



ALBERTA

ENTERPRISE AND ADVANCED EDUCATION

*Deputy Premier
Office of the Minister*

AR 39481

April 18, 2013

Board Chairs
Post Secondary Institutions

Dear Board Chair:

As you are aware, Albertans expect our government to make responsible choices in the allocation of resources and in balancing competing interests and programs. The wise and prudent use of funds is critical to ensure sustainable health, education and social programs and is even more imperative given changes in the government's fiscal situation. Volatility between the world price of oil and the price that Alberta receives has put downward pressures on our revenue. At the same time, our strong economy has continued to draw people to our province, placing upward pressures on government expenditures.

As you are also aware, our government has introduced the provincial budget in the Legislative Assembly. Budget 2013 establishes fiscal restraint and foresees limits on the cost of public services to achieve restraint. The cost of public services in Alberta exceeds national benchmarks and has risen substantially in recent years, more than inflation and population growth.

Our government believes that it is important to attract and retain the best and brightest. At the same time, Albertans also expect our government to live within our means. We must ensure that agreements with our public sector partners are sustainable and place the government's finances on a strong footing going forward. Restraint requires both limits on public sector compensation as well as increased efficiency in the provision of services.

Our government expects wage restraint across the entire public sector. You may recall, Alberta public service management salary grids will be frozen for the next three-years. The Government of Alberta has also committed to a ten per cent overall reduction in the number of public service managers over that same time period.

Following the announcement of Budget 2013, publicly-funded institutions have been given budget targets that are reflective of overall reductions in their Campus Alberta Grants for the 2013-14 fiscal year. As you know, the large majority of institutional expenses within all 26 publicly funded institutions relate to human resource costs.

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I recognize that there will be challenges for your institution to manage within the limits of available resources while holding the line on potential cost increases. Unfortunately, institutions will need to examine ways to manage personnel costs. I am looking to the shared efforts of all institutions to examine provisions in their collective agreements to help achieve this goal in ways that minimize any impact on the outstanding programming provided in Alberta.

Limits on compensation and improvements in productivity are necessary everywhere in the public sector, including post secondary education. In this regard, it would be in the public interest for any and all future collective bargaining to result in agreements within the following parameters:

- Annual percentage general wage changes over four years of not more than 0/0/0/2; and
- Negotiated deals which include methods to achieve productivity gains by remedying any inefficiency in current agreements.

Any negotiations and wage re-openers that your institution may face should keep this overall mandate in mind, and I would ask you to communicate this information to each of the bargaining agents you deal with. In addition, going forward, awarding of performance bonuses would likely be considered irresponsible during this current economic climate.

I wish everyone success as we work together to identify and implement the necessary changes to strengthen Campus Alberta and enhance our global competitiveness.

Sincerely,



Thomas A. Lukaszuk
Deputy Premier
Minister of Enterprise and Advanced Education
Ministerial Liaison to the Canadian Forces
MLA, Edmonton – Castle Downs

cc: Honourable Alison M. Redford, QC
Premier

All Government MLAs

David Morhart
Deputy Minister

Presidents
Post Secondary Institutions