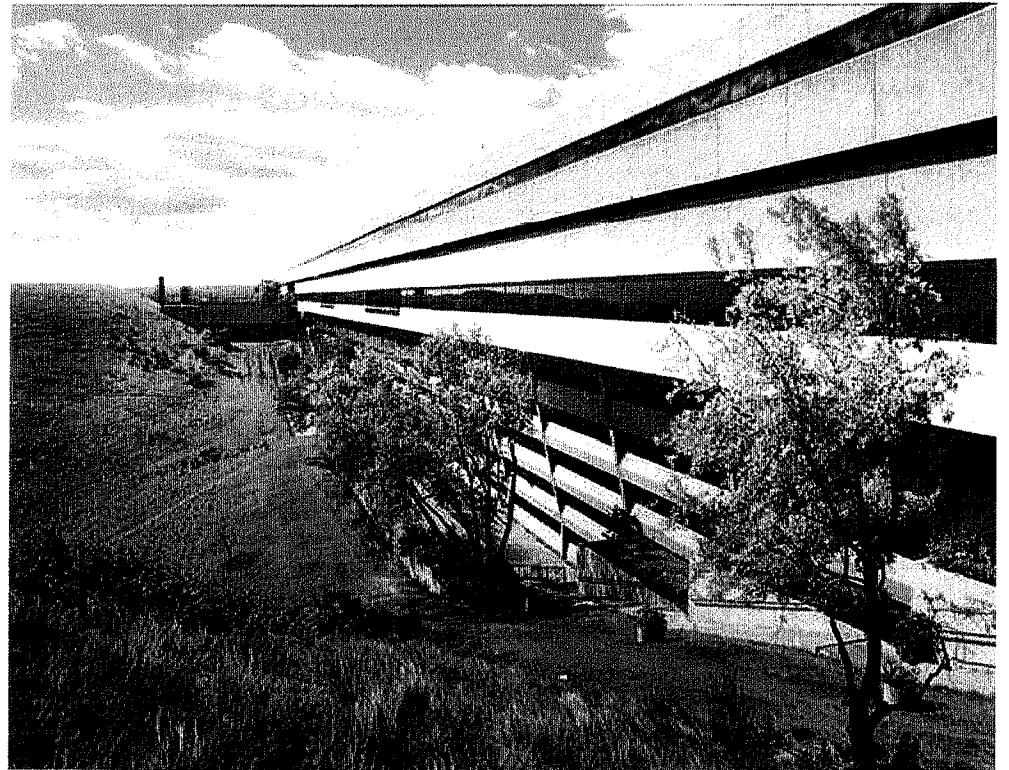


**The
University
of Lethbridge**



2002 – 2006 Business Plan

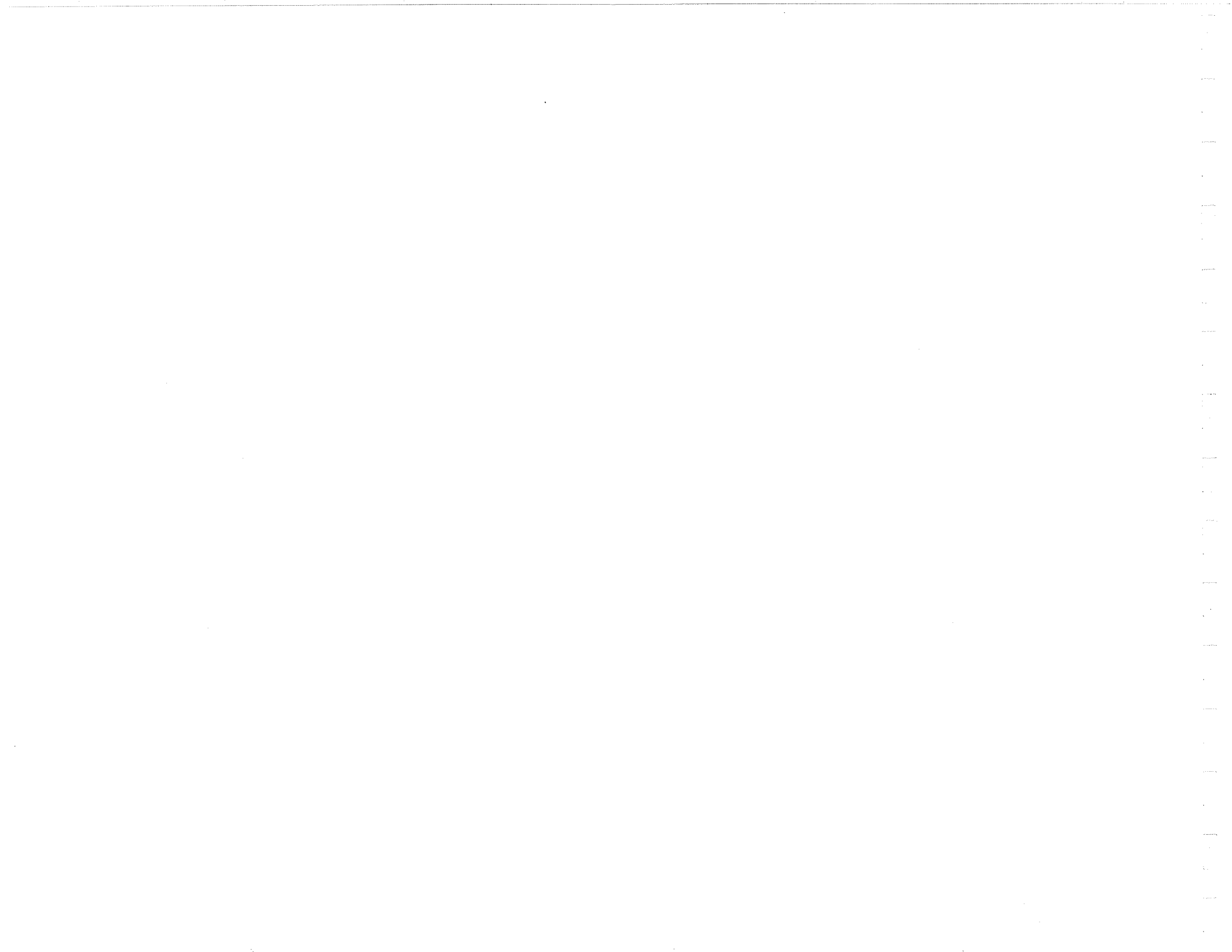




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Executive Summary

About the University

The University of Lethbridge, a member of the system of Alberta universities, offers undergraduate degrees in the humanities, social sciences, natural sciences and mathematics, certificates, diplomas and undergraduate degrees in education, fine arts, health sciences, management and nursing, and graduate degrees at the Masters and Doctoral levels. A Board-governed institution, the University operates under the *Universities Act*, a government-approved mandate statement, and mission and vision statements. A high-level planning framework is currently being developed to help the University address future opportunities and challenges effectively.

The University of Lethbridge continues to build on its reputation as an exceptional research and teaching university. In the 11th annual Maclean's Magazine survey of postsecondary education in Canada, the University maintained its eighth place position among the country's 21 primarily undergraduate institutions. The institution received first place marks in medical and science grants, and was the only western Canadian university listed in the Leaders of Tomorrow category.

With a focus on liberal education, smaller class sizes, co-op placements, excellence in teaching, and student involvement in research, the University of Lethbridge provides top-quality education. Our faculty and students are recognized nationally and internationally through their achievement of awards, scholarships and professional appointments. A University of Lethbridge student was Alberta's only Rhodes Scholarship recipient for 2001.

Opportunities and Challenges

The University is facing a complex mixture of opportunities and challenges. Its growth in enrolment (up by 25% over the past four years) is providing opportunities to expand programs, improve attraction and retention, introduce new ideas, enhance the institution's reputation, expand research and scholarship, enhance graduate studies, and increase contributions to the community. Potential challenges of this enrolment growth include budget stresses from increased numbers of unfunded students, difficulties in recruitment and retention in a very competitive market, pressure on facilities, resources and services, and rising demand for student residences.

As student enrolment has risen, the number and proportion of students from outside Lethbridge and area has also increased. This further intensifies demand for student residences, and causes student recruitment and liaison costs to rise.

Attracting and retaining faculty and staff continues to be a challenge. Competition from other institutions creates difficulties for The University of Lethbridge in hiring new faculty for emerging needs, and retaining faculty at all stages of their careers. The University applauds the Alberta Learning Attraction and Retention grant, and hopes that additional funds will be allocated to address this ongoing issue.

The Alberta Learning Tuition Fee Policy has a significant impact on The University of Lethbridge. As dictated by the Policy, University tuition fees have been frozen because fee revenue has exceeded 30% of operating expenditures, even though the institution has lower fees than the other Alberta universities. The freezing of fees means that The University of Lethbridge cannot recover the costs of inflation, and is less able to offer salaries and other working conditions competitive with comparable institutions.

There are increasing demands on space at The University of Lethbridge despite the recent opening of the new Library and Canadian Centre for Behavioural Neuroscience. Even with the addition of these new buildings, the University has the least teaching space per student among public postsecondary institutions in the province, and the least assignable space per students among Alberta universities. The University has completed a campus development plan that includes the campus development for the next 30 years that is necessary to accommodate potential growth. On the operating side, the demands of facilities maintenance and deferred maintenance are putting serious fiscal demands on the University.

As one of the leading primarily undergraduate institutions in Canada for research, The University of Lethbridge is committed to expanding its research programs. However, the indirect costs of research are a significant drain on the institution. The federal government appears to be addressing the issue for the federal granting councils, but much remains to be done.



The University of Lethbridge continues to use technology to facilitate learning. The institution is committed to being a leader in the effective and appropriate use of technology in research and learning. While this commitment brings tremendous opportunity, it also poses financial and technical challenges.

Goals and Performance Measures

To help effectively address opportunities and challenges, The University of Lethbridge has set a series of goals, with associated actions and expected results. The institutional goals are: (1) Accessibility, (2) Academic Excellence, (3) Research excellence, (4) Community and public relations, (5) Student services, (6) Facilities and equipment renewal, and (7) Responsive and responsible operations.

The University has proposed eight performance measures to assess its progress related to the goals: (1) Enrolment, (2) Graduate satisfaction, (3) Graduate employment rates, (4) Administration expenditures, (5) Research citation index, (6) Research intensity, (7) Research impact, and (8) Research council success rates. Annual reports will track yearly progress on the performance measures.

Budget

The University of Lethbridge presents a balanced budget for the 2002-03 fiscal year, but predicts deficit budgets beyond that, due to the significant burdens of consecutive annual funding reductions. The University is dedicated to cost containment and continuous quality improvement, and takes its fiscal responsibility seriously.

