

Senate Planning & Finance Committee

Open Session

March 26, 2026

1:00 p.m. - 3:00 p.m.

Needles Hall

NH 3318 / Virtual Option

Waterloo Campus

Think Differently | Act with Purpose | Work Together

2026 03 26 Senate Planning & Finance Meeting Book

AGENDA

1. Governance Resources

[Link to Governance Resources](#)

2. OPEN SESSION

1:00 p.m.

3. Approval of the Agenda and Minutes

3.1 Conflict of Interest	Information	3
3.2 Minutes of the January 22, 2026 Meeting	Decision	4
3.3 Business Arising from the Minutes	Information	

1:05 p.m.

4. 2026-2027 Operating Budget [Goel, Duever, Reitsma]

4.1 2026-2027 Operating Budget Memo	Information	6
4.2 2026-2027 Budget Report	Decision	8

2:55 p.m.

5. Other Business

6. Adjournment

The next meeting of the Senate Planning and Finance Committee will be on June 3, 2026.

For Approval**Open Session**

To: Senate Planning & Finance Committee

From: Ashley Day
Associate University Secretary

Date of Meeting: March 26, 2026

Agenda Item: **3. Approval of Minutes and Business Arising**

3.1 Conflict of Interest

Members are invited to declare any conflicts related to the agenda at this time. Should a conflict of interest arise during discussion, members are asked to declare a conflict of interest as it arises.

The Secretariat can provide guidance regarding potential conflicts of interest in advance of or during the meeting.

3.2 Minutes of the January 22, 2026 Meeting

Motion: To approve the minutes of the January 22, 2026 Senate Planning and Finance Committee meeting, as distributed/amended.

Documentation provided:

- Minutes of the January 22, 2026 meeting

3.3 Business Arising from the Minutes

There are no items of business arising.

University of Waterloo
SENATE PLANNING & FINANCE COMMITTEE
Minutes of the January 22, 2026 Meeting

Present: Nasser Abukhdeir, Jordan Bauman, Andrew Chang, Cecilia Cotton, Ashley Day (Secretary), Tom Duever, Paul Fieguth, Bruce Frayne, Vivek Goel (Chair), Rob Gorbet, Chris Houser, Scott Kline, Lili Liu, Jacinda Reitsma, Diana Vangelisti

Resources/Guests: Amy Bender, Martha Foulds, Gen Gauthier-Chalifour, Sarah Hadley, Andrea Kelman, Jennifer Kieffer, John Lewis, Tony Ly, Mike Pereira, Karl Schuett, Mat Thijssen, Ian VanderBurgh, Justin Wan

Regrets: Laith Alkhaldeh, Charmaine Dean, Jochen Koenemann, Alexie Tcheuyap, Mary Wells, Erin O'Connell, Shana MacDonald

Organization of Meeting: Vivek Goel took the chair and Ashley Day acted as secretary. The secretary advised that a quorum was present.

OPEN SESSION

1. Governance Resources

This item was provided for information only.

2. OPEN SESSION

3. Approval of the Minutes and Business Arising

3.1. Conflict of Interest

No conflicts of interest were declared.

3.2. Minutes of the October 14, 2025 Meeting

A motion was heard to approve the minutes of the October 14, 2025 Senate Planning and Finance Committee meeting, as distributed. Cotton and Bauman. Carried.

3.3. Business Arising from the Minutes

There were no matters of business arising.

4. 2025-26 Mid-Year Budget Update

Tom Duever, Interim Vice-President, Academic and Provost, and Jacinda Reitsma, Vice-President, Administration and Finance, spoke to the update as provided in the meeting materials. It was noted that the 26/27 budget report will be available in March.

Members discussed advocacy and media coverage calling for a lift of the tuition freeze. A member asked about the pension's vulnerability to market corrections. Sarah Hadley, Chief Financial Officer, replied that the pension currently has a healthy surplus, providing a buffer against market volatility.

5. Undergraduate and Graduate Admissions and Enrolment Update

Ian VanderBurgh, Associate Vice-President, Strategic Enrolment Management, spoke to the report as provided in the meeting materials. The goal of the report is to provide a view of the enrolment tunnel. VanderBurgh spoke to the undergraduate enrolment challenges that are outside of the control of the University, such as geopolitical forces.

Justin Wan, Interim Associate Vice-President, Graduate Studies and Postdoctoral Affairs, spoke to the second part of the report related to graduate studies. Wan highlighted the fast-track process for

PhD applications in place, and that as of January 1, 2026, provincial attestation letters (PALs) are no longer required for international master's and doctoral students.

Members discussed the progress of a Strategic Enrollment Management plan, the use of PALs, and the challenges of a decentralized graduate admissions process.

6. Campus Plan

Jacinda Reitsma, Vice-President, Administration and Finance, spoke to the motion presented in the materials, as the Campus Plan will also be presented to Senate and the Board for endorsement.

Mike Pereira, Director, Real Estate and R+T Park, presented an overview of the plan and the extensive community engagement that has taken place. The Campus Plan is now in the approval phase of its development.

John Lewis, Interim Associate Vice-President, Indigenous Relations, provided an overview of the design and development frameworks, and the innovation and creativity framework which includes outdoor teaching and learning spaces.

Amy Bender, Director, Space Planning Office, spoke to the implementation plan including possible short (1-10 years), mid (10-20 years) and long-term (beyond 20 years) recommendations. Recognizing that the phasing strategy will evolve and shift over time and as spending opportunities arise.

Members discussed implementation of the plan and the possibility of a steering committee to maintain momentum, and the plan for deferred capital renewal. Reitsma added that the President's Advisory Committee on Design could also be leveraged to advise on the overall aesthetic vision and public art across campus.

A motion was heard that the Senate Planning and Finance Committee recommend that Senate endorse in principle the University of Waterloo Campus Plan's vision, principles and design frameworks. Vangelisti and Gorbet. Carried.

7. Other Business

There was no other business identified.

8. Adjournment

The next meeting of the Senate Planning & Finance will be held on March 26, 2026 from 1:00 p.m. - 3:00 p.m.

January 27, 2026

Ashley Day
Associate University Secretary



For Decision

Open Session

To: Senate Planning and Finance Committee

From: Vivek Goel
President and Vice-Chancellor

Thomas Duever
Interim Vice-President, Academic and Provost

Jacinda Reitsma
Vice-President, Administration and Finance

Date of Meeting: March 26, 2026

Agenda Item: **4.1 2026-2027 Operating Budget**

Recommendation/Motion:

That the Senate Planning and Finance Committee recommend that Senate approve the operating budget revenues and expenses for 2026-2027, as presented in Tables 14 and 20 of the University of Waterloo 2026-2027 Budget Report.

Summary

The Senate Planning and Finance Committee received an update on the current year budget at its meeting October 14, 2025, and an in-depth review of the University’s budget planning processes at its meeting January 22, 2026. A separate joint education session of the Board of Governors and Senate, which focused on the operating budget development process, was also held on January 21, 2026.

Additional context for the consideration of the 2026-2027 operating budget has also been provided by the Office of the Provost and Vice-President, Academic:

In February 2026, the Ontario government announced support for the University sector with a new funding model and an updated tuition framework. The recent funding announcement includes increased grant income for the 2026/27 year forward and inflationary annual increases in domestic tuition effective September 2026. These funding and tuition updates are welcome and meaningful; however, it does not eliminate the need for work on revenue generation and some expense reductions to return to a balanced budget. These welcome changes provide near-term capacity to pursue revenue generation and further our work on operational efficiencies, which will mitigate the expense reductions that would otherwise need to be made in future years.

The recommended 2026/2027 operating budget and the forecasts for 2027/2028 and 2028/2029 included in the budget report reflect the University’s best estimates for revenue incorporating the recent Ontario government announcements. The Ontario

government has indicated that universities can include such estimates in their operating budgets for annual budget cycles underway and also has indicated that any other University communications and announcements about the revenue changes should be on hold for after the government's more detailed communications to be take place in the coming weeks.

[NB: The Board's Finance & Investment Committee met on March 12, 2026 to consider the proposed budget, and at that meeting the committee passed a motion to recommend approval of the operating budget to the Board of Governors.]

Jurisdictional Information

In accordance with Senate Bylaw 2, section 2.04, the Senate Finance Committee has among its powers and duties:

2.04(c) To receive each year from the vice-president, academic & provost, for consideration, study, and review, on behalf of Senate, a detailed operating budget for the university and to make recommendations to Senate thereon.

Governance Path

- Board Finance & Investment Committee: March 12, 2026
- Senate Planning and Finance Committee: March 26, 2026
- Senate: April 6, 2026 (prospective)
- Board of Governors: April 14, 2026 (prospective)

Documentation Provided

- 2026-2027 Budget Report

UNIVERSITY OF WATERLOO
BOARD AND SENATE

BUDGET 2026/2027 REPORT

2026/2027



WATERLOO AT 100

OUR VISION, VALUES, AND GOALS

OUR VISION

We envision a community of curious, collaborative, creative, innovative and entrepreneurial learners, problem-solvers and leaders who seek to understand, identify and mobilize equitable and sustainable solutions for the future of humanity and our planet.

OUR MISSION

To advance learning and knowledge through teaching, research and scholarship, nationally and internationally, in an environment of free expression and inquiry.

This spirit of inquiry, integrity, and collaboration is depicted on the University seal (right), which contains our motto *concordia cum veritate*, meaning “**in harmony with truth.**”

OUR VALUES

Think differently	Unconventional	Bold	Innovate
Act with purpose	Positive impact	Responsible	We get things done
Work together	Collaborative	Community	One Waterloo

GOALS

Community, campus and culture

Create a decolonized, equitable University of Waterloo community that works together and supports health and well-being and contributes to the Region’s communities.

Knowledge, graduates and co-op

Develop graduates and alumni who constantly grow and act with purpose to advance solutions at the intersections of our Global Futures.

Fundamental and applied research

Be a world leader through the Global Futures in curiosity-based and impactful research that’s connected, locally, and globally.

Innovation and entrepreneurship

Create the conditions that foster innovation and entrepreneurship across our five interconnected Futures for humanity and our planet, aligned to our academic and research strengths.

TERRITORIAL ACKNOWLEDGEMENT

The University of Waterloo acknowledges that much of our work takes place on the traditional territory of the Neutral, Anishinaabeg, and Haudenosaunee peoples. Our main campus is situated on the Haldimand Tract, the land granted to the Six Nations that includes six miles on each side of the Grand River. Our active work toward reconciliation takes place across our campuses through research, learning, teaching, and community building, and is co-ordinated within the Office of Indigenous Relations.

2026

WATERLOO AT A GLANCE

41,075

STUDENTS

(Fall 2025)

85% undergrads (15% international)

15% graduates (41% international)

77% undergrads in co-op

263,000+

ALUMNI

(Fall 2025)

from 169 countries

70% earning \$60,000+

two years after graduation

(OUGS 2023)

4,611

EMPLOYEES

(January 2026)

1,684 faculty

2,927 staff

4 campuses

4 affiliated institutions

\$259.1M

RESEARCH FUNDING

(up 28% since 2023/24)

\$90.8M from non-government /industry

(up 117% since 2023/24)

(COFO 2024/25)

world universities

QS RANKINGS

5th in Canada

11 subjects in the top 100 worldwide

115th worldwide

founders focused

VELOCITY

>500 ventures since inception in 2008

\$40B combined value

global investment-backed

ENTREPRENEURS

18th for undergraduate

(up from 21st in 2024)

75th for graduate

(up from 96th in 2024)

(Pitchbook 2025)

global alumni-founded

COMPANIES

\$397B annual revenue generated

1.7M jobs created

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University of Waterloo

2026/27 Budget Report

Executive Summary

The University of Waterloo is a research-intensive University, renowned for entrepreneurship and innovation, providing impactful co-op and work-integrated learning. Our long-term vision is driven by our [Waterloo at 100](#) goals and associated focus areas. Propelling us forward to achieve these goals is the new University-wide integrated planning and budgeting process, of which one of the outcomes is this budget report. As part of integrated planning, we identify annual institutional priorities, which are the following for 2026-2027:

1. **Campus Community and Culture** guided by Waterloo's core values, fostering a sense of belonging, safety, empowerment, and wellness in an environment where everyone can thrive.
2. **Renewing Campus Infrastructure and Supports** by investing in sustainable infrastructure, technology, and robust support systems.
3. **Global Futures** for interdisciplinary activity across research, education, and service.
4. **Effectiveness and Efficiencies** in delivery of academic programs and support services, including appropriate adoption of AI and digital innovation.
5. **Revenue Generation** to build long-term fiscal resilience and strategic advantage through innovative academic programming, philanthropy, community partnerships, and global engagement.

This Operating Budget report represents budgetary process transparency, improved integration and effectiveness in cross-unit planning and budget plan development, and increased efficiency in the budget approval process.

2024 was the first year that the Waterloo Integrated Resource Allocation Framework was implemented, which is an extensive integrated planning and budgeting process that standardizes the approach for every unit and incorporates opportunities for repeated iteration and feedback. Historically, the institution operated in a very decentralized manner which limited insights and understanding of planning and budget-related decisions across units. This new integrated planning and budgeting process improves collaboration and coordination across the University for a more transparent and streamlined approach to budget planning.

The post-secondary sector in Canada is experiencing major budget challenges, and while it is important to recognize that many of these challenges have been developing over several years, they have recently intensified and that newly emerging factors such as tariffs and cross-border trade issues will likely have a significant impact on provincial government capacity and spending priorities. The Ontario government has recognized the ongoing pressure of these challenges on the post-secondary sector, and in an announcement made on February 12, 2026, committed \$6.4 Billion over four years to colleges and universities. The government also announced an end to the tuition freeze, capping tuition at a two per cent increase over three years starting in September 2026, after which it will be a three-year average of the inflation rate or two per cent, whichever is less. We are currently assessing the specifics of the funding allocation for the University of Waterloo to assess their impact on our planning and decision making.

While we continually work to improve the internal reporting and planning structures, this integrated planning and budgeting approach, and resulting budget report, are essential tools created to support Governors and Senators in governance approval processes.

Thomas Duever, Interim Vice-President, Academic and Provost

Overview and Context

This Budget Report presents the University of Waterloo’s recommended operating budget for 2026/27 within the context of significant fiscal constraint, institutional transformation, and long-term strategic ambition. Grounded in the [Waterloo at 100](#) vision and informed by a new integrated planning and budgeting approach, this report brings together risks, priorities, and financial decisions shaping the University’s path forward. It reflects a clear commitment to transparency, shared understanding, and disciplined stewardship, while balancing the immediate need to address fiscal pressures with continued investment in people, infrastructure, and initiatives, to sustain Waterloo’s long-term academic and research excellence.

The University of Waterloo revenues and expenses are segregated and managed in specific funds based on their source and purpose, as shown in Figure 1. The six funds, within which revenues and expenses are tracked, are operating, research, capital, trust, endowment, and ancillary. The audited financial statements of the University include all funds. The following figure depicts the relative proportions of the University expenses by fund for the year ended April 30, 2025.

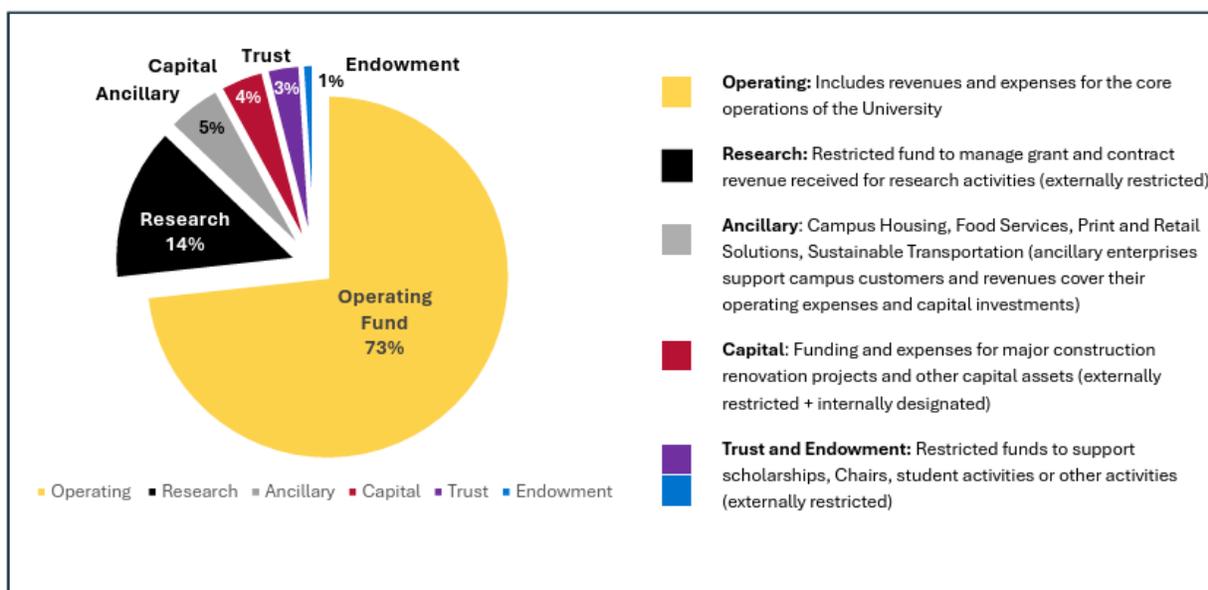


Figure 1: The University of Waterloo Operating Fund, in Context.

This Budget Report focuses on the operating fund, with a later discussion on [capital projects](#) and [ancillaries](#), as these can have an impact on the operating fund. Income in the operating fund includes operating grant support received through the provincial government, and tuition and other fees assessed to students. Expenditures in the operating fund include salaries and employee benefits for faculty and staff, student support, utilities, library acquisitions, and supplies. Figure 2 gives a broad, high-level overview of the changes in total operating budget revenues and expenses over the last 10 years, where recent challenges due to reductions in revenues are clearly visible.

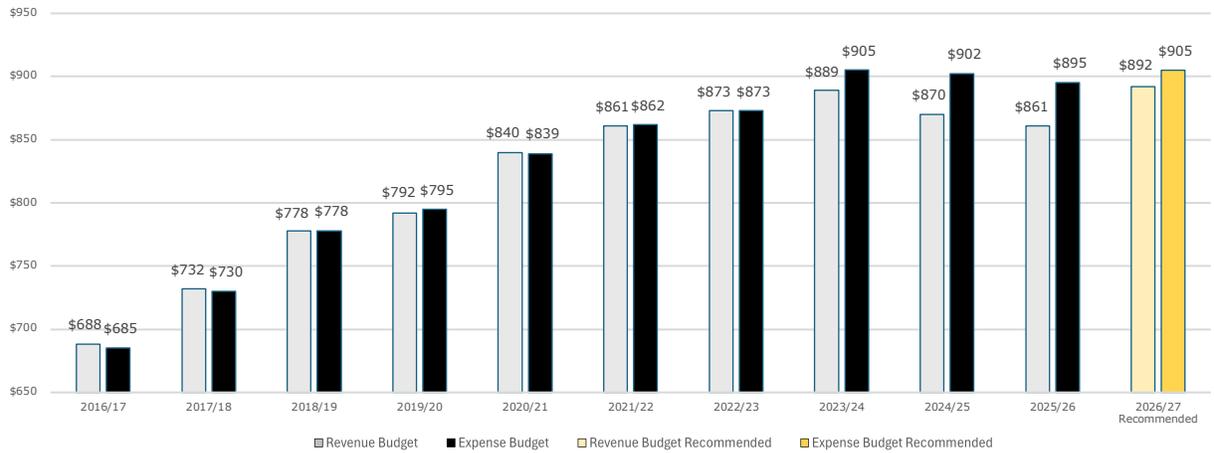


Figure 2: 10 Year Annual Operating Budget Revenues and Expenses, for Fiscal 2025/26 and prior; with the Recommended Budget for Fiscal 2026/27

The charts in Figure 3 offer a high-level breakdown of the proportional composition of operating revenues and expenses. Revenue is made up almost entirely of tuition fees and government grants, and by far the largest component of expenses is based on salaries, wages, and benefits.

