To: All staff and faculty

Subject: Current budget situation

October 16, 2023

Dear Colleagues,

Over the past few months, the current budget situation and its impacts on the university have been at the forefront of our minds, and communications have been relayed to the community through the Gazette.

Like many other institutions, Queen's is facing a significant deficit; in our case we have a $62.8 million shortfall in our budget for 2023-24. Several factors contribute to this: falling revenue, due to a provincial tuition cut and freeze for Ontario students beginning in 2019, as well as decreased international student enrolment during and following the pandemic. Increasing costs and inflation have added to the budgetary strain.

I recognize that the budget situation creates a great deal of uncertainty within the community, and it is understandably a very difficult and stressful time for many. I also know that the effects of our actions thus far, including the hiring freeze, are already being felt across many units and departments, including my own. The university's senior leaders do not take any of this lightly, and we are aware of the toll this takes on our employees. There are many supports available at the university and I encourage you to seek out those that will be most useful to you.

At the same time, I would like to be upfront about the challenges Queen's faces. While the university benefits from its strong reputation and a foundation built up over generations, which puts us on better financial footing than some of our peer institutions, we cannot drag our heels. The budget situation is very real, and it requires that we take action now, and rethink how we do things in the present and well into the future, to ensure the ongoing financial sustainability of the university.

The deficit affects the entire university, and it will take significant efforts from every unit and faculty to reach a balanced budget within the next two years. The university has so
far relied on reserves to manoeuvre through the current financial struggles, but that path is clearly not sustainable. (We took $30 million from the reserves to cover operating expenses in 2022-23 and are projecting a need to take $62.8 million at the end of this year.) The reserves will not last for much longer, and many funds are not available for general use, as they are reserved for certain functions such as donor gifts and research.

For this reason, we introduced the hiring freeze for full-time operating positions, and have required all shared service units and faculties to find ways to balance and make cuts to their budgets. Further options for revenue generation and cost containment are also being explored.

The heart of what we do here at Queen's is teaching and research, and we need to continue providing students with an educational experience that is both enriching and challenging. During this time, we must remain focused on our core mission, as well as meeting the goals that we have set for ourselves as we aim to be a force for change and to address the world's most pressing problems.

I would like to thank you for the work you do in support of Queen's and its goals, and for your patience as we navigate these budget challenges. We will find a way forward and I will keep you informed through transparent and regular updates.

Sincerely,

Matthew R. Evans, PhD (Cantab), FRSB, SFHEA
Provost and Vice-Principal (Academic)