The University of Lethbridge continues to have a positive economic impact, generating 1,545 jobs and injecting \$102 million into the local economy.

The general fund revenue budget will increase by \$1.3 million in 2003-04. The single largest source of revenue for The University of Lethbridge is government grants. Since 1993-94, the amount of operating grant per student at the University has declined, which has contributed to the institution exceeding the tuition fee cap under the Tuition Fee Policy. The 2002-03 fiscal year will see a 4.5% increase in instructional fee revenue, due to planned enrolment increases in the faculties and schools.

The growth in the expenditure budget has outpaced the growth in revenues. The largest expenditure is compensation costs, which make up about 77% of the total operating expenditures. Fixed costs and the cost of information

resources continue to escalate. Another important expenditure is funding for technology initiatives to make operations more efficient and effective. The tuition fee freeze will place The University of Lethbridge in a difficult, perhaps untenable, budget situation over the next four years.

Enrolment Plan

The University of Lethbridge has proposed expansions in undergraduate programs in Management, Multimedia, Addictions Counselling, and First Nations Teacher Education, and at the graduate level in its Masters and Doctoral programs. These proposed expansions will help meet unmet market demand. The expansions will not be possible, however, unless the government revises the Tuition Fee Policy to allow The University of Lethbridge to charge the same fees as other Alberta universities.

Capital Projections

In the renewal and upgrading of capital assets, The University of Lethbridge faces challenges in deferred maintenance, the upgrading of services for new buildings, and needed research space.

Priority long-term projects include continuation of the Technology Access Program to upgrade computers, a Faculty of Management building, an Information Technology Centre, a science research facility (that would house the water resources institute and other projects), student residences, an art gallery, and a recreational/wellness centre. These projects would accommodate future planned expansion of the University's teaching, research and community service operations.



1.0 Institutional Context

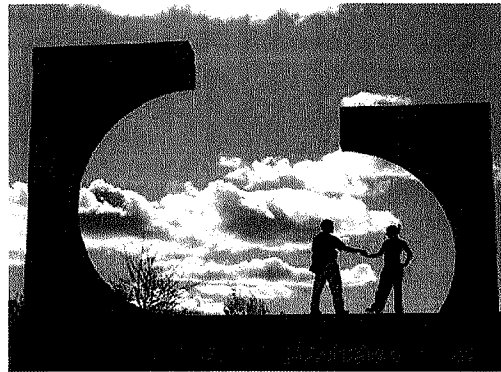
1.1 U of L Mandate Statement

The University of Lethbridge is a Board-governed institution functioning under the *Universities Act* as a member of the system of Alberta universities. It offers instructional programs at the Bachelor's level in the humanities, the social sciences, the natural sciences, and mathematics within its Faculty of Arts and Science. It also awards University certificates, diplomas, and undergraduate degrees in Education, Fine Arts, Health Sciences, Management and Nursing. At the graduate level, The University of Lethbridge offers a Master of Education (M.Ed.), Master of Arts (M.A.), Master of Science (M.Sc.) and a special case Doctor of Philosophy (Ph.D.). It stimulates and supports basic research and scholarly activity in all disciplines in which it gives instruction, and conducts certain lines of applied research of special relevance to the region or to the province.

The University offers collaborative programs with various community colleges, including post-diploma degrees in Agricultural Studies, Environmental Science, Fine Arts, Management, and Nursing. It encourages, through its Management, Education, and Arts and Science faculties, active development of educational opportunities in Native American Studies for Native American students through off-campus and on-campus programs.

The University of Lethbridge provides non-credit continuing education programs throughout the region. It also supports artists' workshops and makes its cultural programs and facilities available to the wider community.

Approved by the Minister, May 23, 2001



1.2 U of L Mission and Vision

In transmitting and advancing higher learning, The University of Lethbridge endeavors to cultivate human values, intellectual growth, social development, aesthetic sensitivity, personal ethics, and physical well-being.

The University of Lethbridge operates under a strategic framework that guides planning, and provides overall direction for the future.

The Board of Governors has set a number of objectives for the University, including the following:

- To enhance learning at all levels of university education.
- To develop and maintain academic and research excellence.
- To recruit and retain excellent faculty.
- To strengthen recruitment and retention of students.
- To be a leader in the use of information technology to expand the capacity to learn.
- To provide a rigorous and stimulating environment for research.
- To enhance the learning environment by improving and maintaining capital facilities.

1.3 Strategic Plan

In October 2001, The University of Lethbridge began developing a strategic plan that will guide the institution for the next five to ten years. The Chair of the Board of Governors and the President initiated this process, in which a planning team, using a consultative approach, will develop a high-level planning framework for the institution.



The overall purpose of the framework is to ensure more consistent business and operational planning and implementation. The Board of Governors, General Faculties Council, and Senior Administration will approve the results of the first phase of the plan in May 2002.

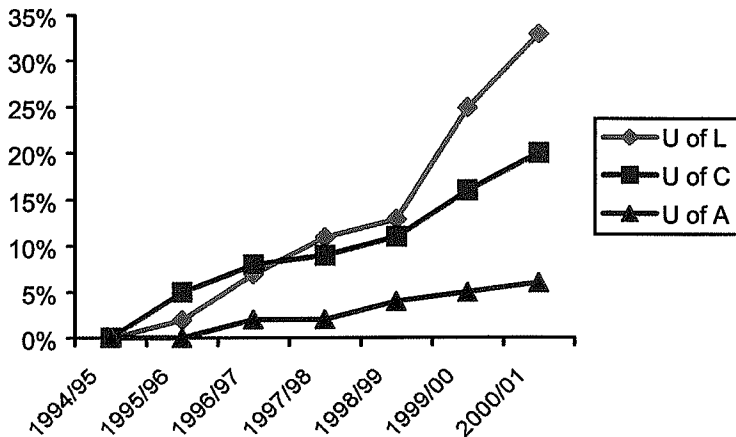
When this phase of the planning process is complete, it will have defined the University's values and operating philosophies. Subsequent planning will develop policies and guidelines to achieve these values and philosophies.

1.4 Environmental Scan

Enrolment Growth

The University of Lethbridge is the first choice for many students across Alberta, and beyond. Since 1994/95, University enrolment has increased by about 33%, a larger increase than the University of Calgary or the University of Alberta (see Figure 1 below).

Figure 1: Percentage Increase in Fall Enrolment at Alberta Residential Universities Relative to 1994



There were 6968 students enrolled in September 2001, up from 6410 students in fall 2000. (See Figure 5: Enrolment 1996-2001, page 22 for more details.)

Increases in enrolment present both opportunity and challenge—the opportunity for the University to grow, and the challenge to accommodate these students effectively.

The opportunities of enrolment growth include:

- *New or expanded programs*—With increasing student enrolment, the University will have the opportunity to consider the expansion of programs, and the development of new programs or faculties.
- *Attraction and retention*—Potential students and faculty may view a growing University as a more dynamic and desirable environment in which to study and work.
- *Infusion of talent and ideas*—A growing student and faculty body will infuse new talent and ideas into the University.
- *Increased reputation and profile*—As the University grows in size, attracts more high-quality students, instructors and researchers, and increases its reputation, it will gain a higher profile.
- *Research and scholarship*—With more high-quality faculty there will likely be an increase in research, scholarship, and creative activity. An expanded University may also be more able to build more research initiatives with national and international focus, such as the Water Institute for Semi-arid Ecosystems (WISE).
- *Enhancement of graduate studies*—A growth in student population will likely result in more graduate students, urgently needed in Alberta and across Canada.
- *Community*—As the University grows, so its financial and cultural contribution to the community will increase. Both the University and the community will benefit from a more closely tied relationship.



The potential challenges of enrolment growth include the following:

- *Budget*—The University can no longer afford the additional operating costs associated with unfunded students, and enrolment growth puts pressure on capital facilities.
- *Student-centred approach*—The University’s commitment to being a student-centred institution may suffer. For example, the student-faculty ratio remained stable from 1996/97 to 2000/01, but both unfunded growth and the fee cap may make it impossible to sustain.
- *Faculty recruitment and retention*—More students require more faculty. Attracting and retaining faculty in a tightening market will be a challenge.
- *Physical facilities, resources, and services*—Finding adequate space, resources, and services to accommodate increasing numbers of students, faculty, and staff will be a challenge.
- *Student housing*—Increasing enrolments and a rising out-of-town student population will increase the need for more student residences. Because the University, proportionately, has both the lowest number of residence beds and the highest number of out-of-town students, recent market research shows overwhelming demand for on-campus housing. Research also shows that living on campus enhances students’ learning experiences.

Our strong growth is due to our growing provincial and national reputation and to growing demand. In the past few years, Alberta Learning has approved a number of graduate programs, which have allowed us to enhance our reputation for providing opportunities at the undergraduate and graduate levels. Although graduate student numbers are modest, they are crucial in attracting and retaining excellent faculty, in supporting growth in research programs, and in making us more attractive to prospective undergraduates. Due to the large enrolment increase at the institution, the proportion of graduate students has actually declined, and must be increased to meet internal and external needs. Alberta continues to produce graduate degrees at an anomalously low rate.

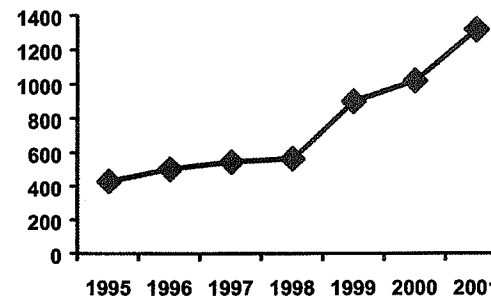
To date, internal efficiencies and Access Program funds have allowed us to provide seats for all qualified students who wish to attend our institution. However, The University of Lethbridge is now forced to stabilize its

enrolment, due to decreasing funding per student. See section 4.0 Enrolment Plan (page 31) for more details.

Unfunded Students

Since 1995, our resources have been stretched by a growing number of unfunded students¹ attending the University. Figure 2 shows the number of unfunded FLEs² from 1995 to 2001.

Figure 2: Unfunded FLEs 1995-2001



Alberta Learning has partially addressed the funding for 266 previously unfunded students by providing \$1,000 grant per student. Although this additional funding is greatly appreciated, it is less than 1/6 of the average grant per student, and further funding is urgently required.

At present, the only way for the University to increase the level of resources per student is to reduce the number of students, and increase the fees per student to recover lost revenue, a prospect that is distasteful and dysfunctional.

¹ Students not funded by government grants.

² FLE = Full Learner Equivalent.



