

University of Waterloo
SENATE FINANCE COMMITTEE
Minutes of the April 2, 2024 Meeting
[in agenda order]

Present: Sheila Ager, Marc Aucoin, Jeff Casello, Charmaine Dean, Vivek Goel (chair), Paul Fieguth, Bruce Frayne, Mark Giesbrecht, Mike Grivicic (secretary), Vikas Gupta, Chris Houser, David Ha, Scott Kline, Ellen MacEachen, Erin O'Connell, Jacinda Reitsma, James Rush, Rida Sayed, Mary Wells, Stan Woo

Guests: MaryAnne Chan, Gen Gauthier-Chalifour, Sarah Hadley, Jennifer Kieffer, Karl Schuett, Allan Starr

Regrets: Sonia Ismail, Martin Karsten, Lili Liu, Stephanie Maaz

1. DECLARATIONS OF CONFLICT OF INTEREST

No conflicts were declared.

2. REMARKS FROM THE CHAIR

The chair offered remarks: the budget review/education session was held the previous week and was attended by more than half of Senators; since March 27th, the province has reviewed the allocation of international study permits among Ontario institutions and most Ontario universities have allocations at least equal to the previous year, with reductions to allocations to the college sector broadly and to some universities; with respect to admissions, issues external to the university persist with respect to the ability to provide attestation letters in a timely manner for inclusion with study permit applications.

3. MINUTES OF THE FEBRUARY 7, MEETING AND BUSINESS ARISING

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

4. 2024/25 OPERATING BUDGET

Rush provided a PowerPoint presentation on the 2024/25 Operating Budget:

- Key assumptions for budget development (both for revenues and expenses) alongside related risks, including factors such as enrolment decreases and increases to salaries/benefits and inflation in expenses broadly;
- Initial operating deficit of \$74.5 million before any measures to mitigate said deficit; defined mitigation will occur over a multiyear timeline with a multimodal approach, including ongoing across-the-board reductions to Faculties and academic support units as well as reductions from central spending, to address \$42.5 million of the projected deficit
 - These reductions are paired with draw down of one-time resources from Faculties, ASUs and central sources to resolve the remaining \$32 million in 2024/2025
 - The University will examine opportunities to gain efficiencies in operations and opportunities to monetize existing assets
 - Even with mitigating actions, the inflationary budget drivers are expected to persist and ultimately a change to the provincial funding model and regulatory framework will be an important step toward returning to balanced budgets
 - Some one-time resources are available from each of the Faculties, operating units and the central budget though drawing from these resources will result in deferring other investments (e.g. infrastructure renewal, strategic priorities, planned building projects)
- Further actions are expected to be taken in-year to resolve the deficit as clarity emerges on revenue and expense assumptions.

The Committee discussed the proposed budget, including: resolution of the budget deficit takes the approach of setting targets on expense reductions from the top down, with units able to decide how to meet those targets; limited hiring program is in effect, which will still allow hiring where the need is essential and secures the necessary approval; across-the-board cuts may be feasible in the short term but more nuanced strategies are necessary for future years; sustained budget reductions will necessarily impact the quality of Waterloo's education offerings and research enterprise; some consideration may be made for finding efficiencies in curriculum and teaching to harmonize academic offerings and optimize the teaching resources allocated; recent provincial announcement included funds that could be available to conduct analyses pertaining to efficiency measures; some worthwhile efficiencies will require upfront investment; the University may pursue external borrowing pragmatically in order to finance initiatives that will generate revenue or cost savings and/or achieve key strategic objectives; potential for ancillary operations to offer support in mitigating the deficit through existing allowed transfers; the committee's involvement in the budget recommendation influences the suite of mitigating actions that would be pursued; enrolment corridor is an ongoing concern, and in the future the University may consider reducing enrolment to return to the corridor; the integrated planning under

development will support multi-year budget decisions and provide increased budget transparency above what is available currently.

A motion was that Senate recommend that the Board of Governors approve the 2024-25 Operating Budget as presented. Rush and Giesbrecht. Carried.

5. OPERATING BUDGET BACKGROUND

These items were referenced in discussion under item #4.

6. FURTHER DISCUSSION AND OTHER BUSINESS

It is anticipated that the October meeting of this committee will feature an in-year operating budget update, as well as an update from Paul Fieguth on integrated planning.

7. NEXT MEETING

The next meeting will be on Wednesday October 16, 2024 from 1:00-3:00 p.m.

September 16, 2024

Mike Grivicic
Associate University Secretary