



VIUFA 2022 AGM Report
Budgetary Analysis Committee

Chair: Robert Willis

Members: Mark Blackell; Sylvie Lafreniere; Judith McIntyre; Ken von Schilling; Jamie Wood

The Budgetary Analysis position on the VIUFA Executive has, in this Covid-19 year, featured a fairly steep learning curve. In addition to the usual documentary red tape and jargon, the Committee had to learn the 'new' accounting and financial management processes and deal with the revelation that VIU was experiencing a financial crisis that was the outcome of the previous administration's inept and opaque practices.

We did, however, appreciate the opportunity to learn more about VIU's budgetary planning, amidst a new budgeting process, modified priorities, administrative staffing changes and methods of communication during the ongoing repercussions of the pandemic. Additionally, we appreciated that we had a chance to gain a better understanding of the university's financial operations and situation; an understanding we were able to pass on to the Executive. We would like to acknowledge the valuable contribution and cooperation of Marlene Kowalski, Interim Chief Financial Officer and VP Administration. All year, CFO Kowalski was forthcoming with information about how the University was being affected by Covid and about how the budget was being adapted, presenting multiple times to faculties, VIUFA exec, and Senate on the budget modifications. Marlene's support of our committee made our work much easier.

In the past, VIU's budgeting process was altered to reflect not only changes in the governmental funding model. Funding is now done as a form of 'block grant' and is no longer tied to FTEs, for example. Additionally, VIU's internal budgeting now uses a budget model that has each academic area aligned more directly with its own tuition revenue and costs. As noted in last year's UBA Report, it is hoped that this new model will provide better forecasting and transparency. The Committee feels that it is too early to claim better forecasting and that budget process transparency needs to improve as we were not able to obtain the kind of granular data at the Decanal level that would have improved our analysis.

VIU has an operating deficit of some \$10 million for fiscal 2021-2022. This figure is down from the projected deficit of \$12 million. Budget projections we have seen forecast this deficit to shrink to about \$5 million in fiscal 2022-2023, then to a balanced operating budget (+/- \$1 million) for fiscal 2023-2024. Supporting projections are for VU to return to enrolment levels that we had in 2019-2020 as a baseline, translated into current dollars. We are all aware of the impacts of these deficits. The University has established a Financial Recovery Task Force to coordinate efforts at all levels aimed at resolving the financial crisis under which we are currently operating. The Committee feels there is some support for optimism in that regard.

Unlike fiscal 2020-2021, there were no layoffs this year due to a strategy of delayed or forgone hirings and/or replacements. Given the optimistic financial forecasts and a renewed sense of working together, the Committee feels that layoffs should not pose a threat to the VIUFA membership in the coming years. Having said that, the Committee also believes that the optimistic financial outlook should also provide leverage during the contract negotiations that will begin shortly.

As Chair, I want to present my heartfelt gratitude to this year's Committee members. We examined financial documents from VIU, other universities, CAUBO (Canadian Association of University Business Officers), and the Ministry. We sorted through SAPs, Consolidated Reports, financial statements, Admin Density Reports, Five

Year Financial Plans, and more bafflegab than any six people should be subjected to. I am grateful to Mark, Sylvie, Judith, Ken, and Jamie for their support, insight, patience, and wisdom. They truly made this one of the best Committees ever!

It was also a pleasure to sit on the VIUFA Executive again this year.

I would like to close with a personal note. As some of you might know, this is my last active year at VIU as I am retiring at the end of August. I have been active in VIUFA for over 10 years, having served as Faculty of Management Personnel Steward (and as "Captain Picket" in 2012) , Member At Large, Chair of a few Committees and member of a few more, and then Vice President for 2 years before taking on Chair of the University Budgetary Analysis Committee. I want to take this opportunity to thank all of the people who believed in me, supported me, mentored me, and made my years at VIU such a wonderful and enriching experience. I wish all of VIUFA the very best in the coming years! I believe that we are at a pivotal point in how post-secondary education is conceptualised and operationalised. I have faith that we will all rise to that challenge.