2025/26 OPERATING REVENUE BUDGET

2025/26 OPERATING EXPENSE BUDGET

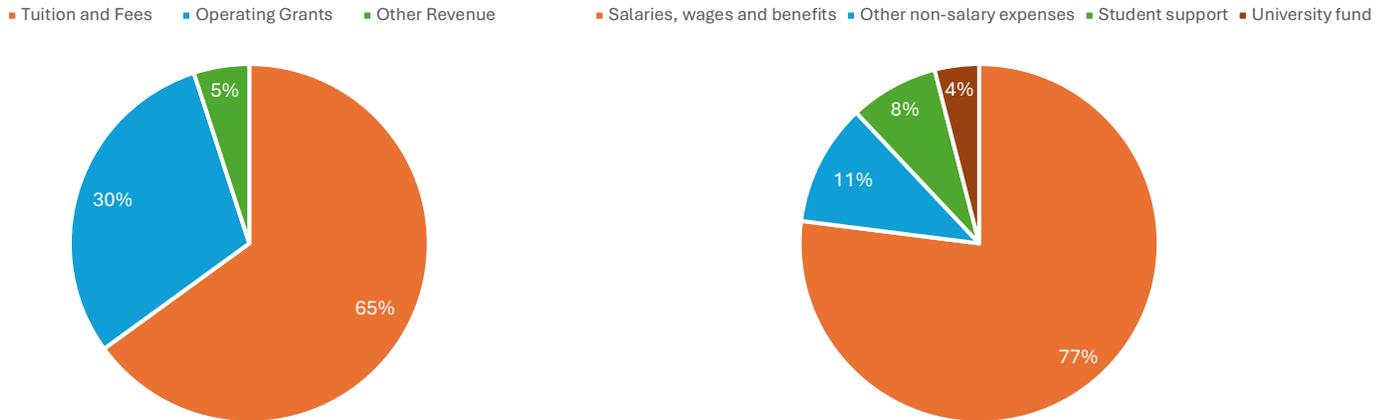


Figure 3: High-Level Breakdown of Operating Revenues (left) and Expenses (right)

There are many external factors, overviewed in Figure 4, which are outside of the University’s control, and which are causing (and have caused) adverse impacts on the University’s ability to achieve and maintain financial sustainability. These long-term constraints, particularly in provincial operating grants, domestic tuition rates, international enrolments, and inflationary pressures, have resulted in a structural operating budget deficit in 2025/26, although our financial statements maintain a surplus when aggregated across all funds

The preliminary estimated provincial grant funding, as of Winter 2026, discussed in greater detail under the [Operating Grant](#), and anticipated relaxation of the tuition freeze, are extremely welcome, and will have a positive impact on University finances for 2026/27 (and particularly in following years), as discussed in the [Multi-Year Outlook](#).

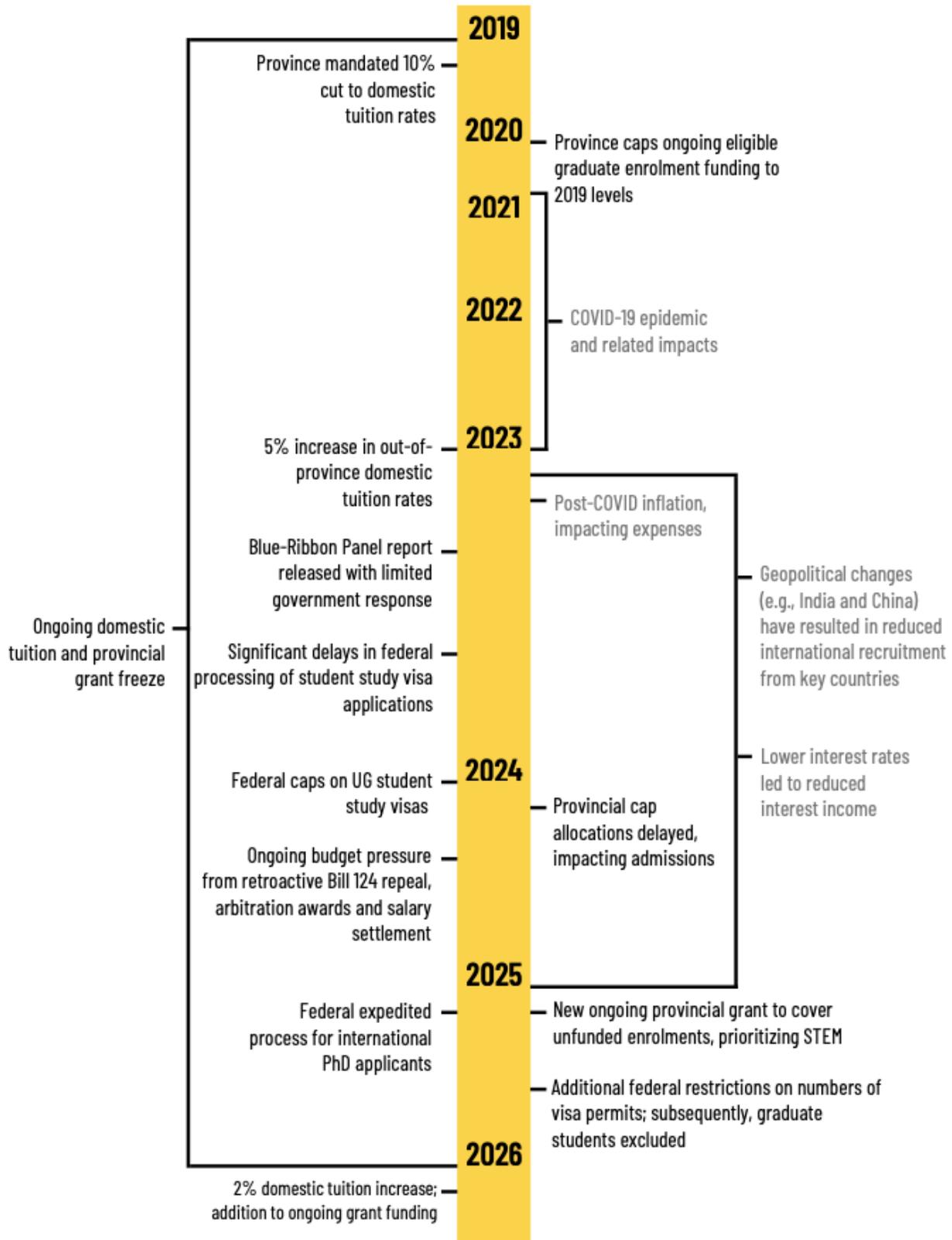


Figure 4: Environmental Factors that have Impacted the University's Financial Sustainability.

Budget Planning and Risk Context

Budget Planning Process

The University of Waterloo 2026/27 Operating Budget was arrived at via a budgetary planning process, similar to that for 2025/26, but which was significantly changed and more substantial than in preceding years.

At a high level, institutional / strategic multi-year planning, annual rolling plans, and budgetary planning are purposefully linked and highly integrated. The budget plan for the 2026/27 fiscal year was arrived at on the basis of several years of preceding work:

- Spring 2024 and 2025: Strategic planning, multi-year priorities, initiatives, and directions;
- Fall 2025: Budget planning specifically for 2026/27, constructing a budget aligned with and informed by preceding multi-year plans;
- Winter 2026: Finalization of institutional priorities for 2026/27;
- Winter 2026: Budgetary decisions and approvals process for 2026/27;
- Spring 2026: Detailed planning and milestones for fiscal 2026/27, informed by the Fall 2025 budget plan.

All three aspects of strategic planning, budget planning, and in-year planning involve the engagement of the entire Executive Council, which includes senior leadership from the Faculties and Academic Support Units (ASUs), with the explicit goal not only of integrating/coupling between planning and budgets, but also a tighter coordination between units throughout these processes.

The budget process led to decisions on operating budgets, with proposed cuts but also new investments, listed under [Priorities and Initiatives](#), and which are then ultimately reflected in [Recommended 2026/27 Operating Budget: Expenses](#). The budget process also asked university leaders to consider new revenue opportunities, however the lead time on such initiatives is typically longer (multiple years) and will largely be reflected in budgets in future years.

Assessment of Financial Risks

The Office of Risk Management and Compliance (ORMC) supports the university risk management (URM) program. The URM enhances risk governance, oversight and awareness to enable risk-informed decision making across the organization. The URM program supports the University in achieving its strategic and operational objectives. The ORMC reports to the Audit & Risk Committee of the Board on a quarterly basis to provide updates on risk management, compliance, insurance, business continuity, and internal audit.

The risk assessment process has identified several external factors, outside of the University's control, which are currently causing adverse impacts on the University's ability to achieve and maintain financial sustainability: historical provincial grant levels, federal student visa constraints and the related provincial implementation impacting international students, and labour market costs. However, on a positive note, the Ontario Government announced in February 2026 a \$6.4 Billion investment to support the Postsecondary Sector through a new long-term funding model. The Ontario Government also announced an end to the domestic tuition freeze, which will see an increase by up to 2 per cent per year for three years, then up to 2 per cent or the three-year average rate of inflation, whichever is less, in the years following. Although this investment will contribute to reducing financial sustainability risk, the financial pressures facing the University continue.

In addition, geopolitical tensions between the Canadian and foreign governments have led to reduced applicants from key countries for international student recruitment, and Federal government policy and associated provincial processes on student visa caps are disrupting last year's and this year's application cycles. Business transitions and expense reductions previously made, and to be made in fiscal 2026/27 and beyond, may impact the organization's reputation, student experience and employee engagement. Interest income could decrease more quickly than forecast due to declining interest rates and the University's use of one-time resources. Finally, there are key risks with regards to capital costs associated with deferred capital renewal.

Ontario MCURES Financial Accountability Framework

The Ontario Ministry of Colleges, Universities, Research Excellence and Security (MCURES) established the University Financial Accountability Framework in 2023 to monitor and assess the financial health of Ontario universities. Under this framework, each university reports annually on financial health metrics based on its annual audited financial statements.

The Financial Accountability Framework metrics are grouped into three categories of Liquidity, Sustainability, and Performance. The metrics from each category are assessed to determine one of four possible action outcomes for the institution:

- No action: No follow-up required;
- Low action: Written response required, including an analysis of the results and steps to be taken to improve financial health;
- Medium or High action: Requirement of a recovery plan with monitoring by MCURES.

The University's financial health metrics and results under the Financial Accountability Framework are reported to and discussed with the Audit & Risk Committee. The University anticipates a *Low Action* outcome under this framework for the year ended April 30, 2025. The University had a *No Action* outcome in the two preceding years; the change to a *Low Action* outcome is driven by one category of the metrics, the Performance category.

As the University works on its multi-year plan to return to a balanced operating budget, the focus will remain on returning to a balanced budget.

Risk Mitigation Activities

The following alleviation activities are underway to further mitigate operating budget risk:

- Maintain a forward-thinking organization and culture, with [Waterloo at 100](#) as the anchor;
- Continue to work to return to a balanced budget, as discussed in the use of one-time funds, below, and in the later section on the [multi-year budget plan](#);
- Ongoing enhancements of strategic enrolment management (SEM) strategy and activities to further enable international enrolment and diversification;
- Continuation of the Academic Innovation Working Group to lead the important work of developing and implementing effective and financially sustainable academic models;
- Expense reduction plan for 2026/27 with quarterly monitoring, building on the quarterly monitoring during 2025/26;
- Examining administrative efficiency opportunities through a series of functional reviews and academic efficiency opportunities through internal review processes.

Use of One Time Funds to Support Returning to a Balanced Budget in 3 Years

The 2025/26 Board-approved operating budget reflected a structural operating deficit, which necessitated the drawing down of University one-time funds. The 2026/27 recommended operating budget and the current forecast for 2027/28 reflect only modest operating deficits (under the assumption of further expense reductions), which should relieve pressure on one-time funds. The one-time funds, summarized in Table 1, are the result of underspending of past operating budgets to save for important projects such as investment in new technologies, capital renewal, risk mitigation, and strategic initiatives.

Plans for one-time funds are reviewed and confirmed by the Vice-President, Academic & Provost.

	April 30, 2025	April 30, 2024
Central	\$312.4	\$365.8
Faculties	185.2	211.8
Academic Support and University Research Centres	29.9	29.1
Total	\$527.5	\$606.7

Designations are updated, reviewed and confirmed annually.

	April 30, 2025	April 30, 2024
Capital projects and infrastructure	\$121.2	\$199.7
Funds to support research	71.3	72.9
Risk, transition and strategic initiatives	264.4	263.7
Systems infrastructure	40.0	40.0
Committed benefits	30.6	30.4
Total	\$527.5	\$606.7

Table 1: The total reserves available, by fund, as of April 30, 2025 and April 30, 2024 (all amounts \$millions)

The University's [multi-year plan](#) takes into account the available one-time funds on hand and the desired preservation of such one-time funds for future strategic projects and risk mitigation. As shown, above, at the start of the current fiscal year, the University had \$528M in one-time funds, of which \$264M were in risk, transition and strategic initiative funds. These latter funds will be used, as needed, to cover the structural deficits during the return to a balanced budget, and to fund some one-time costs associated with the implementation of plans to reduce the budget deficit, both expense reduction and revenue growth initiatives.

In terms of *Capital Projects and Infrastructure* line in Table 1, the estimated year-by-year draw-down from the \$121M on hand that is already committed to capital projects is as follows:

- 2025/26: \$59M
- 2026/27: \$35M
- 2027/28: \$27M

For further details, please see the section on [Multi-Year Operating Budget Update and Plan](#).

Budget Model: Waterloo Integrated Resource Allocation Framework

The University is in the process of implementing a new approach to budgeting, which consists of two major components:

1. The annual *budget planning process*, engaging every unit at the University, running throughout the Fall and into the Winter semesters, and which culminates in many of the outcomes and recommendations throughout this Budget Report.
2. A *budget model*, the Waterloo Integrated Resource Allocation Framework (WIRAF), which describes the mechanism and rationale by which budgetary costs are allocated to each of the faculties.

Together, these two components are designed to strengthen the alignment between planning and budgeting, enhance collaboration and engagement across units, improve decision-making, and promote greater efficiency and transparency in the budgeting process. This section, in particular, outlines progress on the latter component, the WIRAF model.

The last ten years have seen a variety of efforts and changes, summarized in Table 2, with regards to budgeting.

Time Period	Budget Mechanism
2017/18 to 2018/19	WBM 1.0 (two years)
2019/20	WBM 2.0 launched (ran for only one year)
2020/21 to 2024/25	Continuity Budgets
Fall 2024 / Winter 2025	First Budget Planning / Budget Process cycle
2025/26	Faculty budgets in transition
Fall 2025 / Winter 2026	Budget Planning / Budget Process for 2026/27
2026/27 to 2028/29	Faculty budgets transitioning to WIRAF

Table 2: History of Budget Model Development at the University of Waterloo

In a nutshell, a budget model needs to describe four mechanisms:

1. How incoming revenue is allocated to faculties;
2. How University costs are assigned to faculties or offset by incoming revenue;
3. How activity between faculties (primarily inter-divisional teaching) is accounted for;
4. How strategic initiatives are undertaken and funded.

Each of these four points is briefly described, in the following sections.

Revenue

WIRAF adopts a more comprehensive approach to revenue income than previous models, which focused on tuition and grant revenue only. Revenue income consists of

- Tuition fees from domestic and international undergraduate and graduate students, net of tuition set-aside (TSA), International Doctoral Student Award (IDSA), and International Student Recovery (ISR);
- Provincial grants, weighted in accordance with Ontario's Corridor Funding Model;
- Non-tuition revenue sources, including student fees, interest income, overhead earnings, and ancillary fees.

Cost Drivers

A driver is some measurable numerical metric (such as number of students) that can be associated with costs in University ASUs. WIRAF is philosophically deliberately distinct from the two preceding models:

- WBM1 had a large number of drivers, and so was complicated to understand and also complicated to maintain, in the sense of needing many data streams.
- WBM2 was tax-based, and so essentially had only a single driver (revenue), and took a certain fraction of that revenue, rather than actually allocating costs.

WIRAF has fewer drivers, listed in Table 3, than WBM1. And in contrast to the tax-based approach of WBM2, only *actual* ASU and non-ASU costs are allocated to the faculties, and furthermore the appropriate driver(s) for each unit are those drivers that actually align (or correlate) with the costs incurred in a given unit's activities. For context, Table 3 also gives the approximate fraction of costs associated with each driver (where the percentages will vary from year to year, as activities evolve).

The actual cost drivers are listed in Table 4 (for non-ASU costs) and in Table 5 (for all ASUs). It should be emphasized that the drivers do not, in any way, determine or influence a given unit's budget; it is purely the mechanism by which a unit's costs are apportioned to the faculties.

Driver	Approximate Fraction of Costs Associated with each Driver
Total faculty revenue	20%
FTE undergraduate students	28%
FTE graduate students	13%
FTE faculty members	5%
FTE staff	2%
Space usage*	22%
Research \$	6%
Alumni count	1%
Advancement \$	3%

Table 3: Drivers present in the WIRAF model

Non-ASU Cost	Driver(s)
Insurance	Revenue
Municipal Taxes	Revenue
Utilities	Space
SRF (Strategic resource fund)	Revenue
Deferred Capital Renewal	Space
Undergraduate Student Support	Undergraduate Students
Graduate Student Support	Graduate Students
External Legal Costs	Revenue
Enterprise Software	Undergraduate & Graduate Students, Faculty, Staff
IT Infrastructure	Undergraduate & Graduate Students, Faculty, Staff
Library Acquisitions	Undergraduate & Graduate Students, Faculty, Research \$
Other Central Costs	Revenue

Table 4: Cost Drivers associated with Non-ASU Costs

ASU Cost	Driver(s)
President's Office	Revenue
Secretariat	Revenue
Legal & Immigration Services	Revenue
WatSPEED	Revenue

Vice-President, Academic & Provost	
Office of the Provost	Revenue
AP, Co-operative & Experiential Education	Undergraduate & Graduate Students
AP, Campus Support and Accessibility	Undergraduate & Graduate Students
AP, Students	Undergraduate & Graduate Students
AVP, Academic Operations	Revenue
AVP, Equity Diversity, Inclusion & Anti-Racism	Revenue
AVP, Faculty and Academic Life	Faculty
AVP, Graduate Studies & Postdoctoral Affairs	Graduate Students
AVP, Indigenous Relations	Revenue
AVP, Academic	Undergraduate & Graduate Students
Library	Undergraduate & Graduate Students, Faculty, Research \$
Registrar	Undergraduate Students
Global Futures	Research \$
AVP, Strategic Enrolment Management	Undergraduate & Graduate Students

Vice-President, Administration & Finance	
Office of the VPAF	Revenue
Safety, Security & Transportation	Revenue
Sustainability Office	Revenue
Plant Operations	Space
Finance	Revenue
Human Resources	Graduate Students, Faculty, Staff
Information Systems and Technology	Undergraduate & Graduate Students, Faculty, Staff

Vice-President, Research & International	
Office of the VPRI	Research \$
University Research Centres	Research \$

Vice-President, Advancement & External Relations	
Engagement	Alumni
All other Units	Revenue, Advancement \$

Table 5: Academic Support Units (ASUs) and their respective Cost Drivers

Inter-Divisional Teaching

Inter-Divisional teaching reallocation recognizes that there are a great many students who will be enrolled in a program or major in one faculty, meaning that those students' tuition and grant revenue flow to that faculty, but where many of the students' courses will be taught by *other* faculties. As with the cost drivers, WIRAF tries to establish a balance between model complexity and proper accounting of teaching costs:

- WBM1 and WBM2 treated all undergraduate courses as equivalent, and ignored inter-divisional teaching entirely at the graduate level.
- Some models proposed at other institutions have attempted to take into account details of class sizes, teaching-assistant resourcing, labs, instructor salaries, tuition revenue paid by each student etc.

WIRAF avoids the complexity of student-level calculation, but *does* incorporate both undergraduate and graduate teaching activities, and differentiates between costs incurred from regular undergraduate courses, Undergraduate Communications Requirement (UCR) courses, courses taken by course-based graduate students, and courses taken by research-based graduate students.

Waterloo Fund

The Waterloo Fund is intended as a replacement for the University Fund / Strategic Resource Fund (SRF) of previous models. The Waterloo Fund is designed for two key purposes:

1. Persistent (in the sense of ongoing, into the future) funding allocations to the faculties, to support overall program quality and sustainability by recognizing and mitigating the structural limitations imposed by the funding environment and historical funding decisions of the province;
2. The support of strategic academic priorities, as guided by the Provost.

Priorities and Initiatives – Update from the 2025/26 Budget

For 2025/26, institution-wide initiatives were funded primarily via one of two mechanisms:

1. The University Fund / SRF (Strategic Resource Fund), a multi-purpose fund to provide budget support for a variety of strategic priorities across the institution within both Faculties and Academic Support Units (ASUs);
2. New in fiscal 2025/26, direct investments into unit budgets for specific purposes, as an outcome of the annual budget planning process.

In both cases, some investments are short-term, with one-time funds provided for a specific project, while others have a longer time span, with commitments made for multiple years (or indefinitely, if an ongoing budget increase) reflecting the more complex nature of such investments.

