



Canadian Association of University Teachers
Association canadienne des professeures et professeurs d'université

Memorandum 22:26

Date: June 1, 2022

To: Presidents and Administrative Officers
Local, Provincial and Federated Associations

From: David Robinson, Executive Director

Re: Restructuring Publicly-Funded Universities: A Report on the Laurentian University Insolvency Proceeding with Issues and Options for the University Sector

At the 90th CAUT Council held in April 2021, delegates passed a motion calling on CAUT to “research avenues of challenge and resistance” to the use of the *Companies’ Creditors Arrangement Act* (CCAA) by post-secondary institutions. This followed the unprecedented decision of Laurentian University to apply for CCAA protection in February 2021.

CAUT engaged [Simon Archer](#) of Goldblatt Partners and [Dr. Virginia Torrie](#) of the Faculty of Law at the University of Manitoba to research and report on the application of the CCAA to publicly-funded post-secondary institutions and to recommend changes to the *Act* and other initiatives to prevent a repeat of the Laurentian situation. A brief review of the report was provided to the 92nd CAUT Council in April 2022.

The [full report](#) entitled “Restructuring Publicly-Funded Universities: A Report on the Laurentian University Insolvency Proceeding with Issues and Options for the University Sector” is available on the Members’ area of CAUT’s website. The Report explores the history behind Laurentian’s application for CCAA protection; provides a historical overview of the CCAA and its application to post-secondary institutions; outlines the constraints faced by unions when challenging the CCAA process; recommends alternative ways of dealing with financial restructuring of publicly funded institutions; suggests options for insolvency law reform; and offers a series of suggested actions for unions and employee groups.

The [Summary Report](#) outlines steps CAUT and its member associations could take to advocate for changes to the insolvency process, including the development and adoption of a sector-wide model financial exigency code, securing transparent university financial information, and bargaining improved financial exigency terms in collective agreements, which include early warning requirements from the employer. The Summary also outlines steps associations can take should their institution apply for CCAA protection.

The Executive Committee will be discussing these reports at its upcoming June 2022 meeting, with a view to establishing a work plan for implementing the reports' suggestions.

The aftermath of the CCAA process has had a devastating impact on academic staff, students, other employees, and the entire community. The deliberate decision by the Laurentian University Administration to by-pass financial exigency language by seeking insolvency protection cannot be allowed to happen again.