

University of Waterloo
SENATE FINANCE COMMITTEE
Minutes of the 5 October 2023 Meeting
[in agenda order]

Present: Sheila Ager, Marc Aucoin, Jeff Casello, Mark Giesbrecht, Vivek Goel (chair), Mike Grivicic (secretary), Vikas Gupta, Chris Houser, Diane Johnston (for Charmaine Dean), Marten Karsten, Jennifer Kieffer, Scott Kline, Lili Liu, Stephanie Maaz, Ellen MacEachen, Erin O'Connell, Jacinda Reitsma, James Rush, Rida Sayed, Johanna Wandel (for Bruce Frayne), Stanley Woo

Resources: MaryAnne Chan, Paul Fieguth, Genevieve Gauthier-Chalifour, Sarah Hadley, Andrea Kelman, Beth Namachchivaya, Allan Starr

Regrets: Charmaine Dean, Bruce Frayne, David Ha, Mary Wells, Sonia Ismail

Organization of meeting: Vivek Goel took the chair and Mike Grivicic (secretary) advised that due notice of the meeting had been given, a quorum was present, and the meeting was properly constituted.

1. DECLARATIONS OF CONFLICT OF INTEREST

No conflicts of interest were declared.

2. REMARKS FROM THE CHAIR

Goel noted that this meeting occurs outside of the regular meeting schedule and fulfills the commitment to have an in-year budget update, considering the ongoing uncertainties and challenges in the sector.

3. MINUTES OF 15 MARCH 2023 AND BUSINESS ARISING

A motion was heard to approve the minutes as distributed. Casello and MacEachen. Carried. There was no business arising.

4. PRESENTATION – OPERATING BUDGET UPDATE/DEVELOPMENTS

Rush provided a presentation and members discussed the status of the university operating budget as well as updates on enrollment and geopolitical factors, and an overview of the MCU financial accountability framework:

- Increase to expenses of \$16M arising from reopener clauses in employee compensation agreements
- Increase to interest income from the higher interest rate environment
- No news on the report of the Blue Ribbon Panel or the response of the government, and any impacts are not likely to occur in the 2023-24 budget year
 - o Waterloo provided submissions into the panel's process both individually, and also via the Council of Ontario Universities as part of a submission from the U6 institutions
- Negotiations for the next set of salary agreements is upcoming, with new agreements to take effect in May 2024
- Enrollment trends show international enrollment tracking below target for undergraduates, and is relatively steady for graduates
- For domestic enrollment, the University is near the top of the funding corridor
- Geopolitical factors related to downward trends in international enrollments from certain source countries, and the federal government is considering measures to cap international study permits
- In recent years some students increased their course loads to accelerate their studies, and this impact is visible in enrollment/revenue trends in more recent years
- Recent media coverage has conflated some issues that largely are impacting the college sector as also impacting the university sector
- MCU framework is still under development, and a technical manual for institutions is expected as part of the implementation

- From what is currently understood, Waterloo appears likely to be graded in the lowest risk category in the MCU framework
- The University carries no external debt, and there is scope of cautiously take on debt for priority areas (e.g. capital investments related to deferred maintenance)
- Sensitivity analyses related to key budget drivers are carried out on a regular basis
- General education sessions on the budget will be scheduled for both the Senate and the Board of Governors

5. WATERLOO BUDGET MODEL - DEVELOPMENTS AND PLANS

Fieguth provided a presentation and members discussed the Waterloo Budget Model:

- Identification of guiding principles for budget modelling, with attention to transparency, efficiency and migrating to paradigm of integrated planning
- Anticipated changes as the budget model evolves include a revised/clarified role for the university fund, improvements to data supports, budget planning that relates to multi-year planning, and coordination between the Budget Office and the Faculties/ASUs
- Key goal to have budget model in place for 2025-26 fiscal year, including budget office, yearly cycle framework, templates, five-year projections, and integrated planning support
- Budget model aims to support and reflect activity in organizational units, and integrated planning will support that approach
- The budget model and data supplied need to support specific analyses e.g. interdivisional teaching, and will promote transparency and reduce decisions via edict or one-time deals with units
- As budget model is implemented, the role of this committee and also of Senate Long Range Planning Committee will also adapt

6. OTHER BUSINESS

There was no other business.

7. NEXT MEETING

The next scheduled committee Wednesday 7 February 2024 from 1:00-3:00p.m.

11 October 2023

Mike Grivicic
Associate University Secretary