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Business Plan 2010-14

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Statement of Accountability

This business plan for the four-year period beginning April 1, 2010, was prepared under the direction of Athabasca University Governing Council in accordance with the *Government Accountability Act* and directions provided by Alberta Advanced Education and Technology. All material economic and fiscal data, as of March 31, 2010, of which we are aware, have been considered in preparing this plan. If key assumptions materially change, this business plan may be revised.

Athabasca University's priorities, as outlined in this business plan, were developed in the context of Alberta Advanced Education and Technology's business and fiscal planning guidelines.

Athabasca University is committed to achieving the planned results presented in this document.

Respectfully submitted on behalf of the Athabasca University Governing Council,

Original signed by Barry Walker

Barry Walker, FCA
Chair, Athabasca University Governing Council

May 14, 2010

Executive Summary

Institutional Context

Athabasca University is one of Alberta's four public comprehensive research universities and Canada's largest specialist in university-level online and distance education. As Canada's Open University, AU is dedicated to removing barriers to post-secondary education. AU plans to continue to play a strong role in Campus Alberta and e-Campus Alberta and to work collaboratively with other institutions to guarantee Albertans flexibility of choice in post-secondary learning opportunities.

Today, AU faces many of the same opportunities and challenges affecting all Canadian universities and others particular to its special status as a distance education institution:

- the provincial, national and international economic recession and its implications for university funding
- the challenge of meeting adult learners' educational needs and labour market demands
- the pressure to maintain currency of information and communication technology
- the transition to a knowledge economy
- increased interest in e-learning
- increased competition in the online and distance education market
- staffing issues

Goals, Business Plan Strategies, Expected Outcomes and Performance Measures

The goals, business plan strategies, expected outcomes and performance measures identified in this Business Plan are geared to realization of AU's *Strategic University Plan 2006-11*:

- ensuring quality in learning
- enhancing accessibility and open access
- fostering quality research and scholarship
- building communities
- recruiting and retaining excellent employees
- securing and stewarding needed resources

AU's strategic goals and business plan strategies support the Government of Alberta's higher education goals as articulated in Advanced Education and Technology's *Business Plan 2010-13*.

A new Strategic University Plan will be produced over the coming year.

Financial Information

AU remains committed to a sustainable budget strategy that aligns available resources with the university's mission and strategic priorities. The goal of the 2010-11 budget is to maintain teaching and research excellence and to ensure student access and program affordability. To compensate for current and expected shortfalls resulting from slower growth in tuition revenues, less predictable investment returns, a reduction in government grants and cuts to special grant funding, the university is introducing a number of cost reduction strategies.

Capital Budget

The capital plan outlines the projects needed to maintain or develop the educational, technological and student service capacities critical to AU's success. Major projects now underway or planned for the immediate future include

- Open Learning Environment (ICT systems development)
- Academic and Research Centre (Athabasca)
- Optical Auroral Observatory (Athabasca)
- Integrated Learning Centre (Greater Edmonton Area)
- Leasehold improvements (Calgary)

Accessibility/Enrolment Plan

AU's total enrolment is projected to grow by approximately two per cent per year over the course of this plan, to 8,068 full-load equivalents.

Two certificate programs, one undergraduate and one graduate, are scheduled to open in 2010-11. The university's ability to proceed with plans for several additional programs is subject to funding availability.

Tuition Projections

Undergraduate tuition will increase by 1.5 per cent, the maximum allowed under the Alberta Tuition Fee policy, in 2010-11, while graduate program tuition fees, some of which are also limited by that policy, will increase by between zero and 10 per cent.

Institutional Context

Athabasca University is one of Alberta's four public comprehensive research universities and Canada's largest specialist in university-level online and distance education. As Canada's Open University, AU is dedicated to removing the educational, geographical, financial, social, cultural and other barriers that often limit access to post-secondary achievement. In doing so, AU guarantees access to university-level study to a broad range of non-traditional students. In addition to its open admission policy, AU further sustains its open university philosophy through its comprehensive student support services and library services designed for students studying at a distance.

AU at a Glance

- AU serves 38,464 students, 3,543 graduate students and 34,921 undergraduates (7,526 full-load equivalents).
- AU offers 776 courses in more than 90 undergraduate and graduate degree, diploma and certificate programs.
- AU annually awards over 1,600 academic credentials.
- AU employs 1,382 faculty and staff members (full-time equivalents).
- AU generates over \$3 million annually in research activities.
- AU maintains over 350 collaborative agreements with other Canadian educational institutions, professional associations, and community and First Nations groups.

AU Students

- The average undergraduate is 29; the average graduate student, 37.
- 81 per cent work while they study.
- 67 per cent are women.
- Over 90 per cent study year round, balancing their studies with work, family or community commitments.
- The average undergraduate completes his or her academic program in 6.4 years; the average graduate student in 3.7 years.
- 63 per cent of graduates support dependants.
- 74 per cent of graduates are the first in their family to earn a university degree.

Mission

Athabasca University, Canada's Open University, is dedicated to the removal of barriers that restrict access to and success in university-level study and to increasing equality of educational opportunity for adult learners worldwide. We are committed to excellence in teaching, research and scholarship and to being of service to the general public.

Mandate

The following mandate was approved the Minister of Advanced Education and Technology on November 17, 2009:

Founded in 1970 and operating as a comprehensive academic and research institution under the authority of the Alberta *Post-secondary Learning Act*, Athabasca University is a public, board-governed, open and distance education university which serves students throughout Alberta, across Canada and around the world. Working as a partner within Campus Alberta, Athabasca University is committed to collaborating with other key stakeholders to ensure a seamless and responsive advanced education system that provides high-quality learning opportunities in support of lifelong learning.

The university offers a range of courses and programs leading to graduate and undergraduate degrees, certificates and diplomas in the humanities, the social sciences, the sciences, technology, business and the health disciplines.

As an open university, Athabasca University seeks to remove barriers to undergraduate and graduate education. It offers flexible enrolment opportunities for learners, regardless of age, gender, culture, income, disability, career and family obligations, geographic location or educational background. As a distance education university, Athabasca University provides flexibility for lifelong learners who cannot or choose not to undertake residential post-secondary education. The university offers learners the opportunity to interact with students across Canada and around the world through programs in established and emerging areas as it seeks to meet the needs of career professionals, develop research expertise and create knowledge that fosters a global outlook among its graduates.

Athabasca University provides high-quality, interactive learning environments that include a variety of online and other media technologies for individualized and cohort learning. The university's library and tutorial services and extensive student support services that facilitate access and increase learner success are integral aspects of a quality open and distance education system. Similarly, its course designs and technology applications are based on current research in open and distance education, pedagogical advances in lifelong learning and contemporary developments in online learning technologies. The university actively pursues technological innovations that can enhance its teaching, research and administrative functions.

The university provides undergraduate degree completion opportunities for university transfer students and college diploma graduates through credit co-ordination, credit transfer, prior learning assessment and associated forms of learning accreditation. It supports collaborations such as its degree completion agreements with colleges and partnership with Alberta-North. These collaborations, together with its participation in initiatives such as the Canadian Virtual University, reflect Athabasca University's longstanding commitment to adult and lifelong learners, to Aboriginal communities, to learners in remote, rural and northern areas, to under-served urban populations and to program students at other universities who seek courses to accelerate degree completion. The university also acquires and maintains accreditation in other Canadian provinces and in appropriate international jurisdictions.

Athabasca University pursues and demonstrates excellence in research and scholarship, viewing research as central to the creation and mobilization of knowledge, the enhancement of its programs, the education of its students, the betterment of its community and the development of its faculty and future scholars. Besides its international reputation for research in all aspects of open and distance education and learning technologies innovation, the university is developing notable strength in interdisciplinary research in several areas such as Canadian studies, globalization and cultural studies, Indigenous education, space and environmental sciences, project management, and nursing and health management. Aspects of

technological change are integral to many of these theme areas. By supporting and conducting research activity in all program areas, Athabasca University makes significant contributions to cultural, scientific and professional development in Alberta and beyond.

Athabasca University's academic, professional and support staff engage in professional service within the education system at local, provincial, national and international levels. The university encourages its members to serve a wide range of communities through activities such as volunteerism, community based research, involvement in local community organizations and participation in virtual learning communities.

Values

The students, faculty and staff of Athabasca University profess a set of complementary values that are fundamental to the university's identity and provide the foundation for its practices.

We value excellence: The search for excellence is the hallmark of all of our endeavours.