University Fund / Strategic Resource Fund Allocations

As part of the Fiscal 2025/26 budget cuts, the ongoing Operating Budget allocation to the University Fund was reduced from \$32.4M in 2024/25 to \$27.9M in 2025/26. Expressed within the [Waterloo at 100](#) categories, the proportions of committed funds were distributed as

- 47% (C) Community, Campus, and Culture
- 21% (K) Knowledge, Graduates, and Co-op
- 27% (R) Fundamental and Applied Research
- 5% (I) Innovation and Entrepreneurship

Initiative	Amount	Inst. Priority	Description
New Interdisciplinary Networks, Programs and Initiatives Fund (INPI)	\$2.7M	(C,K,R)	14 interdisciplinary projects that each involves the collaboration of at least two Faculties, such as a speaker series on Antagonism and Intimidation in Academia, investments in the Trust in Science and Technology research network, and a cross-Faculty Masters co-supervision initiative
Cluster Hire Program	\$2.2M	(C)	The Black Excellence cluster hires program and the Indigenous Excellence cluster hire program, launched in July 2021, which have together supported 18 new faculty hires at Waterloo
Indigenous Gathering Space	\$2M	(C)	A new outdoor gathering space, constructed near the Student Life Centre and the BMH Green
Research Centres and Institutes	\$2.4M	(R)	Research support for university-level centres and institutes
Student Venture Fund	\$1M	(I)	Hands-on training in venture capital investing with guidance from industry experts
Work Integrated Learning	\$700k	(K)	Pilot projects in expanding Work Integrated Learning opportunities for graduate students

Table 6: An overview of the largest investments from the University Fund for each of the Waterloo at 100 goals.

The [Waterloo at 100](#) categories are a high-level categorization, but as would be expected for strategic initiatives, the categorization is somewhat notional, and nearly all initiatives impact more than one goal. By way of illustration, the largest individual project investments contributing to each category are listed in Table 6.

Budgetary Investments

New to the 2025/26 fiscal year was the [comprehensive budget planning process](#), which took place Fall 2024 through Winter 2025. This process, central to the Integrated Planning and One Waterloo philosophies, had as key outcomes strategies on cutting expenses, while also identifying key initiatives to be supported, which are listed in Table 7. These initiatives, totalling \$9.7M, were aligned with the [Waterloo at 100](#) goals and institutional priorities:

\$6.0M	(C) Community, Campus, and Culture
\$1.8M	(K) Knowledge, Graduates, and Co-op
\$0.4M	(R) Fundamental and Applied Research
\$1.5M	(I) Innovation and Entrepreneurship

All of these initiatives were identified in the 2025/26 Budget Report.

By way of transparency and ongoing feedback, a short update on each of the 2025/26 initiatives is provided in Table 7.

Initiative	Budgeted Amount	Inst. Priority	2025/26 Progress Update
Major Campaign	\$0M in 2025/26	(C)	This campaign has been initiated with existing funds, but the budget process has committed to a budget increase in later years.
Deferred Capital Renewal and Sustainability	\$5M	(C)	The additional funding for deferred capital renewal was utilized for roof repairs, chiller upgrades, and the final phase of the submetering project. For further details, see the discussion on deferred capital renewal .
Data Resources and Cybersecurity	\$400k / year	(C,K,R)	Hiring of a Chief Data Officer is underway, expected in Winter 2026. Further positions include a Chief Information Security Officer and a Manager for Identity and Access Management.
Faculty Lifecycle System	\$450k / year (estimate)	(C,K,R)	The RFP is complete and a provider has been selected. The current cost estimate is below budget.
Strategic Enrolment Management (SEM)	\$200k	(K)	The main focus of SEM work in the last year has been on provincial allocations, corridor management, and international recruitment coordination.
Library Space and Space Utilization Planning	\$0	(C,K)	The strategic space plan process will be completed as of March 2026. The next steps include securing senior leadership and governance approval, developing cases for advancement, and determining implementation phases.
Institutional change management initiatives	\$3M / year	(K,I)	The Institutional Change Management Fund was used to support major initiatives: <ul style="list-style-type: none"> • Functional Reviews (Mar/Comms, IT, Finance) • UniForum program • Innovation Action Group • Development of transformation activities • Generative AI investments
Global Futures	\$0 / year	(C,K,R,I)	GF Fund 1.0 launched: 8 GF-funded Initiatives (\$2.27M). GF Fund 2.0 is now underway, and the Global Futures office has been built out.
Total	\$9.7M		

Table 7: Overview and update on the 2025/26 budgetary investments

Priorities and Initiatives – Plans for the 2026/27 Budget

With [WIRAF](#) beginning in 2026/27, the mechanism for funding institution-wide priorities and initiatives for 2026/27 is undergoing a slight transition relative to 2025/26:

1. The University Fund or SRF (Strategic Resource Fund) remains present in the budget, but only on the basis of ongoing expenses related to past SRF commitments. That is, new commitments are not being made from the SRF. As of February 2026, the ongoing SRF commitments for 2026/27 are \$16.6M.
2. The Waterloo Fund is essentially the WIRAF replacement of the University Fund, but with inter-faculty strategic reallocation as its primary purpose. No 2026/27 commitments have presently been identified for the Waterloo Fund beyond strategic reallocations.
3. As in 2025/26, one of the outcomes of the annual budget planning process is to identify direct investments into unit budgets for specific purposes.

Because the SRF has no new commitments, and the Waterloo Fund does not yet have specific plans, it is latter category of direct budgetary investments on which we report here. The decisions are made by a joint meeting of the President, all VPs, and all Faculty Deans. For the 2026/27 fiscal year, investments into initiatives were organized by the 2026/27 institutional priorities:

1. (CCC) Campus Community and Culture
2. (CIS) Renewing Campus Infrastructure and Supports
3. (GFN) Global Futures Networks (GFN)
4. (EE) Effectiveness and Efficiencies
5. (Rev) Revenue Generation

For 2026/27, the proposed investments, totalling \$14.42M, are listed in Table 8. Note that the table is divided into two portions, first the key strategic investments, and a second, listing three budget right-sizing proposals, to be transparent and consistent regarding actual unit spending.

Investment Initiatives	Budgeted Amount	Inst. Priority	Comments
Policy Support	\$150k Ongoing	CCC CIS	Critical to advancing long-standing policy initiatives in the Secretariat; this should be understood as a net-new investment in efficiency, improving policies to save staff time in other units.
Employee Health & Accessibility Support	\$300k Ongoing	CCC CIS	Significant increases in the number of accessibility cases coming to EHA, legal obligations
Land-based Learning	\$400k One-time	CCC	Phase 2 of the Kiinomaage-Aki (Land of Knowledge) project, an Indigenous outdoor learning space on the University's North Campus adjacent to Columbia Lake, that centres land-based learning informed by Indigenous ways of knowing.

Investment Initiatives	Budgeted Amount	Inst. Priority	Comments
Enterprise System Renewal	\$0 in 26/27 \$5M in 27/28 \$7M in 28/29	CIS	UW will have major IT systems to update, most significantly Quest and Unit4. Ultimately this is expected to be a \$80M - \$100M expense.
Deferred Capital Renewal	\$1M Ongoing	CIS	Long-term savings from reduced infrastructure failure. This is an increment, from the existing budget of \$11M in 2025/26 to \$12M in 2026/27.
IT Infrastructure	\$5.5M Ongoing	CIS	A much more comprehensive, long-term plan for IT Infrastructure, rather than ad-hoc and year by year.
Campus Sustainability	\$120k Ongoing	CIS	Focus on longer-term energy / Waterloo Shift: Neutral plans
Federal Research Programs Support	\$150k Ongoing	CIS	Administrative oversight and coordination of a rapidly expanding portfolio across a broad spectrum of Canadian and international agencies. This position in the VPRI will support emerging programs, including Impact+ and Emerging Leaders.
Leadership & Change Fund	\$3M / year for each of 26/27, 27/28, 28/29	EE CIS	Extension of the \$3M Institutional Change fund from 25/26. <i>(Not net new, relative to 25/26 budget)</i>
AI Initiatives	\$0	EE	UW AI Enablement Strategy. (To be funded via preceding Leadership & Change fund)
Global Engagement and international Recruitment	\$800k, of which \$200k ongoing and \$600k for 26/27, 27/28	Rev.	Support for more aggressive / visible / impactful international recruitment

Budget Rightsizing Proposals	Budgeted Amount		Comments
External Legal Counsel	\$1M Increase to Ongoing Budget		Budget Rightsizing, to account for actual recent spending on external legal counsel costs
Library Collections	\$3M increase to Ongoing Budget		Budget Rightsizing, to account for actual recent spending on library collections costs.
WatSpeed	\$2M budget for 26/27		Budget Rightsizing: WatSpeed has not had a base budget, and the proposed budget allows WatSpeed to operate for 2026/27.

Total	\$14.42M		<i>(Including \$6M in budget rightsizing adjustments for 26/27)</i>
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Table 8: The initiatives recommended for budgetary allocation as the outcome of the 2026/27 budget process.

Multi-Year Operating Budget Update and Plan

In the 2025/26 Budget Report, the University set the intention to return to a balanced budget over a three-year planning period, and the University's currently recommended 2026/27 operating budget has been developed and is presented within this context. We begin where the 2025/26 Budget Report left off in March 2025, reflected in Table 9, showing the total estimated revenues and expenses for the 2025/26 year, and with the 2026/27 and 2027/28 years as forecasts.

	2025/2026 Year 1 Approved Operating Budget	2026/2027 Year 2 April 25 Forecast	2027/2028 Year 3 April 25 Forecast
Total Revenue	842	835	835
Unmitigated expenses	(936)	(899)	(855)
Unmitigated operating budget deficit	(94)	(64)	(20)
Expense budget reductions	50	45	20
Structural operating budget deficit	(44)	(19)	-
Total expense budget after reductions	(886)	(854)	(835)

Table 9: Three-Year Plan to Return to Balanced Budget 2025/26 through 2027/28 (in \$millions), as articulated a year ago, in the March 2025 Budget Report

Halfway through the fiscal year, in Fall 2025, the University produced refined forecasts of revenue and expenses, leading to the updated three-year perspective summarized in Table 10.

Multi-Year Updated Budget as of November 2025, based on known information:

	2025/2026 Year 1 Operating budget Q2 update	2026/2027 Year 2 November '25 forecast	2027/2028 Year 3 November '25 forecast
Total Revenue	861	858	834
Unmitigated expenses	(936)	(908)	(863)
Unmitigated operating budget deficit	(75)	(50)	(29)
Expense budget reductions	41	45	20
Structural operating budget deficit	(34)	(5)	(9)
Total expense budget after reductions	(895)	(863)	(843)

Table 10: Updated Three-Year Budget, based on information from November 2025 (all values in \$millions)

There are specific key developments, over the past year, which led to the changes from the March 2025 numbers in Table 9 to the November 2025 values in Table 10:

- **Corridor Reset Funding (with STEM accountabilities):** In spring 2025, the provincial government announced a time-limited (2025/26-2027/28) investment of \$17.7M/year in grant funding which effectively increased corridor midpoints (grant funding limits), providing grant funding for existing eligible enrolment that was unfunded during SMA3. This funding is not limited to enrolment in STEM programs, however there are STEM-related accountability elements which are required by the Ministry. This funding announcement was embargoed until May 2025, after the 2025/26 budget was finalized, which is why these funds were not reflected in budget planning or discussion in the March 2025 Budget Report. Half of the incremental grant funding received in 2025/26 was allocated to the Faculties, and the other half was used to reduce the expense reduction target for 2025/26, which explains the \$9M change in expense reduction target from \$50M in Table 9 to \$41M in Table 10.
- **Tuition Revenues:** The revenue numbers in Table 10 reflect updated projections of tuition revenue for 2025/26, based on actual student enrolment in Spring 2025 and Fall 2025, and updated estimates of enrolment in Winter 2026. Enrollment patterns are described in greater detail in [the Student Enrolment Section](#).

Efficiencies and Deficit Mitigation (Since 2019)

The University has worked hard to identify operational efficiencies in response to a variety of external challenges, which were overviewed in Figure 4, particularly the decline in international student enrollment, freeze on domestic tuition, restricted government funding, and inflationary pressures. Table 11 describes the internal operating budget reductions and adjustments that have been made in response to these external factors, and which sets the stage for developing plans for the 2026/27 fiscal year.

Year	Operating Budget Reduction	Environmental Factor/Pressure
2019/20	3% ongoing budget reduction	10% tuition cut; Grant capped and eroded by inflation (since 2008/09)
2020/21	15% one-time budget holdback leading to a 3% one-time reduction	Multi-year tuition freeze
2022/23	1% ongoing budget reduction	Post-covid inflationary pressures
2023/24	0.5% ongoing budget reduction, Central one-time resources used to mitigate deficit	Bill 124 retraction
2024/25	Faculty and ASU 4% ongoing and 2% one-time budget reductions. Central \$15M ongoing budget reduction plus \$3.5M in additional ongoing budget reductions to VPs. Use of central one-time resources.	Insufficient response to Blue-Ribbon Panel recommendations; International enrolment market constraints
2025/26	\$41M cut, realized in part by a 6% cut to most units, work on functional reviews	PAL constraints, extended to graduate students

Table 11: Operating Budget Reductions, through fiscal 2025/26, in Response to Environmental Factors

2025/26 Expense Reductions

As part of the 2025 Budget Report plan to return to a balanced budget, a substantial expense reduction target of \$50M was set for fiscal 2025/26, later reduced to \$41M reflecting the provincial Corridor Reset (STEM) funding announcement of May 2025. To assess progress in making the expense reductions, the institution implemented quarterly expense evaluation, to monitor the effectiveness of and progress on cost efficiency measures throughout the year.

The extent of expense reductions were assessed as of Q3 (January 2026), across faculties, academic support units, and institutional funds. Based on these assessments, total estimated expense cuts, annualized (extrapolated) for the entire 2025/26 fiscal year, are very close to the \$41M in cuts which had been budgeted.

The cuts in 2025/26 have been substantial and have taken a great deal of work. However there are, to be sure, significant caveats and limitations in interpreting such cuts. In particular,

- Some expense reductions observed in 2025/26 may be the result of budget cuts from 2023/24 or 2024/25; that is, delayed expense reductions that should be associated with earlier cuts, but realized only in 2025/26.
- There will be expense reductions allocated in 2025/26 which will not be fully realized in 2025/26, which may need to be addressed in future fiscal years, and which may result in drawdowns of reserve funds as a mitigating step until expense reductions are fully realized.
- There can be year-to-year variations in one-time budget allocations and within-unit revenues, which can lead to changes in overall expenses, that may complicate the assessment of year-to-year cuts in ongoing operating expenses.

Proposed Multi-Year Budget Plan

The three-year plan to return to a balanced budget, as articulated in the March 2025 Budget Report, and summarized in Table 9, had an aggressive timeline to eliminate the operating budget deficit by the 2027/28 fiscal year. The three-year time period was chosen as balancing between a shorter time period (requiring more drastic cuts) and a longer time period (placing greater demands on one-time funds). Given the major funding announcement from the province in February 2026, it is prudent for the University to plan for a more measured return to balanced budgets, to avoid compromising key strengths and essential aspects of our operations.

Described in greater detail in the sections on *Operating Grant* and *Tuition*, the provincial announcement contained two major changes:

- **Tuition Rate Increases:** An end to the long-standing domestic tuition freeze, allowing domestic tuition fees to increase by up to 2 per cent per year for three years, starting in 2026/27.
- **Grant funding:** Increases to the overall per student grant funding rates, increases to the number of funded seats, and targeted increases to funding for high-cost priority programs and specific special purpose grants.

The upshot of the preceding changes is anticipated to lead to an estimated \$36M* increase in provincial operating grant revenue for fiscal 2026/27, with a further increase of \$11M in fiscal 2027/28, all of which are reflected in Table 12, in very sharp contrast to the drastic *reduction* in revenue for 2027/28 which had been anticipated in Table 10.

The updated multi-year plan is presented in Table 12. The table articulates the changes in revenues and expenses from year to year, in a manner a bit more comprehensively than last year, as in Table 9 and Table 10. As with any forecast, there are necessarily embedded assumptions; three of the most significant assumptions are

1. There are likely opportunities for additional revenue growth through the Priority Growth plans that will be released by the province later this year, new full-cost-recovery programs, or as part of international agreements, which are not reflected in the revenue amounts.
2. The salary expense increases reflect only currently-known agreements, and so do not reflect any estimates of future salary increases beyond current agreements.
3. The table does not attempt to estimate budget reductions that could become applicable for 2027/28 and 2028/29.

While the provincial funding announcement is very welcome, the need to focus on continued efficiency and expense reduction, and similarly the need to focus on new opportunities for revenue growth, have not disappeared. Efforts to enhance revenues will be made through strategic enrolment management, a reconsideration academic program delivery, and efforts to reduce duplication and improve efficiency, via ongoing and upcoming functional reviews.

	2025/26 Mid-year updated budget	2026/27 Recommended budget	2027/28 February '26 forecast	2028/29 February '26 forecast
<i>Prior year</i> Revenue budget	871	861	892	905
Changes to Provincial Grant	23	36	11	-
Changes to Tuition	(25)	(2)	6	10
Changes to Student Fees	2	2	1	1
Changes to Interest Income	(10)	(5)	(5)	-
Total Revenue	861	892	905	916
<i>Prior year</i> Expense Budget	903	895	905	912
Increases to Salaries and Benefits	32	16	-	-
Increases to Other Annual Expenses	1	-	2	1
New Investments	10	14	5*	2*
Expense Reductions	(51)	(20)	-	-
Total Expense Budget	895	905	912	915
Structural Operating Surplus (Deficit)	(34)	(13)	(7)	1

Table 12: Proposed Multi-Year Budget Plan, updated as of February 2026

*Some documents will refer to the University of Waterloo's estimated provincial grant increase as being \$50M, which includes \$36M as estimated from the February 2026 announcement and the \$17M Corridor Adjustment (STEM) funding of May 2025, along with other adjustments (details in Table 14 and Figure 6).



The recommended revenue and expense budgets for 2026/27 (second column in Table 12) will be explored in far greater detail in

- The [*Recommended 2026/27 Operating Budget: Revenues*](#)
- The [*Recommended 2026/27 Operating Budget: Expenses*](#)

and so are not described in detail here. The future *New Investments* (starred in Table 12), listed for 2027/28 and 2028/29, are the already-committed increases implied by Table 8. These are not forecasts of the total new investments anticipated for those years.

Our multi-year plan of Table 12 proposes a 2026/27 budget cut of \$20M, a more modest cut than what had been proposed in last year's budget, in large part because of the anticipated provincial support, but still recognizing that University expenses will continue to increase, such that vigilance and effort will be needed to have a balanced budget into the future.

Recommended 2026/27 Operating Budget: Summary

The operating fund includes revenues and expenses related to the core activities of the University. Ongoing, long-term constraints in provincial operating grants and domestic tuition rates, continuing constraints on international enrolments, combined with inflationary pressures on salaries and other expenses, resulted in a significant structural operating budget deficit in 2025/26, but which has been significantly eased by anticipated provincial grant funding for 2026/27.

As has been discussed (see [Overview and Context](#)), constraints and uncertainties on all of government grants, domestic tuition rates, and international enrolments impacted the 2025/26 fiscal year, and most of these are expected to continue into 2026/27. 2025/26 has seen major efforts to reduce expenses, both at the unit and functional levels, and a variety of parallel efforts are being launched to explore strategies to enhance revenues, however the resulting revenue increases would be expected over a period of years, and only modestly in 2026/27.

The major change, however, is that relative to 2025/26, operating revenues are projected to significantly increase in 2026/27 almost entirely because of the February 2026 provincial postsecondary funding announcement.

The presentation of the recommended Operating Budget is organized into the following discussions:

- The [Recommended 2026/27 Operating Budget: Revenues](#)
- Details on [Student Enrolment](#)
- The [Recommended 2026/27 Operating Budget: Expenses](#)

The accompanying motions to Senate and the Board of Governors specifically seek approval of:

- The recommended operating budget revenues, in Table 14;
- The recommended operating budget expenses, in Table 20.

All other parts of this document provide significant context and information, but are not specifically presented for approval.

