

TO: Members of the University of Saskatchewan Community

FROM: Provost and Vice-President Academic Brett Fairbairn and
Vice-President Finance and Resources Richard Florizone

RE: Update on 2009-10 Operating Budget Adjustments

DATE: July 27, 2009

The purpose of this memo is to provide a general report to the campus community on the progress to date to achieve the three per cent reduction (\$10 million) in the university's operating budget over 2009-10 and 2010-11.

As you may know, the Board of Governors directed dependence on the operating budget to be reduced over the next two fiscal years – not only to address the effects of the global economic downturn on various revenue streams, such as investments, but also to strengthen the university's ability to deal with future economic uncertainty and budget pressures. It is important to highlight that the three per cent operating budget reduction requested by the board is to be permanent. Savings that are one-time or temporary do not achieve the objective of creating the financial flexibility the university needs to emerge in a stronger position from an extended period of economic uncertainty.

While it is easy to say our operating budget reduction is “only” three per cent and much less than what many other Canadian universities are facing, we recognize that there will be changes that affect faculty, staff, students, academic programs and services and the university's partner organizations. We are and will continue to work to minimize these effects.

To address the board's request, the majority of academic and administrative units were asked to reduce their operating budget dependence by specified amounts according to a series of principles set out to ensure budget adjustments are strategic rather than opportunistic, that decisions align with the university's priorities, and that the provisions of board-approved policies and collective agreements are followed.

The plans from colleges and units have been received and outline the approach they will take to reduce their operating budget dependence. Collectively, they present an achievable picture of how the university will proceed over the next two fiscal years to achieve the three per cent target. Our offices will be working closely with deans and administrative unit leaders to refine the plans and to assist with their implementation over the next two fiscal years.

With respect to faculty and staff, the proposed college and unit adjustments predominantly identify planned retirements, normal attrition, eliminating or not filling vacant positions, and transferring or restructuring to eliminate redundancies and to be more efficient and effective. As a result, the direct effects on individual faculty and staff are minimized. Overall, the university will reduce approximately 60 positions, many of which are or will be vacant. Any changes to employment will be made by following the provisions of our various collective agreements and the university will provide appropriate supports and services. The university will not be offering an early retirement incentive program.

By November 30, 2009, the university aims to complete the first phase of implementing position changes in the plans as they relate to 2009-10 portion of the two-year budget adjustment process. There may be subsequent effects as these processes unfold and if further adjustments to budget plans are needed. While this particular exercise is in response to the extraordinary economic situation this year, it is important to note that the university regularly examines its structures and activities in light of its priorities and its position as an employer of choice in Saskatoon and Saskatchewan.

Although the university is doing everything possible to minimize the impact on students and preserve the student experience, we anticipate there will be some rationalization of academic programs, some consolidation of class sections and some elimination of course options. The 2009-10 tuition increases announced in May are independent of the budget adjustment process, and any further tuition increases proposed in college plans for 2010-11 will require careful consideration within the context of our institutional enrolment and tuition strategies.

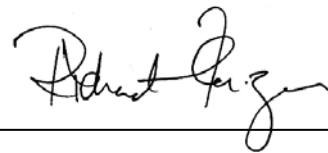
As colleges and units implement their plans over 2009-10 and 2010-11, we anticipate that deans and administrative unit leaders will share their plans with faculty, students and staff at regular intervals. For more specific information about your college or unit's plan, please contact your dean or administrative unit leader directly.

As plans progress, you can expect to hear further updates from our offices. The university's efforts are aimed at emerging from this situation in a comparatively stronger position, and we are determined to ensure the current financial situation does not affect the course collectively set for our university through our strategic directions.

Best Regards,



Brett Fairbairn
Provost and Vice-President Academic
University of Saskatchewan
107 Administration Place
Saskatoon, SK S7N 5A2
Tel: (306) 966-8489



Richard Florizone
Vice-President Finance and Resources
University of Saskatchewan
105 Administration Place
Saskatoon, SK S7N 5A2
Tel: (306) 966-6636