

**University of Waterloo**  
**SENATE FINANCE COMMITTEE**  
**Minutes of the February 7, 2024 Meeting**  
**[in agenda order]**

**Present:** Sheila Ager, Marc Aucoin, Paul Fieguth, Bruce Frayne, Mark Giesbrecht, Vivek Goel (chair), Mike Grivicic (secretary), Vikas Gupta, David Ha, Diane Johnston (for Charmaine Dean), Marten Karsten, Scott Kline, Lili Liu, Ellen MacEachen, Erin O'Connell, Jacinda Reitsma, James Rush, Rida Sayed, Mary Wells, Stanley Woo

**Resources:** MaryAnne Chan, Sarah Hadley, Jennifer Kieffer, Beth Namachchivaya, Allan Starr

**Absent:** Jeff Casello\*, Charmaine Dean\*, Chris Houser, Sonia Ismail, Stephanie Maaz

**Organization of meeting:** James Rush served as chair with Vivek Goel joining via teleconference; Mike Grivicic (secretary) advised that due notice of the meeting had been given, a quorum was present, and the meeting was properly constituted.

**1. DECLARATIONS OF CONFLICT OF INTEREST**

No conflicts of interest were declared.

**2. REMARKS FROM THE CHAIR**

Rush noted the role of the committee as well as that Senate and the Board of Governors in the review/approval of the University budget.

**3. MINUTES OF OCTOBER 5, 2023 AND BUSINESS ARISING**

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

**4. SLIDE DECK, OVERVIEW OF UNIVERSITY FUNDS**

Hadley provided a general overview of the multiple funds utilized in the overall budget accounting at Waterloo, including operating, research, capital, trust, ancillary, and endowment funds. The audited financial statements of the University include all the funds, and the utilization of these funds reflects fund segregation and management based on the funds' source and purpose, with transfers between funds only occurring in situations that are pre-defined. Members noted that ancillary operations are on a 'cost-recovery' basis and cover their own salaries/benefits, and that any excess funds shown on the financial statements are allocated to planned expenditure items such as IT investments, research carryforwards for planned future projects etc.

**5. UPDATE ON OPERATING BUDGET 2023/24**

Rush presented an update on the current year's budget, and members discussed: major items that have arisen since the October update include the salary settlements with employee groups as well as the recommendations to the provincial government of the Blue-Ribbon Panel; current projections show a year-end deficit of ~\$16 million; to deal with operating budget pressures, there will likely be mechanisms to apply central budget restraint in combination with those measures drawing from one-time sources e.g. deferring/forgoing planned capital spending; tuition revenue is holding steady but it should be noted that overall undergraduate domestic tuition has increased due to increased enrollments, and these increases are offset by decreases in international undergraduate tuition revenues (due to enrollment trends, and may also occur when a student qualifies for domestic tuition midway through their studies); the University has domestic enrollments above the funding corridor allocation; major drivers of expenses are salary and benefits, and some items that were formerly non-salary expenses have been migrated into the salary category; more specific data on expenses in certain categories will be included with the agenda materials for the next meeting.

## **6. 2024/25 BUDGET PLANNING CONSIDERATIONS AND CHALLENGES**

Rush gave a presentation on the preparations for the 2024/25 budget: overview of budget planning processes including activity planning and financial forecasting; response to the report of the Blue-Ribbon Panel is expected later in February; major factors in forward planning include trends around international tuition, general expense growth, inflation, and caps on international study visas; current expecting a significant central operating budget deficit, though the magnitude is still to be determined. Members clarified/discussed: based on current location in funding corridor, per student costs might be reduced by reducing enrollment, however these considerations need to consider impacts on program quality and the value proposition to students; potential to utilize the University's relatively strong balance sheet to finance capital projects on favorable terms, and the province is examining the extension of low interest borrowing options for student residences; it will be important to convey consistent messaging on the budget pressures and ensuring transparency thereon; decisions such as for hiring of co-op students would be made locally in the operating units based on what is sensible for those areas, and a top-down mandate would not be congruent with collegial governance; the University continues to benefit from the high quality of its applicant pool and from operational efficiencies obtained over the past several years, but faces specific challenges such as the infrastructure deficit and the necessary investments that will be needed in the coming years; some of the prospective improvements to the University's operations will require investment to secure long-term gains; space utilization is being examined as a potential source of savings. Rush analyzed potential scenarios used to assist in budget planning. The presentation of the draft budget will occur at the next meeting, and will include a greater depth of analysis than was provided in this update.

## **7. UPDATE ON INTEGRATED PLANNING AND BUDGETING**

Paul Fieguth provided a presentation: integrated planning overlays and provides practical support for units in their engagement with the annual budget cycle; integrated planning supports institution-wide initiatives and making connections to other units, enabling linkages to strategic priorities and planning on a time horizon for milestones beyond the current year; aim to develop a standard presentation of budgets and related forms to harmonize the process and allow comparisons and analysis of scenarios; establish processes to mitigate one-off decisions and to translate planning activity into budgeting. Members discussed: an integrated approach will help to better assess the relative merits of plans and budgets between units; the outcome of this approach is to see the financial details of the unit operations; the topic of 'service teaching' is on the table but the level of detail required to grasp the subject is substantial.

## **8. OTHER BUSINESS**

There was no other business.

## **9. NEXT MEETING**

The next scheduled committee meeting is Wednesday March 13, 2024 from 1:00-3:00p.m.

February 29, 2024

Mike Grivicic  
Associate University Secretary