



January 11, 2013

TO UNIVERSITY COMMUNITY

## **2013-14 BUDGET UPDATE**

The development of the University's operating budget has been moving forward for the past few months and, in these times of continuing economic uncertainty, it is understood that this is a possible source of concern for University community members. Therefore, by means of this letter, I wish to provide you with a progress report of how our new budget process is developing.

In order to ensure a more sustainable financial future, a new budget process and allocation method was established and implemented during 2012. As part of the process review, a Budget Advisory Committee (BAC) and a Budget Priority Advisory Committee (BPAC) were formed to enhance the transparency of the overall budget process; a process that will assist the University to achieve its objectives and priorities. The Terms of Reference for these two committees are available on the University's Budget website (<http://www.uleth.ca/budget-finance/>). In developing the budget, the two Committees are paying particular attention to the strategic priorities of the University, as identified in the Strategic Plan, Research Plan, Academic Plan and associated Academic and Administrative Unit Plans.

One goal of the new budget process was to move the budget approval earlier in the year to help all budgetary units with their hiring processes. However, due to the time taken to transition to the new budget process and allocation method, along with the challenges of developing a balanced budget, the budget approval timelines for this year will remain the same as in previous years. This means that a budget will be presented in March 2013 to General Faculties Council for information and to the Board of Governors for final approval at its March 2013 meeting.

To address the tightening financial picture of the University, the BAC has proposed working groups to investigate a number of initiatives that are intended to move our University towards a more fiscally sustainable future. The Groups, comprised of members from BAC, have already started their work and will report their findings and recommendations back to BAC, and to the broader community, for further consideration in the new year.

The University has been working through increasingly difficult financial scenarios for the last few years and as a result, many of the possible budget efficiencies the University could consider have already been acted upon. In summary, in order to achieve a balanced budget we are left needing to make further budget reductions to a base budget that is already lean.



Having said this, the conservative nature of previous budgeting practices has allowed the University to balance its budgets in the past and this year we will continue to move towards achieving a balanced 2013-14 budget whilst not compromising our ability to move forward with the strategic priorities of the University.

If you have any questions or concerns, please contact your Dean or Executive Director or any senior administrator.

Dr. Mike Mahon  
President and Vice-Chancellor