Colleagues,

In November, I wrote to you about our commitment to accountability and the need to keep the strategic, reasonable and efficient use of University resources top of mind as we enter the 2019/2020 budget cycle. I am writing to you today with an update on the context for this work and with some direction on spending for the remainder of this fiscal year.

**Government context**

Our work to develop the next University budget continues against the backdrop of the provincial government's 2018 Ontario Economic Outlook and Fiscal Review, which calls on all citizens to share the burden and responsibility.

As we receive more definitive guidance from the government, we will be able to offer you more specific direction regarding the University budget. Nevertheless, it is prudent for us to anticipate a period of restraint and plan for a number of possible scenarios.

I recognize that the situation we are faced with is uncertain. As we build the 2019/2020 budget and anticipate some level of overall fiscal restraint, we want to ensure that we continue our track record of strategic investments, sound financial management, strong
risk mitigation and responsible spending. I am confident that, if work together, we can achieve these goals and deliver a world-class university experience.

**Planning for the future**

Teams across the University are working broadly with public officials to share Waterloo's unique strengths in academics, research, experiential education and entrepreneurship, all of which contribute to the building of exceptional globally-prepared talent, new enterprises and economic growth. We are also working to identify where ministries can reduce red tape – starting with the elimination of duplicative reporting practices and of lower-impact key performance measures.

We are also reviewing where we can work more efficiently with other universities in areas such as procurement and common service delivery, especially in areas where Waterloo excels and could expand. Indeed, we are one of the leading Ontario universities in efficient and responsible spending through collaborative buying of goods and services.

**Action for all on spending**

With good work already underway, I strongly urge everyone to exercise restraint in University spending throughout the remainder of the current budget year. Savings from the current year will help us all to buffer the possibility of reduced revenues in the 2019/2020 budget year.

I am also mindful that we are midway through the preparation of our next strategic plan. As we prioritize and plan new, exciting initiatives that will position the University strongly by 2025 and beyond, it stands to reason that we must also identify and prioritize things we should reduce or discontinue in order to mobilize resources required to do what is most important within units and in pursuit of the University's goals.

We have identified categories of operational and discretionary spending in which we believe we can make significant savings now while continuing to deliver our core business at the highest quality standards. These categories include but are not limited to: **travel; hospitality; contracted services;** and, **externally-delivered training and professional development,** conferences, memberships, sponsorships.

As we all carefully consider the stewardship and accountability aspects of our spending decisions in light of the public trust that has been placed in the University, I am hereby asking financial decision makers to review current practices within your areas of responsibility and to make savings in these and other categories in order to create capacity to help buffer potential operating budget reductions responsibly.

I appreciate your ongoing support as we work together.

Sincerely,
James Rush
Vice-President, Academic & Provost