We value learning: Student learning and satisfaction are measures of our success.

We value scholarly research: We engage in reflective practice through the scholarship of discovery and the scholarship of teaching.

We value the free exchange of ideas: A respectful climate for open discourse promotes innovation, discovery and social responsibility.

We value openness and flexibility: Reducing barriers to education enhances access and social equity.

We value diversity and inclusiveness: Diversity and inclusiveness enhance the quality both of learning and of the workplace.

We value our employees: The commitment, innovation, creativity and continuous learning of every employee contribute to our success.

We value accountability: We are accountable to our students, to each other and to the public.

Principles

Adherence to four key principles underlies all of Athabasca University's operations:

Excellence: We are dedicated achieving the highest standards in teaching, research, scholarship and student service.

Openness: We are committed to our mission of guaranteeing access to post-secondary learning to all who have the ability and desire.

Flexibility: Our flexible learning model adapts to learner needs, putting students in the driver's seat.

Innovation: We continue to adopt and develop new, learner-centred learning models and technology-based alternatives to traditional, classroom-based instructional channels and contexts.

Collaboration and Partnerships

The diversity of Alberta's educational institutions provides learners with flexibility of choice, and AU plans to continue to play a strong role in guaranteeing that flexibility. Because of its open admission policies, its flexible learning methods and its long-standing practice of working collaboratively with other institutions, AU's contribution, particularly its role in Campus Alberta and e-Campus Alberta, is vital to the overall success and inclusiveness of province's post-secondary learning system.

Students registered at other Alberta post-secondary institutions make extensive use of AU's courses and educational services to help them complete their degrees, and, to create pathways to degree completion for students who hold college diplomas, AU has entered into numerous articulation agreements and collaboration agreements with colleges and technical institutes in Alberta, across Canada and abroad. More than 4,000 articulation agreements are in place, and more than 350 collaboration agreements detail how AU and various partner institutions will work together to provide university-level courses. The university will continue to maintain and, where possible, expand this partnership network.

AU administrators and faculty and staff members will continue to engage in discussions with colleagues at other Alberta post-secondary institutions, particularly provincial colleges, as part of their ongoing collaborative work. Through a series of long established relationships, AU already offers its courses through grouped study at a variety of partner institutions. In addition to offering courses, AU has liaison staff on site at Medicine Hat College, Mount Royal University, Grande Prairie Regional College and Lethbridge Community College, and another staff member works with four central Alberta institutions. These liaison offices provide opportunities for dialogue and relationship building.

AU also has long-standing collaborative arrangements for providing post-secondary learning in Aboriginal and rural communities and is a founding member of Alberta-North, a partnership of seven post-secondary institutions bringing courses and programs to students in northern Alberta, Nunavut, the Yukon and the Northwest Territories. AU collaborates with Tribal Councils and other post-secondary institutions throughout Alberta to deliver quality educational opportunities to students outside the urban centres. Phase 2 of the university's Learning Communities Project, which aims to develop ways of providing access to post-secondary learning in rural, remote and Aboriginal Communities, is now underway and focuses exclusively on the educational needs of Indigenous communities.

AU is a founding member of Canadian Virtual University, a consortium of nine Canadian universities with an interest in e-learning, and maintains formal collaborative ties with a number of major employers and professional associations. Through its partnership with Alberta-North, AU helps to provide facilities, learning technologies and support services at over 80 online CAP sites, through which students can receive courses and programs offered by many different post-secondary institutions.

Forging new opportunities for collaboration and partnership opportunities, particularly with corporate Canada, remains a university priority.

Key Challenges and Opportunities

The Economy and Implications for Funding

Many of Canada's most important sectors have been affected by the recent worldwide recession. Though a recovery now appears to be underway, the strength of national and international economies remains uncertain, and predictions for medium- and long-term economic growth and job creation are tentative at best.

Like most Canadian universities, AU has experienced a decline in investment income as a result of the general weakness in the financial markets, a challenge which has been compounded by a freeze on the university's general operating grant, lower than projected enrolment increases and limitations on the university's ability to increase tuition fees.

AU has implemented various measures to address the funding challenge, including improvements in business practices (aided by technology), increased restraint in discretionary spending, a temporary freeze on hiring to vacant positions (except for vacancies that can be filled internally, those that have external funding and tutor positions) and a voluntary retirement incentive program.

Meeting Adult Learners' Educational Needs and Labour Market Demands

The 2009 *Government of Alberta Cross-Ministry E-Scan* points out that that “skills shortages in key areas, especially in occupations that are defined as knowledge experts, managers and information related skills, will persist, impacting Alberta’s ability to transition to a more knowledge-based economy. . . . Skill shortages in areas of health and social services will continue in the short term as the need for social supports increase during the downturn and then increase in the longer term due to demographic pressures from a growing aging population” (p. 11). The report further states that “Transition to a knowledge based economy will be impeded without improvements to education. . . . The economic downturn may spur more Albertans to complete their high-school education, pursue a post-secondary program of study or receive further occupational training” (p. 12). The 2009 Alberta Access Planning Framework *Labour Market Profile* provides further detail on upcoming labour market shortages. Meeting Alberta’s projected labour market needs requires enhanced educational programs in high demand areas, particularly for members of the recession-generated unemployed and under-employed adult population.

Adult learners generally require more flexible learning opportunities, including part-time and open-access programs. Those with families often need financial support. Members of groups traditionally under-represented in the post-secondary educational system (lower income women, young working men, immigrants, rural and northern Albertans and First Nations people) need special incentives and support services. Members of all adult groups need a variety of programs and approaches to facilitate pathways to lifelong learning.

AU is developing new ways to engage with under-represented communities, particularly Indigenous communities, as reflected in initiatives ranging from the new Indigenous governance major in the Bachelor of Management Program to the Learning Communities Project. These new methods and models are more resource-intensive, but outcomes are generally stronger.

Although more immigrants are employed in Alberta than in any other province, immigrant workers still experience higher rates of unemployment than Canadian born Albertans. Recent immigrants find it especially difficult to find work. Many newcomers to Canada experience difficulty integrating into the Canadian labour market because of either language barriers or a lack of recognition of previously acquired learning. Better access to learning opportunities will give immigrants the skills, credentials and language proficiency they need to contribute fully to the economy.

Information and Communication Technology

AU faces ongoing pressure to maintain the currency of its software and course and program provision platform, a particular challenge for distance education institutions given the growing expectations of learners, the institutional support costs and the increasing requirements of the regulatory framework.

Development of the Open Learning Environment has been planned over 10 years with a total estimated capital cost of \$90 million. The university has so far invested \$4.4 million in development of this project, and an additional \$7.65 million was received last year through a two-year Knowledge Infrastructure Program grant. A second technology project, to digitize existing courses for online delivery, was funded through Western Economic Diversification Canada’s Community Adjustment Fund. Though these grants have considerably advanced development of the Open Learning Environment, funding the remainder of the project remains a challenge in view of the current economic situation and capital grant funding models.

Transition to a Knowledge Economy

Technological developments have transformed the contemporary workplace, creating both opportunities and challenges for AU and other adult educators.

According to the Government of Canada, nationally, 70 per cent of all future jobs will require post-secondary education, and Alberta Advanced Education and Technology and Employment and Immigration estimate that 79 per cent of all new jobs in the province will require post-secondary education. Yet the 2009 *State of the Nation* report by Canada's Science, Technology and Innovation Council revealed that two in five Canadians lack the skills to cope in a knowledge-based economy.

A number of national and international bodies have proposed that we redefine basic skills to adapt them to the new knowledge economy and address emerging digital, social and economic knowledge and values. For example, the Organization for Economic Co-operation and Development has redefined literacy as “the interest, attitude and ability of individuals to appropriately use socio-cultural tools, including digital technology and communication tools, to access, manage, integrate and evaluate information, construct new knowledge and communicate with others in order to participate effectively in society.”

How can we prepare more adults to transition to knowledge jobs in the new economy? One way is to use the technology itself to fundamentally change how we deliver higher education. Initiatives such as AU's Technology Enhanced Knowledge Research Institute, bringing together researchers to harness the power of technology to create dynamic new ways to learn, are leading the way. Completion of AU's Open Learning Environment will position the university on the leading edge of technology-based education and allow it to play a significant role in preparing knowledge workers for demanding jobs in the knowledge economy.