Market Developments

The University of Lethbridge competes successfully with institutions in Alberta and across the nation. Since 1996, the number and proportion of students that originate from Southern Alberta has declined, and the number and proportion of students from Calgary, Edmonton, and elsewhere in Canada has increased (see Table 1).

These numbers show how competitive the University has become in the province and the country, but they also present challenges. With more out of town students, costs of recruiting and liaising with prospective students increase. It also puts pressure on the University for more residences.

On-campus residences are very important to the University for recruitment, and are important for the students. It has been statistically proven that those students who live on-campus generally have higher academic achievements, and participate more fully in academic life.

Despite competition for students among postsecondary institutions in Canada, The University of Lethbridge has successfully attracted students by maintaining smaller class sizes, providing a sense of community, more access to faculty, national and international opportunities, state-of-the-art teaching space and laboratories, and access to cutting-edge computer technology.

Table 1: Geographic Source of Students, 1997-2000

		Fall 97	Fall 98	Fall 99	Fall 00
County/ Census Division	Athabasca	21	21	35	40
	Bonnyville	30	32	38	29
	Calgary	834	931	1174	1410
	Camrose	57	46	61	74
	Edmonton	315	364	480	526
	Fort Macleod	296	285	344	344
	Fort McMurray	33	39	39	56
	Grande Cache	8	9	8	7
	Grande Prairie	46	49	64	69
	Hanna	32	31	28	37
	Hinton	13	14	22	18
	Lethbridge	2324	2288	2174	2021
	Medicine Hat	197	198	208	233
	National Parks	22	20	21	28
	Red Deer	145	122	145	189
	Rocky Mtn House	67	59	62	66
Slave Lake	14	18	13	10	
Vulcan	123	114	137	143	
Wainright	48	47	49	56	
Province / Territory	Alberta	4625	4687	5102	5356
	Atlantic Canada	4	3	6	11
	British Columbia	343	356	423	484
	Manitoba	14	15	28	44
	NW Territories	37	41	43	46
	Ontario	52	74	91	96
	Quebec	3	5	5	5
	Saskatchewan	154	134	158	198
Yukon Territory	10	12	25	22	
Nation / Region	Asia	69	68	88	78
	Canada	5242	5327	5881	6262
	South America	-	13	10	5
	USA	16	10	11	11
	Other	34	14	19	54



Northern Campuses

The University is committed to providing access to degree programs for Albertans. This is especially evident in our Bachelor of Management degrees for post diploma students in Calgary and Edmonton. Almost 500 students attend our classes in Management, Arts and Science, and Fine Arts at our Calgary and Edmonton campuses. These unique programs have been especially successful.

This success has, however, resulted in significant demands on administration, faculty, staff, and the Student Union.

Staff Attraction and Retention

Attracting and retaining staff is a challenge. Relative to comparable institutions, the University of Lethbridge has lower starting salaries and higher workloads. Now that retirements and expansion across the country and in the USA has opened the job market, especially for academics, the University must be competitive in compensation packages, workloads, and research opportunities to recruit and retain highly talented and productive people. With the increased pressure from larger institutions, staff attraction and retention will continue to be a challenge.

The specific challenges we face in attracting and retaining staff are:

- Hiring new faculty to meet emerging needs.
- Retaining faculty who are still relatively early in their careers.
- Retaining mid- and late-career faculty with strong academic records, who are urgently needed to guide the development of junior faculty.

Although senior faculty members have salaries comparable to those elsewhere, the median salary for assistant professors at The University of Lethbridge is below the national median because they were hired when market rates were depressed. Other universities are now actively recruiting faculty members from The University of Lethbridge.

The loss of a faculty member poses at least three problems:

1. The financial and other costs of hiring and establishing a replacement.
2. New hiring is done at rapidly increasing market rates.
3. The likelihood that the replacement will be less experienced and not as well established in their research pursuits than the person being replaced

In February 2001, Alberta Learning began distributing a special Faculty Attraction and Retention grant. This grant is a significant recognition of this serious issue. The University hopes that additional funds will be allocated to attraction and retention to enable the institution to compete on an equal footing, by allowing us to offer attractive compensation for faculty.

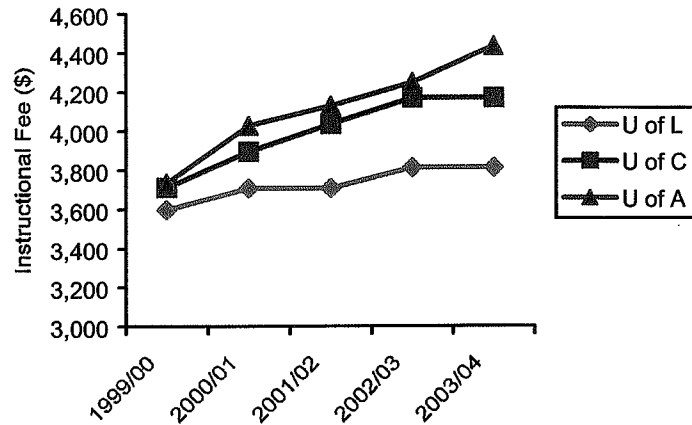
Tuition Fee Revenues

Alberta Learning's Tuition Fee Policy has a significant impact on The University of Lethbridge. Instructional fees are the second largest revenue source for the University's general operating revenue budget. The Tuition Fee Policy forbids increases in instructional fees if fee revenue is 30% or more of operating expenditures. However, the Policy considers total tuition revenue, and not tuition revenue per student.

The large number of students not funded by government grants at the University (see Figure 2, page 5) has contributed to the institution exceeding the 30% cap on tuition revenue. Instructional fees were frozen in 2000-01, and will be held at this level until revenue from these fees falls below 30% of our operating expenditures. The University of Lethbridge is the only Alberta university that has reached the cap, even though our fees are lower than those of the other Alberta universities offering similar programs (see Figure 3, page 8).



Figure 3: Alberta Mandatory Fee Comparison



The freezing of our instructional fees has some significant negative effects. It means that the tuition revenue will increase with rising student numbers (numerator), but the operating expenditures (denominator) will not increase proportionately. The problem has been greatly exacerbated by the fact that the many Access programs awarded to the University provide grants that are so low they violate the 30% rule. Even though our fees are the lowest university fees in the province, because of the freeze we cannot recover the costs of inflation. The freezing of fees also lowers our ability to offer salaries and other working conditions attractive to high-quality faculty and staff.

In support of Alberta Learning’s “Access Alberta” concept, in a time of strong economic growth and increased demand for advanced education, The University of Lethbridge has made significant efforts to meet the needs of Alberta students, and has accepted all qualified students who have applied to the University. The University is committed to access and reasonable fees, and we applaud recent moves to provide better support for students. Nevertheless, we feel strongly that the Tuition Fee Policy must be revisited to find an alternative that is free of the negative consequences described here.

Space

Academic And Research Space

There are increasing demands on space at The University of Lethbridge, despite the recent opening of the new Library Information Network Centre (LINC) and Canadian Centre for Behavioural Neuroscience (CCBN). Even with LINC and CCBN, the University has the lowest amount of teaching space per student among public postsecondary institutions in the province, and the least assignable space per students among Alberta universities.

At 18,758 sq.m., LINC more than doubles the size of the library. It has 362 new classroom seats, 850 individual study spaces, and 78 study spaces in group study rooms. Every study area is wired with fibre optic cable for access to information technology.

The vacated library space, about 5,385 sq.m., is being remodeled to include additional classroom space, computer labs, fine arts studio space, faculty offices, and seminar rooms. The additional classrooms will provide enough space to accommodate classrooms for approximately 8,000 students. The additional space does not, however, provide for the faculty and research space required to service 8,000 students.

The CCBN houses researchers working in The University of Lethbridge’s Department of Psychology and Neuroscience. It provides more than 3,700 sq.m. for research labs, and increased space for graduate student research and post-doctoral researchers.

All new building space must be maintained at a level that meets the expectations of occupants, donors, and the public. Consequently, there will be more pressure on the operating budget, as the University provides maintenance, custodial, utility, and other building support for the new facilities.

General Campus Space

There is an urgent and growing need for general campus space (i.e., space other than academic and research space). Specific needs are recreational and cultural space, fitness center space, and student housing. The development of general campus space has not kept pace with other campus development. One-time funding through Access Programs, and the debt absorbed by our institution for the construction of LINC, does not allow us to address these needs at the moment.



The University has completed a campus development plan that addresses the campus planning necessary for the next 30 years. The review determined appropriate building locations and support infrastructure for future buildings required to accommodate potential growth, and incorporated extensive consultation with members of the internal and external University community.

Research

The University has the opportunity to reinforce its position as one of the leading smaller research institutions in Canada. The University takes pride in being ranked at the top of this group in the Medical/Science grants category,³ and is committed to increasing its success rate with the Social Sciences and Humanities Research Council.

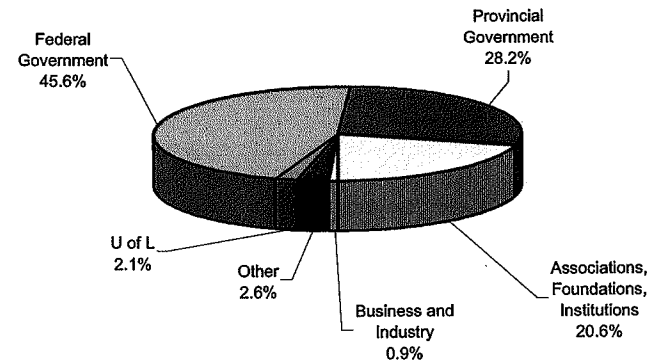
The University of Lethbridge received seven Canada Research Chairs under the Canada Research Chairs Program established by the Government of Canada. We are committing these Chairs to recruiting new faculty. We have also established an internal chairs program to reward research excellence in the existing faculty.

The Government of Canada recently announced initiatives in “Achieving Excellence” and “Knowledge Matters” through its innovation strategy. The University is very supportive of this strategy, which recognizes knowledge as a strategic national asset, and advocates strengthening learning and research in Canada.

A significant issue with the success of our research programs is the challenge of funding the indirect costs of research. It is estimated that indirect research costs to the institution are 40 cents for each dollar spent on research. For a small institution, this is a significant drain on resources. The recent federal action on indirect costs gives us reason to hope that at least a partial solution coming up. This issue must be addressed so that the University of Lethbridge can continue to be successful in its research endeavours.

³ In the 11th annual Maclean’s Magazine survey of postsecondary education in Canada, the University of Lethbridge was first place in medical and science grants among the country’s 21 primarily undergraduate universities.

Figure 4: Source of Research Grants 2000-2001



Creativity

The University’s art collection of approximately 13,000 works is one of the most significant in Canada. It is the largest university art collection in Canada, and at \$34 million, probably the most valuable.

