



February 28, 2020

BUDGET MESSAGE TO UNIVERSITY COMMUNITY PROVINCIAL BUDGET 2020

Yesterday, the Alberta government introduced its 2020/21 budget to the provincial legislature. In his address, Minister of Finance and President of the Treasury Board, Travis Toews, stated the elimination of Alberta's deficit remains a government priority, which will be achieved, in part, by a reduction in government expenditures.

The overall reduction to Advanced Education's Campus Alberta Grant is significant. The overall funds available to Advanced Education for Campus Alberta Grants will be reduced by six per cent in the 2020/21 fiscal year. At the University of Lethbridge, the information received yesterday stated the reduction in our overall provincial government funding equates to 6.6 per cent (\$7 million), which includes reductions to the base Campus Alberta Grant and other grant programs. This loss in funding is on top of the 3.2 per cent (\$3.4 million) grant reduction the U of L received in 2019/20. Over the past two budgets, the U of L has lost 9.8 per cent in grant funding (\$10.5 million). As was the case in the United Conservative Party government's Budget 2019, these reductions will not be uniformly applied to all post-secondary institutions. In the coming days, we will learn specific details relating to the U of L's Campus Alberta Grant allocation, as well as other funding allocations from the Government of Alberta.

In the budget speech, the Alberta government also confirmed a new outcomes-based funding model for the post-secondary sector. The new model requires post-secondary institutions to achieve key performance measures or face additional grant reductions. The Alberta government will negotiate three-year funding agreements with institutions called Investment Management Agreements (IMA) that will define certain targets for institutions to achieve, which are tied to "at-risk" funding. The total amount of at-risk Campus Alberta Grant funding will be 15 per cent for 2020/21, 25 per cent in 2021/22 and 40 per cent in 2022/23. It is believed that the impacts of the performance targets will be in the 2021-22 fiscal year and beyond but has not yet been confirmed by the government. The number of performance measures institutions are required to meet will begin with six in 2020/21 and increase over the next two years. The U of L will begin meeting with provincial officials in the coming weeks in regard to its IMA and the specific performance metrics and targets. The impact of these performance metrics could have a very significant effect on the University's provincial grant funding, but more information and analysis is needed.

Infrastructure Maintenance Program (IMP) funding has been restored to the 2018/19 level (IMP grant was not allocated in 2019-20) and the U of L will receive \$4.2 million in 2020/21 under this program. This funding is for capital maintenance and is not available for operating purposes. It will not provide any relief for our Campus Alberta Grant reduction.

In anticipation of a challenging provincial budget, which we are now facing, the University began implementing various budget strategies with the goal of presenting a 2020/21 balanced budget for the Board of Governors to approve later this spring. These strategies include realizing additional revenues from increased enrolment and tuition fee rates, as well as greater contributions from Ancillary Services and Campus Mobility Services. Departmental operational efficiencies have been identified, discretionary spending has been limited and the workforce has been reduced through attrition and, regrettably, employee layoffs.



University of Lethbridge

Regarding workforce reductions at the U of L, we have tried our utmost to afford the respect and dignity laid off employees deserve upon leaving the institution, as well as ensure we have met the directives in our collective agreements and employee manuals. All our former employees have been given access to resources to assist them during this transition.

If you need support through this time, please access the University's [Employee and Family Assistance Program \(EFAP\)](#) – a confidential and free resource provided to help faculty, staff and family members in their work and personal lives. Support services are also available by calling Homewood Health at 1-888-713-8623 (24 hours).

Senior administration recognizes the importance of communicating budget decisions with U of L faculty, staff and our community in as timely a manner as possible. A more detailed analysis of the provincial budget impact will be provided once additional information is known. We will also provide a more substantial message regarding employee layoffs next week.

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President and Vice-Chancellor

https://www.uleth.ca/notice/notices/budget-202021-presidential-message#.XlmJ_OF7mUI