Increased Interest in E-Learning

In the past few years, interest in online delivery has grown significantly in the post-secondary community. Where AU once occupied a specialized segment of the post-secondary world, the practice and potential of e-learning are now being discussed by academics and administrators in both blended and purely online environments. Related developments, such as using online tools to help students transition into post-secondary learning, reaching under-represented groups more effectively, maximizing the Internet's collaborative capabilities, developing new learning environments and the growth of virtual communities, are also receiving wide attention. Students, particularly younger students, expect technological sophistication in their post-secondary experience: they are familiar with technology and expect their courses and programs to be technologically up-to-date.

The Canadian Council on Learning's 2009 *State of E-Learning in Canada* concluded that

- E-learning holds tremendous promise and potential, yet it remains a largely unexplored field. There is a lack of Canadian data related to e-learning—in particular, relevant empirical and longitudinal research on e-learning that would shed light on the effectiveness of current Canadian e-learning initiatives.
- Research has identified the need for an e-learning data clearinghouse that would monitor trends, collect good-quality evidence on promising practices and create awareness and build capacity among stakeholders.

AU has the institutional capability to meet both of these needs, though both would require an external financial investment.

Increased Competition in the Online and Distance Education Market

AU faces increasing pressure from residential universities and other post-secondary institutions moving into online and distance learning. As the distance education market is not constrained by geography or jurisdictional boundaries, competition from institutions in other provinces or countries or from differently structured or funded institutions can put AU at a disadvantage in terms of costs and fees, thereby affecting enrolment.

This challenge is compounded by the fact that many competitor institutions, particularly privately operated international providers, have developed a reputation for being “degree mills.” Maintaining both the university’s reputation for quality and the good standing of online and distance education as a whole can present a challenge in the face of comparisons to such institutions.

Staffing

Although AU recognizes the importance of continuing to attract and retain highly qualified employees to maintaining its first-ranked status, recruitment and retention of faculty and staff members and negotiation of affordable collective agreements are an ongoing challenge, particularly in this time of funding restraints. A temporary hiring freeze is now in effect (See pages 19-21).

Though difficulties with finding qualified candidates to fill vacant positions has been somewhat ameliorated over the past year because of the higher levels of unemployment attributable to the economic downturn, this situation is expected to be short lived. As members of the Baby Boom Generation reach retirement age over the next decade, many qualified scholars will leave the workforce, and universities worldwide will face stiff competition in recruiting their replacements.

Goals, Business Plan Strategies, Expected Outcomes and Performance Measures

This business plan will be the final one to be created under Athabasca University's current strategic plan. In the *Strategic University Plan 2006-11*, the university identified six strategic priorities for the planning period, all of which focus the university as a whole and its staff, faculties and institutes on the university's mission to remove barriers to education and ensure student success at university-level study. Progress to date toward achieving these priorities has been reported annually to Advanced Education and Technology, through the university's Annual Report, and to students and other university stakeholders.

Strategic Goal 1: Ensure Quality in Learning

AU will continue to focus on the delivery of a wide range of high-quality online and distance education courses and programs at the undergraduate and graduate level. In order to deliver a quality learning experience, it will continue its efforts to enhance course development, student services and the information and communication technology on which its operations are based.

Business Plan Strategies

1. Develop and enhance programs and courses
 - a. Engage in curriculum renewal to ensure programs are meeting learner needs (through program reviews)
 - b. Implement recommendations from program reviews completed in 2009
 - c. Investigate and implement new program offerings including doctoral program development (as per the 2009 Institutional Access Plan)
 - d. Continue to transition courses to the online environment as proposed in the Course Digitization for Online Learning Project proposal approved for funding by Western Economic Diversification Canada's Community Adjustment Fund
 - i. examination and reassessment of learning outcomes
 - ii. redesign of courses for online learning environment
 - iii. addition of media options
 - e. Develop the annual Institutional Access Plan for 2010
2. Support student success and engagement
 - a. Realign student services to support student success (disability services, advising services, PLAR, tutor-student relationship, liaison services)
 - b. Begin to integrate e-student services (See Strategy 3 below)
 - c. Continue to develop initiatives that support student success, retention and engagement (e.g., math and write sites, social networking)
3. Continue to expand learning systems infrastructure
 - a. Implement components of the Open Learning Environment, as identified in the Open Knowledge Environment Project proposal approved for funding under the Knowledge Infrastructure Program
 - i. synchronous web conferencing

- ii. immersive technologies and social networking infrastructure
- iii. integration with Alberta's Netera and Westgrid research networks
- iv. content management system integration (Alfresco ECM, syllabus request system, exam harmonization project)
- v. virtual media lab
- vi. gradebook integration
- vii. MyAU portal development
- viii. course tracking system
- ix. graduate student admissions system
- x. federated search project, copyright system project

Performance Measures

- Student satisfaction ratings are maintained or improved.
- Proposed components of Open Knowledge Environment Project are fully implemented by 2011.
- Program review recommendations are implemented.
- Program reviews for 2010 are complete.
- Course Digitization for Online Learning Project is completed, as proposed, by 2011.

Strategic Goal 2: Enhance Accessibility and Open Access

AU will continue to increase participation rates and ensure that the university is accessible to students from diverse regions and backgrounds. It will strive to maintain its visiting student market and increase the number of program students in its urban and rural markets, particularly in its graduate programs. It will continue to focus on ensuring flexibility of access through improving its information and communication technology infrastructure.

Business Plan Strategies

1. Recruit, retain and reward students from diverse regions and backgrounds
 - a. Continue to implement the Enrolment Management Plan, specifically to
 - i. improve evaluation process for transfer credit
 - ii. enhance student engagement with tutors and faculty
 - iii. improve the examination process
 - b. Strengthen scholarships and bursary programs for undergraduate students
 - c. Improve financial support for graduate students
 - d. Expand the international recruitment plan
 - e. Continue to recruit students from rural and remote communities
 - f. Implement the Learning Communities Project, Phase 2: Indigenous Communities
2. Expand student access through improved information and communication technology infrastructure
 - a. Continue to implement components of the Open Learning Environment as described in the Open Knowledge Environment Project proposal approved for funding under the Knowledge Infrastructure Program (See Goal 1, Strategy 3)

Performance Measures

- Projects identified in the Enrolment Management Plan are on schedule for completion.
- Student awards have increased at both the undergraduate and graduate level.
- An International Plan is developed and implementation has begun.
- General enrolment targets have been met.
- International enrolment targets have been met.
- Proposed components of the Open Knowledge Environment Project are fully implemented by 2011 (Knowledge Infrastructure Program funding is spent).
- The number of degrees, diplomas and certificates awarded has grown.
- Graduate satisfaction ratings are maintained or improved.
- The graduate employment rate is maintained or improved.
- Student satisfaction ratings are maintained or improved.

Strategic Goal 3: Foster Quality Research and Scholarship

AU will continue its efforts to foster and expand research and scholarship activities, to strengthen financial support for research initiatives and to increase the breadth of research activities undertaken. The university intends to maintain its leadership role in the open access movement.

Business Plan Strategies

1. Build research capacity in specific areas: science, technology and innovation
 - a. Expand interdisciplinary research initiatives within established institutes
 - b. Expand research initiatives within faculties
 - c. Review and update existing research policy or develop new policies where they are needed
 - d. Maintain library resources in support of research and scholarship
2. Strengthen support for research initiatives
 - a. Seek funding from governments, research agencies and industry for research institutes and specific research projects
 - b. Seek funding from governments, research agencies and industry for sponsored research within faculties
 - c. Encourage research partnerships with industry
3. Continue to provide leadership to the open access movement
 - a. Enhance the scholarly activities of AU Press
 - b. Apply for a UNESCO Chair in Open Access
 - c. Participate in Open Access Week and other such initiatives

Performance Measures

- Success with national research council applications has improved.
- Research funding and the number of funding sources have increased.

- The number of refereed publications and creative works has increased.
- Sponsored research as a percentage of provincial grants has increased.
- Research policies are updated as needed, and new policies have been developed where policy gaps existed.
- The UNESCO Chair in Open Access and other research chairs are confirmed.
- A sustainable model has been developed for AU Press, and it continues to receive external recognition for the excellence of its publications.
- AU is recognized as a world leader in the open access movement.

Strategic Goal 4: Build Communities

AU will continue to promote collaboration and foster leadership in the communities it serves. The university will strive to build mutually beneficial partnerships with a variety of groups and communities across the country, particularly in rural, remote and Aboriginal communities.