Its strength is the diversity of the works, by artists from Canada, USA, and Europe working in painting, drawing, printmaking, sculpture, photography and installation. The majority of works span the 19th and 20th centuries, but there are works from earlier periods, and the collection continues to grow with 21st century additions.

The University of Lethbridge art collection is an important resource for teaching and research. It plays a central role in teaching for studio and museum studies courses. Having a large art collection within a university provides tremendous potential for the campus, local community, and communities across the country. The collection has a unique position in Canada, given that most universities have small collections covering a fixed range, while public galleries with large collections cannot focus on teaching and research.



Technology In Research And Learning

The University uses technology in support of our core competence: promoting learning conversations among students and academic staff. We are committed to using technology to facilitate these personal contacts, not supplant them. Our aim is to graduate students who are adept at using communications technologies to meet a range of learning objectives, and skilled in using technology to enhance teaching, scholarship and administrative functions.

We are dedicated to being a leader in the effective use of technology in research and learning. The University of Lethbridge may well be the best-networked institution in Canada, providing high bandwidth Internet access for all students, faculty, and staff. Committing to technology leadership brings tremendous opportunities to expand the University's tradition of excellence in academic achievement, research, and student services. It also brings the challenges and costs of keeping up with the demands of technology.

The University's current technology initiatives include the following:

- Development of partnerships with computer technology organizations, and the building of a technology strategy for teaching and research.
- Database development in Field Experience, Student Program Services, and Graduate Studies, which allows interface between these units and the Office of the Registrar.
- Development of online examinations. This initiative reduces the cost of in-class examinations, and provides more flexible examination hours for students.
- Implementation of degree audit software. This project has the potential to reduce workload in the manual degree audit area.
- Electronic access to back issues of scholarly journals, which would reduce the number of interlibrary loan requests, provide for desktop delivery of information, and reduce the costs of stack maintenance.



- Development of online processes for registration and other services delivered through the Student Information System, Human Resources, Financial Services, Materials Management, and Institutional Advancement.
- Development of a computer application to share information between Research Services and Financial Services.
- Broadband Enabled Lifelong Learning Environment (BELLE)—We are one of the partners in this project, which is funded under the CANARIE Learning Program,⁴ and led by Netera Alliance.⁵ The project aims to create a searchable database of multimedia learning materials.
- Multimedia Advanced Computational Infrastructure (MACI)—The University is a participant in this high-performance computing system. MACI's goal is to establish and maintain an advanced communication and computation infrastructure for researchers in the private sector, university, and government.
- Western Canadian Research Computing Grid (WestGrid)—The University is a participant in this proposal, which is a collection of high-performance computing facilities, data storage facilities, collaborative work sites, networks, and human resources. It integrates the computing needs of eight institutions in Alberta and British Columbia, creating a shared high-performance computing resource.

A significant technology-related challenge will be to maintain adequate support for the use of technology in teaching. Currently, our Curriculum Re-Development Centre supports faculty members in learning how to use

⁴ The CANARIE Learning Program, a \$25 million shared-cost funding initiative, encourages the development and use of broadband networks in education and training.

⁵ Netera Alliance is a not-for-profit corporation comprised of universities, research institutions, government, and private sector companies. It aims to facilitate the development of advanced information infrastructure in Alberta.



technology effectively in teaching. With the discontinuation of the Learning Enhancement Envelope funding, we need an alternative funding source to continue this important function.

The University of Lethbridge has been very progressive in providing technology to its students. A recent student survey showed that 85% of our students think access to computer technology on campus is exceptional. Our challenge will be to maintain this level of satisfaction, and to keep the University at the forefront of applicable technology.

Facilities Maintenance

The cost of maintenance is increasing pressure on our budget. Deferred maintenance on university facilities is estimated at \$62 million. This is the cost of repairs and maintenance to bring our present facilities up to an acceptable standard. The University is working with Alberta Learning and Alberta Infrastructure to address this serious issue.

Fundraising

Capital projects, and the need for more space, have challenged the University to seek increased financial support from granting agencies and the community. Soliciting donation funds is always a challenge, due to competition from other organizations seeking similar funding.

The University established an Institutional Advancement Office (IAO) in January 2001, to position the University strategically in its development efforts. This office coordinates fundraising, development, alumni relations, communications, and marketing to further the goals, mandate, and mission of the University.

The communications component of the IAO aims to promote the organization internally and externally, so its mission, work, and objectives are more widely understood. The development aspect of the IAO focuses on increasing financial support for the University through gifts and grants from individuals and organizations.



2.0 Goals and Performance Measures

2.1 Goals and Expected Outcomes

Goal: Accessibility

The University of Lethbridge is committed to providing access to quality academic programs for as many qualified students from the secondary school system and college transfer programs as we can accommodate.

Strategies	Actions	Expected Results
Continue to support appropriately-funded, selective growth of the institution.	<p>Continue the strategic planning process to identify specific objectives and strategies related to accessibility, programs, and the size of the University.</p> <p>Based on the capabilities of the University and the needs of students, develop quality programs for funding by the Access Fund.</p> <p>Continue to build relationships with high schools in primary target areas.</p> <p>Continue to build relationships with colleges.</p> <p>Increase community visits to exchange information with stakeholders.</p> <p>Provide prospective students with clear evidence on the benefits of postsecondary education, and the specific advantages of attending The University of Lethbridge.</p>	<p>Enrolment targets will be met for all Access-funded programs at the University.</p> <p>The number of new entrance and transfer scholarships will expand in the next three years.</p> <p>The number of campus events for new applicants will increase.</p> <p>Community visits will increase by five in 2003.</p>



Strategies	Actions	Expected Results
<p>Improve our commitment to support First Nations education.</p>	<p>The University will undertake research to identify actions that will increase the participation and success of First Nations students at the University.</p> <p>In collaboration with appropriate partners, the University will identify, develop, and seek funding for programs that meet the educational aspirations of First Nations people.</p> <p>In collaboration with Red Crow College, the Faculty of Education will finalize and seek funding for the proposed First Nations teacher preparation program.</p> <p>The Faculties of Management and Arts & Science will collaborate to implement a program to graduate managers with an understanding of First Nations cultures.</p> <p>The University will expand opportunities for students to gain understanding of First Nations cultures and issues.</p> <p>The University will encourage and support research to advance First Nations culture, improve the quality of life of First Nations peoples, and improve relationships between First Nations and other communities.</p>	<p>The number of First Nations people attending and graduating from the University will grow substantially.</p> <p>The University will expand the number of teachers, managers, and others with academic, cultural and professional knowledge and skills related to First Nations culture.</p> <p>The number of other students taking courses that deal with First Nations culture and issues will increase.</p>
<p>Increase international student enrolment.</p>	<p>Actively recruit in a limited number of selected international markets.</p> <p>Actively recruit international students that are currently in Canada in feeder schools and colleges.</p> <p>Continue with current foreign exchange programs, and explore new opportunities in this area.</p> <p>Increase scholarships available for international students.</p> <p>Improve local support for international students on-campus and in the community.</p>	<p>The number of international students at The University of Lethbridge will increase to reach a target of 7% of total enrolment.</p>



Goal: Academic Excellence

The University of Lethbridge is known nationally as an outstanding primarily undergraduate university. We will continue to be a student-centered institution, committed to offering the best possible programs and services.

Strategies	Actions	Expected Results
<p>Continue to maintain academic programs of exceptional quality that meet the needs of students and the community.</p>	<p>Continue to recruit world-class faculty for new and existing academic programs.</p> <p>Systematically review programs and majors to ensure continuing quality.</p> <p>Continue to offer comprehensive student-professor interaction and small class sizes, particularly in upper-level courses.</p> <p>Combine innovative teaching and research methods with the effective use of emerging technologies to meet the educational goals of our students.</p> <p>Continue to ensure students have access to the latest technology for academic purposes.</p> <p>Partner with industry and other agencies to ensure that co-op and other experiential programs have sufficient capacity for all students who wish to participate.</p>	<p>The academic units will prepare staffing plans and hire academic staff for new and existing programs.</p> <p>The University will conduct a number of surveys each year to monitor student satisfaction with the University's programs and services.</p> <p>The University will provide students and faculty with the most effective technology for academic purposes.</p> <p>Continuous upgrade of the campus-wide network system, and the expansion of bandwidth for Internet access.</p>
<p>Create opportunities that prepare students for success in their personal lives and careers.</p>	<p>Continue to apply the University's principle of liberal education to all undergraduate programs.</p> <p>Combine innovative teaching and research methods with the effective use of emerging technologies to offer students a broad range of learning opportunities.</p> <p>Systematically review programs and majors to ensure continuing quality.</p>	<p>Graduates will be prepared to tackle a wide range of challenges.</p> <p>Graduates will have transferable, knowledge-based skills.</p>



Goal: Research Excellence

The University of Lethbridge is committed to excellence in research for students and faculty. We take great pride in being ranked at the top of the primarily undergraduate institutions in the Medical/Science grants category. We will develop a more balanced funding approach, and will increase research support in the social sciences and humanities.

Strategies	Actions	Expected Results
<p>Continue to build a strong research program, with nationally and internationally recognized researchers and scholars.</p>	<p>Continue to recruit excellent faculty, and ensure that they receive the necessary assistance to establish their scholarly careers at the University.</p> <p>Build research partnerships with federal and provincial agencies, with the University of Calgary and University of Alberta, and with world-class institutions and research groups beyond Alberta.</p> <p>Aggressively pursue research infrastructure, personnel support, and research funds through direct federal government support, Alberta funding programs (including the new Alberta Ingenuity Fund), and peer-reviewed competitions of national and international agencies.</p> <p>Promote the University’s researchers and their research programs within government, industry, and the academic community.</p> <p>Develop and implement a communications plan to raise public awareness of the quality and scope of research, scholarship, and creative activity at the University.</p> <p>Establish and fund University of Lethbridge Research Chairs and Canada Research Chairs in the next three years.</p> <p>Establish a fund to support short-term research assignments, to be awarded through peer reviewed competition.</p>	<p>The amount of research activity at the University will increase.</p> <p>The University’s reputation for research will continue to grow.</p> <p>The assignments of newly hired faculty will reflect their need to establish both their research and teaching careers.</p>
<p>Continue to provide research opportunities for our undergraduate and graduate students.</p>	<p>Aggressively pursue student research funding through NSERC, AHFMR, Alberta Ingenuity and other agencies.</p> <p>Increase funds provided internally for the Chinook Summer Research Awards.</p> <p>Develop and implement a competitive system of graduate teaching assistantships, graduate research fellowships, and graduate research assistantships.</p>	<p>The University of Lethbridge will maintain and enhance its reputation as a national leader in undergraduate involvement in research, and will build its reputation at the graduate level.</p>



Goal: Community and Public Relations

Building and enhancing a strong university presence in the local and provincial community has always been an important part of The University of Lethbridge philosophy. We will continue to build a strong presence in southern Alberta, and the province as a whole.

