



On May 28, 2021, the University of Lethbridge Board of Governors passed a balanced budget for the 2021/22 fiscal year. Arriving at a balanced budget, which is a requirement of the Post-Secondary Learning Act, was the result of extensive work and input from many members of our University community.

Consecutive reductions to the University's provincial operating grant, coupled with the negative impacts associated with the COVID-19 pandemic are financially significant. Over the three fiscal years, 2019/20 to 2021/22, the University's operating grant has been reduced by \$16.2 million, with a further \$5.1 million operating grant cut anticipated in 2022/23. Additionally, the COVID-19 pandemic negative financial impact was \$6.9 million.

Creating a balanced budget under these circumstances is a challenging proposition and the approach needs to be deliberate and careful.

Over the course of the last year (2020/21), the University of Lethbridge embarked on a critical transformation initiative to ensure it is able to continue to deliver on its mandate in the face of these fiscal challenges. This work, which has been done with significant input and consultation, is critical in ensuring the long-term viability of the U of L. Only through the implementation of well-thought-out and focused change will the University be able to position itself for the future in a meaningful way.

The task force process will lead to some important decisions for our University in the current year. The Budget Advisory Committee will collectively review all of the completed task force reports and related input generated through the consultation processes before making recommendations to President's Executive. The established budget approval process will be followed, with further input from General Faculties Council (GFC), GFC Strategic Planning Committee, Statutory Deans' Council and numerous consultations with key University stakeholders, including students, employee groups and budget units. The Board of Governors has the final approval of the University's budget.

It is acknowledged the impact of implementing transformational change to create efficiencies, cost-savings and revenue generation through the task-force process takes time. The approach in balancing the 2021/22 budget had contemplated this timeline, and for that reason, the Board approved, with some hesitation, the strategy of using \$3.1 million in one-time funding to balance the 2021/22 budget. While this approach buys the institution some time, balancing budgets with "soft money" is not sustainable and will result in additional work ahead to create a balanced budget for 2022/23.

On Tuesday, June 22 at 2 p.m., the University will present a town hall to share details about the 2021/22 budget as well as the work required to create a budget for the following fiscal year. Relatedly, we will provide an update regarding the task-force process. Finally, we would like to update the community about the ongoing planning to ready us for a significant return to our campuses for the Fall 2021 semester. In addition to presentations,



there will be an opportunity for members of our community to ask questions and make suggestions regarding these important items.

There is much work for us to collectively undertake in the weeks and months ahead. I am reassured we will rise to the challenges we face when I consider the incredible work of our staff, faculty and students in the most trying of circumstances. I am extremely optimistic about our fall semester, and further, about the impact on society our institution will continue to make in the years ahead.

Thank you for your continued dedication to our University.

Sincerely,

Mike Mahon, Ph.D.

President and Vice-Chancellor