Business Plan Strategies

1. Continue to build mutually beneficial partnerships with the community
 - a. Expand alumni engagement
 - b. Continue to build solid foundations with provincial and federal governments
 - c. Expand industry research and business partnerships
 - d. Enhance educational collaborations that support student access and success (e.g., Alberta-North, Careers Next Generation, college collaborations, visiting students)
 - e. Develop a project for the Athabasca Centennial with community partners
 - f. Continue to support Science Outreach – Athabasca
2. Expand AU's role in Campus Alberta
 - a. Continue to implement initiatives with Alberta-North
 - b. Continue to implement technology solutions with E-Campus Alberta and colleges across the province
 - c. Provide leadership in e-learning for the education sector and other e-learning sectors in Alberta
 - d. Work with the K-12 system to increase awareness of distance education opportunities

Performance Measures

- Alumni members are engaged in AU (Donations and attendance at alumni events have increased).
- The number of industry partnerships has increased.
- Collaboration with other post-secondary institutions and the K-12 system has increased.
- Governments' understanding and knowledge of AU have grown, and funding streams are maintained or improved.
- An Athabasca Centennial project has been developed with support from community stakeholders.
- The university is central to Campus Alberta initiatives.

Strategic Goal 5: Recruit and Retain Excellent Employees

AU will continue to retain and recruit the very best faculty and staff members in order to achieve the goals and objectives outlined in the Strategic University Plan. The university will strive to improve internal communication and university-wide involvement in planning and decision making through refining and improving its governance structure.

Business Plan Strategies

1. Implement improvements to human resources management processes
 - a. Continue to enhance employee services
 - b. Enhance communication with faculty and staff members
 - c. Improve employee performance assessment process
2. Develop a multi-year strategic Human Resources Plan
3. Engage faculty members, tutors and academic coaches, and staff members through recognition
 - a. Expand teaching excellence initiatives
 - b. Link faculty awards to academic plan priorities
 - c. Expand staff recognition awards
 - d. Continue to support leadership development programs (succession planning)
 - e. Develop and implement a development training program

Performance Measures

- Employee services are streamlined and more accessible.
- An improved employee performance assessment process has been developed and implemented.
- Members of the university receive greater recognition for achievements demonstrating performance excellence.
- More and better information is available to employees on the university website.
- The number of employees participating in training programs has increased.
- Leaders have been identified and leadership development has been undertaken.

Strategic Goal 6: Secure and Steward Needed Resources

AU will continue to strive to secure and steward the resources needed for its faculty members, staff and students to achieve their full potential. It will focus its efforts on broadening, leveraging and expanding funding in support of the university's core mission: removing barriers to post-secondary study and providing a high-quality learning experience. The university will also focus on renewing internal structures and completing implementation of its new governance structure.

Business Plan Strategies

1. Undertake governance review
 - a. Restructure current committees given new governance structures (faculties)
 - b. Reposition the university within the current legislation
 - c. Review and update policies institution wide (finance and services, academic, human resources, technology, infrastructure sustainability and advancement)

- d. Identify policy gaps and develop new policies where they are required
2. Streamline business operations and improve processes, systems and controls
 - a. Undertake renewal initiatives for administrative systems (finance, human resources, procurement, payroll)
 - b. Continue to implement the strategic enterprise risk management process
 - c. Map processes, identify improvements and label successful practices
 - d. Continue to pursue collaborative service and procurement opportunities through Campus Alberta
 3. Broaden and expand revenue sources
 - a. Strategically manage enrolment to achieve growth targets
 - b. Obtain more research funding
 - c. Maximize revenue generated through strategic vendor alliances
 - d. Maximize revenue generated by supporting the work of the Advancement Office in gaining donations and grants from public and private sources
 - e. Maximize revenue generated from investments by implementing new investment policies and guidelines
 - f. Continue to work with federal and provincial governments to maximize operational and special initiatives grant funding
 - g. Broaden financial support for ICT infrastructure
 - h. Seek sustaining ICT funding
 4. Allocate resources equitably through formal, transparent processes
 - a. Develop a budget model that promotes revenue growth and rewards performance
 - b. Continue to introduce and refine policies and guidelines to improve the university's financial position
 5. Ensure quality facilities that support the university's strategic goals
 - a. Investigate opportunities for realizing a greener institution
 - b. Open the new Academic Research Centre at AU Athabasca on time and on budget
 - c. Develop a renovation plan for the existing building at AU Athabasca
 - d. Continue to investigate and, where appropriate, implement opportunities for collaborating with other post-secondary educational institutions to satisfy AU's space needs in Greater Edmonton and in Calgary
 6. Enhance records management and archival collection resources and services (intern program in records management and archival studies)

Performance Measures

- The university's Edmonton and Calgary locations are secured.
- The Academic Research Centre opened on time and on budget.
- A redevelopment plan for the existing building at AU Athabasca is completed and implemented.

- Donations and grants (private, public, research) have increased in number and value.
- Undergraduate and graduate enrolment targets have been met.
- The policy review is complete, and new policies have been approved and implemented where appropriate.
- A new budget model has been approved and implemented.
- Revenue derived from vendors and other industry alliances has grown.

Links to Advanced Education and Technology's Business Plan Goals

AU's strategic goals and business plan strategies support the Government of Alberta's higher education goals as articulated in Advanced Education and Technology's *Business Plan 2010-13*:

- Goal 1: A globally recognized, quality advanced learning system meets the needs of Alberta.
- Goal 2: A learner-centred, affordable advanced learning system accessible to Albertans.
- Goal 3: Excellence in research, innovation and commercialization drives Alberta's future success.

AAET Goal 1

- 1.1 Develop and enhance programs and courses
- 1.2 Support student success and engagement
- 1.3 Continue to expand learning systems infrastructure
- 4.1 Continue to build mutually beneficial partnerships with the community
- 4.2 Expand AU's role in Campus Alberta

AAET Goal 2

- 1.1 Develop and enhance programs and courses
- 1.2 Support student success and engagement
- 1.3 Continue to expand learning systems infrastructure
- 2.1 Recruit, retain and reward students from diverse regions and backgrounds
- 2.2 Expand student access through improved information and communication technology
- 3.3 Continue to provide leadership to the open access movement
- 4.2 Expand AU's role in Campus Alberta

AAET Goal 3

- 3.1 Build research capacity in specific areas: science, technology and innovation
- 3.2 Strengthen support for research initiatives
- 3.3 Continue to provide leadership to the open access movement
- 4.1. Continue to build mutually beneficial partnerships with the community
- 4.2 Expand AU's role in Campus Alberta

Financial Information

Financial Overview

Athabasca University is committed to a sustainable budget strategy that aligns the available resources with the mission and priorities articulated in the *Strategic University Plan 2006-2011*. As in previous years, the overarching goal of the 2010-11 budget is to focus on maintaining excellence in teaching and research and ensuring student access and program affordability. To compensate for current and expected shortfalls from slower growth in tuition revenues, less predictable investment returns, a reduction in government grants and cuts to special grant funding, the university is proposing a number of cost reduction strategies. During the budget consultation process with the faculties and other budget holders, many good ideas and initiatives for cost savings were identified, and as a result, several cost saving measures have been introduced.

Like other universities across the country, AU is experiencing significant fiscal challenges:

- reduced provincial funding with no increase for at least two fiscal years
- new information and communication technology capital, essential for the university's Open Learning Environment, difficult to obtain for at least two years
- renewal of collective agreements in an environment of zero per cent
- a maximum undergraduate tuition fee increase of 1.5 per cent
- low return on market investments and continuing volatility in the investment markets
- increasing competition for distance education students from other post-secondary providers across the country

Budgets in some areas have been reduced and the savings reallocated to areas of greatest need. Two key cost saving strategies are being implemented. The first of these is a temporary freeze on hiring to vacant positions, except for vacancies that can be filled internally, those that have external funding and tutor positions. The second key strategy is a voluntary retirement incentive program.

The university has also moved to change its governance structure. This will provide opportunities for more effective use and sharing of resources, particularly between graduate and undergraduate programs.

While it is important to employ cost saving measures, it is equally important to focus on revenue generation and the continuation of strategic investments that can be used to leverage new funding as opportunities present themselves. Through the work of many departments and individuals, the university has been successful in leveraging matching donations from the Access to the Future Fund, resulting in over \$8 million of additional funding over the last several years. These external funds were used to provide scholarships to students, to establish the Learning Communities Project (AU's rural development initiative), to initiate three new research institutes (the Technology Enhanced Knowledge Research Institute, the Athabasca River Basin Research Institute and the Project Management Research Institute) and to fund a number of other initiatives which collectively have significantly advanced the university.

