



Interim Budget Details

The following is a message from Dr. Mike Mahon, President & Vice-Chancellor, on the announcement of details pertaining to Bill 3.

June 18, 2015

Earlier today, the Alberta government announced some specific measures that will be included in Bill 3, the proposed interim supply bill that was introduced in the Speech from the Throne.

The announcement addressed restoring funding to post-secondary institutions, provided some details concerning the freeze to tuition and mandatory non-instructional fees, and the reversal of market modifiers. They also announced their intention to conduct a comprehensive review of the current post-secondary funding model.

In a conference call with our Deputy Minister last evening, we were advised of these measures and that we will receive a letter outlining specific details as they relate to the University of Lethbridge by the end of the month.

The following are the measures announced:

1. Restoration of Funding

- a. The Alberta government will reverse the 1.4 per cent decrease in the 2015/16 Campus Alberta Operating Grant previously announced under the Prentice government. Additionally, they are committing an additional 2 per cent increase to our Campus Alberta Operating Grant for 2015/16. The government intends to increase the 2016/17 Campus Alberta Operating Grant by 2 per cent as well (this is described as a CPI increase.)
- b. The government will also fully restore the grant funds allocated for targeted enrolment on approved programs.

2. Tuition, Market Modifiers and Mandatory Non-Instructional Fees

- a. The Alberta government is immediately freezing tuition and mandatory non-instructional fees (MNIFs) at 2014/15 levels and is requiring institutions to roll back the tuition market modifiers approved by the previous government in Spring 2015. The government will fully compensate institutions for these monies (both previously approved 2015/16 tuition and market modifiers increases will be rolled into the base operating grant).

- b. The government will eliminate the ability of institutions to use market modifiers in the future. No new MNIFs will be permitted as it is anticipated such considerations will be part of the anticipated comprehensive funding review.

3. Funding model

- a. The government recognizes there are many problems and inequities in the current funding model for post-secondary institutions. During the next two years, Advanced Education and Innovation will be working to create a new model that will look at all aspects of how institutions are funded.

This is good news for our University and our students, and we look forward to receiving the letter and learning additional details. As you know, fee increases were approved by the Board of Governors in December 2014 and have already been incorporated into the fee schedule and University Calendar. We will likely need a process to reverse these and compensate students who have already paid their 2015/16 fees. Additionally, these funding changes will require adjustments to the 2015/16 University operating budget and the Comprehensive Institutional Plan, approved by the Board of Governors at their June 2015 meeting. This also will take some time and effort to work through.

It is worth noting that many of the measures undertaken by the new government align with our University values of Quality, Access and People and with many of the strategic directions articulated in Destination 2020.

Sincerely,

Mike Mahon, PhD
President & Vice-Chancellor