Assumptions

It is important to be transparent in the assumptions underlying any revenue and expense forecasts. Chief among these are assumptions with regards to the following:

- Compensation agreements for employee groups (see [Expenses – Salaries and Wages](#))
- Employee benefits (see [Expenses - Benefits](#))
- Interest income (see [Interest Income](#))
- Inflation (impacting both interest income (revenue) and expenses)
- International and domestic student enrolments (see [Student Enrolment](#))

Recommended 2026/27 Operating Budget: Revenues

The 2025/26 mid-year updates to the 2025/26 approved operating revenue budget is summarized in Table 13. The middle column highlights the changes since the approved budget from one year ago, with three main conclusions:

- The \$17M in STEM funding (corridor re-alignment), announced in May 2025
- Higher than expected tuition revenue from domestic students
- Lower than expected tuition revenue from international students

	2025/26 Approved Operating Budget	2025/26 Mid- Year Updates	2025/26 Updated Operating Budget
REVENUE			
Operating Grant			
Enrolment	99,700		99,700
Performance Outcomes	150,900		150,900
Sustainability Fund	12,600		12,600
Corridor Re-alignment	-	17,000	17,000
Special Purpose	5,900		5,900
International Student Recovery	(3,700)		(3,700)
Transfers to AFIW	(13,100)		(13,100)
	<u>252,300</u>	<u>17,000</u>	<u>269,300</u>
Tuition			
Domestic - Undergraduate	250,000	3,700	253,700
Domestic - Graduate	27,600	1,800	29,400
International - Undergraduate	191,200	(1,200)	190,000
International - Graduate	53,500	(2,100)	51,400
Transfers to AFIW	(20,300)	(200)	(20,500)
	<u>502,000</u>	<u>2,000</u>	<u>504,000</u>
Other Revenue			
Co-op Recovery	29,000		29,000
Student Services Fees	19,300		19,300
Interest	25,000		25,000
Services to AFIW	3,900		3,900
Miscellaneous Income	10,800		10,800
	<u>88,000</u>	<u>-</u>	<u>88,000</u>
Total Revenue	<u>842,300</u>	<u>19,000</u>	<u>861,300</u>

2025/26 Mid-Year Updates: see February 2026 budget update to Board of Governors

Table 13: Mid-year update to the 2025/26 approved operating budget (in thousands)

The overall recommended operating budget revenue for 2026/27 is summarized in Table 14. Again, the middle column reflects changes since the updated operating budget of 2025/26 where, very broadly, similar conclusions are reached as on the preceding page:

- The \$35.9M in grant funding (\$50.8M estimated, from year to year, but netting to \$35.9M)
- Continued increase in expected tuition revenue from domestic students
- Continued decrease in expected tuition revenue from international students
- A decrease in interest income

	2025/26 Updated Operating Budget	2026/27 Increases (Decreases)	2026/27 Recommended Operating Budget
REVENUE			
Operating Grant			
Base Operating Funding			
Enrolment	99,700		99,700
Performance Outcomes	150,900		150,900
Corridor Re-alignment	17,000	700	17,700
Sustainability Fund	12,600	(12,600)	0
Feb 12 Preliminary Estimate		50,800	50,800
Special Purpose	5,900	(1,300)	4,600
International Student Recovery	(3,700)	300	(3,400)
Transfers to AFIW	(13,100)	(2,000)	(15,100)
	<u>269,300</u>	<u>35,900</u>	<u>305,200</u>
Tuition			
Domestic - Undergraduate	253,700	7,700	261,400
Domestic - Graduate	29,400	1,100	30,500
International - Undergraduate	190,000	(12,100)	177,900
International - Graduate	51,400	1,100	52,500
Transfers to AFIW	(20,500)	100	(20,400)
	<u>504,000</u>	<u>(2,100)</u>	<u>501,900</u>
Other Revenue			
Co-op Recovery	29,000	1,400	30,400
Student Services Fees	19,300	300	19,600
Interest	25,000	(5,000)	20,000
Services to AFIW	3,900	300	4,200
Miscellaneous Income	10,800	-	10,800
	<u>88,000</u>	<u>(3,000)</u>	<u>85,000</u>
Total Revenue	<u><u>861,300</u></u>	<u><u>30,800</u></u>	<u><u>892,100</u></u>

Please refer to Operating Revenue Budget Assumptions for background and assumptions

Table 14: The recommended operating budget revenues for 2025/26 (in thousands)

At a high level, University of Waterloo operating revenues are grouped into four broad categories of

- Operating Grant,
- Tuition Revenue – Domestic
- Tuition Revenue – International, and
- Other Revenue (Student Fees, Miscellaneous Income and Interest Income).

Overall, operating revenues are projected to increase substantially in 2026/27 (in comparison with 2025/26), as illustrated in Figure 5, with significant growth in grant revenues offset by smaller declines in tuition and other revenues, particularly in international student tuition revenues and interest income.

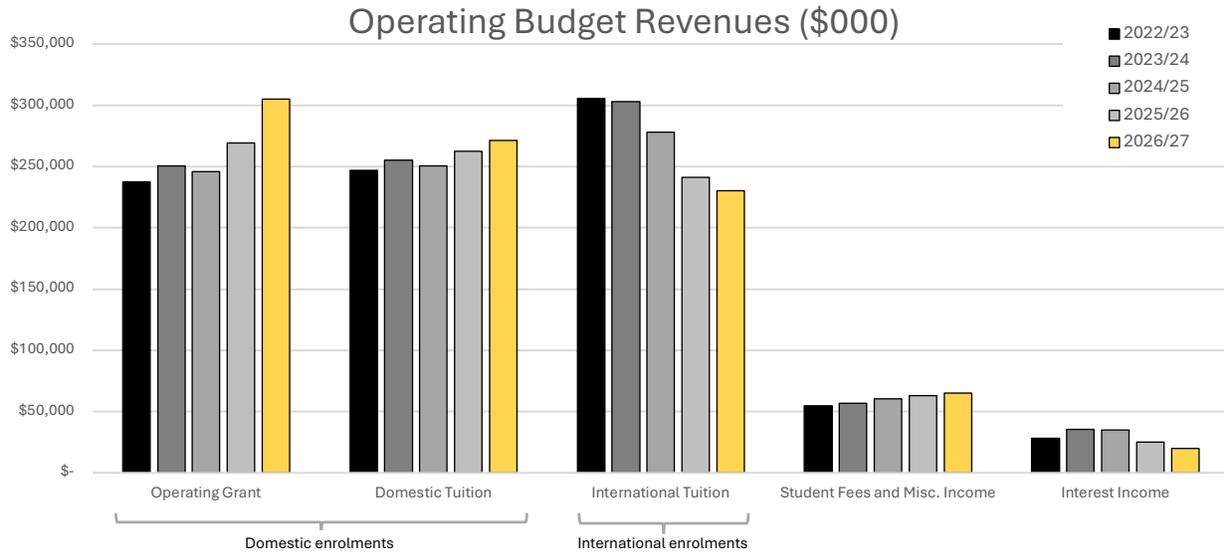


Figure 5: Operating Budget Revenues (in thousands)

Operating Grant

Historically, the University of Waterloo has received operating grant support from the provincial government through three primary grant funding allocations, as seen in Figure 6, and with the components explained further in Table 15. The Enrolment Grant and Performance Outcomes Grant provide funding that is generally expected to roll forward from one year to the next, while Special Purpose Grants are tied to specified provincial priorities that shift over time. These grants are offset by the International Student Recovery (ISR) which reduces overall grant funding in line with international enrolments in undergraduate and master’s programs.

In February 2026, the province announced significant new investments in operating grant support for post-secondary education, through Ontario’s Plan for Long-Term Sustainability in Postsecondary Education. The new funding plan will provide an additional \$6.4 billion to Ontario’s post-secondary sector, over the next four years (2026/27-2029/30). The key components of the new funding announcement include,

- increasing the number of funded enrolment seats,
- increasing funding for high-cost priority programs, including Science, Technology, Engineering and Mathematics (STEM), healthcare and education,
- increasing the overall per student grant funding rates, and
- providing targeted increases to specific special purpose grants.

In total, the grant funding announcement is projected to provide the University of Waterloo with an additional \$50.8M in grant funding (details in Table 14) in 2026/27, providing significant financial support and improvements in longer-term funding predictability for the University of Waterloo.

The funding announcement also signaled plans for additional funding for enrolment growth in priority program areas. Details on this portion of the announcement are expected to be shared later this year.

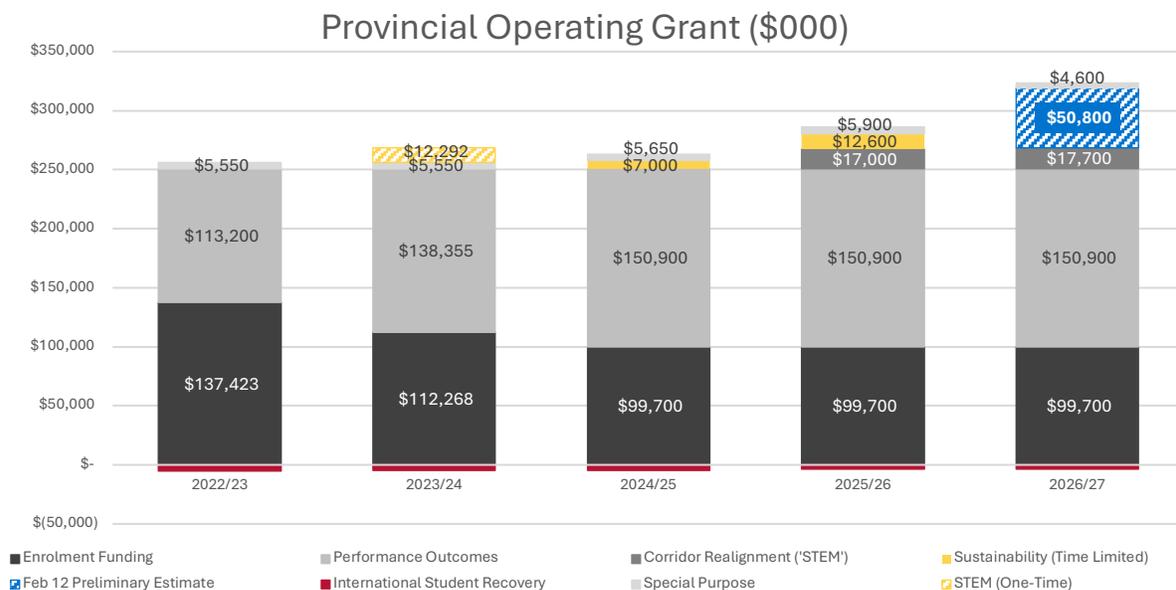


Figure 6: Provincial operating grant (in thousands)

Category	Timeframe	Comments
Enrolment	Ongoing	Core Operating Grant funding in support of eligible (domestic) enrolment, calculated using Weighted Grant Units (WGUs) that allocate different grant funding weights to different programs by level (UG, Masters, and PhD), and by discipline (e.g. Sociology, Engineering). This grant is capped by the funding corridor.
Performance Outcomes	Ongoing	Grant funding in support of eligible (domestic) enrolment. This grant is calculated using WGUs and is capped by the funding corridor. A portion of these funds are deemed to be “at risk”, subject to Waterloo’s performance on specified performance metrics (e.g., graduation rates) and allowable performance targets as established through Strategic Mandate Agreements with the province.
Special Purpose	Ongoing	Additional grant envelopes for specific projects or purposes. Examples include funding for accessibility services for students, and funding for mental health services.
Corridor Realignment Funding ('STEM')	Originally Time-limited 2025/26 to 2027/28, Now ongoing, as of February 2026 Announcement	Grant funding introduced in 2025/26 to adjust corridor midpoints (grant funding limits) for SMA4, which provides grant funding for existing eligible enrolment unfunded during SMA3.
Sustainability	Time-limited – 2024/25 \$7M 2025/26 \$12M 2026/27 \$17M	Grant funding introduced in 2024/25 providing a three-year commitment to increase the overall per-student grant funding for eligible enrolment within the enrolment corridor. There remains uncertainty regarding Year 3 of this funding, in connection with the new funding announced in February 2026.
February 2026 Provincial New Grant Funding Announcement	Ongoing	Additional grant funding, beginning in 2026/27, increasing the overall per student grant funding rates, increasing the number of funded enrolment seats, increased funding for high-cost priority programs, including Science, Technology, Engineering and Mathematics (STEM), Healthcare and Education, and targeted increases to specific special purpose grants. Distribution of this new funding between Operating, Performance and Special Purpose envelopes is not yet known.
International Student Recovery	Ongoing	Grant Reduction of \$750 Per International student (Undergraduate and Masters, not PhD)

Table 15: Provincial Operating Grant Categories

Domestic Tuition

Domestic tuition fees are constrained by provincial tuition policy. In 2019, the province mandated a 10% tuition decrease for all programs, and domestic tuition fees remained frozen at these reduced levels up to 2025/26. The consequence of this policy has been that the tuition fee revenues assessed by Waterloo in 2025/26 were equivalent, in dollar terms (ignoring inflation), to the tuition fees assessed to students in 2014/15.

In February 2026, MCURES announced a new Tuition Fee Framework for 2026/27. Under this framework, institutions are permitted to implement tuition increases of up to 2% annually for the next three years (2026/27-2028/29) to tuition fees assessed to domestic Ontario students, beginning in Fall 2026. In future years (2029/30 onward), domestic Ontario tuition fees will be permitted to increase by the lower of either 2%, or a three-year average of inflation, providing modest increases and better certainty for planning for future years. The financial impact of this domestic tuition policy announcement for the University of Waterloo is approximately \$3.9M in fiscal year 2026/27.

Beginning in 2021/22, the province permitted universities to increase tuition rates for out-of-province students, initially by a maximum of 3% per year and then subsequently by a maximum of 5% per year. The University of Waterloo implemented differential domestic out-of-province tuition fees for the first time in Fall 2023, and in 2026/27 the University will implement 5% tuition fee increases for domestic non-Ontario students in most programs, with limited exceptions. The incremental revenue generated through these tuition increases for fiscal 2026/27 is projected to be \$2.4M.

International Tuition

International tuition fees are not regulated by the MCURES Tuition Fee Framework. The University's practice is to set international fees annually. Multiple factors are considered when international tuition rate increase decisions are made, including the value of the Waterloo degree, student demand for Waterloo programs, comparisons between Waterloo degrees and those offered by peer institutions, and the global post-secondary education market and Canada's position in that market.

Tuition revenues projected in the 2026/27 budget reflect the impact of modest international tuition fee increases in several programs, combined with projected declining international student enrolments, reflecting continued uncertainty in international student recruitment.

As in previous years, tuition fees for international undergraduate and Master programs include an amount to offset the mandated amounts directly charged to the university: an MCU \$750/student International Student Recovery (ISR) charge, and a \$75/student reduction to the provincial grant in-lieu-of-taxes.

Other Revenue

The Co-op Recovery and Student Services Fees are governed by the provincial Tuition Framework and Ancillary Fee Guidelines. In general, fees are collected to offset specific expenses within the operating budget (e.g., co-op fee revenues fund the operation of the co-op program), so increased fees reflect estimated increased expenses for the coming year.

Co-op Fee Plan

The Co-op Fee assessed to undergraduate and graduate students registered in centrally-supported co-operative education programs will be increasing by 2.4%, from \$817/term to \$836/term, effective spring term 2026.

In 2026/27, the co-op fee assessed to co-op students is projected to generate \$30.4M in revenue towards covering the costs associated with the delivery of the co-op program.

Student Services Fee Plan

Undergraduate and graduate student services fees are developed in accordance with the Student Services Protocol. Under this Protocol, the fees are the result of recent actual costs of the student services units and agreed-upon cost sharing percentages for these services between the University, undergraduate students and graduate students.

The per term dollar amount increase in the 2026/27 student services fees as compared to the 2025/26 student services fees are approximately

- Undergraduate: \$2/term
- Graduate: \$6/term

In 2026/27, the Student Services fee is projected to generate \$19.6M in revenue towards covering the agreed upon share of the costs associated with the delivery of various student services supported by the Student Services Fee.

The allocation of student fees, by unit, is summarized in Table 16. Note that the fee increases listed as “Proposed” have been approved by the board, and are not being proposed as part of this report.

	<u>Undergraduate (full-time)</u>			<u>Graduate (full-time)</u>		
	Current	Proposed	Change	Current	Proposed	Change
Wellness	\$69.96	\$70		\$69.96	\$70	
Student Success Office	\$20.74	\$21		\$29.42	\$32	
Writing Centre	\$3.16	\$3		\$18.86	\$20	
Athletics & Recreational Services	\$141.39	\$143		\$83.97	\$86	
Centre for Career Development	\$31.73	\$31		\$31.73	\$31	
Ombuds Office	\$ -	\$1		\$ -	\$1	
Student Buildings	\$8.00	\$8		\$8.00	\$8	
Total	\$274.98	\$277	0.7%	\$241.94	\$248	2.5%

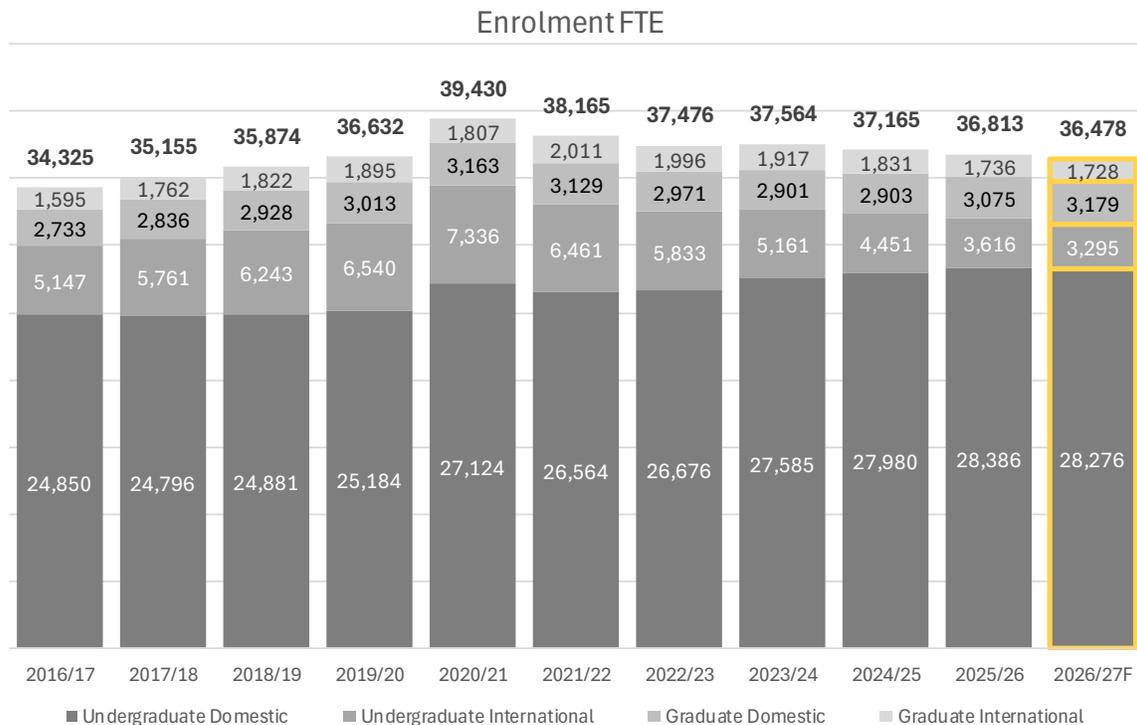
Table 16: The allocation of undergraduate and graduate student fees (per student per term).

Interest Income

The investment income earned on operational funds is based on current and forecasted cash management and investment plans. Interest income rose significantly in 2022/23 as a result of external factors that are not expected to persist long term. This income decreased in 2025/26 and is expected to continue decreasing in 2026/27 due to declining interest rates and declining one-time funds balances. Interest income in 2026/27 is estimated at \$20M, a decline of \$5M over the 2025/26 budget plan.

Student Enrolment

A large proportion of the University of Waterloo’s operating revenues are comprised of provincial grants and tuition fees, which are ultimately enrolment driven. As is shown in Figure 7, the volume and composition of student enrolment have changed considerably over 10 years.



¹ Domestic refers to domestic fee paying enrolment and includes enrolment for which no fees are assessed.

² International refers to international fee paying enrolment.

³ Actual Enrolment values up to and including 2025/26 official count; forecast values for 2026/27.

Figure 7: Ten-year history of full-time-equivalent (FTE) enrollment.

Undergraduate domestic student enrolment has increased over the past ten years. While relatively consistent up to and including 2019/20, in 2020/21 the University of Waterloo experienced a significant increase in demand from domestic students, as well as a substantial increase in the rate at which offers of admission to domestic applicants were accepted, increasing new student enrolment.