In 2009-10, AU was also successful in leveraging one-time external government grants to assist with its information and communication technology and course conversion projects, to advance key capital projects such as the renewal of the science lab and to enhance its work in rural communities. One-time grants totalling \$13.9 million have been awarded through the federal Knowledge Infrastructure Program

(KIP) and Community Adjustment Fund (CAF) and through Rural Alberta's Development Fund (RADF). Required matching contributions are being sourced through the provincial government, donations and AU reserves.

The 2010-11 budget year marks the final year of the *Strategic University Plan 2006-11*, and work on development of a new plan for 2011-16 is in progress. The 2010-11 budget continues to reinforce the university's commitment to the SUP and to ensuring the academic vitality of the university and a quality experience for students. This budget will continue to build on investments made in previous years, investments that have positioned the university for growth and development. The university will also continue to focus on opportunities to leverage new funding.

In consultation with members of the Strategic Budget Committee and the Executive Budget Committee, the following principles were adopted to help guide budget decisions for the 2010-11 budget:

- continue to advance the goals of the 2006-11 Strategic University Plan
- reflect the Roles and Mandate Framework provided by Alberta Advanced Education and Technology
- ensure structures and strategies to stabilize and increase enrolment
- implement quality improvements in information and communication technology
- maintain AU's workforce and intellectual capital
- leverage Campus Alberta opportunities

Revenue

For the 2010-11 year, from April 1, 2010, to March 31, 2011, revenue of \$136 million is forecast. This is an increase of 10.6 per cent over the forecasted revenue for the year ending March 31, 2010. However, it is important to note that this increase is attributable to one-time, special-purpose grants from KIP, CAF and RADF.

Approximately \$39 million in base grant revenue is expected from the Government of Alberta for 2010-11. The government has indicated that it is finalizing operating grant reviews, and final adjustments are under discussion but that the grant will not be less than \$39 million. If any additional funds are received, they will be targeted to priority areas.

AU is not anticipating that the issue of adjusting the university's operating grant to cover unfunded indirect costs will be resolved within the next year; however, the university will continue to reinforce its position with government.

Undergraduate student fee increases of 1.5 per cent are planned in 2010-11, the maximum allowed under the Alberta Tuition Fee Policy. Graduate program tuition fees are increasing between zero and 10 per cent with individual course fees varying from \$1,145 to \$1,460. Some graduate fees are also limited by the Alberta Tuition Fee Policy. All fee increases have been discussed with representatives of the Athabasca University Students' Union and the Athabasca University Graduate Students' Association and will come into effect on September 1, 2010.

To reduce financial barriers to post-secondary study, the university will continue to focus its fundraising initiatives on new student scholarships and bursaries. In the past two years, largely due to matching funds received from the Access to the Future Fund, the university has been able to provide significantly more student awards than in previous years. On the other hand, the province has reduced its annual commitment to the student award programs it funds, including the Alberta Opportunities Bursary.

In addition to student awards, AU continues to work to raise external funds for various projects and initiatives. Over the last four years, the university has been able to secure nearly \$10 million in external private and public funding, including matching grants of \$4.8 million from the Access to the Future Fund but not including the one-time federal and provincial grants mentioned above. Governing Council has approved a \$30 million five-year fundraising campaign, and despite the downturn in the economy, the university is close to meeting its first-year target of \$1.5 million in donations and pledges.

Investment in Information and Communication Technology

Providing educational services to AU's learners depends upon the innovative use of technology to create a rich, flexible learning environment, one that is recognized by peer institutions for its high standards. Development of the Open Learning Environment has been planned over 10 years with a total estimated capital cost of \$90 million. An \$80 million investment was requested from the Government of Alberta with the university committing \$10 million from its reserves. To date, the university has spent \$4.4 of its \$10 million, and a further \$7.65 million has been received through KIP.

As mentioned above, the university was awarded federal funding through KIP and CAF, payable in 2009-10 and 2010-11, to support information and communication technology initiatives included in the Capital Plan. The KIP funding amounts to \$7.65 million over the two years (\$6 million in 2010-11) of which half is provided by the federal government and the other half is in matching funds from the provincial government. The CAF funding amounts to \$5.9 million over the two years (\$4.4 million in 2010-11). The contribution from the federal government is \$3.2 million with planned matching funds of \$1.2 million from the Renaissance Fund and \$300,000 from donations. The remaining contribution has been requested from the provincial government.

It is important to note that, as a result of this external funding, the university is not planning a reserve draw in the 2010-11 budget to support information technology.

Expenditures

Operating expenses are expected to increase 10.94 per cent to \$139 million, primarily due to KIP, CAF and RADF activity. Included in the planned expenditures is a \$2.2 million reserve draw to cover KIP matching requirements (\$1.3 million) and an opportunity fund for new initiatives (\$850,000).

Salary and benefits costs represent approximately 60 per cent of operating expenditures. This percentage is expected to remain relatively constant over the next four years; however, maintaining this level of expenditure in a period of modest student fee increases and flat government grants will allow the university to support only new positions that are externally funded or those that are absolutely critical. To meet its human resource expenditure targets, the university has instituted a freeze in hiring, is proposing a voluntary retirement initiative and will explore other options. Once budget targets are met, recruitment to key positions is expected to go forward on a priority basis.

Statement of Operations

For the year ended March 31
(thousands of dollars)

	APPROVED BUDGET 2009-2010	APPROVED BUDGET 2010-2011	Plan* 2011-2012	Plan* 2012-2013	Plan* 2013-2014
Revenues					
Operating grants	\$ 42,311	\$ 47,308	\$ 41,285	\$ 43,116	\$ 44,624
Undergraduate student fees	42,978	43,043	44,006	44,978	46,036
Graduate student fees	17,871	18,087	19,058	20,329	21,351
Sales of goods and services	13,248	12,731	12,678	12,805	12,894
Research and other grants	1,390	10,140	3,797	2,536	2,644
Amortization of DCC	840	1,091	2,372	3,364	4,425
Investment Income	1,631	941	1,641	1,551	1,456
Donations	1,690	2,800	7,500	8,500	10,000
Other	100	320	1,200	1,500	1,800
	122,059	136,463	133,535	138,679	145,231
Expenses (**)					
Salaries and benefits (***)	\$ 83,210	\$ 83,034	\$ 83,696	\$ 86,662	\$ 90,195
Fees and purchased services	19,047	33,484	28,395	30,007	32,265
Materials and supplies	10,272	9,095	9,399	9,389	9,422
Communications and travel	7,119	6,643	6,447	6,260	6,235
Amortization	2,552	3,282	4,388	4,961	5,558
Facilities costs	2,333	2,475	2,635	2,646	2,661
Scholarships	494	620	504	511	518
	125,027	138,633	135,463	140,436	146,854
Excess of expense over revenue	\$ (2,968)	\$ (2,171)	\$ (1,928)	\$ (1,757)	\$ (1,623)
Funding source for Excess					
Excess of expense over revenue	\$ (2,968)	\$ (2,171)	\$ (1,928)	\$ (1,757)	\$ (1,623)
Planned transfers from reserves	2,968	2,171	1,928	1,757	1,623
Net Excess (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -

* Revenue and expenditures in these years are preliminary and will be refined in future year budgets.

** Includes expenditures related to planned investments from restricted reserves.

*** Excludes any adjustments to the Universities Academic Pension Plan (UAPP) liability.

Statement of Financial Position

As of March 31
(thousands of dollars)

	APPROVED BUDGET 2009-2010	APPROVED BUDGET 2010-2011	Plan* 2011-2012	Plan* 2012-2013	Plan* 2013-2014
Assets					
Current					
Cash and short-term investments	\$ 21,310	\$ 1,119	\$ 1,468	\$ 1,123	\$ 1,058
Accounts receivable	3,941	4,205	4,338	4,492	4,635
Inventory of course materials	3,988	4,120	4,161	4,203	4,245
Prepaid expenses	1,352	1,099	1,110	1,121	1,132
	30,591	10,543	11,078	10,939	11,071
Non-current investments	23,505	33,891	31,399	30,527	29,638
Capital assets and collections	46,779	52,809	56,457	83,411	106,707
	\$ 100,875	\$ 97,243	\$ 98,934	\$ 124,878	\$ 147,415
Liabilities and Net Assets					
Current					
Accounts payable and accruals	\$ 4,671	\$ 4,469	\$ 4,052	\$ 4,175	\$ 4,372
Salaries and benefits payable	10,688	6,270	6,320	6,544	6,811
Deferred revenue	14,181	13,779	13,917	14,056	14,196
Deferred contributions	11,788	6,086	6,086	6,086	6,086
	41,328	30,603	30,374	30,861	31,465
Long-term debt	-	-	3,000	14,000	27,000
Deferred salaries and benefits payable	2,237	2,991	2,991	3,051	3,112
Deferred capital contributions	34,893	43,016	43,664	59,619	69,914
	78,458	76,610	80,029	107,530	131,491
Net Assets					
Investment in capital assets	11,886	9,793	9,793	9,793	9,793
Endowments	2,394	2,029	2,229	2,429	2,629
Internally restricted	8,137	8,811	6,883	5,126	3,503
Unrestricted**	0	0	(0)	(0)	(0)
	22,417	20,633	18,905	17,348	15,924
	\$ 100,875	\$ 97,243	\$ 98,934	\$ 124,878	\$ 147,415

* Revenue and expenditures in these years are preliminary and will be refined in future year budgets.