Strategies	Actions	Expected Results
Continue to build strong ties with the community.	<p>Establish a communications plan to regularize the University's two-way consultation with the community.</p> <p>Continue to build responsive, high quality degree programs that are well adapted to the needs of prospective students.</p> <p>Offer educational, recreational, and fine arts programs to the community.</p> <p>Continue our annual showcase speaker events, which are open to community members.</p> <p>Expand the University's Web site as a key channel for marketing and community/student relations.</p> <p>Encourage faculty and staff involvement in the community.</p> <p>Continue to build partnerships in the community with the City of Lethbridge, other local governments, businesses, and government institutions.</p> <p>Maintain the broad representation from the community on the Senate.</p> <p>Use the Senate and its Outreach Committee to maintain and enhance connections with the community.</p>	<p>Increased financial support from the community in the form of donations for scholarships and capital projects.</p> <p>Business leaders, scientists, and other members of the community will continue to serve on committees, and as sessional lecturers.</p> <p>Increased University-community integration and interaction.</p>



Goal: Student Services

The University of Lethbridge will identify the needs of students and employers when developing student services, and respond to student and community concerns and requirements whenever possible.

Strategies	Actions	Expected Results
Provide students, faculty and staff with exceptional access to information technology and resources.	<p>Continue to support high-speed network access for all students, faculty and staff.</p> <p>Implement WestGrid, and participate in other provincial and national initiatives, such as Netera, SuperNet, BELLE, and Canarie.</p> <p>Maintain excellence in our library system by moving selectively toward electronic-based library materials, preserving our current holdings, and adding appropriate new print materials.</p> <p>Increase electronic access to scholarly journals through the National Site Licencing project, and other initiatives.</p>	<p>Improved access to information.</p> <p>Better integration of technology to enhance learning in academic and research programs.</p>
Identify and update services required by students.	<p>Continue with the existing program of externally and internally managed surveys of students, from before entry to after graduation.</p> <p>Implement the recruitment tracking and CAPP modules in the Student Information System, and use the resulting information to increase effectiveness and efficiency of the University's processes.</p> <p>Provide one-time and continuing funds to allow the initiation and maintenance of new student services identified in the student surveys.</p> <p>Continue to provide athletic services and recreation programs for students.</p>	<p>Improved satisfaction ratings on surveys.</p> <p>Improved services to current and prospective students.</p> <p>Improved efficiency.</p>



Strategies	Actions	Expected Results
<p>Extend access to services for students, faculty, staff, and community, using emerging technologies where appropriate.</p>	<p>Increase services supported by voice response technology and the Web.</p> <p>Automate routine tasks, allowing staff to work directly with students on complex and unique student issues.</p> <p>Ensure continuing access to recreational and cultural facilities (e.g., fitness centre, health centre, fine arts performances, art gallery).</p>	<p>The University of Lethbridge will provide the following services electronically by 2005:</p> <ul style="list-style-type: none"> - Automated tracking of student applications for admission. - Web-based individual student final exam schedules. - On-line advising and program audit. <p>Automated support for front-line services in the areas of scholarship, student finance, and recruitment.</p> <p>Planning for automated degree auditing began in 2002.</p> <p>Improved efficiency.</p>

Goal: Facilities and Equipment Renewal

Expand and upgrade academic, research, and support facilities to sustain enrolment growth. Address essential infrastructure and building renewal needs, based on available opportunities and resources.

Strategies	Actions	Expected Results
<p>Address the increased demand for postsecondary education by ensuring that the proper facilities, equipment, and infrastructure are available when required.</p>	<p>Continue to develop the Campus Master Plan to guide future development of the campus.</p> <p>Annually identify and prioritize new building projects and building renewal projects, as part of the three-year capital budget process.</p> <p>Continue to prioritize and fund academic equipment renewal as part of the three-year capital budget process.</p> <p>Continue to perform life cycle costing of new buildings and systems, and annually set up plans to fund them.</p> <p>Continue to provide the most up-to-date technology for students in laboratories and classrooms.</p> <p>Ensure future building life cycle costs are minimized when planning and designing building projects.</p>	<p>The University will produce plans to increase student residences, and will coordinate space requirements with the new Access programs for which the institution is currently applying.</p> <p>The renovation of the vacated library space will be completed, which will provide space for new classrooms, laboratories and offices.</p>



Goal: Operate Responsively and Responsibly

The University of Lethbridge will operate in a manner that is fiscally responsible, forward thinking, and responsive to the needs of students, faculty, government, society, and the economy.

Strategies	Actions	Expected Results
Increase tuition fees to the Alberta average.	<p>Consult with students to achieve tuition fee rates that support quality academic programs.</p> <p>Work with Alberta Learning to review the Tuition Fee Policy, and make it more responsive to the needs of students and institutions.</p>	<p>The high quality of education at the University will continue.</p> <p>The University's budget will be balanced.</p> <p>Educational opportunities at the University will continue to be accessible.</p>
Pursue funding from external sources.	<p>Develop partnerships with industry to provide contracted services that support academic programs.</p> <p>Meet the fundraising objectives set out in the Institutional Advancement strategic plan.</p> <p>Continue with Board of Governor-approved four-year budgets, which approve the current year's budget and give approval in principle for the budget for the next three years.</p>	<p>The University's budget will be balanced.</p> <p>The Office of Institutional Advancement will develop relationships with individuals and organizations to advance the mission of the University.</p>



2.2 Relationship of University of Lethbridge Goals to Ministry Goals

U of L Goals	U of L Strategies	Alberta Learning Goals	Alberta Innovation & Science Goals	Alberta Government Goals
Accessibility	<ul style="list-style-type: none"> Continue to support appropriately funded, selective growth of the institution. Improve our commitment to support First Nations education. Increase international student enrolment. 	<p>Goal 1: High quality learning opportunities.</p> <p>Goal 4: Effective working relationships with partners.</p>		The well being and self-reliance of First Nations people will be comparable to that of other Albertans.
Academic Excellence	<ul style="list-style-type: none"> Continue to maintain academic programs of exceptional quality that meet the needs of students and the community. Create diverse opportunities that prepare students for success in their personal lives and careers. 	<p>Goal 1: High quality learning opportunities.</p> <p>Goal 2: Excellence in learner achievement.</p> <p>Goal 3: Well prepared learners for lifelong learning, world of work and citizenship.</p> <p>Goal 4: Effective working relationships with partners.</p>	Goal 1: Maximize the international competitiveness of Alberta's science and research system.	<p>Alberta students will excel.</p> <p>Our workforce will be skilled and productive.</p>
Research Excellence	<ul style="list-style-type: none"> Continue to build a strong research program, with nationally and internationally recognized researchers and scholars. Continue to provide research opportunities for our undergraduate and graduate students. 	<p>Goal 1: High quality learning opportunities.</p> <p>Goal 2: Excellence in learner achievement.</p> <p>Goal 3: Well prepared learners for lifelong learning, world of work and citizenship.</p> <p>Goal 4: Effective working relationships with partners.</p>	<p>Goal 1: Maximize the international competitiveness of Alberta's science and research system.</p> <p>Goal 3: Promote effective application of science and research for improving the stewardship of Alberta's resources and environment.</p> <p>Goal 4: Promote the benefits of science and innovation within Alberta.</p>	



U of L Goals	U of L Strategies	Alberta Learning Goals	Alberta Innovation & Science Goals	Alberta Government Goals
Community & Public Relations	<ul style="list-style-type: none"> Continue to build strong ties with the community. 	<p>Goal 1: High quality learning opportunities.</p> <p>Goal 2: Excellence in learner achievement.</p> <p>Goal 3: Well prepared learners for lifelong learning, world of work and citizenship.</p> <p>Goal 4: Effective working relationships with partners.</p>	<p>Goal 4: Promote the benefits of science and innovation within Alberta.</p>	
Student Services	<ul style="list-style-type: none"> Provide students, faculty and staff with exceptional access to information technology and resources. Identify and update services required by students. Extend access to services for students, faculty, staff, and community, using emerging technologies where appropriate. 	<p>Goal 1: High quality learning opportunities.</p>		Alberta students will excel.
Facilities & Equipment Renewal	<ul style="list-style-type: none"> Address the increased demand for postsecondary education by ensuring that the proper facilities, equipment, and infrastructure are available when required. 	<p>Goal 1: High quality learning opportunities.</p> <p>Goal 2: Excellence in learner achievement.</p> <p>Goal 3: Well prepared learners for lifelong learning, world of work and citizenship.</p>		
Operate Responsively & Responsibly	<ul style="list-style-type: none"> Increase tuition fees to the Alberta average. Pursue funding from external sources. 	<p>Goal 1: High quality learning opportunities.</p>		



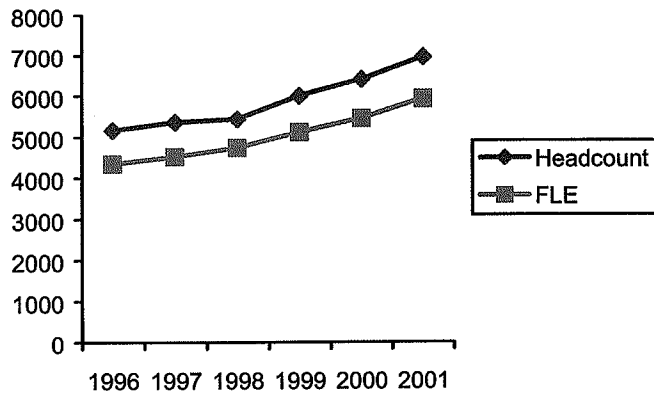
2.3 Performance Measures

The University of Lethbridge will use performance measures to assess progress related to the institution’s goals, strategies, and expected outcomes. This section describes these performance measures. Annual reports will show data that tracks progress for each performance measure.

Enrolment

This measure shows the total number of students enrolled at The University of Lethbridge. Figure 1 shows enrolment data for 1996 to 2001.

Figure 5: Enrolment 1996-2001



Graduate Satisfaction

In conjunction with other Alberta universities and university colleges, we conduct surveys of graduates, which include rating how satisfied graduates are with the education they received at The University of Lethbridge. We will use these data to assess our progress related to the Academic Excellence and Student Services goals. Table 2 shows student satisfaction data for 1999 and 2001.

