



**University
of Victoria**

Vice-President Academic and Provost

PO Box 1700 STN CSC
Victoria British Columbia V8W 2Y2 Canada
Tel (250) 721-7010 Fax (250) 721-7216
E-mail provost@uvic.ca Web <http://www.uvic.ca/vpac>

Dear Colleagues:

RE: UNIVERSITY BUDGET PLANNING UPDATE

As your units begin planning for 2014-15, I thought it would be useful to outline some of the factors that will affect our budget preparations.

I also wanted to invite you to the first in a series of budget information sessions for interested faculty, staff and administrators to provide a general overview of the university's current financial circumstances and its budgeting process:

**Budget Information Session
11:30 a.m. – Wednesday, June 26
David Strong Building, Matthews/McQueen Theatre (C103)**

Two additional sessions will be held in September, with time and date to be determined.

Current Context

There are still many uncertainties, including several with substantial impact on university revenues and expenditures, including the:

- outcome of the faculty salary arbitration that will be determined this fall;
- cost of settlements for collective agreements that expire during the year; and
- size of the university operating grants that will be provided by the new Liberal government.

As a result of these uncertainties and other known factors such as cost increases (e.g., inflation, salary progression, etc.), we are expecting a budget shortfall for 2014-15. At this point, we do not know the magnitude of the shortfall or the size or timing of the reductions that will be required to balance our budget.

The four per cent cuts already implemented this year may allow us to cushion the cuts that will be required in 2014-15. Until this is confirmed, we do not want to implement greater-than-required budget reductions. In addition, we also understand that untargeted, across-the-board cuts would carry significant negative implications for our ability to fulfill our teaching and research mission.

Our goal will be to minimize any further reductions since additional across-the-board cuts could carry significant negative implications for our ability to fulfill our teaching and research missions.

Budget Planning for 2014-15

Due to the remaining uncertainties, the final budget parameters for 2014-15 can't be confirmed until at least November, when greater clarity about our circumstances should be available. Nonetheless, interim budget planning for 2014-15 will need to begin shortly and take into account the following:

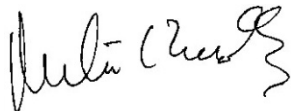
- (i) Units should maintain as much budget flexibility as possible by managing vacant positions and avoiding non-essential expenditures;
- (ii) New faculty or staff positions and vacancies can be advertised or filled only on the recommendation of the AVP/Dean/Director and approval of the appropriate vice-president;
- (iii) Academic areas should continue to plan for the delivery of academic programming that will meet enrollment targets, maintain overall program quality and factor in budget pressures that are likely to persist for the foreseeable future;
- (iv) Units are encouraged to continue with any restructuring, instructional and administrative efficiencies or other initiatives currently underway;
- (v) One time funds (e.g. carry-forward) may be used to maintain positions and programs that would otherwise be affected by base budget reductions through the 2014-15 academic year.

Vice-presidents and associate vice-presidents will be providing guidance on budget development for units in their areas and will work with the president to ensure close linkage to the university's highest strategic priorities.

Budget processes in the future

To ensure that future budget processes support the university in fulfilling its teaching and research mandate in an environment of ongoing financial pressures and a structural deficit, we will be looking at whether a more decentralized and/or incentive-based approach to budgeting or a different method of prioritizing might be of benefit in the future. Additional information on this initiative will be available in the fall.

Many thanks for your hard work, dedication and commitment during these challenging times.



Reeta Tremblay, Ph.D.
Vice-President Academic and Provost