** Unrestricted net assets amounts do not include the Universities Academic Pension Plan (UAPP) unfunded deficiency.

Statement of Cash Flows

For the year ended March 31
(thousands of dollars)

	APPROVED BUDGET 2009-2010	APPROVED BUDGET 2010-2011
Cash provided from (used in) operating activities		
Excess of expense over revenue	\$ (2,969)	\$ (2,171)
Amortization of capital assets and deferred course development costs	2,552	3,282
Amortization of deferred capital and deferred course development contributions	(840)	(1,091)
Other items not affecting cash	(1,710)	-
	<u>(2,967)</u>	<u>20</u>
Change in non-cash working capital		
Change in accounts receivable, inventory of course materials and prepaid expenses	(331)	(122)
Change in current liabilities, except current portion of obligation under capital lease	(21,995)	1,374
	<u>(25,293)</u>	<u>1,272</u>
Cash provided from (used in) investing and financing activities		
Decrease (increase) in non-current investments, net	\$ 20,991	\$ 20,504
Capital asset and collection acquisitions, net	(24,278)	(24,543)
Endowment awards and contributions, net	205	-
Deferred capital contributions	23,366	1,172
Capital contributions for land	2,000	-
	<u>22,284</u>	<u>2,867</u>
Increase (decrease) in cash and short-term investments	(3,009)	(1,595)
Cash and short-term investments, beginning of year *	24,319	2,714
Cash and short-term investments, end of year	\$ 21,310	\$ 1,119

* Note: The beginning of year cash and short-term investments amount is projected based on forecasted operating results for the previous year. The 2010-11 amount varies from the approved budget amount for 2009-2010 by the variances for 2008-09 and 2009-10.

Capital Budget

Developing knowledge, technology and student service capacities are critical to Athabasca University's success. A number of major strategic capital development activities are underway, and others are being planned to support current needs and projected growth.

Over the next four years, \$113 million in strategic capital and ICT infrastructure investments are planned, for which \$81 million in external funding and \$27 million in long-term debt will be required.

Technology Infrastructure

Information and communication technology projects are critical to the future of the university. The funding of the Information and Communication Technology Capital Plan: Open Learning Environment continues to be the university's top capital priority. Capital plans for systems development total \$87 million over the next 10 years.

To contain overhead costs, a number of systems that enhance staff efficiency and effectiveness are also being implemented. These include upgrades in a number of administrative areas. Registry, call centre, financial, payroll and human resources system enhancements are also planned, together with improvements to project management functions.

Facilities Projects

Capital infrastructure investments for facilities include the following:

Academic and Research Centre – Athabasca: Construction of the university's 5,343m² Academic and Research Centre building on the main campus in Athabasca is nearing completion, and occupancy is planned for late in 2010-11. The cost of construction during 2010-11 is estimated at \$17.9 million.

Self-contained Observatory Building – Athabasca: Construction of a new optical auroral observatory is planned for 2010-11 in Athabasca County. It will replace an existing observatory in the Town of Athabasca which is declining in usefulness because of increased light pollution in the municipal area. The cost of this project, estimated at \$1.3 million, will be funded by Canada Foundation for Innovation and the Alberta Science and Research Investments Program.

Integrated Learning Centre – Greater Edmonton: The Strategic University Plan calls for the development of a Greater Edmonton facility that will accommodate the activities of the Centre for Innovative Management, now located in St. Albert, and the two AU Edmonton centres located in downtown Edmonton. The expected benefits of this project include administrative efficiencies in registration and financial and support processes, including support for those working from home offices in the St. Albert and Edmonton areas. In 2011-12, expenditures of \$1 million for related functional planning and, potentially, \$2 million for land acquisition in the Greater Edmonton Area are planned. The estimated construction or purchase cost of this facility is estimated at an additional \$24 million. AU plans to finance this project with long-term debt to be repaid with lease savings.

Leasehold Improvements – Calgary: AU is in discussions with Bow Valley College about the potential for relocating the university's Calgary operations from their existing leased, downtown location to a new building being constructed on Bow Valley's main campus. AU is considering occupying 970 m² or one half of one floor of the building. The estimated cost of leasehold improvements is \$2 million. Long-term

financing options are under consideration and review. One of the fastest growing regions in the province, Calgary is home to the largest proportion of AU's Alberta students, and this relocation should increase the university's capacity to serve this student market. By the time the new space is ready for occupancy, in 2013, AU's Calgary student complement is projected to increase by 75 FLEs, and it should grow by an additional 50 FLEs in each of the following three years. The new space will therefore position the university to accommodate an additional 225 FLEs by 2017.

Archival and Interpretive Centre – Athabasca: This project, to be carried out by AU in partnership with the Town of Athabasca and Athabasca County, and with the possible involvement of Aspen View Public Schools, combines research, learning, interpretation and economic development. The goal is to construct a facility which will serve as a site for learning beyond the classroom, a destination for field trips where students can learn about the environment and history of the Athabasca River Basin, as well as a centre for regional, national and international conferences. As the only facility of its kind in central Alberta, the centre will assist in promoting tourism in the Athabasca region. Design work is expected to begin in 2010-11 and construction in 2011-12. Preliminary cost of construction is earmarked at \$25 million pending functional review and design.

Renovations of Second Floor of Central Campus Building – Athabasca: Once the academic centres have been relocated to the new Academic and Research Centre in 2010-11, the existing building at AU Athabasca will require renovations. Costs are estimated at \$200,000, and they are scheduled to be carried out during 2011-12 and 2012-13.

Equipment

Approximately \$375,000 is planned for fleet vehicle, maintenance and research equipment over the next four years.

Library Collections

AU continually updates its library and art collections and plans to expand both. In 2010-11, \$75,000 is planned for capital acquisitions for the library.

The university is actively seeking donations of art from significant local and regional artists and archival donations in a number of strategic research areas, including materials related to western Canada, Alberta labour organizations, the work of Alberta women and Alberta's environmental not-for-profit organizations.

Capital Forecast

To reflect AU's plan to meet capital and ICT infrastructure needs, a forecast of projected expenditures and funding sources is provided in the following tables.