Undergraduate and graduate international enrolment grew steadily up until 2020/21, the highest level in the past ten years. Since then, international enrolments have been declining, the result of both government policy changes to significantly restrict the number of study visas available to international students, as well as environmental and geopolitical challenges, which significantly disrupted the international student landscape for Waterloo specifically and Canadian postsecondary more broadly.

Graduate domestic enrolment has remained relatively consistent for the past ten years with oscillations between decline and growth since 2020/21.

In 2026/27, the university will continue its efforts to develop a more robust Strategic Enrolment Management (SEM) planning process, to better balance and align future enrolment growth plans, our [Waterloo at 100](#) goals, and the constraints and opportunities presented in the evolving funding environment.

Table 17 summarizes the composition of student enrolment distinguishing between undergraduate and graduate student enrolment, as well as between domestic and international fee-paying students. The overall fractional composition of student enrolment between undergraduate and graduate studies has remained consistent over the past five years and is forecast to continue similarly in 2026/27.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27F
Undergraduate Domestic¹	26,564	26,676	27,585	27,980	28,386	28,276
Undergraduate International²	6,461	5,833	5,161	4,451	3,616	3,295
Undergraduate	33,025	32,509	32,746	32,431	32,002	31,571
Undergraduate % of Total	86.5%	86.7%	87.2%	87.3%	86.9%	86.5%
International % of Undergraduate	19.6%	17.9%	15.8%	13.7%	11.3%	10.4%
Graduate Domestic¹	3,129	2,971	2,901	2,903	3,075	3,179
Graduate International²	2,011	1,996	1,917	1,831	1,736	1,728
Graduate	5,140	4,967	4,818	4,734	4,811	4,907
Graduate % of Total	13.5%	13.3%	12.8%	12.7%	13.1%	13.5%
International % of Graduate	39.1%	40.2%	39.8%	38.7%	36.1%	35.2%
FTE Total	38,165	37,476	37,564	37,165	36,813	36,478

¹ Domestic refers to domestic fee paying enrolment and includes enrolment for which no fees are assessed.

² International refers to international fee paying enrolment.

Table 17: Enrolment (full-time equivalent) by Undergraduate/Graduate mix.

Table 18 summarizes the composition of graduate student enrolment across degree level. The proportion of doctoral students in total graduate enrolment has remained consistent over the past five years. This distribution is expected to continue in 2026/27. Total masters student enrolment continues to comprise a similar proportion of total graduate enrolment, however, there has been a steady shift towards higher enrolments in of course-based masters programs, which is forecasted to continue in 2026/27.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27F
Doctoral	2,075	2,044	1,993	1,959	1,937	1,936
Masters Research	1,892	1,819	1,665	1,560	1,566	1,599
Masters Course Based	1,154	1,082	1,139	1,189	1,279	1,335
Other Graduate¹	19	22	21	26	29	37
Graduate FTE	5,140	4,967	4,818	4,734	4,811	4,907

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27F
Doctoral	40.4%	41.2%	41.4%	41.4%	40.3%	39.5%
Masters Research¹	36.8%	36.6%	34.6%	33.0%	32.6%	32.6%
Masters Course Based¹	22.5%	21.8%	23.6%	25.1%	26.6%	27.2%
Other Graduate²	0.4%	0.4%	0.4%	0.5%	0.6%	0.7%
Graduate FTE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ The Masters sub-categorization of Masters Research and Masters Course Based was re-organized in January 2024 to enhance the accuracy of go forward reporting.

² Other Graduate includes diploma, non-degree and qualifying.

Table 18: Graduate Enrollment (full-time equivalent) by degree level (detailed)

Recommended 2026/27 Operating Budget: Expenses

The 2025/26 mid-year updates to the 2025/26 approved operating expense budget are summarized in Table 19.

	2025/26 Approved Operating Budget	2025/26 Mid- Year Updates	2025/26 Updated Operating Budget
EXPENSES			
Salary and Benefits			
Salaries and wages	541,700	8,000	549,700
Benefits	141,400		141,400
	<u>683,100</u>	<u>8,000</u>	<u>691,100</u>
Non Salary Expenses - Strategic and Priority Spending			
Student Support	75,000		75,000
University Fund	32,400	(4,500)	27,900
Institutional Change Management	3,000		3,000
Capital Project Fund	-		-
Deferred Maintenance Fund	11,000		11,000
	<u>121,400</u>	<u>(4,500)</u>	<u>116,900</u>
Non-Salary Expenses - Operational			
Insurance	3,200		3,200
Municipal taxes	3,100		3,100
Utilities	24,500		24,500
Other non-salary expenses	64,700	5,500	70,200
	<u>95,500</u>	<u>5,500</u>	<u>101,000</u>
Gross expenses	<u>900,000</u>	<u>9,000</u>	<u>909,000</u>
Cost recoveries and ancillary contributions	<u>(14,000)</u>	<u>-</u>	<u>(14,000)</u>
Estimated net expenses	<u>886,000</u>	<u>9,000</u>	<u>895,000</u>
Estimated income	<u>842,300</u>		<u>861,300</u>
Structural Deficit	<u>(43,700)</u>		<u>(33,700)</u>

Table 19: Mid-year updates to the 2025/26 operating budget

2025/26 Mid-Year Updates: see February 2026 budget update to Board of Governors

Please refer to Operating Expense Budget Assumptions for background and assumptions

Please refer to Operating Budget Risks for background on use of one time funds to support returning to a balanced budget

The overall recommended operating budget expenses for 2026/27 are summarized in Table 20.

	2025/26 Updated Operating Budget	2026/27 Salary and Benefit Increases	2026/27 New Investments	2026/27 Budget Reductions	2026/27 Total Increases (Decreases)	2026/27 Recommended Operating Budget
EXPENSES						
Salary and Benefits						
Salaries and wages	549,700	12,000	800	(9,100)	3,700	553,400
Benefits	141,400	4,400	200	(1,900)	2,700	144,100
	<u>691,100</u>	<u>16,400</u>	<u>1,000</u>	<u>(11,000)</u>	<u>6,400</u>	<u>697,500</u>
Non Salary Expenses - Strategic and Priority Spending						
Student Support	75,000		1,500		1,500	76,500
University Fund	27,900			(6,000)	(6,000)	21,900
Leadership and Change Fund	3,000				-	3,000
Deferred Capital Renewal	11,000		1,000		1,000	12,000
	<u>116,900</u>		<u>2,500</u>	<u>(6,000)</u>	<u>(3,500)</u>	<u>113,400</u>
Non-Salary Expenses - Operational						
Insurance	3,200				-	3,200
Municipal taxes	3,100				-	3,100
Utilities	24,500				-	24,500
Other non-salary expenses	70,200		10,500	(3,000)	7,500	77,700
	<u>101,000</u>		<u>10,500</u>	<u>(3,000)</u>	<u>7,500</u>	<u>108,500</u>
Gross expenses	<u>909,000</u>	<u>16,400</u>	<u>14,000</u>	<u>(20,000)</u>	<u>10,400</u>	<u>919,400</u>
Cost recoveries and ancillary contributions	(14,000)				-	(14,000)
Estimated net expenses	<u>895,000</u>	<u>16,400</u>	<u>14,000</u>	<u>(20,000)</u>	<u>10,400</u>	<u>905,400</u>
Estimated income	<u>861,300</u>					<u>892,100</u>
Structural Deficit	<u>(33,700)</u>					<u>(13,300)</u>

Table 20: The recommended operating budget expenses for 2026/27 (in thousands). The institution is committed to a total cut of \$20M, but the actual distribution between salary, benefits, and non-salary is not yet known, and will be based on the roll-up of plans, which will be based on how units meet their assigned budget objectives.

Summary:

The total revenue budget reflects an increase from the prior year of \$30.8M.

The total expense budget reflects an increase of \$10.4M from the prior year (\$16.4M for annual increases in salary and benefits for employee groups who have salary agreements in place plus new investments of \$14.0M less expense budget cuts of \$20.0M).

The new investments total of \$14.0M is slightly different from the \$14.42 total in Table 8 because of numerical rounding, a \$1.5M in additional student support (tuition set aside) resulting from the additional tuition income, and a reduction of \$2M under the current assumption that the WatSPEED amount will be funded from existing funds on hand (rather than new budget).

The increase in revenue of \$30.8M along with the increase in total expenses of \$10.4M result in a decrease to the structural deficit of \$20.4M resulting in a structural deficit of \$13.3M.

Please refer to [Operating Budget Risks](#) for information on use of one-time funds to cover the deficit during the [multi-year plan](#) to return to a balanced budget.

Expenses – Salaries and Wages

The Salary and wages budget is estimated and included in the operating budget for the following categories of employees:

- Faculty
- Staff in Faculties
- Staff in Academic Support Units
- Plant Operations and Special Constable Services
- Teaching Assistants, co-op students and other part-time/casual

The salaries and wages are subject to the following current compensation agreements:

- Faculty: Salary Settlement Agreement May 1, 2024 to April 30, 2027, and 2026/27 salary scale reopener settlement
- Staff: Staff Compensation negotiations planned for Spring 2026
- Canadian Union of Public Employees (CUPE): Collective Agreement CUPE Local 793 May 1, 2024 to April 30, 2027
- CUPE, Local 5524: Collective Agreement January 3, 2023 to April 30, 2027
- CUPE, Local 5524.01: Tentative Collective Agreement subject to ratification
- Ontario Public Service Employees Union (OPSEU), Local 231: Collective Agreement May 1, 2024 to April 30, 2027

The \$9.1M salary reduction recommended for 2026/27 represents a preliminary estimate of salary reductions to be achieved through the hiring freeze and other cost reduction activities.

Expenses – Benefits

Employee benefits include:

- University contribution to defined benefit pension plan
- Government mandated costs (CPP, EI, Ontario employer health tax, Workplace Safety and Insurance, etc.)
- Non-retirement benefits (health and dental, tuition benefit, etc.)
- Other benefits include tuition benefit, parental leave top-ups, FPER etc.

Approximately 43% of these benefits are associated with contributions to the defined pension plan, and the remaining are distributed across the other benefit components.

The \$4.4M in benefit *increases* (under “2026/2027 Increases”) are based on both *salary* increases (pension plan contributions, Ontario Employer Health Tax) and *rate* increases (CPP, EI, dental, extended health).

The \$1.9M in benefits *reduction* (under “2026/2027 Budget Reductions”) is the benefits expense reductions related to the preliminary estimate of salary reductions.

Non-Salary Expenses: Strategic and Priority Spending

Student Support:

Student Support includes Tuition Set Aside (TSA), as well as undergraduate and graduate support in the form of scholarships, bursaries and awards. The TSA amount (approximately \$29M) is calculated based on a formula mandated by the Ministry of Colleges, Universities, Research Excellence and Security (MCURES), to be used for needs-based student support programs.

The \$1.5M increase in student support reflects an increase in TSA support for domestic students, consistent with increases in tuition revenue.

In addition to the Operating Fund, student support is also provided from other funds. The total student support for 2024/25 is \$151M, broken down as

- \$79M from the Operating Budget
- \$6M from the Endowment
- \$22M from Trust Funds
- \$44M from Research Funds

University Fund:

The University Fund is used for funding the University's strategic priorities and managing risk. The University Fund was discussed earlier, in some detail, under [Priorities and Initiatives](#).

Leadership and Change Fund:

The significant external challenges, identified in [Overview and Context](#), will require substantial organizational change to accomplish the recommended budgetary reductions and associated steps in organizational efficiency and effectiveness. This new budget, listed under [Priorities and Initiatives](#), represents investments to pursue institution-wide operational projects, focused on

- Business process and administrative innovations,
- Academic program development and innovations,
- Innovations with regards to the use of AI,
- UniForum assessments to better understand and benchmark our current processes.

Deferred Maintenance Fund:

The Deferred Maintenance Fund supports central funding of deferred maintenance projects. Additional funding for deferred maintenance includes other central operating funds, faculty funding, grants and donations. [Deferred maintenance](#) is discussed in significantly further detail as part of the [Capital Projects Report](#).

Non-Salary Expenses: Operational

Other non-salary expenses reflect the budget for a variety of non-salary operating expenses of the Faculties and Academic Support Units, which determine the use of this budget based on their respective operational requirements. The \$3M in decreased costs stem from all units, working collectively, to achieve reductions in non-salary spending.



Some of the more significant costs include Library Acquisitions and Enterprise Software. More generally, non-salary expenses also include computer equipment, contracted services and consulting, software licensing fees, books and periodicals, office and lab supplies, travel, and training. Also see the [Capital Projects Report](#), since non-salary operating budgets may also be used to fund capital projects, repairs, and maintenance.

In prior years, budget planning was undertaken for each *unit* (each Faculty and ASU), which makes practical sense, but leaves the possibility of obscuring long-term budgetary planning for certain costs not directly connected to the operations of any unit. New for this year's budget planning cycle, there were budget submissions (and associated discussions and planning) for each of

- Enterprise Software
- IT Infrastructure
- Library Collections

Taken together, these represent over \$30M in annual non-salary expenses.

Cost Recoveries and Ancillary Contributions:

Chargeouts and cost recoveries primarily include recoveries from Ancillary Enterprises (Housing, Food Services, Print & Retail Solutions, Sustainable Transportation, Watcard, WatSPEED) for space charges and administrative support. Please see the discussion on [Ancillary Services](#) for more details.

Overview of Employee Counts

This section provides information about the composition of the University's employee base. It is intended to demonstrate how the salary and wages expense budget is being deployed. The headcount information includes Faculty and Staff, as follows:

Faculty headcount:

- Regular ongoing – permanent faculty roles
- Definite term – faculty positions that have a specific end date

Staff headcount, including staff employees and union group employees (CUPE 793 and OPSEU):

- Regular ongoing – permanent staff and union roles
- Temporary – staff appointments for periods exceeding 3 months but less than 2 years, with regular weekly work hours

The headcounts do not include student employees (e.g., teaching assistants, co-op students etc.) and casual employees. The non-faculty family group includes postdoctoral researchers and research associates, but only those whose salaries are charged to an operating fund, whereas the majority of researchers would be paid out of research (non-operating) funds.

For a broad, high-level context, the demographic breakdown of university employees is shown in Figure 8.

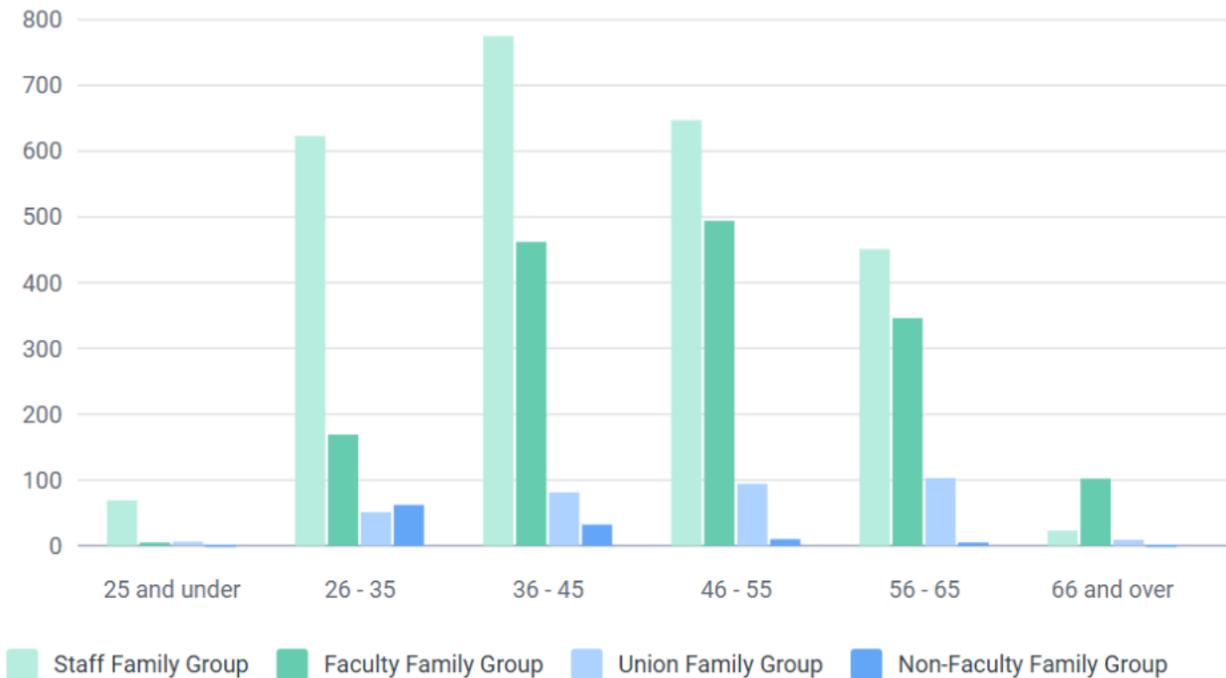


Figure 8: Age demographic Distribution of University Employees

Senior Administration

University leadership encompasses academic and non-academic employees focused on strategic initiatives and priorities across several portfolios. The Faculty Academic Executives group includes Senior Administrators with academic appointments including the University President, Vice-Presidents, and Associate Vice-Presidents. The Senior Non-Academic Executives include senior management and administrative roles, usually leading academic support units. The count of these positions over time, as of December 31st each year, is summarized in Table 21.

Group	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025*
Faculty Academic Executives	10	12	14	15	12
Senior Non-Academic Executives	26	26	26	27	25

Table 21: Counts of Senior Administrative Positions

*Declines in Faculty Academic Executives occurred due to a restructuring in the VP, Research and International portfolio.

Headcount Data

The headcount information in Table 22 aligns with the operating salary and wage costs incurred by units. Headcount is based on each employee's primary position in the operating fund. Each employee represents a count of 1, regardless of full/part-time status.

The headcount data replaces the previous reporting approach of *complement*, which had reflected both filled and unfilled permanent positions in the operating fund. This updated approach is more complete and aligns with the University's current budget management and HR data practices.

It is important to recognize that Table 22 presents employee counts in units as they existed at the time point of each column, in contrast to the financial data in Table 23 through Table 25, in which historical budgets and spending are reallocated to match the current University organizational structure (as of September 2025).

