

June 11, 2020
University Community Budget Message Update

Late on the afternoon of June 10, 2020, the Minister of Advanced Education sent an email to the presidents of Alberta's post-secondary institutions indicating that expenditure target limits were being removed, effective immediately. As I outlined in a message to our community earlier this week, the expense targets the institutions were required to meet — in formal correspondence received from the Minister of Advanced Education just nine days earlier on June 1, 2020 — carried severe consequences for our University.

At this time, there are still many detailed budget questions about this announcement that need to be discussed with the Ministry regarding our budget submission that is due June 30, 2020 and if this announcement will impact the 2021-22 and 2022-23 operating grants reductions.

This decision is a result of focused and consistent advocacy performed by many different institutions and stakeholders including our board chair, board members, administration, faculty, staff as well as many individuals in our broader community. I am thankful for this work, as well as for the willingness of many elected and non-elected government officials to maintain open dialogue and to listen and respond to our concerns.

The U of L's budget situation is still extremely challenging due to the previously announced multi-year operating grant cuts (20 per cent), which still require additional and significant budget reductions in the current and coming years. Further, the COVID-19 pandemic presents additional fiscal challenges. Still, this news is welcomed and meaningful.

While we do not anticipate large-scale rounds of layoffs in the coming months, our budget situation remains serious, and again, will require further action for the 2020-21 fiscal year. We also know our University will need to undergo transformation to absorb the budget cuts we will be required to make in future years.

We have been told we will soon receive further details from Advanced Education regarding the removal of the expenditure targets and the resulting implications this will have on our budget. The University will communicate this information directly to its community when this occurs. We will also host another online town hall to share these details and future directions on Thursday, June 18 at 9 a.m. Further details about the town hall will be shared in the coming days.

Mike Mahon, PhD
President and Vice-Chancellor