Capital and ICT Infrastructure Expenditure Projections

For the year ended March 31
(thousands of dollars)

	BUDGET 2010-2011	PLAN 2011-2012	PLAN 2012-2013	PLAN 2013-2014	TOTAL
Capital and ICT Infrastructure Expenditures					
Land	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
Buildings, leaseholds and site improvements	19,168	2,500	26,995	23,495	72,158
Information technology	6,021	9,424	11,628	10,778	37,851
Equipment	0	10	90	275	375
Library and art collections	75	125	125	125	450
	\$25,264	\$14,059	\$38,838	\$34,673	\$112,834
External Capital Contributions					
Provincial and other:					
Building	\$19,168	\$ 1,500	\$15,995	\$10,495	\$ 47,158
Information technology	6,000	7,543	10,247	10,046	33,835
Expenditures, externally funded	\$25,168	\$ 9,043	\$26,242	\$20,541	\$ 80,993
Internal Capital Contributions					
From amortization	\$ 96	\$ 2,016	\$ 1,597	\$ 1,132	\$ 4,842
From long-term debt		3,000	11,000	13,000	27,000
Expenditures, internally funded	\$ 96	\$ 5,016	\$12,597	\$14,132	\$ 31,842
	\$25,264	\$14,059	\$38,838	\$34,673	\$112,834

Capital and ICT Infrastructure Expenditure Projections

For the year ended March 31
(thousands of dollars)

	BUDGET 2010-2011	PLAN 2011-2012	PLAN 2012-2013	PLAN 2013-2014	TOTAL
Land					
DEBT FUNDED					
Integrated Learning Centre - Greater Edmonton		\$ 2,000	\$ -	\$ -	\$ 2,000
Total Land	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
Buildings, leaseholds and site improvements					
EXTERNALLY FUNDED					
Academic and Research Centre	\$ 17,905	\$ -	\$ -	\$ -	\$ 17,905
AU Central Building - Major Renovations	-	1,500	500	-	2,000
Self Contained Observatory Building	1,263	-	-	-	1,263
Infrastructure Renewal Planning			495	495	990
Archival and Interpretive Centre (Athabasca Project)			15,000	10,000	25,000
	\$ 19,168	\$ 1,500	\$ 15,995	\$ 10,495	\$ 47,158
DEBT FUNDED					
Integrated Learning Centre (Greater Edmonton)		1,000	10,000	12,000	23,000
Leasehold Improvements (Calgary/Bow Valley College)			1,000	1,000	2,000
	\$ -	\$ 1,000	\$ 11,000	\$ 13,000	\$ 25,000
Total buildings, leaseholds and site improvements	\$ 19,168	\$ 2,500	\$ 26,995	\$ 23,495	\$ 72,158
Information Technology - major projects					
EXTERNALLY FUNDED					
Computing systems	\$ 2,177	\$ 1,465	\$ 3,615	\$ 4,528	\$ 11,785
Administrative systems	778	2,243	2,589	3,066	8,676
Learning and research systems	3,045	3,835	4,043	2,452	13,375
	6,000	7,543	10,247	10,046	33,836
INTERNALLY FUNDED					
Hardware and software	\$ 21	\$ 178	\$ 150	\$ 128	\$ 477
Computing systems	-	331	435	272	1,033
Administrative systems	-	507	311	184	1,002
Learning and research systems	-	865	485	148	1,498
	\$ 21	\$ 1,881	\$ 1,381	\$ 732	\$ 4,015
Total hardware and software	\$ 6,021	\$ 9,424	\$ 11,628	\$ 10,778	\$ 37,851
Equipment					
INTERNALLY FUNDED					
Vehicles	\$ -	\$ -	\$ 55	\$ 40	\$ 95
Research equipment	-	10	35	235	280
	-	10	90	275	375
Total equipment	\$ -	\$ 10	\$ 90	\$ 275	\$ 375
Library and art collections					
Library	\$ 75	\$ 75	\$ 75	\$ 75	\$ 300
Art	-	50	50	50	150
Total library and art collections	\$ 75	\$ 125	\$ 125	\$ 125	\$ 450
TOTAL EXPENDITURES	\$ 25,264	\$ 14,059	\$ 38,838	\$ 34,673	\$ 112,834

Ten-Year Capital Plan

The following table illustrates AU's infrastructure needs until 2019-20, a 10-year planning horizon.

Capital and ICT Infrastructure Expenditure Projections: Ten Year Horizon

For the year ended March 31
(millions of dollars)

Project	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Totals
Category 1: Preservation											
INFORMATION TECHNOLOGY PROJECTS											
Administrative Systems Renewal		1.20	1.00	1.10	0.98						\$ 4.28
Student Information Systems Upgrade - Phase 1	0.60	1.65	1.73	0.80							\$ 4.78
Student Information Systems Upgrade - Phase 2							1.00	2.50	3.50		\$ 7.00
Learning Management System - Phase 1	1.50	1.90	1.80	0.80	0.80						\$ 6.80
Learning Management System - Phase 2	0.15				0.90	1.90	2.80	2.00	2.00		\$ 9.75
Smart Identification and Encryption System		0.75	0.50	0.20			0.35	0.20	0.20		\$ 2.20
Content Management System - Phase 1	1.00	1.15	1.30	0.50							\$ 3.95
Content Management System - Phase 2						2.00	3.00	2.80			\$ 7.80
Articulations and Advising System	0.35	0.80	1.30	1.65	1.30						\$ 5.40
IT Disaster Recovery and Risk Mitigation	1.85	1.30	3.85	4.60	3.00	2.15	1.70	0.95	4.20		\$23.60
Academics System	0.40	0.50		0.50	2.00	2.00	0.93				\$ 6.33
Learning Systems Innovations	0.15			0.50	1.50	2.00	0.69				\$ 4.84
Infrastructure Renewal										6.00	\$ 6.00
Hardware and Software	0.02	0.18	0.15	0.13	0.15	0.15	0.15	0.15	0.15	0.15	\$ 1.38
FACILITY AND OTHER PROJECTS											
Observatory Building	1.26	-	-	-							\$ 1.26
Leasehold Improvements	-	-	1.00	1.00					0.15	0.15	\$ 2.30
Equipment Renewal	-	0.01	0.09	0.28	0.09	0.09	0.09	0.09	0.09	0.09	\$ 0.92
AU Central Building - Main Campus Renovation	-	1.50	0.50	-							\$ 2.00
Main Campus Building - Major Renovations								3.30	19.80	3.30	\$26.40
Capital Planning - Future Facilities Projects					1.49	1.49	1.49	1.49	1.49	1.49	\$ 8.91
Trails and Landscape Enhancements						0.83	0.83				\$ 1.65
Infrastructure Renewal			0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	\$ 3.96
Category 2: Expansion and/or Replacement											
Library Collections	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	\$ 0.78
Art Collections	-	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	\$ 0.45
Category 3: New Facilities of Major Economic Benefit to the Province											
Land - Integrated Learning Centre - Greater Edmonton	-	2.00	-	-							\$ 2.00
Academic & Research Centre (ARC)	17.91	-	-	-							\$17.91
Integrated Learning Centre - Greater Edmonton	-	1.00	10.00	12.00							\$23.00
Archival and Interpretive Centre (Athabasca Project)	-	-	15.00	10.00							\$25.00
Athabasca River Basin Research Centre					0.83	6.60	0.83				\$ 8.25
Conference Centre						0.83	8.25	1.65			\$10.73
Residence						0.72	5.04	1.44			\$ 7.20
Annual Capital Requirements	25.264	14.059	38.838	34.673	13.658	21.370	27.757	17.190	32.200	11.800	236.809

Accessibility/Enrolment Plan

Enrolment

Most Canadian universities are experiencing enrolment challenges. To proactively address these challenges, AU's Enrolment Management Committee is instituting service improvements, facilitating process and system remedies, enhancing retention activities and supports and focusing on marketing and the development of new markets.

While AU's enrolment is still growing, growth has slowed in comparison to that of recent years. From 2003-04 to 2008-09, the average growth in undergraduate course registration was six per cent per year. Growth of approximately one per cent is expected for 2009-10. Indicators are now pointing to moderate growth of between one and two per cent in each of the next four years. Overall, students are expected to register for 73,700 courses in 2010-11.

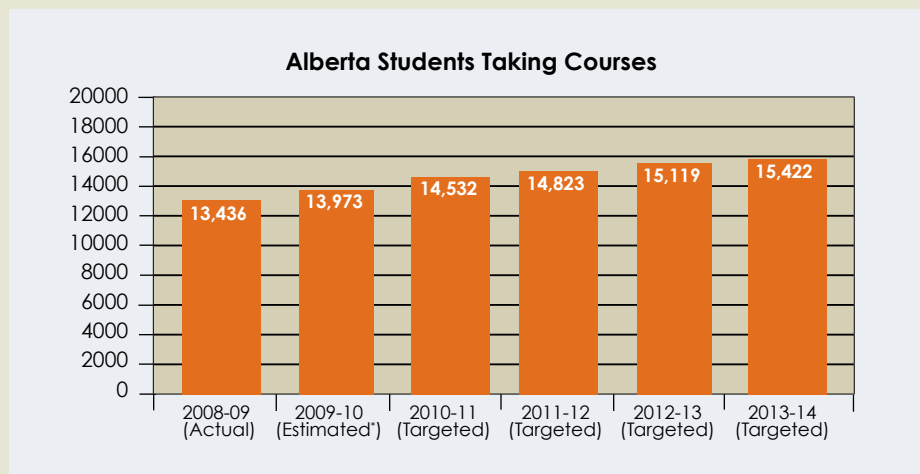
While increases are expected across the board in undergraduate and graduate enrolment, AU's graduate programs will continue to drive enrolment growth for the university over the next four years. Growth in graduate registration of three to four per cent per year is expected, with the MBA and the Nursing and Health Studies programs expected to lead the way. Some growth is also anticipated among non-credential undergraduate students, particularly students visiting from other universities. The following table shows projected enrolment growth by program band (full load equivalents):

