

On May 20, 2020 the University of Lethbridge hosted an online town hall that included presentations and dialogue about the primarily online academic delivery model planned for the fall 2020 semester, as well as an update regarding the University's budget process. At the town hall, we shared details of our scenario-based budgeting approach and indicated we were waiting for the Minister of Advanced Education to inform us of expected revised total expenditure targets.

Despite a concerted advocacy effort, and signals from government that it understood the significant negative budget impact of the initial total expenditure targets, only modest progress has been made. While we had hoped the substantial budget reduction steps taken in recent months had brought us within striking distance of a balanced budget for 2020-2021, the reality is we face a significant budget challenge that will require further action.

In correspondence received from the Minister of Advanced Education on June 1, 2020, we learned our expenditure limit for 2020-21 is \$209,411,484, a slight increase over the previously communicated expenditure limit. What this means is that to achieve a balanced budget, as well as the total expenditure limit in 2020-21, the University will be required to further reduce our expenditure budget by \$8.6 million during the current fiscal year. This unfortunately means that we are in the worst-case scenario that was presented at the May 20, 2020 town hall meeting.

The Minister also indicated he intended to delay the implementation of the new performance-based funding model and the corresponding Investment Management Agreements (IMAs) to a future date. This delay does not include the total expenditure targets which are still expected to be met. To ensure compliance with the spending limits, the Minister requires by June 30, 2020 a Board approved budget that demonstrates expenditures in compliance with the limits set by government and a detailed three-year savings plan showing how the University will find the necessary savings.

Advanced Education is requiring full compliance with these targets. Post-secondary institutions that do not present by June 30, 2020 a budget to the Ministry with the expenditure target limits will have their Provincial operating grant reduced by a corresponding amount, beginning as early as July 2020.

Our budget reality will demand immediate action. Decisions made and implemented in the coming weeks and months will be deliberate and with the best interests of the University in mind. This will be difficult and not without challenges. However, as demonstrated earlier this week when the U of L announced it is bringing together its co-op, applied studies, MyExperience transcript and career services groups to create a hub to elevate work-integrated learning opportunities for its students, opportunities for transformation are possible and must be undertaken.

June 8, 2020
University Community Budget Message

I also want to share that, in recent weeks, the University has regrettably eliminated an additional 18 positions. As was the case with earlier reductions, these were extremely difficult decisions. Since November 2019, the U of L has reduced its workforce by 83 positions (7% of our total workforce) through layoffs, retirements and attrition.

Individuals laid off have been dedicated employees and contributed their skills for the betterment of our students and the communities we serve. In implementing these tough decisions, we have endeavoured to ensure our departing employees were treated with respect and that the directives in our collective agreements and employee manuals were met. All our employees have been given access to resources to assist them during this transition.

We know this news, and our uncertain landscape, is causing stress to many members of our community. 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 1-888-713-8623 (24 hours).

The University continues to communicate with the provincial government about the impact of expenditure reductions on our institution and how this will compromise our ability to help Alberta recover from the historical economic downturn it is facing and cause a considerable negative impact on the Lethbridge economy.

In the coming weeks we will host another online town hall to share additional information on the province's expectations and our response. Details of this town hall will be shared with you directly in the coming days. I hope you will be able to join us for this important meeting. More detailed information on our budget may be found in the University's [Budget Website Budget Briefs](#). In particular I draw your attention to the 2020-21 Budget Briefs on Investment Management Agreement, Total Expenditure Targets and 2019-20 Total Expenditures.