Faculty Positions:	Headcount April 30, 2024		Headcount January 31, 2025		Headcount April 30, 2025		Headcount January 31,	
	Reg*	Temp*	Reg*	Temp*	Reg*	Temp*	Reg*	Temp*
Faculty of Arts	310	189	313	174	316	179	315	140
Faculty of Engineering	320	91	335	63	335	67	337	62
Faculty of Environment	92	26	93	21	92	22	91	32
Faculty of Health	78	23	79	22	79	22	80	16
Faculty of Mathematics	266	107	290	95	289	95	291	55
Faculty of Science	192	92	192	97	193	95	190	75
Total Faculty Positions	1258	528	1302	472	1304	480	1304	380
Academic Support Staff Positions:	Reg*	Temp*	Reg*	Temp*	Reg*	Temp*	Reg*	Temp*
Faculty of Arts	124	17	129	14	131	13	131	8
Faculty of Engineering	254	41	249	30	252	27	238	18
Faculty of Environment	53	15	48	8	48	9	45	9
Faculty of Health	52	10	51	11	50	9	51	7
Faculty of Mathematics	175	17	177	12	175	8	172	7
Faculty of Science	224	26	228	27	221	30	216	21
Faculty Subtotal - Academic Support Staff	882	126	882	102	877	96	853	70
University Research Centres	22	19	20	20	18	16	20	12
President's Office	5	0	5	0	5	0	4	0
Secretariat	8	0	9	1	10	1	10	1
Legal & Immigration Services	9	0	8	0	9	0	10	0
WatSPEED	28	3	26	5	23	4	23	4
Vice-President, Academic & Provost								
Office of the Provost	5	0	5	0	3	0	4	0
AP, Co-operative & Experiential Education	256	54	252	32	248	27	233	23
AP, Campus Support and Accessibility	38	5	41	3	40	3	40	4
AP, Students	150	64	144	81	140	65	146	74
AP, Integrated Planning & Budgeting	6	0	N/A	N/A	N/A	N/A	N/A	N/A
AVP, Institutional Analysis & Planning	21	0	N/A	N/A	N/A	N/A	N/A	N/A
AVP, Academic Operations	1	0	28	0	28	0	25	0
AVP, Equity Diversity, Inclusion & Anti-Racism	12	1	12	1	12	1	9	1
AVP, Faculty and Academic Life	3	0	4	0	4	0	4	0
AVP, Graduate Studies & Postdoctoral Affairs	32	1	30	1	29	1	26	1
AVP, Indigenous Relations	4	0	5	0	4	0	6	1
AVP, Academic	99	28	94	19	92	15	76	13
Library	114	14	111	5	111	4	102	4
Registrar	133	13	127	8	122	8	117	10
Global Futures	N/A	N/A	N/A	N/A	N/A	N/A	3	1
AVP, Strategic Enrolment Management	N/A	N/A	N/A	N/A	N/A	N/A	3	0
Vice-President, Administration & Finance								
Office of the Vice-President, Administration & Finance	5	1	12	0	13	1	16	1
Safety Office	12	0	12	0	12	0	N/A	N/A
Special Constable Services	25	1	22	2	24	2	N/A	N/A
Safety, Security & Transportation	N/A	N/A	N/A	N/A	N/A	N/A	34	0
Sustainability Office	3	1	4	1	4	1	3	0
Plant Operations	439	15	412	17	409	12	396	20
Finance	57	3	57	3	54	2	57	0
Human Resources	68	7	61	4	61	3	56	3
Information Systems and Technology	156	2	152	4	152	5	148	6
Vice-President, Research & International								
Office of the VP University Research	109	41	100	44	99	44	92	40
Waterloo International	13	2	10	1	9	2	N/A	N/A
Vice-President, Advancement & External Relations								
Advancement	73	11	78	10	74	10	69	10
University Relations	49	2	48	1	46	1	42	1
Non-Faculty Subtotal - Academic Support Staff	1,933	269	1,869	243	1,837	212	1,754	218
Total Academic Support Staff Positions	2,837	414	2,771	365	2,732	324	2,627	300

*Reg = Regular, Ongoing

*Temp = Temporary/ Definite Term

Table 22: University of Waterloo Employee Headcount Data

Table 22 notes:

1. The table includes only the primary position of active, regular ongoing and temporary/definite-term contract employees that are Staff, Faculty, Non-Faculty, or Union Staff, with positions funded by the Operating Fund.
2. The Associate Provost, Integrated Planning & Budgeting office and Institutional Analysis & Planning merged with Associate Vice-President, Academic Operations.
3. The Safety Office and Special Constable Services merged into Safety, Security & Transportation
4. Project Management and Change Management moved from IST and HR to Vice-President, Administration & Finance.
5. The Writing & Communication Centre moved from the Associate Vice-President, Academic office to Associate Provost, Students.
6. The Vice-President, University Research office was renamed Vice-President, University Research & International.
7. The Associate Vice-President, International office merged with Vice-President, University Research & International.
8. The Associate Vice-President, Faculty Planning & Policy office was renamed Associate Vice-President, Faculty and Academic Life.
9. The Global Futures and Associate Vice-President, Strategic Enrolment Management offices were introduced in the 25/26 fiscal year.

Overview of Unit-Level Operating Budgets and Expenses

The following tables provide high-level operating budget information, broken out by unit, listing ongoing operating budgets (Table 23), salary expenses (Table 24), and non-salary expenses (Table 25). The tables show some longitudinal information, providing five years of historical detail. The tables illustrate aspects of historical budget allocation decisions, in particular the allocation of new resources, and the impact of budget reductions.

The historical data in Table 23, Table 24 and Table 25 (2020/21 - 2024/25) reflect the organizational structure of the University as of September 2024, such that historical budgets and spending align to the structure in place at that time.

This differs from Table 22, which presents employee counts in units as they existed, historically, and therefore a close comparison of Table 22 with Table 23, Table 24 or Table 25 is not advised.

As high-level summaries, caution must be exercised in interpreting the numbers. In particular, some units may have had significant temporary budgets available in a given year, which are not listed here, and which may have enabled higher expenditure during that period. In general, these reports do not include ASU managed specific-purpose budgets, including student support managed by the Registrar's Office and GSPA, WatSPEED, utilities, enterprise software, library acquisitions, property taxes, and insurance.

In Table 24, salary expenses include all categories of employees paid from the operating fund and include benefits expenses in cost-recovery units.

In Table 25, non-salary expenses include capital equipment, renovations, maintenance, contracted/outsourced services, software, books and periodicals, supplies, professional consulting, travel, telephone charges, and training. Non-salary expenses do not include revenues recorded at the unit level, or interfund transfers (transfers to/from units other than the operating fund).

Ongoing Budget	Historical Ongoing Budget - (thousands of dollars)				As of 30 Apr 2025	As of 31 Jan 2026
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
President's Office	\$1,006	\$1,142	\$1,170	\$1,313	\$1,307	\$1,330
Secretariat	\$1,592	\$1,612	\$1,362	\$1,384	\$1,444	\$1,554
Legal & Immigration Services	\$848	\$977	\$1,048	\$1,106	\$1,284	\$1,247
Vice-President, Academic & Provost						
Faculty of Arts	75,543	77,295	78,217	81,379	82,014	81,581
Faculty of Engineering	99,046	100,961	101,829	105,391	105,767	106,326
Faculty of Environment	22,810	23,330	23,660	24,560	24,683	24,433
Faculty of Health	21,059	21,554	21,817	22,620	22,682	22,736
Faculty of Mathematics	91,275	92,696	93,271	95,970	95,697	97,623
Faculty of Science	64,176	65,462	66,082	68,330	68,521	67,221
Faculty Total	\$373,910	\$381,298	\$384,875	\$398,251	\$399,364	\$399,920
Office of the Provost ¹	2,547	2,554	2,758	2,848	1,330	1,228
AP Co-operative & Experiential Education	23,387	23,454	23,545	23,814	22,971	21,756
AP Campus Support & Accessibility	621	2,355	2,477	3,357	4,271	4,155
AP Students ²	17,059	17,253	18,489	19,881	19,961	21,340
AVP Academic Operations	2,938	3,141	3,269	3,652	3,625	3,565
AVP Equity, Diversity, Inclusion & Anti-Racism	1,166	1,120	1,953	1,483	1,556	1,633
AVP Faculty & Academic Life ³	0	0	0	500	775	826
AVP Graduate Studies & Postdoctoral Affairs	2,715	2,934	2,966	3,041	2,929	3,044
AVP Indigenous Relations	0	0	0	700	725	694
AVP Academic ⁴	9,244	9,550	10,208	10,579	10,350	8,870
Library	10,896	11,051	11,283	11,639	11,630	11,367
Registrar incl. Student Service Centre	11,575	12,365	12,459	13,903	13,995	13,718
Global Futures ⁵	0	0	0	0	0	0
AVP Strategic Enrolment Management ⁶	0	0	0	0	0	393
Academic Support Total	\$82,147	\$85,777	\$89,408	\$95,397	\$94,119	\$92,589
Vice-President, Administration & Finance						
Office of the VP Administration & Finance	545	472	1,134	1,525	2,733	2,308
Safety, Security & Transportation ⁷	3,667	3,829	3,973	4,110	4,012	4,159
Sustainability Office	166	342	374	388	402	407
Plant Operations (Facilities)	31,404	31,647	32,105	33,647	34,082	33,284
Finance	4,990	5,098	5,194	5,736	5,737	5,899
Human Resources	5,159	5,520	5,975	6,193	5,725	5,721
Information Systems & Technology	18,135	17,921	17,746	18,450	18,138	19,065
VPAF Total	\$64,065	\$64,829	\$66,502	\$70,049	\$70,828	\$70,843
Vice-President, Research & International ⁸						
Office of the VP University Research	807	821	803	872	705	1,918
Office of Research	8,747	8,963	9,169	9,544	8,168	5,650
University Research Centres	783	795	805	830	822	796
Waterloo International	1,920	1,939	1,934	1,967	1,592	524
Waterloo Ventures	350	350	346	537	1,532	3,328
VPRI Total	\$12,607	\$12,868	\$13,057	\$13,751	\$12,819	\$12,216
Vice-President, Advancement & External Relations ⁹						
Office of the VP Advancement & External Relations	1,163	1,121	1,326	1,487	324	860
AVP Engagement	1,524	1,467	1,454	1,605	1,752	1,424
AVP Development	565	566	567	596	711	646
AVP Advancement Services	4,907	5,029	4,994	4,880	4,937	4,721
AVP Advancement Strategy	738	855	864	891	692	593
University Relations	4,750	4,883	5,356	5,944	5,765	5,615
Marketing & Strategic Comm	2,071	2,118	2,157	2,159	2,228	2,274
VPAER Total	\$15,719	\$16,038	\$16,718	\$17,561	\$16,408	\$16,132

Table 23: Unit Level Ongoing Budgets

Refer to the [Notes](#) for Table 23 on Page 45 of this report.

Historical Salary Expenses - (thousands of dollars)					As of 30 Apr 2025
Salary Expenses	2020/21	2021/22	2022/23	2023/24	2024/25
President's Office	\$859	\$947	\$1,034	\$1,194	\$1,131
Secretariat	\$1,124	\$1,323	\$1,544	\$1,195	\$1,180
Legal & Immigration Services	\$673	\$767	\$790	\$1,015	\$1,114
Vice-President, Academic & Provost					
Faculty of Arts	70,545	74,567	77,960	83,729	86,067
Faculty of Engineering	90,268	93,877	95,941	101,495	107,941
Faculty of Environment	20,242	21,618	22,398	24,146	25,512
Faculty of Health	20,140	21,047	21,443	23,079	23,790
Faculty of Mathematics	72,326	75,822	78,233	82,398	88,581
Faculty of Science	59,613	60,372	62,081	67,581	72,336
Faculty Total	\$333,134	\$347,303	\$358,057	\$382,428	\$404,229
Office of the Provost ¹	715	1,206	1,429	1,303	1,079
AP Co-operative & Experiential Education	34,021	26,655	24,660	28,156	28,236
AP Campus Support & Accessibility	636	1,382	2,829	3,336	4,316
AP Students ²	14,484	16,431	17,373	19,493	20,132
AVP Academic Operations	2,580	2,675	2,844	3,410	3,756
AVP Equity, Diversity, Inclusion & Anti-Racism	1,154	1,253	1,783	1,772	1,425
AVP Faculty & Academic Life ³	0	0	3	478	659
AVP Graduate Studies & Postdoctoral Affairs	2,499	2,896	2,667	3,002	2,881
AVP Indigenous Relations	0	0	0	630	595
AVP Academic ⁴	8,733	9,958	10,768	12,076	11,554
Library	9,001	9,508	9,981	11,132	11,474
Registrar incl. Student Service Centre	9,481	10,187	11,022	11,462	12,642
Global Futures ⁵	0	0	0	0	47
AVP Strategic Enrolment Management ⁶	0	0	0	0	0
Academic Support Total	\$83,304	\$82,151	\$85,359	\$96,251	\$98,796
Vice-President, Administration & Finance					
Office of the VP Administration & Finance	444	388	548	809	2,031
Safety, Security & Transportation ⁷	3,078	3,273	3,266	3,811	3,570
Sustainability Office	144	286	318	396	473
Plant Operations (Facilities)	27,964	27,793	29,627	32,408	32,411
Finance	4,408	4,623	4,771	5,249	5,512
Human Resources	5,071	5,814	5,946	6,535	6,226
Information Systems & Technology	16,356	16,334	16,954	18,433	17,757
VPAF Total	\$57,465	\$58,511	\$61,430	\$67,640	\$67,980
Vice-President, Research & International ⁸					
Office of the VP University Research	2,310	2,705	2,957	3,890	4,663
Office of Research	8,364	9,136	9,361	9,855	8,762
University Research Centres	5,839	6,275	6,555	5,873	4,672
Waterloo International	1,312	1,354	1,376	1,543	1,281
Waterloo Ventures	1,066	948	1,260	1,168	2,498
VPRI Total	\$18,890	\$20,418	\$21,510	\$22,330	\$21,876
Vice-President, Advancement & External Relations ⁹					
Office of the VP Advancement & External Relations	1,128	977	1,126	1,238	1,285
AVP Engagement	1,752	1,861	2,049	2,358	2,384
AVP Development	267	332	377	396	329
AVP Advancement Services	3,733	3,676	3,529	4,219	4,487
AVP Advancement Strategy	755	888	770	637	633
University Relations	2,549	2,812	3,072	3,740	4,624
Marketing & Strategic Comm	1,411	1,311	1,689	1,651	1,584
VPAER Total	\$11,596	\$11,857	\$12,613	\$14,240	\$15,326

Table 24: Unit Level Salary Expenses

Refer to the [Notes](#) for Table 24 on Page 45 of this report.

Historical Non-Salary Expenses - (thousands of dollars)					As of 30 Apr 2025
Non-Salary Expenses	2020/21	2021/22	2022/23	2023/24	2024/25
President's Office	\$62	\$150	\$212	\$166	\$187
Secretariat	\$61	\$449	\$523	\$325	\$209
Legal & Immigration Services	\$35	\$49	\$75	\$87	\$45
Vice-President, Academic & Provost					
Faculty of Arts	6,635	7,330	9,338	12,078	12,943
Faculty of Engineering	16,400	17,539	24,473	22,817	23,409
Faculty of Environment	3,797	3,534	4,105	4,229	3,704
Faculty of Health	3,046	2,514	2,599	3,285	2,835
Faculty of Mathematics	12,712	13,727	15,408	18,331	17,599
Faculty of Science	16,753	19,221	20,549	22,065	22,252
Faculty Total	\$59,343	\$63,866	\$76,472	\$82,806	\$82,742
Office of the Provost ¹					
AP Co-operative & Experiential Education	1,534	2,203	3,082	3,972	2,636
AP Campus Support & Accessibility	259	235	116	223	217
AP Students ²	3,835	4,614	5,616	6,241	6,480
AVP Academic Operations	946	1,014	2,670	3,116	4,875
AVP Equity, Diversity, Inclusion & Anti-Racism	171	176	212	1,344	1,480
AVP Faculty & Academic Life ³	0	0	3	95	103
AVP Graduate Studies & Postdoctoral Affairs	131	100	304	156	107
AVP Indigenous Relations	0	0	0	121	210
AVP Academic ⁴	254	686	577	780	473
Library	1,009	1,199	1,118	1,567	1,104
Registrar incl. Student Service Centre	3,291	3,488	4,126	3,938	3,159
Global Futures ⁵	0	0	0	0	59
AVP Strategic Enrolment Management ⁶	0	0	0	0	0
Academic Support Total	\$13,502	\$15,338	\$20,094	\$23,405	\$20,994
Vice-President, Administration & Finance					
Office of the VP Administration & Finance	82	255	203	813	980
Safety, Security & Transportation ⁷	1,338	2,141	1,576	1,579	1,484
Sustainability Office	19	30	837	118	86
Plant Operations (Facilities)	9,541	11,633	13,421	12,518	10,793
Finance	751	615	564	846	1,354
Human Resources	305	378	561	1,229	297
Information Systems & Technology	4,399	2,407	4,573	6,586	5,399
VPAF Total	\$16,435	\$17,458	\$21,736	\$23,689	\$20,394
Vice-President, Research & International ⁸					
Office of the VP University Research	2,029	2,200	2,265	2,056	2,042
Office of Research	442	341	594	968	316
University Research Centres	4,041	5,690	6,640	4,925	4,321
Waterloo International	230	355	545	548	908
Waterloo Ventures	2,445	2,313	3,444	3,003	2,123
VPRI Total	\$9,188	\$10,899	\$13,489	\$11,500	\$9,710
Vice-President, Advancement & External Relations ⁹					
Office of the VP Advancement & External Relations	48	52	184	213	135
AVP Engagement	945	1,139	1,275	1,432	806
AVP Development	48	90	41	38	8
AVP Advancement Services	419	291	332	662	268
AVP Advancement Strategy	31	35	70	18	14
University Relations	886	1,268	1,895	1,795	1,832
Marketing & Strategic Comm	2,312	1,323	1,416	1,182	690
VPAER Total	\$4,689	\$4,199	\$5,214	\$5,341	\$3,753

Table 25: Unit Level Non-Salary Expenses

Refer to the [Notes](#) for Table 25 on Page 45 of this report.

Notes to Table 23, Table 24 and Table 25

- ¹ Office of the Provost – Ongoing budget beginning in 2024/25 does not include Other Specific Carryforward budget.
 - ² AP Students – In fiscal year 2025/26, the Writing & Communication Centre was transferred from the AVP Academic portfolio to AP Students.
 - ³ AVP Faculty & Academic Life – This ASU changed its full name in fiscal year 2025/26 from Faculty Planning & Policy (FPP) to Faculty & Academic Life (FAL).
 - ⁴ AVP Academic - In fiscal year 2025/26, the Writing & Communication Centre was transferred from the AVP Academic portfolio to AP Students.
 - ⁵ Global Futures – This is a new unit as of fiscal year 2024/25.
 - ⁶ AVP Strategic Enrolment Management - This is a new unit as of fiscal year 2025/26.
 - ⁷ Safety, Security & Transportation – A new unit created in 2025/26 which includes the Safety Office and Special Constable Services.
 - ⁸ Vice-President, Research & International - The VPRI portfolio initiated a restructuring process in 2025/26 that is not yet complete. As a result, 2025/26 reporting by sub-unit reflects a point in time that is anticipated to change.
 - ⁹ Vice-President, Advancement & External Relations - The VP Advancement and VP University Relations portfolios were combined in 2025/26 into one portfolio.
- *WatSPEED – WatSPEED is discussed in the *Ancillary Services* section.

Capital Projects Report

Capital and renovation and maintenance projects are proposed and prioritized by faculties and units, but are managed centrally by the Planning, Design, and Construction group (PD&C). The capital projects included in this report include projects managed by the PD&C team and include costs related to construction, equipment, and furniture.

All capital projects with contracts over \$5M are approved by the Building and Properties Committee; all capital projects with contracts over \$10M are recommended by the Building and Properties Committee and approved by the Board of Governors. A multi-year-year forecast for priority maintenance priorities is provided to the Building and Properties Committee. Campus Housing also prepares a multi-year maintenance plan that incorporates future building and renovation plans and expected future demolitions. These maintenance projects are prioritized based on timing of expected renovations and student accommodation requirements.

The President’s Advisory Committee on Design (PACOD) meets regularly throughout the year and provides feedback on land use requests and building design for significant projects. PACOD includes representatives from various groups including students, academic administration, the school of Architecture, the School of Planning, the Indigenous Office, and Accessibility.

Major Capital Projects

Table 26 provides costs for major capital projects for the fiscal years ending April 30, 2021 (2020/21) to April 30, 2028 (2027/28). Many large projects require years of planning and design and approval processes. Costs incurred for planning and design require approval by the Building and Properties Committee. After design and cost estimates are completed, the construction and equipment costs of the project are approved and contracts for the projects are finalized.

(\$ millions) All Funds See Commentary Below on Funding Sources	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Actuals	2024/25 Actuals	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Science Teaching Complex	0.5	-	-	-	-	-	-	-
Auto. Vehicle (AVRIL)	0.1	-	-	-	-	-	-	-
Campus Fieldhouse	0.1	-	-	-	-	-	-	-
Tunnels and Other	1.5	0.2	3.1	0.6	-	-	-	-
PAC/SLC Addition	14.9	1.0	0.3	0.1	-	-	-	-
Innovation Arena	0.2	0.9	6.8	20.9	7.2	-	-	-
Earth Sciences Chemistry	0.1	0.2	1.4	12.8	10.9	-	-	-
Graham Project (1)	-	-	-	-	34.5	8.2	-	-
Math 4 (2)	-	1.2	3.2	2.9	11.8	30.6	48.0	12.2
Waterloo Eye Institute (3)	0.3	0.4	0.2	1.1	7.1	26.5	17.0	-
Residence Building NRB26 (4)	-	-	0.5	2.0	12.7	40.0	74.8	-
WaterFEL (5)	-	-	-	-	2.9	10.0	32.8	6.3
Total	17.7	3.9	15.5	40.4	87.1	115.3	172.6	18.5

Table 26: Cost Overview for Major Capital Projects

In Table 26, 2025/26 to 2027/28 represent forecast amounts based on approved project budgets; all projects in progress are within their respective approved budgets. As illustrated in Figure 9, there are three funding sources for the capital projects of Table 26:

- *Student fees* are billed and collected specific to funding the PAC/SLC addition based on a past student referendum, and Housing residence fees which are funding the residence building NRB26 and tunnels;
- *Research grants and donations*, which have supported the Innovation Arena, ESC, Graham Project, Waterloo Eye Institute, and WaterFEL;
- *Operating reserves*, via central and faculty contributions, are set aside and accumulate over time to support all other projects.