Table 2: Student Satisfaction with Overall Quality of Educational Experience, 1999 and 2001

Year	% Students Satisfied
2001	85
1999	85

Graduate Employment Rates

This performance measure tracks how well University of Lethbridge graduates fare in the workforce. Data will show the participation rate and employment rate of graduates.⁶ These data will be useful in measuring the success of its strategies and actions under the Academic Excellence and Research Excellence goals.

For 2000, the participation rate of graduates was 96%, and the employment rate was 95%.

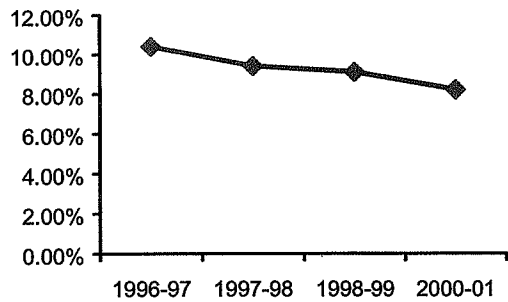
⁶ The *participation rate* is the proportion of graduates who are active in the workforce. The *employment rate* shows the proportion of these active participants that are currently employed.



Administration Expenditures

Administration expenditures as a percentage of total expenditures less ancillary expenditures will be a useful measure of the efficiency of The University of Lethbridge administration. The data in Figure 6 below shows continuous improvement in this performance measure. The University of Lethbridge has consistently invested more money in student services, faculty, and staff.

Figure 6: Admin. Expenditures as % of Total Expenditures Less Ancillary Expenditures



Research Activity

The University of Lethbridge is committed to being a leader in research. To gauge progress in this area, we propose the following performance measures.

Citation Index

This measure shows the number of times our research studies are referenced in publications. See Table 3: Citation Impact.

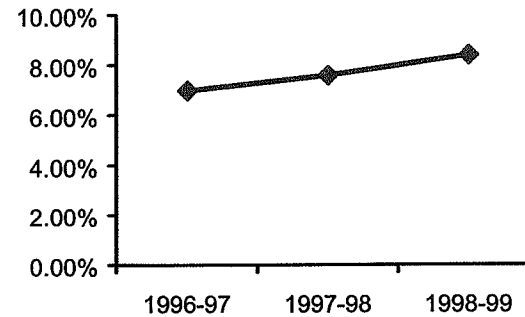
Table 3: Citation Impact

Year	No. Citations Received	Citation Impact ⁷
1991-95	1063	2.59
1992-96	1080	2.56
1993-97	1003	2.61
1994-98	1231	3.10

Research Intensity

Research intensity data are produced by calculating the value of sponsored research divided by the value of provincial operating grants. Figure 7 shows data from 1996/97 to 1998/99.

Figure 7: Research Intensity 96/97-98/99



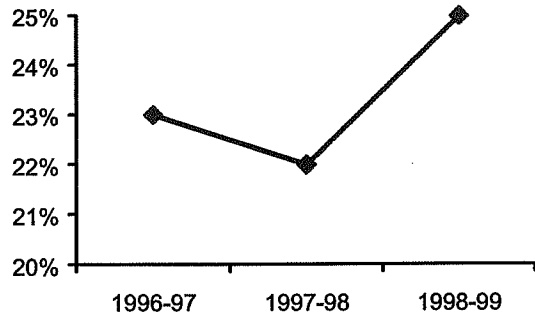
⁷ Citation impact = the average number of times a University of Lethbridge publication was cited.



Research Impact

This measure shows how well the University attracts research money from community and industry sources. Research impact is calculated by dividing the value of community and industry sponsored research by the value of total sponsored research. Figure 8 shows the three-year moving average from 1996/97 to 1998/99.

Figure 8: Research Impact, 96/97-98/99



Research Council Success Rates

This performance measure tracks the grant monies that The University of Lethbridge receives from the Natural Sciences and Engineering Research Council (NSERC), Social Sciences and Humanities Research Council (SSHRC), and Canadian Institute of Health Research (CIHR). Table 4 shows recent data. With regard to the total value of all grants from these institutions, The University of Lethbridge is in the top two among peer universities across Canada.

Table 4: Research Council Grants

NSERC Grants (3 year moving average)	1999	\$23,333
	1998	\$22,500
SSHRC Grants	1999	\$16,564
	1998	\$15,035
CIHR Grants (3 year moving average)	1998	\$37,955
	1997	\$33,606
Total of all grants (3 year moving average):		\$23,123



3.0 Budget Information

3.1 Overview

The University of Lethbridge takes its fiscal responsibility seriously. The University is presenting a balanced budget for the 2002-03 fiscal year, but under the current Tuition Fee Policy restrictions, and the assumptions for compensation increases, we predict deficit budgets beyond the current fiscal year. To present a balance budget for 2002-03, the University reduced expenditures and increased revenue. The 2002-03 fiscal year is the tenth consecutive year of budget reductions; this is imposing a significant burden on the institution each year to achieve a balanced budget.

The budget reductions are likely to erode the quality of the education and research in our University. We will be unable to maintain many of the institutional qualities we are known for, including small class sizes, state-of-the-art computing and research labs, student participation in research, and a large percentage of undergraduate classes taught by tenured Faculty. These qualities have been the norm at the University of Lethbridge since its beginnings 35 years ago.

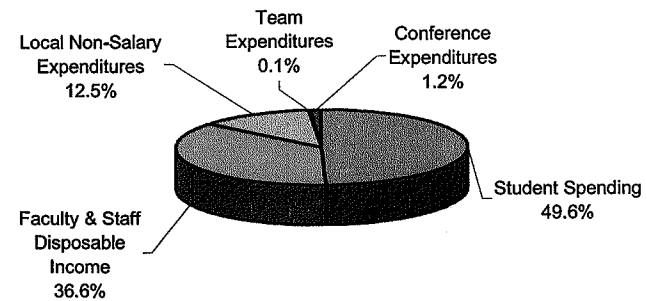
The University has a unique allocation of budget monies, where the school and the faculties are allocated tuition fee revenues based on the credit hours they teach. This budget model has proven very successful. It gives the Deans more control over their budgets, allowing them to make good fiscal decisions. As with all models, it is prudent to review its processes and assumptions periodically, and the University Budget Committee is currently in the process of reviewing the allocation of resources in the institution to ensure University-wide needs and obligations are met.

As in previous years, the University remains committed to cost containment and continuous quality improvement, budget recycling to address changing priorities, and the critical assessment of strengths, needs, and special opportunities.

Section 3.5 (page 29) presents the proposed operating budget.

An analysis of the economic impact of the University on the local economy showed the institution was responsible for generating 1,545 jobs and injecting \$102 million into the local economy in 1999-2000 (see figure below).

Figure 9: Economic Impact of the University of Lethbridge, 1999-2000





3.2 Key Assumptions

The operating budget for the next four years has been modeled using key assumptions, involving both revenue and expenditure adjustments (see Table 5). For the 2002-03 fiscal year, the University has taken a conservative approach to ensure that any changes to the assumptions will still allow for a balanced budget.

Table 5: Key Assumptions for Budget Projections

	2002-03	2003-04	2004-05	2005-06
Revenue				
Grant increase	3.00%	2.00%	2.00%	2.00%
Faculty and staff attraction and retention	1.25%	-	-	-
Instructional fee increase	0.00%	0.00%	0.00%	0.00%
Expenditures				
Compensation				
Merit	~3.30%	~3.30%	~3.30%	~3.30%
Market	Pool est.	Pool est.	Pool est.	Pool est.
Benefits increases	5.00%	5.00%	5.00%	5.00%
Utilities	40.3%	1.4%	4.4%	2.0%

3.3 Proposed Revenue Budget

The University’s overall general fund revenue budget will increase by \$1.3 million in 2002-03. The proposed revenue estimates are realistic and attainable, although there is little room for unexpected revenue swings apart from minor fluctuations, especially in tuition revenue. Experience, however, shows that the budget projections have tracked very closely with actual booked revenue.

Grants

The single largest revenue item for the University is government grants. In addition to the operating grant, specific purpose grants will also be received in the 2002-03 fiscal year, including \$1.9 million of one-time funds provided by Alberta Infrastructure for facility renewal, and continuing funds of \$1.3 million for operation of the new LINC and CCBN facilities.

Alberta Learning provided funding for the expansion of two programs last year. The Faculty of Arts and Science and the Faculty of Management both received approval for general expansions to their programs. These programs will provide an additional \$1.3 million of conditional operating funds.

Instructional Fees

For the fiscal year 2002-03, the University projects approximately \$21 million in instructional fee revenue from all credit and non-credit instructional programs, and from the remaining non-mandatory student related fees. This is an increase of 4.5% over the previous year.

The increase in the instructional fee revenue provided in the budget is due to planned enrolment changes in each of the Faculties. This increased enrolment is general growth, and does not reflect increases in funding through the Access Programs.

Under the Alberta Government’s Tuition Fee Policy, a university’s revenue from tuition fees must be less than 30% of its net operating expenditures. The University has now exceeded the 30% tuition fee cap. See Tuition Fee Revenues (page 7) for a more detailed discussion of this issue.

The amount of operating grant per student at The University of Lethbridge was approximately \$9,500 in 1993-94, but this has declined to approximately \$6,700 per student by the 2000-01 fiscal year (see Figure 10 and Figure 11). This is a decline of nearly 30% for each student during that period. This has contributed to the University exceeding the tuition fee cap, and the situation must be addressed in the near future if the institution is to continue offering a quality education to its students.

Figure 10: Alberta Universities Operating Grant per Full Time Student, 1993/94 and 2000/01

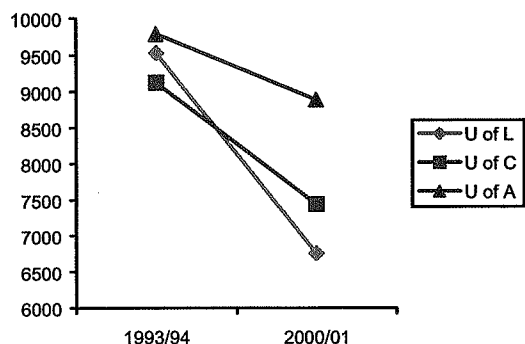
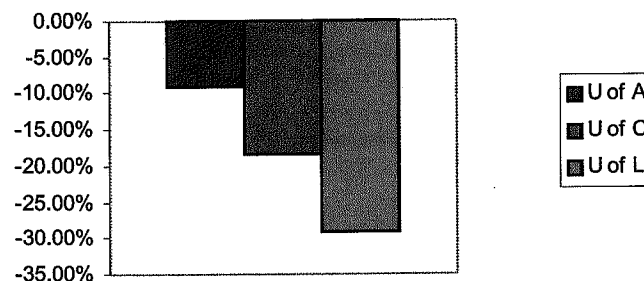


Figure 11: Alberta Universities Relative Change in Operating Grant per FT Student, 1993/94 to 2000/01



3.4 Proposed Expenditure Budget

As in previous years, the growth of our expenditures has outpaced the growth in our revenues. Even with an increase in unrestricted government grants of more than 3%, the requirement to freeze our instructional fee rates has placed our institution in a difficult budgetary situation over the next four years.

