BUDGET PROCESS

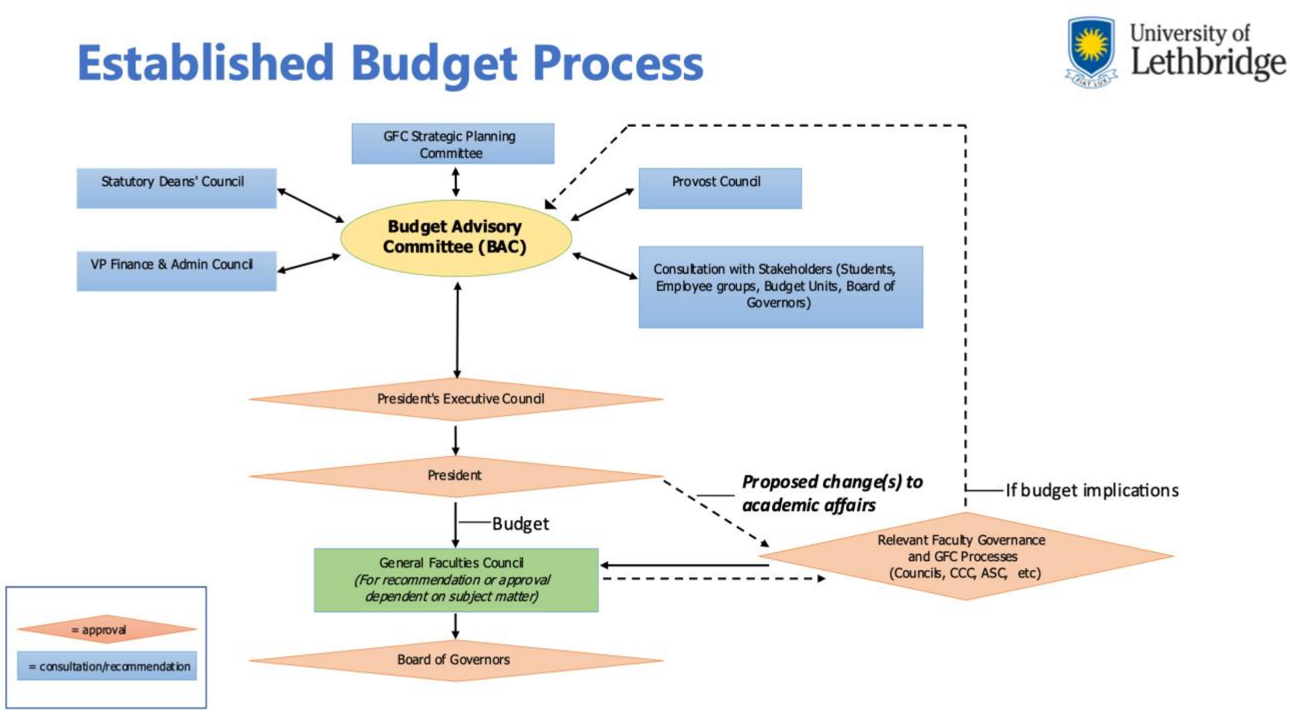
Budget Approval Process

The budget process is very rigorous, open, and continuous.

The 2024-25 budget was approved by the Board of Governors in April 2024. The annual budget cycle generally begins with significant amounts of general and targeted consultations within the University community in the preparation of the annual budget assumptions. The Budget Advisory Committee (BAC) makes budget recommendations with input from Statutory Deans' Council, General Faculties Council (GFC), Strategic Planning Committee, Provost Council, Vice President Finance & Administration Council, and other stakeholders including students, employee groups, budget units, and the Board of Governors (Board). The approval of the budget entails BAC recommending the budget to President's Executive, then the President shares the budget with GFC for input and recommendations, and then recommends it to the Board's Finance Committee for approval, which is then forwarded to the Board for final approval. Throughout the budget process the University community is kept up to date, and feedback invited, through regular budget messages to the University community, Faculty Councils/Department meetings, the Budget website, and town hall meetings.

The BAC provides oversight of the budget process and makes recommendations regarding budget priorities and resources allocations that support the long-term financial viability and sustainability of the University, and in line with the University's Strategic Plan.

The established budget process is depicted in the following chart.



Due to the significant reduction in our workforce because of the position abolishments and non-replacement of personnel over the past several years, the impacts of the COVID-19 pandemic, the academic labour disruption, and recent immigration policy changes impacting the ability of international students to come to Canada, the University has been challenged to realise necessary efficiencies, savings, and revenue generation. In this context, the University continues to have a hiring restraint on vacant positions. The hiring restraint allows continuing position fund savings to balance the budget. One-time funds continue to be used to enable minimal hiring of necessary positions on a term basis.

Budget Assumptions

Revenues and expenditures fluctuate year-to-year, but to start planning and formulating a budget in advance of the new budget year, certain assumptions must be made. In making these assumptions, BAC adopts a conservative approach to ensure that any deviations from these assumptions will still allow for sufficient resources to provide for a balanced budget.

The University is required by the *Post-secondary Learning Act (PSLA)* to achieve a balanced budget in the upcoming fiscal year and therefore cannot present or approve a budget deficit. Given this, budget reductions or increases in revenue are required whenever expenditure projections of the University exceed revenue projections.

One-Time Strategic Priorities Allocations

Strategic priority allocations are allocations made from accumulated operating surpluses. Annual operating surpluses are generally not on-going since they are the result of events or circumstances which occur in a particular fiscal year which are not anticipated to happen in future years. Typically, annual operating surpluses are attributable to savings in employee position funds as a result of the length of time required to fill budgeted positions, fluctuations in investment income beyond anticipated returns, fluctuations in the US dollar exchange rate, and cost controls in the areas of materials and services.

Throughout the year, faculties/departments may be requested to submit strategic priority requests if it is anticipated that there may be one-time funds available for allocation to specific projects that align with the University's strategic plan. The submitted requests are to include detailed rationale, budget, and an indication of the return on investment (e.g. projected cost savings, additional revenue generation).