Knowledge integration. And, you know, we think a lot about collaborative processes as sort of the core of innovation and good decision making and interdisciplinarity and a lot of the values that we hold, at the University of Waterloo. And so my question is just really simple. It's just sort of like if you could elaborate a little bit further on what happens after this town hall.

What is the process? I come today, as you know, this is a huge context that's sort of like coming down on us in ways. And I really appreciate the historical situating of, okay, but it's not totally new either. We've been through these kinds of things before.

And I appreciate the attention to morale and sort of like the affective emotional dimensions of this and how it creates a lot of anxiety.

And so I think that the more we can have these kinds of open discussions and create that process and generative space for learning from each other, the more we're playing to our strengths, like this is how we make good decisions. But, before I leave you with the question, so what is the process after this town hall?

I do want to just kind of signal a couple things that are coming up for me just to kind of say them out loud. Especially in terms of framing and strategy from what I'm hearing. To me, it sounds like, there's a fairly kind of realistic cut and dry we're \$75 million short. How are we going to fix that? I love the idea that we're open to all solutions. We can we can think about, redistribution of wealth within the institution or cutting higher level positions. We have these these programs that you mentioned, EDI and Indigenization

etc. We can look at private donors more, we can think about marketing and increasing numbers of students coming, still online education.

There's a whole bunch of things that we can think about, but there's also a lot of vulnerabilities, I think, that emerge from that in terms of quality of education, in terms of, influence and direction. What kind of institution are we? How do we how do we preserve that, especially given all the work we've done on five futures and, you know, that sort of, that sort of framing.

The concern, I guess, is that are we overly framing this in a cut and dry, , cost, expenditure, revenue framing which to me, potentially, takes away from the process of innovation and community building and figuring things out. You know, monetization of the land is a long-term thing.

Maybe it's a good idea, maybe it's not. Anyway, so there's a whole list of concerns that arise for me. And I feel like probably lots of people have all kinds of other concerns, too. And so that's why I'm asking, what's the process?

Vivek Goel:

Maybe I'll just say a couple words. And then Jim, so I absolutely agree with you. And so we have this short-term challenge and then we have this long term. And the reality is the things that we need to do for the longer term or--and that's why I made that point at the start—these are all the things that came out of Waterloo 100 that we want to do as an institution and looking at our campus master plan, our sustainability strategy, looking at how we work in more integrated ways across the institution, and they will help us on efficiencies. They will help us on revenue generation. But they were things that we should have been doing anyway. And I think that's the frame we have to use.

But in the meantime, we do have this immediate for a challenge. And that's why the strategy that proposed there is let's not take the entire budget shortfall for the year as across the board, because then it would be 7 or 8%.

We're we're trying to mitigate that and then take other, areas that bias the time to do the other things.

James Rush:

I would have said many of the same things I would have gone back to say, looking back, it's one of the reasons we decided very early when it became clear that this was the path that was evolving in front of us, that we took the approach of being very open with the community about what the projected situation was going to look like.

So that's what informed some of our, our town hall in the fall and being and even taking a broader community and public approach to the situation that was happening, the, I would reiterate the point that Vivek was making that that's part of this multi-year, multi-

modal approach. We have to we have to take a chunk out of the ongoing situation, or we make ourselves very vulnerable that we can't catch up.

We can't take such a big chunk out of the ongoing solution at this point. So we know the landscape. People living in, what we can do to recalibrate that more. That's the that that's the mold. That's the rationale for the split between ongoing and one time. And in the meantime, yes, Vivek was just alluding to we've done these planning processes that have put us in a place that we know, what broad category of, the future holds for the University of Waterloo.

And we can that can help us to prioritize what we actually concentrate on. So, if you mean more practically, what do we do tomorrow? I think the, commitment to ongoing, engagement is is very high priority. The mobilization of the integrated planning process that would engage all of the units, and expose all of the units to what the other units are thinking and planning to be able to cause that coordination are all practical steps.

Vivek Goel:

We just have a few minutes left, so maybe we just got one other question. Yeah. Thank you very much. And follow up after it. Thanks

Kristen Leal:

I do recognize time, so I will be quick. I'm Kristen, I work for campus housing. I'm wondering if the three of you or others in the room can share some thoughts on how you plan on communicating the impact of this on our current and prospective students.

I think this fiscal situation will definitely impact the experience our students are hoping to have. So I'd love to hear a little bit about how you're planning to communicate this.

James Rush:

I'll make two comments. Maybe one would be a sector wide, maybe to put this in a broader context of Ontario. So the cue is that Council of Ontario University. So it's the organization that represents universities with the government, and with other with other groups. In March, they did a survey of all of the universities in the province to try to understand if people would be forthcoming with their financial situations for the coming years. And in that survey, we submitted that we were anticipating a \$32 million, remaining deficit. 12 universities responded to that. The total projected deficit situation across those 12 universities was almost \$300 million. That was being projected. I only say that to say that that this is a sector wide, challenge and that the other 12 universities, aren't going to be immune from it, either.

And so it depends on how forthcoming you are with your information. Now, we're we've been an early adopter of being very straightforward. But I'd imagine that that will continue to show the greater context, which means it's a challenge for everybody and all

incoming students everywhere. But, part of that is part of the reason why we committed to being open in terms of our community messaging as well, so that it wasn't, a dirty question to ask or, or risky question, to ask.

But we also have been clear about what our commitment will be to the students, their program and the experiences they have here. And that's the nature of the communication that will be, going to those students.

I would take that. Well, I don't want to I don't want to waste the time, but I will take the opportunity to say the students on this campus that have participated in feedback sessions or our senators or are on different councils have, exhibited a spirit of, partnership and collaboration on this, which is also happening with the organizations of students at the provincial level, because they understand that the relationship between government students and their families in the university and coming up with the solution to this. So that's a very uplifting part of, this whole experience from my perspective.

Vivek Goel:

And I'll just close by saying, this is not, as I said in the introductory remarks once and done. we had the session in November. We've had lots of presentations through governance bodies. We'll continue to have sessions like this as well as, you know, happy to come either myself or others, from the team to team meetings to faculty councils to other groups to discuss what's happening, because I think it addresses the previous question of what's next.

Once we've applied these reductions, but we have to now work through the exercises of what the impacts of those are going to be. And that leads to there may be changes in services. And so we will need to have clarity on what we're going to communicate to incoming students, to continuing students, to our employees, to members of our community about those, changes.

I think it'd be unrealistic to believe that we have these kinds of cuts and everything continues the way it is, but it's also important to note innovation. There's so much going on with technologies, that can be used to support the kinds of work that we do. It will be essential that we, along with everyone else, look at how we can improve our services, improve our effectiveness using those kinds of tools.

So with that, I will just close and again, I want to apologize for the audio difficulties. We had something related to a mixer that was faulty. So we're really sorry for that. For those that were online, we'll work within the next day to get a message out with the remarks, so that you'll pick up on what was said at the start.

I know many more questions that came in advance as well as during the course of today, and we'll try to answer as many of those as possible and get something posted by the end of the week. And as I noted, we'll look at scheduling another session in the near future as well.

Thank you very much, everyone.