

December 2, 2019

BUDGET TOWN HALL A POSITIVE DISCUSSION

My thanks to everyone who either attended Thursday's Town Hall (November 28, 2019) or was able to view it via livestream. From my perspective, I attempted to present a very open and honest delivery of the information we have available and I am very pleased with the excellent questions that came from our community. Your engagement with the budget process and the fiscal realities facing the University is very much appreciated.

For those who were unable to attend or view the town hall, the recorded video is available [here](#). The majority of the presentation focused on how the University was able to balance the 2019-2020 budget within the framework of a 3.2 per cent reduction (\$3.4 million) to the Campus Alberta Grant, and the elimination of the \$4.2 million Infrastructure Maintenance Program funding.

As we outlined, in preparing the 2019-20 operating budget, we anticipated significant grant reductions in advance of the release of the 2019-2020 Provincial Budget and worked toward a number of funding reduction scenarios. All the while, our Budget Values of People, Quality and Access were foremost throughout our decision-making processes.

To achieve balance, a number of measures contributed, including: an increase in student enrollment (that equates to increased tuition revenue); a total of 19 positions (academic and non-academic) were eliminated; salary contingency was eliminated; general contingency was reduced (\$500,000 remains); the Lifecycle Fund was reduced; and Ancillary Services increased contributions to the University.

The U of L's Board of Governors will consider the revised 2019-2020 budget at its December meeting.

Focus will then quickly shift to the 2020-2021 budget that will be introduced during the spring sitting of the legislature. The government has indicated we should anticipate further grant reductions and a new post-secondary funding model that may include a component of performance-based, at-risk grant funding.

As we prepare for this new budget cycle, our Budget Values of People, Quality and Access will again shape our discussions and guide our decisions.

We have identified a number of strategies to address continuing grant reductions and we welcome your suggestions on further areas to explore. Some of the strategies include: increasing tuition fee revenue (increases in tuition are set at an overall maximum of 7 per cent per year for the next three years, beginning in 2020-2021); increasing international student enrollment; only replacing essential employment positions; seeking new revenue opportunities; engaging in strategic workforce planning; and reviewing all operations and expenditures.

Through a thorough and consultative process, senior leadership will work to create a budget that best balances our Budget Values while delivering the unparalleled academic experience for which the University is known. Without further information on what ensuing provincial budgets will contain, we cannot yet commit to any budget decisions.

As challenging a time as this is, we remain resolute in meeting our mandate to our students and our community as one of the premier comprehensive academic research universities in the country.

Mike Mahon, PhD
President and Vice-Chancellor