	2008-09 (Actual)	2009-10 (Estimated*)	2010-11 (Targeted)	2011-12 (Targeted)	2012-13 (Targeted)	2013-14 (Targeted)
Undergraduate Students						
Bachelor of Arts	391.0	388.3	396.0	400.0	404.0	408.0
Bachelor of General Studies	75.9	75.4	76.9	77.6	78.4	79.2
Bachelor of Administration	58.8	58.4	59.6	60.2	60.8	61.4
Bachelor of Commerce	185.0	183.7	187.4	189.3	191.1	193.1
Bachelor of Nursing	364.9	362.3	369.6	373.3	377.0	380.8
Bachelor of Science	64.6	64.1	65.4	66.1	66.7	67.4
Bachelor of Science in Computing and Information Systems	48.7	48.4	49.3	49.8	50.3	50.8
Bachelor of Professional Arts	146.7	145.7	148.6	150.1	151.6	153.1
Bachelor of Health Administration	23.5	23.3	23.8	24.0	24.3	24.5
Bachelor of Management	219.6	218.1	222.4	224.6	226.9	229.2
Bachelor of Human Resources and Labour Relations	54.6	54.2	55.3	55.9	56.4	57.0
Open Studies	4,463.1	4,431.9	4,520.5	4,565.7	4,611.4	4,657.5
Diploma and Certificate Programs	86.3	85.7	87.4	88.3	89.2	90.1
Total Undergraduate	6,182.7	6,139.4	6,262.2	6,324.8	6,388.1	6,452.0
Graduate Students						
Doctor of Education	6.5	6.9	7.145	7.4	7.6	7.8
Doctor of Business Administration		3.3	3.4	3.5	3.6	3.7
Master of Distance Education	91.3	96.5	100.4	103.6	106.8	109.9
Master of Business Administration	318.3	336.4	349.9	361.1	372.3	383.1
Master of Arts – Integrated Studies	208.6	220.5	229.3	236.6	244.0	251.1
Master of Counselling	100.0	105.7	109.9	113.4	117.0	120.4
Master of Health Studies	169.3	179.0	186.1	192.1	198.0	203.8
Master of Nursing	271.1	286.6	298.0	307.6	317.1	326.3
Master of Science in Information Systems	85.4	90.3	93.9	96.9	99.9	102.8
Diploma and Certificate Programs	92.4	97.7	101.6	104.8	108.1	111.2
Total Graduate	1,342.9	1,419.4	1,476.2	1,523.5	1,570.7	1,616.2
Total Enrolment	7,525.6	7,558.9	7,738.4	7,848.3	7,958.8	8,068.2

* Estimate based on comparison of results for the first three quarters (April – December 2009 to April – December 2008) for rate.

Alberta Students

The number of Alberta residents taking courses through AU is targeted to grow by an average of approximately 2.5 per cent per year during the course of this four-year plan, as shown below:



* Estimate based on comparison of results for the first three quarters (April – December 2009 to April – December 2008) for rate.

Projected New Programs

AU continues to develop new programs in response to the demonstrated educational needs of Albertans. The programs listed below are at various stages in the planning and development process. Planned launch dates for most are now dependent on the availability of funding.

Many of these planned programs are collaborative and will lead directly to improved employment opportunities and skills. Most reach out to under-represented groups, particularly Aboriginal people and young men, and all are innovative, creating and supporting remote learning communities, helping more people access post-secondary education and providing needed program options for high needs professions.

2010-11

Certificate in Computer Gaming Design: This undergraduate certificate will meet an industry need for gaming designers and provide a stepped or laddered entry opportunity for the Bachelor of Science in information science.

Postgraduate Certificate in Technology-Based Learning: This certificate program will provide a pedagogical context for online technologies in teaching and training and provide laddering for the Master of Distance Education degree or the Graduate Diploma in Distance Education Technology.

Subject to Availability of Funding

Certificate in Adult Education (with Red Deer College): RDC and AU are jointly exploring the program in support of college instructional staff, particularly in the trades. The goal is to increase instructional and PLAR assessment capacities at RDC and other colleges.

BA (educational studies): This specialization is intended to address requests from students wanting courses in adult or early childhood education or learning disabilities.

B.Sc. (architecture major) and Graduate Diploma in Architecture: These programs will replace those now offered by the national professional institute in architecture.

Collaborative BA (with Medicine Hat College): This program will add to existing collaborative arrangements in support of MHC's mandate as a Comprehensive Community Institution.

BA (environmental studies): This is an increasingly important qualification for those employed in public service and communication fields and those interested in advanced environmental studies.

PhD (nursing studies): Feasibility and curriculum development analysis are underway. Internal planning processes are set to begin.

Engineering Transition Program: This program is being planned in collaboration with several partner institutions.

Cree, Blackfoot and Michif language preservation in collaboration with Red Crow Maskawachees and Tribal Councils: AU has approached a number of Indigenous leaders and institutions about developing language courses for and with their communities. The intention is to strengthen language and preserve culture.

Kainai Studies program (with Red Crow College): Red Crow has proposed the development of this program.

Module development in professions (including ESL for professionals) and science and technology transition from high school (targeted at young men): Alberta's two most significant general labour market needs are in advancing the education and skills of members of the existing workforce and in transitioning high-school graduates to post-secondary training in preparation for skilled employment. These new online modules will offer small, approachable and achievable units of university course work to provide further education and, it is hoped, serve as the first step to program registration.

Tuition Projections

Athabasca University's tuition fee projections for 2010-11 to 2013-14 are as follows:

	2009-2010 Actual	2010-2011 Budget	2011-2012 Plan*	2012-2013 Plan*	2013-2014 Plan*
Course-Based Fees					
Undergraduate Student Fees					
Course fee (3-credit)	\$ 458	\$ 465	\$ 472	\$ 481	\$ 491
Percentage change	4.5%	1.5%	1.5%	1.9%	2.1%
Graduate Student Fees					
Master of Distance Education					
Course fee	\$ 1,400	\$ 1,450	\$ 1,500	\$ 1,550	\$ 1,600
Percentage change	3.8%	3.6%	3.4%	3.3%	3.2%
Master of Health Studies and Master of Nursing					
Course fee	\$ 1,130	\$ 1,145	\$ 1,160	\$ 1,180	\$ 1,200
Percentage change	5.4%	1.3%	1.3%	1.7%	1.7%
Master of Arts - Integrated Studies					
Course fee	\$ 1,326	\$ 1,460	\$ 1,610	\$ 1,775	\$ 1,955
Percentage change	4.8%	10.1%	10.3%	10.2%	10.1%
Master of Science in Information Systems					
Course fee	\$ 1,400	\$ 1,425	\$ 1,450	\$ 1,475	\$ 1,500
Percentage change	1.9%	1.8%	1.8%	1.7%	1.7%
Graduate Diploma Heritage Resources Management					
Course fee	\$ 1,326	\$ 1,460	\$ 1,610	\$ 1,775	\$ 1,955
Percentage change	4.8%	10.1%	10.3%	10.2%	10.1%
Graduate Diploma in Legislative Drafting					
Course fee	\$ 1,326	\$ 1,460	\$ 1,610	\$ 1,775	\$ 1,955
Percentage change	4.8%	7.0%	10.3%	10.2%	10.1%
Program-Based Fees					
Graduate Student Fees					
Master of Business Administration					
Program tuition	\$43,500	\$43,500	\$45,000	\$45,000	\$45,000
Percentage change	0.0%	0.0%	3.4%	0.0%	0.0%
Doctor of Business Administration					
Program tuition	\$50,000	\$52,500	\$52,500	\$52,500	\$52,500
Percentage change		5.0%	0.0%	0.0%	0.0%
Doctor of Education in Distance Education					
Program tuition	\$41,830	\$42,280	\$42,730	\$43,180	\$43,630
Percentage change		1.1%	1.1%	1.1%	1.0%
Master of Counselling					
Program tuition	\$20,894	\$21,200	\$21,516	\$21,844	\$22,150
Percentage change		1.5%	1.5%	1.5%	1.4%

*The fee changes are preliminary and will be refined in future year budgets.

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