Compensation Costs

The largest part of the University’s budget is compensation costs, which comprise approximately 77% of the total. Attracting and retaining faculty and staff continues to remain one of The Board of Governors’ priorities.

In the 2001-02 fiscal year, Alberta Learning responded to the market pressures by providing special funding through the Faculty and Staff Attraction and Retention Fund. University decisions on the use of this funding will be made based on market and merit criteria, while remaining respectful of the collective bargaining process.

Most of the changes to the benefit category result from increases in the salary and wage base, which ultimately affects the various fringe benefit budgets.



Fixed Costs

Fixed costs continue to escalate and are a factor in developing the operating budget. Funds have been set aside for projected cost increases and to provide for rate increases in the utility budget for facilities.

Scholarships And Bursaries

The ever-increasing cost of postsecondary education makes it difficult for students to complete their degrees without some debt. The University has seen significant increases in the demand for emergency bursaries in the past few years, and has set aside monies on a one-time basis to provide bursary amounts of up to \$500 in emergencies. We have also initiated achievement awards for Grade 11 students, which parallel the Alexander Rutherford Scholarships for high school achievements.

The Government of Alberta initiative to reduce student debt by providing money for scholarships, featured in a recent budget announcement, will help the University attract excellent students, and so is a very welcome move.

Library

The demand for, and cost of, information resources continues to increase.

Technology

Technology is an increasingly important aspect of University life, and it is important to ensure funds are allocated to provide the tools and expertise to make operations more efficient and effective.



3.5 General Operating Budget

Figures shown are in thousands of dollars.

	2001-2002 Approved Budget	2002-2003 Approved Budget	2003-2004 Proposed Budget	2004-2005 Proposed Budget	2005-2006 Proposed Budget
REVENUE					
Grants	\$ 39,184	40,718	41,431	42,254	43,099
Tuition and related fees	20,138	20,992	21,000	21,000	22,000
Sales of services and products	1,730	2,916	3,062	4,000	5,100
Miscellaneous	403	1,833	1,500	1,500	1,500
Investment income	1,355	1,500	1,500	1,500	1,500
Amortization of deferred capital contributions	6,628	4,898	5,000	5,000	5,000
	<u>69,438</u>	<u>72,857</u>	<u>73,493</u>	<u>75,254</u>	<u>78,199</u>
EXPENSE					
Salaries and employee benefits	46,999	49,262	52,427	55,431	60,974
Scholarships and bursaries	592	592	592	592	592
Supplies and services	6,785	6,811	6,785	6,785	6,785
Travel	836	868	836	836	836
External contracted services	778	778	778	778	778
Utilities	1,996	2,801	2,840	2,965	3,024
Professional fees	315	332	315	315	315
Interest on long term liabilities	400	528	500	500	500
Insurance	127	167	127	127	127
Provisions	1,781	1,463	1,423	230	800
Amortization of capital assets	8,829	9,255	9,000	9,000	9,000
	<u>69,438</u>	<u>72,857</u>	<u>75,623</u>	<u>77,559</u>	<u>83,731</u>
EXCESS OF REVENUE OVER EXPENSE	\$ -	-	(2,130)	(2,305)	(5,532)



3.6 Statement of Cash Flows

Figures shown are in thousands of dollars.

	2000-2001 Actual	2001-2002 Approved Budget
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Excess of revenue over expense	\$ 7,298	-
Non-cash transactions		
Amortization of deferred capital contributions	(4,564)	(6,628)
Amortization of capital assets	8,483	8,829
Loss on disposal of capital assets	15	-
Increase in accrued liabilities	651	200
Decrease in unfunded staff benefits	(845)	(500)
Increase (decrease) in non-cash operating working capital	6,292	(5,000)
	<u>17,330</u>	<u>(3,099)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Deposit on capital equipment	(550)	550
Purchase of investments (net)	(571)	5,000
Capital asset additions		
Internally funded	(13,922)	(7,432)
Externally funded	(17,745)	(7,972)
Collection additions	(1,538)	(1,500)
Proceeds on disposal of capital assets	140	-
	<u>(34,186)</u>	<u>(11,354)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Capital contributions received	14,522	6,432
Endowment contributions received	120	100
Long term debt proceeds	7,100	2,900
Long term debt repayments	(204)	(268)
	<u>21,538</u>	<u>9,164</u>
INCREASE IN CASH AND CASH EQUIVALENTS	4,682	(5,289)
CASH AND CASH EQUIVALENTS, beginning of year	5,508	10,190
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 10,190</u>	<u>4,901</u>



4.0 Enrolment Plan

4.1 Enrolment Expansion

For the seventh consecutive year, The University of Lethbridge has reached record enrolment levels. The fall 2001 enrolment exceeded the 2000 level by almost 9%, evidence that the University's planned program changes are sound, and attractive to prospective students. It also reflects the University's commitment to meeting the increasing provincial demand for postsecondary education.

Enrolment Plan

The University of Lethbridge has a strong tradition of providing access to a university education for Albertans and other Canadians. The University is committed to providing increased access if the financial resources are available. The most pressing problem we currently face is a freeze on tuition fees.

The University of Lethbridge is the only Alberta university whose fees are frozen, even though our course fees are much less than the other residential universities in Alberta (see Figure 3: Alberta Mandatory Fee Comparison, page 8). The University of Lethbridge is currently working with Alberta Learning to revise this policy. Unless the University is able to charge the same fees as other Alberta universities for comparable courses, we will not be able to acquire the faculty, staff and resources necessary for future growth. If our fees remain frozen, we must stabilize our student numbers at their current level. (See also: Tuition Fee Revenues, page 7.)

4.2 Program Expansion

To build on our increasingly successful program array, The University of Lethbridge has proposed expansions in its high-demand undergraduate programs of Management (B.Mgt.), Multimedia (B.F.A.), and Addictions Counselling (B.HSc.). The University is also developing a proposal for the Niitsitapi Education Program, a First Nations teacher education program. These proposed expansions derive from clear evidence of unmet market demand. All of these programs will require Access Funding and a removal of the tuition fee freeze.

Management (B.Mgt.)

The proposed undergraduate enrolment increase for the Bachelor of Management program is the result of increased interest from students. The Faculty of Management has proven to be highly successful, with its focus on technology in the Access programs.

Multimedia (B.F.A.)

This expansion will focus on admitting students through direct entry to this four-year program, which meets increasing employer demands. The program combines technical skills in multimedia with a broad education in music, visual arts, and drama. The intent is to create professionals capable of applying creativity and the arts to communications and information technology. Employers favour well-rounded, arts-based training, rather than training focusing primarily on software. The University of Lethbridge's Multimedia Program meets this need with its 13 core multimedia courses, taught by individuals experienced in the performing and graphic arts.

There is considerable demand for this type of program, from both employers and potential students. Currently, 27 agencies specialize in seeking talented people in multimedia, and at least 54 Canadian companies employ people primarily in computer graphics. In 2000, there were three applications for every available seat in our Multimedia program. Our multimedia program cannot meet the demand at its present funded capacity.

At the requested rate of 25 FLEs annually, beginning in fall 2002, the program will reach a continuing population of 100 additional FLEs by fall 2005.



Addictions Counseling (B.HSc.)

The proposed increase in this program will meet growing demand, stabilize the program by allowing it to grow to an efficient size, and build the program's record and reputation.

The growth will also allow this program to mature and increase its quality. As the program is unique in Canada, it is attracting students from other provinces. Presently, the program is benefiting from the experience of the first student cohorts in the classroom and in work placements. The first graduates have done well in the job market, and the expansion of the program will increase its stability, responsiveness to graduate demand, and reputation.

Nursing (B.N.)

The proposed increase for the baccalaureate program in nursing is designed to meet a forecasted shortage of nurses, and heightened interest in the program. Current market projections suggest a major shortage of qualified nurses is imminent. The shortfall in Canada is expected to be as much as 113,000 over the next decade, which suggests a shortage of about 11,000 in Alberta.

The University of Lethbridge has partnered with Lethbridge Community College to offer a "2+2" nursing program. To date, there has been a significant shortfall in funding for this program. If we are to meet the strong demand for this program, government funding is essential.

Niitsitapi Teacher Education Program

The Niitsitapi Education Program is a joint initiative by Red Crow Community College and the Faculty of Education, University of Lethbridge, to develop a First Nations teacher education program. The program will be designed to rely heavily on the use of the Blackfoot language and other cultural components of the Blackfoot community. It will graduate teachers that have an understanding of Blackfoot epistemology, pedagogy, and ideology.

The current proposal is for one cohort group to enter the teacher education part of the program. Students admitted will have successfully completed two years of University-level work, and will be able to demonstrate

knowledge of the Blackfoot culture and language. Graduates will meet teacher certification requirements of Alberta Education, and will be good teachers in any school setting—aboriginal or non-aboriginal—but with particular expertise in teaching Blackfoot children.

Special Case Ph.D.

In June 2000, The University of Lethbridge received approval to offer a Ph.D. program in selected disciplines. The first areas of implementation will be neuroscience, biotechnology, and information science. The first students in the Ph.D. (Behavioural and Cognitive Neuroscience) program began in May 2001. The current plan is to admit a maximum of nine students per year, to a maximum of 40 students at any one time across all approved research areas.

Masters

The University of Lethbridge proposes to increase the number of graduate students in the M.Ed. and M.A. or M.Sc. programs by 20, beginning in September 2002. By 2004-05, these programs will reach a steady state of 40 students.

While The University of Lethbridge remains committed to being primarily an undergraduate institution, the M.Ed and M.A. or M.Sc. programs have helped the University recruit and retain excellent faculty, and maintain research productivity.



Increased opportunities for graduate studies bring benefits to both faculty members and students. Faculty members who hope to compete effectively for funds must have access to graduate students, and the students bring energy and new ideas to the faculty. In some areas, students can study at the Doctoral level with professors who are among world leaders in their fields. Recent research reported by Statistics Canada shows that Masters graduates earn 25% more than baccalaureate graduates, and have lower unemployment rates.