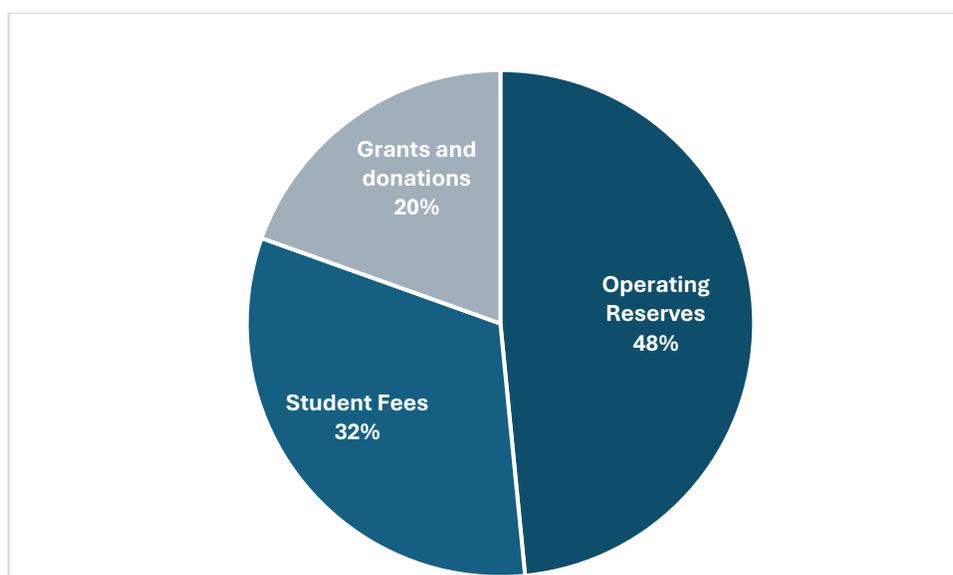


Figure 9: Funding Sources for Major Capital Projects (2020/21 to 2027/28)

Repairs and maintenance and renovations for the residence buildings are funded through residence fees, minor repairs for other buildings are funded by the operating budget. Large deferred capital renewal projects are managed with operating funds (use of capital reserves set aside for significant projects and ongoing allocations through the annual operating budget), and the Ontario facilities renewal grant (FRP). Certain projects are supported through internal financing or external debt such that the funding sources can pay for the projects over time. The University did not have any external debt as at April 30, 2025. In 2026, the University began drawing on a previously approved construction loan of approximately \$85M to support the Residence Building NRB26 with expected completion in Spring 2027. The multi-year operating budget forecast includes the increased estimated operating costs for the new buildings as they come online.

1. Graham Advanced Research Computing System \$43.0M

In January 2024, the University of Waterloo was successful in securing \$43.0M from the Digital Research Alliance of Canada and Compute Ontario to upgrade equipment for the Graham Centre in the Math & Computing Building. The funding includes construction costs (\$3.0M) and equipment (\$40.0M). Despite a tight timeline, the system was operational by July 1, 2025.

Funding – All costs for the equipment and installation are funded by grants. The University contribution to the project consisted of \$3.9M in a heat exchange project already funded through a previously approved sustainability project.

2. Math 4 \$110.0M

In October 2022, the Board approved a budget of \$110.0M for construction of the Math 4 building. Construction began in July 2024 and will continue until 2027. The completed building will provide additional classrooms, offices, space for a consolidated data centre, and extensive student space.

Funding – the Math 4 project includes \$17.5M of university funding and \$92.5M from the Faculty of Mathematics, including \$0.6M in donations.

3. Waterloo Eye Institute \$52.5M

In April 2021 the Board approved a budget of \$45.3M for the Waterloo Eye Institute Project. A subsequent budget \$50.3M was approved in February 2023. An updated budget of \$52.5M was approved in June 2024. Construction is underway and completion is expected in November 2026. During construction, certain services have been temporarily moved to leased space on Phillip Street. The Waterloo Eye Institute will include updated lab space, classrooms, and optometry practice space.

Funding – the project includes \$21.3M in donations and pledges, \$6.5M in university funding, and \$24.7M in contributions from the Faculty of Science.

4. New Residence NRB 2026 \$130.0M

In October 2023, the Board approved a budget of \$135.0M for the building of a new residence. This budget was reduced to \$130.0M in June 2024 due to the federal and provincial HST rebates provided for student residence buildings. Construction began in June 2024 and completion is expected in December 2026. The residence will have over 500 beds and will be connected to the Claudette Millar Hall Residence by a pedestrian bridge over the LRT tracks. The residence is funded through the ancillary fund (i.e., by student residence fees).

Funding – The building is funded by approximately \$45M from existing ancillary funds and will require approximately \$85M of external debt. The external debt will be paid through the ancillary fund over a 25-year amortization period. The residence fee revenue will fund the principal and the interest related to the debt.

5. WaterFEL \$52M

The Free Electron Laser project (WaterFEL) was approved by the Board in June 2024. This project is supported by a Canadian Foundation for Innovation (CFI) grant of \$13.3M for equipment and installation of the free electron laser. A separate grant of \$3.5M will cover operating costs for the first five years of operation. Various locations for the project were considered and a location on North Campus was selected.

Funding – The building is expected to cost approximately \$39M and will be funded by the Faculty of Science through operating funds. These funds include operating reserves on hand and internal financing to be repaid with operating funds. The CFI grant is expected to cover the funding needed for the equipment.

Other Capital Projects

Each year, renovation projects are considered across campus to improve student services and to update required space. These projects are funded through various sources including operating funds, including the University Fund, Faculty budgets, carry forward balances, or academic support unit budgets, donations, or research funds. During the past year, the following projects over \$1M were completed or in final stages of completion:

- East Campus Hall Longhouse Labs - fully funded through grants (\$2.8M)

Deferred Capital Renewal projects are tracked and reported separately. Due to ongoing fiscal constraints and maintenance needs of the University, priority for future projects will include renovations that address maintenance, safety, and accessibility needs of the campus. Projects that can be funded through research grants, ancillary revenues, other grants, and donations will be prioritized.

Projects in Planning Phases

Additional renovation and building projects will be considered as funding allows and in alignment with the campus plan, which was approved in principle on February 3, 2026 by the Board of Governors following the Senate's January 2026 endorsement of the design framework and principles. The plan provides direction for buildings that may be considered for demolition and buildings requiring significant renovations and deep energy retrofits.

Each year, faculty from the University apply for Canadian Foundation for Innovation (CFI) grants which are often matched with Ontario Research Fund (ORF) grants. These grants support capital and renovation costs related to the grants. Commitments are made during the application phase so that projects can proceed with a defined timeline and budget when the grants are announced. In the past, faculties have applied separately for the grants with some input from the Planning, Construction, and Design Group. In the upcoming year, the Office of Research will work closely with the faculties, space planning, the president and provost offices and the PC&D team to align priorities, collaborations across faculties, and proposed locations for all applications.

Projects over \$1M currently in the planning phase include the following projects. Most of these projects are expected to be funded by faculty renovation budgets, grants, and donations.

- Geothermal Bore Holes Project (CFI grant)
- Innovation Arena Main Floor Fit Out Project
- Indigenous Land Based Learning Site – North Campus
- Indigenous Student Centre – Needles Hall
- Carl Pollock Hall (CPH) Retrofit

Most of the projects in the planning phase are expected to be funded by faculty renovation budgets, grants, and donations.

The Campus Housing Plan includes plans for deferred capital renewal, retrofits of existing residences, residences slated for demolition and new residence buildings to meet the current and future demand for residence spaces. The following residence projects are in the planning phase:

- Wellesley Court Residence Renovation Project
- New Residence Building (NRB 2028)

Capital Project and Space Allocation Committee (CaPS)

In September 2025, the University put in place a Capital Project and Space Allocation Committee (CaPS) in order to prioritize and plan upcoming capital projects. This internal committee reviews all capital, renovation, and maintenance project requests over \$100,000. The purpose of the committee is to assess requests, consider alternate options, ensure appropriate funding, and recommend projects for approval. The committee carefully considers future projects to ensure they are aligned with the campus plan activities, maintenance priorities, and student space and classroom requirements. The committee also considers the information available in the campus plan to consider priorities and future use of land and buildings.

Revolving Fund

The University of Waterloo's Revolving Fund is an internal financing mechanism designed to accelerate energy and water efficiency projects that produce measurable utility savings. Supported by Plant Operations and the Sustainability Office, the fund provides up front capital to campus units for projects that deliver quick, competitive financial paybacks. The fund targets a five-year return while reducing electricity, gas, or water consumption.

Eligible projects must take place on a UW campus, have a clear unit lead, and require at least \$10,000 from the fund, with typical projects between \$10,000 and \$250,000. Proposals are reviewed based on anticipated cost savings, emissions reductions, timing, project feasibility, and broader institutional benefits. Savings generated from completed projects are reinvested back into the fund, enabling future rounds of investments and allowing the fund to “revolve” as a self-sustaining resource. Examples of initiatives supported through the fund include lighting retrofits in Athletics and Campus Housing, as well as efficiency improvements such as insulation upgrades tied to time-sensitive rebates. Through this reinvestment model, the Revolving Fund serves as a catalyst for advancing the university's sustainability and energy-management goals while reducing long-term operating costs.

The revolving fund was launched in 2024 and cost savings of \$126,000 were reinvested into the fund in 2025.

Deferred Capital Renewal and Preventative Maintenance

The University of Waterloo has significant deferred capital renewal liabilities due to aging buildings and increasing costs of repairs. Over the past three years, additional review and a prioritization process was put in place to identify urgent maintenance projects. Internal resources are considered to ensure that the infrastructure and energy team has the appropriate experience to manage complex maintenance projects. Sustainability projects are also considered as part of the prioritization process.

Deferred Capital Renewal is defined as work on the maintenance of physical facilities that has been deferred on a planned or unplanned basis to a future cycle. Universities across Ontario use a capital-asset management system to assess, track, and report on the condition of facilities. Each major component of a building – roof section, classrooms, heating, ventilation, air-conditioning systems, etc. are assessed to determine an estimated liability related to maintenance. These cost forecasts provide valuable information about the University's building to identify and plan for maintenance. Most universities complete the detailed assessment every five years to track progress and priorities for building maintenance.



Over the past three years, a more formal assessment of priority projects across the University began to better identify the urgent / priority projects. Updates on the priority projects for maintenance and sustainability are shared with the Building & Properties Committee.

Additional funding from the university's operating budget and capital reserves has also been allocated to these deferred capital renewal projects to ensure that these projects continue to be planned and completed. While funding is one component to completion of large maintenance projects, the University also needs to build up internal resources and specialists to ensure that the team can manage these projects and coordinate timing with the academic needs of the University.

During the past year, the University completed a full maintenance review as part an internal audit process. The report highlights the need for more consistent data regarding the requirements for each building, and improved preventative maintenance procedures and processes. The failure of a boiler affecting student residences in January 2025 highlighted the need for clarity on responsibilities and coordination of maintenance services by the Plant Operations team. In coordination with the Technical Safety & Standards Authority, urgent repairs to the central plant have been identified. The central plant delivers heating, cooling, compressed air, and core utilities to the main campus. It provides round-the-clock operational stability across campus and maintains critical mechanical and electrical infrastructure.

These reviews and audits indicate the need to focus on repairs required to maintain the central plant equipment and address all safety requirements. Deferred capital renewal funding of \$1-2M will be allocated to the central plant repairs and plant operations resources will be dedicated to addressing the recommendations and ensuring that a strong preventative maintenance program is in place. Other longer term deferred capital renewal capital projects will be rescheduled to address these urgent repair requirements.

For many years, the University has relied on Facilities Renewal Program (FRP) grants to funding deferred building maintenance needs. These grants, provided by the provincial government to post-secondary institutions, contribute approximately \$7M to Waterloo per year. Additional funding has been provided over the years as needed for specific maintenance projects. In 2022/23, the University began allocating \$6M per year from the operating budget towards deferred capital renewal projects. In 2025/26 this budget has been increased to \$11M per year and in 2026/27 this ongoing budget will increase to \$12M. The University has also committed over \$10M in capital reserve balances to supplement the budget for deferred capital renewal in the past two years.

The maintenance projects for the residences are funded separately through the ancillary fund and are covered by student residence fees. The multi-year financial plan for the Campus Housing (ancillary fund) takes into account costs of building the new residence currently under construction.

Over the past six years, repairs, maintenance, and renovation costs have been funded through the ancillary fund (Campus Housing and Food Services), research funds (grants and funding for renovation, equipment replacements) and operating (capital reserves, funding for priority projects and faculty funded repairs and maintenance and renovations). For accounting purposes, some of these projects are considered expenses and some are capitalized as assets that are depreciated over their useful lives. All expenses and capital investments related to repairs, maintenance, and renovations are summarized in Table 27.

Actuals (\$ millions)	2020/21	2021/22	2022/23	2023/24	2024/25
Betterments (capital)*	-	-	4.5	0.9	0.1
Building Equipment (capital)*	4.4	7.4	8.7	14.7	23.1
Site Improvements (capital)*	-	0.1	0.7	3.1	3.9
Alterations / Renovations	9.4	11.6	8.9	10.4	8.8
Site improvement expenses	1.3	0.8	0.3	0.3	0.7
Building maintenance	5.1	3.2	2.7	3.0	1.2
Equipment maintenance	2.3	2.5	2.8	4.5	3.8
Network maintenance	0.1	-	0.4	0.2	0.3
Total	22.6	25.6	29.0	37.1	41.9
Funding Source:					
Ancillary	5.6	3.0	4.1	4.4	5.1
Research	2.8	2.3	3.7	2.7	4.4
Operating / Reserves	14.2	20.3	21.2	30.0	32.4
Total	22.6	25.6	29.0	37.1	41.9

Table 27: Repairs and Maintenance – Expenses and Capital Investments

In Table 27, some major capital projects (starred) include budgets for repairs and maintenance. For example, the ESC project includes significant replacement and betterment costs. New buildings or additions to existing buildings are not included in this summary as they represent new assets of the University.

The significant costs over the past five years are driven by a focus on renovating existing buildings and addressing deferred capital renewal liabilities.

Priority Deferred Capital Renewal and Sustainability Projects

(\$ millions)	Budget 2025/26	Forecast 2025/26	Projected 2026/27*	Projected 2027/28*
Maintenance	17.4	11.4	19.4	23.2
Sustainability	5.0	4.5	5.0	6.5
Ancillary	5.0	6.4	5.0	5.0
Total	27.4	22.3	29.4	34.7
Funding Source				
FRP Grant	7.0	7.2	7.3	7.3
Ongoing Operating	11.0	11.0	12.0	12.0
Ancillary	5.0	6.4	5.0	5.0
Capital Reserves	5.1	-	5.1	-
Unfunded	-	-	-	10.4

Table 28: Priority Deferred Capital Renewal and Sustainability Projects

Spending on priority projects is listed in Table 28. As many of these projects are multi-year, there are commitments shown extending into 2027/28. Due to other urgent maintenance issues identified with the central plant, priority projects are being reviewed to ensure that appropriate resources can be used to maximize the impact for needed repairs across campus.

The FRP grant is confirmed each year by the Ministry of Colleges and Universities (MCU). The projections for future years are based on the expectation that the grant will continue at its current levels, but this funding is not yet confirmed.

Capital reserve funds have been used to address critical maintenance projects. Due to the University's operating deficit position, there are no additional reserves available to supplement the deferred capital renewal projects. To meet urgent maintenance needs for 25/26 and beyond, the University will need to consider financing arrangements or additional operating fund contributions to support future projects. Allocation of operating budget would be required over time to service and repay the debt.

During the past year, the following projects over \$1M were completed or in final stages of completion. Most maintenance projects require one year to plan and two to three years to complete.

- Heat Recovery Chiller (\$3.2M)
- Replace Chiller B1 (\$7.7M)
- CGB steam traps phase 2 (\$2.1M)

The following significant maintenance projects are in progress with expected completion in 2026/27:

- Sustainability project – submetering final phases (\$6.1M)
- Replace primary electrical feed (\$5.5M)
- PAC HVAC and roof replacement (\$6.7M)
- Chemistry 2 roof replacement (\$1.5M)
- STC skylight project (\$2.2M)
- E3 roof replacement (\$1.0M)

The following significant maintenance projects are in the planning phase:

- CIF boiler and distribution replacement (\$6.3M)
- HV cable upgrades (\$5.0M)
- Transformer / Distribution replacement (\$2.5M)
- CSB HVAC replacement (\$1.5M)
- Central Plant required maintenance (\$2.6M)
- Lighting Upgrades (\$2.6M)

Deferred Capital Renewal to Current Replacement Value

Universities in Ontario receive significantly less funding for maintenance than other provinces in Canada and require additional operating funds to support maintenance needs. Universities also track the Facility Condition Index which calculates the ratio of deferred maintenance to current replacement value. The table below outlines this calculation for the University's non-residence and residence buildings.

The most recent report from 2024/25 indicates that deferred capital renewal at the University is \$626M for non-residential buildings and \$181M for residence buildings, leading to the resulting Facility Condition Index shown in Table 29. Major components of deferred capital renewal include mechanical and electrical requirements, as well as roofs and windows.

	Non- Residence Buildings	Residence Buildings
Current Replacement Value	\$3,448M	\$897M
Deferred Maintenance	\$626M	\$181M
DM/CRV	18.2%	20.2%

Table 29: Facility Condition Index for 2024/25.

The University aims to keep the calculated ratio under 20% as way to measure the condition of the facilities. Due to the age of the buildings, some buildings require more critical repairs than others. The deferred maintenance liability estimate also includes buildings that may be considered for demolition. These buildings are managed by addressing short term requirements without the need for full replacement of building components.

For buildings and building components expected to last for 50 years, annual maintenance should approximate 2% of replacement value. For non-residence buildings this would result in \$68M in maintenance costs per year. For the residence buildings, the maintenance costs would be \$18M per year. Over the past few years, this estimate has increased due to the significant increase in construction and maintenance costs.

With the completion of the Campus Plan and updates to the Campus Housing Plan, future plans for space and buildings will help to identify which buildings will require maintenance and which buildings will need to be considered for future demolition.

Resources and Financing

When cash reserves on hand allow, the University can provide internal financing summarized in Table 30, for certain capital projects. These loans are secured by future cash flows including residence fees and student fees.

(\$ millions)	Balance	Repayment Period	Funding
UWP and MKV Student Residences	6.6	5 years	Residence Fees
Claudette Millar Hall	21.0	14 years	Residence Fees
Student Life Centre / PAC addition	20.5	14 years	Student Fees

Table 30: Internal Loan Balances (as of January 2026)



As cash reserves on hand are expected to decline in upcoming years, the University will limit additional internal financing arrangements and consider external borrowing options. All construction projects in progress will be funded with existing funds on hand, including central funds and faculty carryforward balances. The WaterFEL project will require some internal financing, and the new residence will be partially funded through external debt. The University has the cash reserves on hand to support the internal financing needs for the WaterFEL project.

Universities across Ontario are also considering other financing options to address maintenance costs, particularly for residence buildings. These options may include debt or other arrangements.

An updated debt policy was approved in spring 2025. The updated policy provides guidance on the University's level of external debt and process for approval.

As planning for maintenance and renovation projects continues, appropriate resources will also be required. The Infrastructure, Energy, and Sustainability teams will need to carefully consider resources to support upcoming maintenance and sustainability projects. Large multi-year projects require specialized consultants and engineers. Preventative maintenance and processes will also need to be prioritized to ensure that buildings remain in a good condition when large replacement projects need to be planned and executed.

Ancillary Services

Ancillary units are self-sustaining enterprises that provide supports and services to the University community. They include Campus Housing, Food Services, Print and Retail Solutions, Sustainable Transportation, WatCard, and WatSPEED.

The revenues obtained from ancillary units cover their operating expenses and capital investments. These units are expected to maintain financial sustainability, recover from the impacts of the COVID-19 pandemic, and deliver the best possible customer experience. The financial impact of the pandemic, coupled with the evolving economic environment, have led to longer-term challenges that could require adjustments to current business models across units. Nonetheless, these units continue to strive to be efficient and cost effective, while meeting the diverse needs of students and the university community as a whole.

Campus Housing

Campus Housing provides safe, accessible, clean and supportive housing for students while they live, study or work on campus.

New residences and maintenance projects for residences are funded through the ancillary fund and are covered by student residence fees. In October 2023, the Board approved a budget of \$135M for the construction of a new residence (reduced to \$130M in June 2024 due to federal and provincial HST rebates). Construction began in June 2024, with planned occupancy in 2027. The multi-year financial plan for the Campus Housing incorporates the cost of this residence, including a \$10.5M contribution in 2025/26 towards this project from the unit's cumulative surplus. Going forward, the unit will draw on debt for the new residence payments, with interest payments reflected in the financial projections.

In 2025/26, the unit is expected to realize a cumulative surplus of appropriately \$8.1M, with a positive cumulative balance projected to continue into the foreseeable future, even with planned construction and major renovation investments. The projections incorporate the 9% annual rollout recommended in the Residence Fee Review project completed in 2023.

Food Services

Food Services offers a range of products and services, such as meal plans, food-related wellness initiatives, and nutritional programs, to students, faculty, staff, and the broader community. These services are delivered through more than 25 outlets, including residence cafeterias, cash operation outlets, franchises, Catering Services, Conference Services, and vending.

Overall, its financial performance is solid, with sales and contribution margins exceeding budget in certain areas. Annual surpluses are projected over the next few years, accompanied by a significant reduction in cumulative deficits (from -\$5.30M in 2025/26 to -\$3.17M in 2029/30). At the same time, rising food and labour costs underscore the need for ongoing strategic planning to improve efficiency and service delivery, which is being addressed through targeted operational changes and the closure or restructuring of underperforming services. The unit will continue to explore and implement cost efficiency measures, including with Print and Retail Solutions.

Print and Retail Solutions

Print and Retail Solutions (PRS) is a cost-recovery ancillary unit that offers products and services including course materials and textbooks, branded merchandise, stationary, school supplies, and print, copy, fax and scan solutions.

PRS faces a challenging revenue outlook given the changing economic environment (from \$8.6M in 2025/26 to \$7.5M projected in 2028/29, a 12.8% decline). Revenue from course materials is projected to decline significantly by 2028/29 as publishers disintermediate campus stores, dealing directly with faculty and/or students and as more learning materials move towards digital instructor-authored content (often free for students). Furthermore, discretionary purchases from internal units will remain under pressure given the University's constrained budget. To sustain its operating surpluses, PRS is exploring opportunities to share resources with Food Services.

Sustainable Transportation

Sustainable Transportation supports the university community by providing multiple transportation and parking options to get to, from, and around campus.

Sustainable Transportation continues to demonstrate solid financial results, with revenue rising and on track to meet its budget forecast (from \$3.8M in 2022/23 to \$5.2M in the current fiscal year). Expenses remain well-managed, with employee costs slightly below budget and non-salary expenses aligning closely with planned levels, despite modest increases tied to maintenance, technology upgrades, and administrative charges. The cumulative surplus is expected to grow, strengthening capacity to fund deferred maintenance, infrastructure renewal, and modernization and sustainability initiatives such as license plate recognition systems and EV charging. Organizational changes have been implemented to optimize resources through collaboration and resource sharing.

WatCard

The WatCard office is responsible for the printing and distribution of the University's campus identification card. The WatCard is the University's comprehensive photo ID and is needed for many of the services provided by the University. The financial forecast for WatCard remains stable.

WatSPEED

WatSPEED is the professional, corporate, and executive education arm of the University, which offers non-credit courses and scalable global learning opportunities for professionals. WatSPEED is a revenue generating unit that originally received a three-year funding commitment from the University to invest in systems, courses, programming, and human resources. It has invested in technologies, tools, and platforms; formed and nurtured partnerships; actively engaged leaders in the private and public sectors; and built an effective team to meet its mandate.

WatSPEED operates with fiscal discipline, focusing on efficient resource allocation and strategic investment. Its staffing levels have decreased due to natural attrition, with roles intentionally remaining unfilled to support lean operations. In addition, it has adapted to changing market conditions and business priorities. It is entering a period of sustained, healthy growth, with revenues forecast to rise from approximately \$5.6M in 2025 to \$8.7M by 2029. The 2025/26 and 2026/27 projected deficits (\$2.35M and \$2.20M) exceed that of 2024/25, due to the conclusion of external grant funding.

Financial Projections for Ancillary Services

Campus Housing (in thousands)							
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	43,185	45,417	46,703	50,054	54,493	60,983	68,298
Expenses							
Salary and Benefits	9,051	10,086	10,629	11,221	11,712	12,424	12,267
Non-Salary	27,118	25,098	27,024	29,591	35,398	36,590	39,541
Major Facilities Renewal Projects*	0	3,000	32,000	10,500	5,000	18,500	16,500
Annual Surplus/Deficit	7,016	7,233	-22,950	-1,258	2,383	-6,531	-10
Cumulative Surplus (Deficit)	25,050	32,283	9,333	8,075	10,458	3,927	3,917

*Expenses include payments toward the New Residence Building, planned major renovations, etc.

Food Services (in thousands)							
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	33,212	34,592	34,542	32,923	35,280	37,397	39,267
Expenses	33,019	35,568	34,308	32,594	34,894	36,844	38,676
Annual Surplus/Deficit	193	-976	234	329	386	553	591
Cumulative Surplus (Deficit)	-4,887	-5,863	-5,629	-5,300	-4,914	-4,361	-3,770

Print and Retail Solutions (in thousands)							
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	10,572	10,004	8,625	8,580	8,574	8,195	7,532
Expenses	11,800	10,203	8,537	8,527	8,437	8,083	7,387
Annual Surplus/Deficit	-1,228	-199	88	53	137	112	145
Cumulative Surplus (Deficit)	-3,345	-3,544	-3,456	-3,403	-3,266	-3,154	-3,009

Sustainable Transportation (in thousands)							
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	3,770	3,996	5,039	5,180	5,362	5,549	5,744
Expenses	3,056	3,564	3,529	4,122	5,078	5,370	5,945
Interfund Transfer	325	75	699	-	-	-	-
Annual Surplus/Deficit	389	357	811	1,058	284	179	-202
Cumulative Surplus (Deficit)	2,332	2,689	3,500	4,558	4,842	5,021	4,819

WatCard (in thousands)							
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	791	794	860	869	895	922	950
Expenses	687	696	801	869	895	922	950
Annual Surplus/Deficit	104	98	59	0	0	0	0
Cumulative Surplus (Deficit)	441	539	598	598	598	598	598

WatSPEED (in thousands)							
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue	2,668	5,002	5,670	5,665	6,381	7,560	8,730
Expenses	-4,803	-6,631	-7,725	-7,997	-8,510	-9,397	-10,207
Interfund Transfers	6	-110	-85	-18	-103	-141	-201
Annual Surplus/Deficit	-2,129	-1,739	-2,140	-2,350	-2,232	-1,978	-1,678
Cumulative Surplus (Deficit)	Deficit cleared via seed funding from Central			-2,350	-4,582	-6,560	-8,238

Table 31: Financial Projections for Ancillary Services

Glossary of Terms

Term	Definition
A	
Academic Support Unit (ASU)	University administrative units that support the operation of the University, and which are primarily funded from annual budget allocations in the Operating Fund. Examples of ASUs at the University of Waterloo include the Registrar’s Office, the Library and the Secretariat.
Affiliated and Federated Institutions of Waterloo (AFIW)	The University of Waterloo has affiliation or federation agreements with four Waterloo university colleges: Conrad Grebel University College, Renison University College, St. Jerome's University, and United College. Each of these four institutions have a long history with the University of Waterloo. Although administratively independent, the AFIW are integrated into Waterloo’s academic structure, and all AFIW students are UW students.
Ancillaries	The University of Waterloo includes a number of units that operate as ancillary units, including Campus Housing, Food Services, Print + Retail Solutions, and Sustainable Transportation. Ancillary enterprises support campus customers and revenues cover their operating expenses and capital investments. Revenues and expenses in these units are recorded in the Ancillary Fund.
B	
Benefits	Budget and expenses associated with benefits provided to university employees including extended health and dental coverage, a defined pension plan, long-term disability (LTD), life insurance, tuition benefit, and the Employee and Family Assistance Program (EFAP).
Blue-Ribbon Panel	<p>In Spring 2023, the Ontario Ministry of Colleges and Universities (MCU) created a blue-ribbon panel tasked with providing advice and recommendations on how to ensure the long-term financial sustainability of Ontario’s postsecondary education sector, specifically publicly assisted colleges and universities.</p> <p>The panel completed their work in 2023, and published their report in November 2023. Recommendations included significant grant funding increases, regular adjustments to the enrolment funding corridor and an end to the domestic tuition freeze, with significant tuition fee increases, to be followed by regular predictable increases to recognize inflationary cost pressures.</p>

C

Capital Fund

The University of Waterloo revenues and expenses are segregated and managed in specific funds based on their source and purpose. The capital fund includes the funding (externally restricted and internally designated) and expenses for major construction renovation projects and other capital assets.

Carryforward

Balances (positive or negative) that are brought forward from the previous fiscal year at a unit level. Carryforward balances result from under (or over) spending in previous fiscal years in comparison to budget allocations within a specific unit.

Corridor Adjustment ('STEM')

In April 2025, the Ontario government announced a new time-limited grant funding investment through a corridor adjustment, with STEM-related accountabilities. The corridor adjustment provided Waterloo with grant funding for a portion of its previously unfunded eligible enrolment, but that funding was provided for only three years (2025/26-2027/28), with no commitment that funding will continue beyond 2027/28.

D

Deferred Maintenance

Work on the maintenance of physical facilities that has been deferred on a planned or unplanned basis to a future cycle.

Domestic Students

Domestic students include both Canadian citizens and permanent residents (PR). Tuition fees for domestic students are assessed based on the student's domestic residency status, either Domestic Ontario, or Domestic Out-of-Province. Domestic Ontario students are students who are assessed Domestic Ontario tuition fees, with status determined based on tuition residency.

Domestic Out-of-Province students are students who are assessed Domestic Out-of-Province tuition fees, with status determined based on tuition residency.

In Fall 2023, in compliance with Ministry policy, the University of Waterloo adopted separate tuition fees for Domestic Ontario (in-province) and Domestic Out-of-Province students.

E

Eligible Enrolment

Eligible Enrolment refers to enrolment that is eligible to generate provincial operating grant support. Enrolment is eligible to generate grant when the student enrolled is eligible, and when the program in which they are enrolled is eligible. Generally, students are eligible when they are Canadian or a Permanent Resident of Canada, and they have not yet exceeded the grant funding maximum for their program (WGU limits). Programs are eligible once the program has been reviewed and approved by the province as eligible for operating grant funding. Note that Full-Cost-Recovery programs are not eligible for operating grant funding.

Endowment Fund

The University of Waterloo revenues and expenses are segregated and managed in specific funds based on their source and purpose. Contributions restricted for endowment consist of restricted donations received by the University and endowment income internally designated to endowment principal, generally for inflation protection purposes. The investment income generated from external and internal endowments must be used for the designated purposes. The University ensures that all funds received for restricted purposes are expended for those purposes for which they were provided.

Enrolment

Student enrolment in credit-bearing programs, including diploma, degree and certificate programs. Student Enrolment is counted in different ways to serve different purposes (e.g., Headcounts, Full-time Equivalents (FTEs), and Fiscal Full-time Equivalents (FFTEs)).

Enrolment Funding Corridor

Ontario universities receive grant funding from the province through separate funding envelopes, the largest of which (Enrolment and Performance) are capped by the enrolment funding corridor, which caps grant funding for eligible enrolment, measured in WGUs.

Enrolment Grant

A significant portion of the operating grant funding received from the province is provided through the Enrolment Grant, also sometimes referred to as the Core Operating Grant (COG). This funding reflects eligible enrolment, weighted by Weighted Grant Units (WGU) program weights, and is capped by the enrolment funding corridor.

Executive Council (EC)

Under the direction of the President, Executive Council serves as an administrative body through which discussions on institutional strategic and operational priorities can be shared across academic & administrative leadership, providing feedback and consideration of impacts on various portfolios.

Externally Restricted Funds

Resources that the university receives for a specific purpose with conditions imposed by an external third party that limit how the funds can be used.

F**Facilities Renewal Program**

Funding provided by the Ontario Government to support publicly assisted colleges and universities with the maintenance, repairs and renewal of existing facilities.

Fiscal Full-time Equivalent (FFTE)

An FTE measure of student enrolment specific to the calculation of provincial operating grant support, following definitions and rules laid out by the province in the Ontario Operating Funds Distribution Manual.

Fiscal Year (FY)

The University of Waterloo's Fiscal Year (FY) runs from May 1st until April 30th the following year.

Full Cost Recovery (FCR)

Full Cost Recovery programs are programs that are designed to be financially viable on the basis of the tuition revenue collected by the program, without provincial operating grant support. Typically, FCR programs have higher tuition fees than non-FCR programs, in order to generate sufficient revenue to cover their full operating costs. Tuition fees for FCR programs are not bound by the Tuition Fee Framework but those fees do still need approval by the University's Board of Governors. Students in FCR programs are typically not eligible to apply for loans and grants through the Ontario Student Assistance Program (OSAP).

Full-time Equivalent (FTE)

A measure of student enrolment that counts all students as fractional equivalents of a full-time student, or a student taking a full course load. When counting student enrolment for the purposes of understanding services and resourcing, or in cases where a relatively significant proportion of students are not full-time students taking a full course load, measuring student enrolment in FTEs is often preferable to using an enrolment measure such as total headcount.

H**Headcount**

A measure of student enrolment, or employees, that counts all individuals equally, regardless of full-time/part-time status. In the case of student enrolment, headcount is also sometimes referred to as 'bums in seats', providing a direct count of the number of students enrolled in a program or term, without distinction between full-time or part-time status, or course-load.

I**International Students**

Students who are not Canadian citizens or permanent residents. For the purposes of tuition, international students are generally assessed international tuition fees, with status determined based on tuition residency.

International Student Recovery (ISR)

The International Student Recovery (ISR) is a compulsory grant reduction, introduced in 2012, and levied on all publicly funded universities in Ontario.

Currently the ISR grant reduction is equal to \$750 for every Fiscal Full-Time Equivalent (FFTE) of international enrolment in undergraduate and master's programs.

N**Non-Salary Expenses**

Operating expenses other than employee compensation (salaries and wages), for example, computer equipment, supplies, travel, and training.

O

Operating Fund

The University of Waterloo revenues and expenses are segregated and managed in specific funds based on their source and purpose. The operating fund includes revenues and expenses for the core operations of the University.

P

Performance Grant Funding

A significant portion of the grant funding received from the province is provided through the Performance Grant. Like the Enrolment Grant, this funding reflects eligible enrolment, weighted by Weighted Grant Units (WGU) program weights, and is capped by the enrolment funding corridor, but a portion of this funding is also 'at risk', contingent on the university's performance on specific performance metrics allowable performance targets as established through the Strategic Mandate Agreements signed with the province. The proportions of grant funding provided through the Enrolment Grant and the Performance Grant have been modified in recent years in accordance with provincial policy.

Provincial Attestation Letter (PAL)

Introduced in 2024, Provincial Attestation Letters are the mechanism through which applications for study visas from international students are restricted by the federal government. Each year, each province receives an allocation of PALs from the federal government and Waterloo receives its allocation from the province. Prospective international students need to have a PAL before applying for their study permit, which enables them to study at a specific Designated Learning Institution. The rules for which international students require a PAL in order to apply for their study visa have changed each year since this requirement was first introduced in 2024.

R

Research Fund

The University of Waterloo revenues and expenses are segregated and managed in specific funds based on their source and purpose. The research fund is a restricted fund to manage externally restricted grant and contract revenue received for research activities.

S

Salary Expenses

Operating expenses associate with employee compensation (salaries and wages). This does not include any salaries paid via research grants, such as to most graduate students, postdoctoral researchers, or research associates.

STEM One-time Funds (2023-24)

One-time grant funding provided in 2023-24, and not renewed.

Strategic Mandate Agreements (SMAs)

Strategic Mandate Agreements (SMAs) in Ontario are 5-year agreements between a publicly-assisted University or College and the Province. SMAs outline the parameters of provincial grant support, including performance metrics against which institutional performance will be measured for the purposes of the Performance Funding grant. Ontario launched the fourth set of Strategic Mandate Agreements in the spring of 2025 with SMA4 which will be in effect from 2025/26-2029/30.

Student Services Fees

Undergraduate and graduate student services fees that are developed in accordance with the Student Services Protocol. Under this Protocol, the fees are the result of recent actual costs of the student services units and agreed-upon cost sharing percentages for these services between the University, undergraduate students and graduate students.

Student Support

Financial support for graduate and undergraduate students such as scholarships, bursaries and awards.

Sustainability Grant Funding

In 2024/25, the Ontario government announced a new time-limited grant funding investment, providing modest increases to the overall per-student grant funding for eligible enrolment within the enrolment corridor. The Sustainability Grant was committed for a three-year period (2024/25-2026/27), with increased investments planned for each of those three years.

T**Trust Fund**

The University of Waterloo revenues and expenses are segregated and managed in specific funds based on their source and purpose. The trust fund represents externally restricted funds to support scholarships, Chairs, student activities or other activities.

Tuition

Fees assessed to students enrolled in for-credit academic programs, including diploma, degree and certificate programs. Tuition fees are assessed on the basis of the program in which the student is registered, and tuition fees vary by program. Within a program, different tuition fees are often assessed to domestic Ontario students, domestic non-Ontario students, and international students.

Tuition Set Aside

An obligation outlined in the provincial Tuition Fee Framework that requires Ontario universities to reserve (“set aside”) a portion of domestic tuition fee revenue to provide support to students with financial need.

Tuition Fee Framework

Tuition Fee Frameworks document provincial policy regarding the assessment of tuition and other fees for eligible students enrolled in for-credit academic programs, receiving provincial grant funding support, at publicly-assisted universities and colleges. Tuition fees assessed to international students, or in

Full-Cost-Recovery (FCR) programs are not restricted by the provincial Tuition Fee Framework.

U

University Fund

A multi-purpose fund, available for use at the direction of the Provost on behalf of the University, to provide budget support for a variety of strategic priorities across the institution within both Faculties and Academic Support Units (ASUs). While some investments are short-term, with one-time funds provided for a specific project, others have longer time span, with commitments made for multiple years reflecting the more complex nature of such investments. The plan is to wind down the role of the University Fund, to be replaced by the WIRAF Waterloo Fund.

W

Waterloo at 100

"Waterloo at 100" <https://uwaterloo.ca/strategic-vision/> is the official long-term strategic vision and plan for the University of Waterloo, guiding the institution's future and outlining its aspirations and goals leading up to its 100th anniversary in 2057.

The vision aims to guide the university's future direction, building on its unconventional founding spirit to address some of humanity's greatest challenges. The core of the vision is to be a community of curious, collaborative, innovative, entrepreneurial problem-solvers and leaders who seek to understand, identify equitable and sustainable solutions for the future of humanity and the planet.

Waterloo Fund

The Waterloo Fund is a key component of WIRAF, designed to serve two key purposes:

1. To provide multi-year funding allocations to the faculties, supporting overall program quality and sustainability by recognizing and mitigating the structural limitations imposed by the funding environment and historical program funding rate decisions of the province.
2. The support of strategic academic priorities, particularly those multi-faculty or University-wide.

Weighted Grant Units

Weighted Grant Units (WGUs) are a measure, defined by the provincial government as part of Ontario's university funding model. Each funding eligible academic program is assigned WGU weight(s), which can vary by discipline group, year-level and degree level, and those WGU weights are used in the calculation of the operating grant support for Universities.

WGUs replaced the older Basic Income Unit (BIU) system.

List of Acronyms

Acronym	Term
AFIW	Affiliated and Federated Institutions of Waterloo
AP	Associate Provost
ASUs	Academic Support Units
AVP	Associate Vice-President
CAPS	Capital Project and Space Allocation Committee
CFI	Canadian Foundation for Innovation
CIHR	Canadian Institutes of Health Research
COU	Council of Ontario Universities
DM	Deferred Maintenance
FCR	Full Cost Recovery
FFTE	Fiscal Full-Time Equivalent
FTE	Full-Time Equivalent
FRP	Facilities Renewal Program
FY	Fiscal Year
GSA	Graduate Student Association
GSPA	Graduate Studies and Postdoctoral Affairs
HR	Human Resources
IAP	Institutional Analysis & Planning
IDSA	International Doctoral Student Award
IPB	Integrated Planning & Budgeting
ISR	International Student Recovery
IST	Information Systems & Technology
MCURES	Ministry of Colleges, Universities, Research Excellence and Security
NSERC	Natural Sciences and Engineering Research Council of Canada
ORF	Ontario Research Fund
PACOD	President's Advisory Committee on Design
SEM	Strategic Enrolment Management
SMA	Strategic Mandate Agreements
SSHRC	Social Sciences and Humanities Research Council
STEM	Science, Technology, Engineering, and Mathematics
TSA	Tuition Set Aside
VPAER	Vice-President, Advancement and External Relations
VPAF	Vice-President, Administration and Finance
VPAP	Vice-President, Academic and Provost
VPRI	Vice-President, Research and International
WGU	Weighted Grant Units
WUSA	Waterloo Undergraduate Student Association