Table 6: Program Expansion Summary

Group	Cohort Size	FLEs by Fiscal Year			
		02/03	03/04	04/05	Continuing
Management					
Expansion	67	67	134	200	225
Fine Arts					
Multimedia	25	25	50	75	100
Health Sciences					
Addictions Counselling	20	20	40	60	80
Nursing	25	25	50	50	50
Education					
Niitsitapi ⁸	20 (est.)	-	-	-	-
Graduate Studies					
Ph.D.	9	9	18	27	40
Master's	20	20	40	40	40
Total enrolment increase:		166	332	452	535
Total increase in FLE:		166	332	452	535
Number of graduates:		0	50	50	166

⁸ The Faculty of Education is currently developing the proposal for the Niitsitapi Teacher Education Project, so specific numbers were not available at date of publication.

5.0 Capital Projections

5.1 Overview

With enrolment levels increasing by an average of 5% each year, the University's focus has been the ability to address the increased demand for postsecondary education, and the growing student population. The University has worked hard to solidify the administrative structure and academic environment to cope with increased enrolment.

Enrolment growth also brings the ongoing space issue. Over the last two years, we have added classroom, computer labs, research, and office space. Although the additional space that LINC provides and the renovation of the vacated library space will alleviate some of the space pressures, we need to address areas like specialized teaching and lab space, student housing, and auxiliary space requirements in recreation and culture.

5.2 Renewal and Upgrading

The institution's first priorities in renewal and upgrading funding are safety, energy conservation, and life cycle cost issues.

Deferred Maintenance

The Deferred Maintenance Study, produced by the Canadian Association of University Business Officers, warned that postsecondary institutions in Canada have a serious problem with the poor conditions of their facilities.

This study shows that the University's Facilities Condition Index (FCI) for 2000 was 24%, a substantial increase over the estimated 1997 figure of 9.0%. A high FCI means that buildings are deteriorating faster than the institution can get funding to maintain them. Ideally, funding for facilities maintenance should be 1.7% of the building replacement costs, which for The University of Lethbridge is about \$4 million per year. Over the past 12 years, actual funding for facilities maintenance has been \$945,000 per year, which is 23% of the ideal funding levels.

The University is working closely with Alberta Infrastructure to ensure the facilities condition database is kept up to date, to support the planned renewal and upgrading of facilities in a cost effective manner.

Although the University has been fiscally responsible in ensuring that funds are available in the future to maintain our physical facilities, it has put pressure on our budget, as funds that could have been used for teaching are diverted to facilities maintenance.

Infrastructure upgrades

When new buildings are required on campus, it will be necessary to upgrade the services that support these buildings. The University will have to build new capacity into the current power plant, or auxiliary services will have to accompany new construction projects.

Vacated Library Space

The vacated library space is currently being renovated, scheduled for completion in July 2002. This space will provide much-needed space for classrooms, faculty offices, student computer labs, studios, and seminar rooms. Funding for the renovation project is from Access funds, infrastructure renewal grants, and the University's own funds.

The renovation of the vacated library space will create a domino effect for additional renovations, as departments are moved and re-situated in the vacated space. At this time, funding for these subsequent renovations is unknown.

5.3 Long-Term Projects

The University of Lethbridge has identified the following long-term projects as priorities. Each project is critical to the future development of the University, and intended for funding by different groups. For example, a particular project might be more suitable for government funding, whereas others are more fitted for funding by users or private donors.

Instruction

Demand for Technology

The demand for increased technology in the classrooms, labs and administration puts additional pressures on the University's resources. To remain a leader in the use of technology, the University has a unique and cost-effective approach to replacing computers for teaching and administration functions.



The campus-wide Technology Access Program replaces the central student computer labs with high-end computers every 12 months, without an increase in funding. The program has allowed for bulk purchase of computers. This reduces the average acquisition cost of computers by an estimated 50%.

Faculty of Management Building

The University of Lethbridge's Faculty of Management is growing at an exceptional rate, resulting in an immediate need for new accommodations. The Faculty has had new Access Programs approved, which will expand it by 400 FLEs by 2004, and needs an additional 39 faculty and staff over the next four years. The Faculty also has an M.Sc. (Mgt.) program, which further increases the Faculty space needs.

The Faculty is currently housed in space that is not conducive to teaching and research. A new facility would require 5,700 sq.m., at a projected construction cost of \$15 million. The Board of Governors has identified this project as the highest priority for future construction.

Research

WISE

The Water Institute for Semi-arid Ecosystems (WISE) requires a new facility to expand the research capacity of water resources. The University proposes that this facility be situated adjacent to the Canadian Centre for Behavioural Neuroscience.

The WISE research initiative will increase collaboration with other public and private institutions, and will be a vehicle for more participation by such groups in the future. Water is the most strategic issue on southern Alberta, the most intensely farmed region in Canada. The University has been active in water research for a number of years, through collaborations with other private and public institutions. Water resources are of great importance to our community, and the University is committed to strengthening this area of research.

Information Technology Centre

Though the University has proven itself as Canada's top undergraduate research university, there is considerable stress on the campus to provide adequate research space. The proposed Information Technology Centre would accommodate existing faculty, an iCORE chair, post-doctoral fellows, graduate students, technical support, and computer labs. The projected space required for such a facility would be 5,000 sq.m., at an estimated cost of \$13 million. On-going operational costs would be \$350,000 per year.

Student Residences

There is an undeniable need for more student residences on campus, due to increased enrolment and an increasing out-of-town student population. Marketing research indicates overwhelming demand for on-campus housing. There are currently 454 students in residences, approximately 7% of the University's student population, but the University has turned away a significant number of applications for the limited housing spaces available.

The cost of a proposed 100-bed residence is estimated at \$4 million. The relatively high price tag is mostly due to unstable soil conditions, as the proposed site is close to the coulee set back line.

Recreational Cultural / Wellness Centre

The University of Lethbridge is in serious need of additional recreational and cultural facilities to meet the demands of its growing population. The proposed Recreational Centre/Wellness Centre would address this need, and would provide facilities for one of its research priorities, maintaining wellness in the aged, conducted by the Department of Kinesiology and Physical Education and the Faculty of Education.

The proposed Centre would also provide extra space for the University's art gallery, which has an outstanding reputation and recognition in the art community. The small size and poor location of the current space severely limits the ability to make the collection available.

Funding required to construct a facility that would address recreational and cultural needs is estimated at \$24 million.



5.4 Effects of Capital Plans

The University continues its commitment to meeting the challenge of increased postsecondary demand on the provincial system. The institution is currently operating at capacity, but the capital projects discussed in section 5.3 would accommodate future planned expansion.

To plan effectively and efficiently, the University selects program changes that share infrastructure and expertise as much as possible. The program expansions build on existing programs, which minimizes program development costs and shares infrastructure. Even where additional infrastructure is needed, the expertise gained from the existing programs will help to contain costs. For example, in information technology programs, the University's state-of-the-art network and computer laboratories provide an effective shared resource.

Life Cycle Costs

When planning the expansion of its facilities, the University ensures that life cycle costs of its facilities are kept to a minimum. We believe that energy efficiency and ease of maintenance are integral to building planning.

Library Resources

LINC has solved some space issues, such as additional collection areas, classrooms, and study space. Unfortunately, it does not address the issue of limited library resources, and the University struggles with the need to commit more dollars to improving the library collection in a number of disciplines, and in trying to keep pace with the impact of inflation and the falling dollar.

Effective Technology

All new instructional space will have an appropriate level of technology, including network access and multimedia instructional capacity. This will support the University's goal of remaining a leader in the effective use of technology in learning and research.



5.5 Capital Budget

Figures are in thousands of dollars.

	2001-2002 Approved Budget	2002-2003 Proposed Budget	2003-2004 Proposed Budget	2004-2005 Proposed Budget	2005-2006 Proposed Budget
SOURCES OF FUNDS					
AB Learning / AB Infrastructure					
Facilities Renewal	\$ 1,327	1,914	2,250	2,500	2,750
University Contributions	2,515	3,000	3,000	3,000	3,000
LINC - internally funded	5,621	-	-	-	-
LINC - externally funded	2,603	-	-	-	-
Cdn Centre for Behavioural Neuroscience - externally funded	3,338	-	-	-	-
Vacated Library Space					
IRE Facilities	500	2,200	-	-	-
Access Funds	-	2,500	-	-	-
TOTAL FUNDS	15,904	9,614	5,250	5,500	5,750
PROPOSED CAPITAL EXPENDITURES					
Facilities: LINC	8,224	-	-	-	-
Cdn Centre for Behavioural Neuroscience	3,338	-	-	-	-
Vacated Library Space	500	5,000	-	-	-
Capital Maintenance	1,538	1,347	1,680	2,000	2,250
Facility Upgrade	681	965	2,000	1,830	1,910
Life Safety	63	183	100	110	120
Parking and roads	842	568	100	120	120
Energy conservation	82	150	100	100	110
Equipment: Arts and Science	161	231	250	250	250
Education	30	20	40	40	40
Management	66	43	50	50	50
Fine Arts	96	46	60	60	60
Health Sciences	-	-	20	20	20
Utilities	81	-	-	100	50
PE Facilities/Aquatic Centre	52	-	-	100	50
Motor Vehicles	31	-	-	-	-
Housing	119	10	10	-	-
Telecommunications	-	40	50	30	30
Administrative Support Units	-	178	200	200	200
Information Technology	-	334	250	250	250
Printing	-	270	100	50	50
Bookstore	-	106	100	50	50
Athletics	-	3	20	20	20
Classroom Technology	-	120	120	120	120
TOTAL PROPOSED CAPITAL EXPENDITURES	\$ 15,904	9,614	5,250	5,500	5,750



6.0 Tuition Projections

Instructional fee revenue is the second largest part of the University's general operating fund revenue budget. For 2001-02, about \$20 million is being projected in tuition revenue from all credit and non-credit instructional programs, and from student related fees. Alberta Learning's Tuition Fee Policy restricts increases in instructional fees if fee revenue is 30% of operating expenditures. The University has reached this limit and thus has frozen fees in 2000-01. Instructional fees will be held at this level until instructional fees are no longer 30% of our operating expenditures. We have consulted students in the process of setting tuition fees. (See Tuition Fee Revenues, page 7.)

Table 7: Current and Proposed Per Course Instructional Fees

	Current 2001-02	Proposed 2002-03	Proposed 2003-04	Proposed 2004-05	Proposed 2005-06
Undergraduate	\$347	\$347	\$347	\$347	\$347
Graduate	\$422	\$422	\$422	\$422	\$422
Materials and Service	\$24	\$24	\$24	\$24	\$24

Table 8: Current and Proposed Tuition Fee Revenues

Current 2001-02	Proposed 2002-03	Proposed 2003-04	Proposed 2004-05	Proposed 2005-06
\$ 20,138	\$ 20,922	\$ 21,000	\$ 21,000	\$ 22,000



