

Athabasca University 
Business Plan • 2008-2012



STATEMENT OF ACCOUNTABILITY

This business plan for the four-year period beginning April 1, 2008, 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, 2008, of which we are aware have been considered in preparing this plan. If key assumptions materially change, this business plan may be revised.

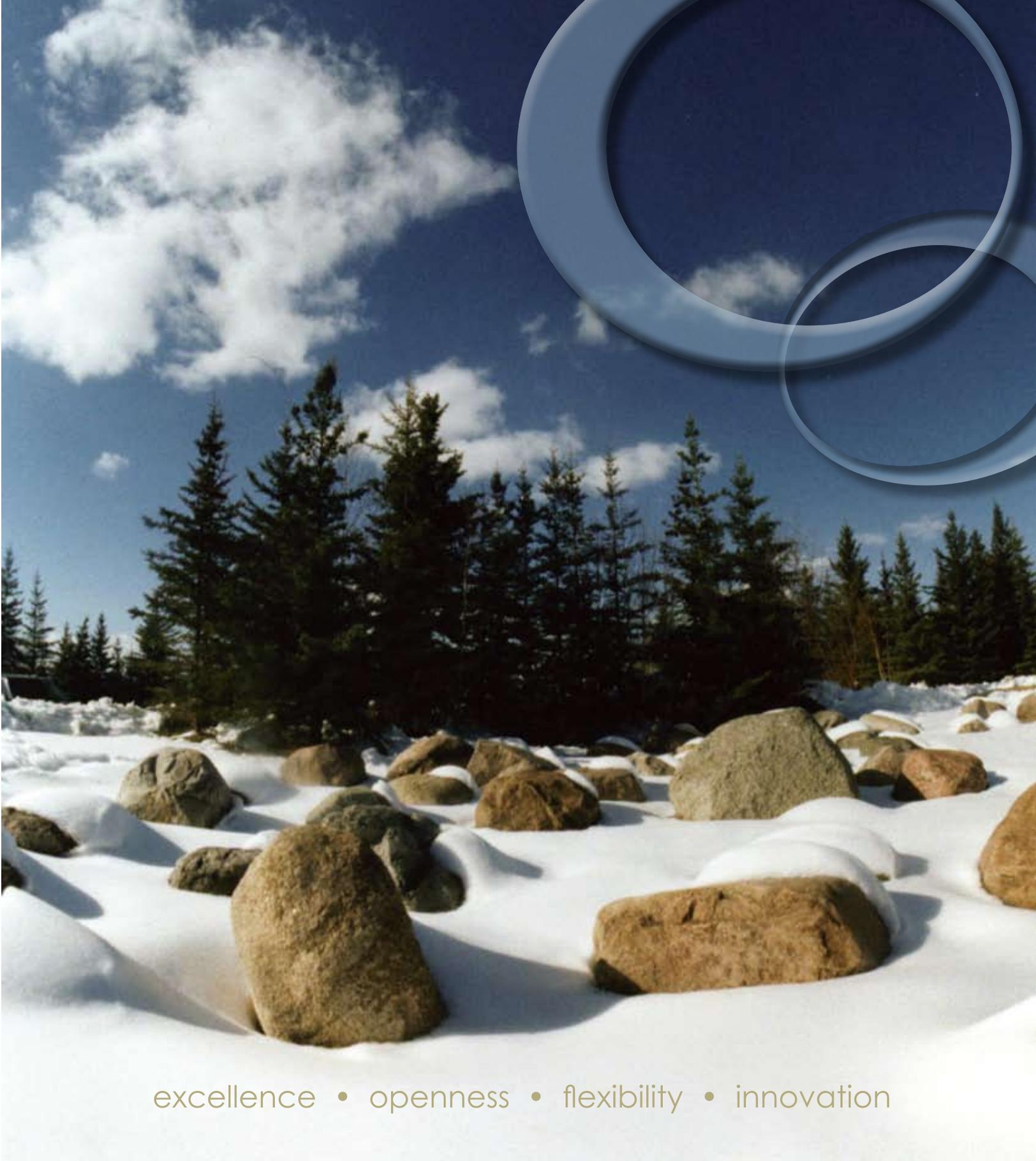
Athabasca University's priorities, as outlined in this business plan, were developed in the context of Alberta Advanced Education and Technology's business and fiscal planning guidelines.

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 Joy Romero

Joy Romero, P.Eng., MBA – PM
Chair
Athabasca University Governing Council



excellence • openness • flexibility • innovation

Business Plan 2008-2012

Introduction	6
Institutional Context	
Our Mission	8
Our Mandate.....	8
Our Values	9
Situation Overview.....	10
Opportunities and Challenges	15
Strategic Goals and Performance Measures	
Strategic Goals	22
Performance Measures.....	27
Priorities and Support Needs	
Priorities for 2008-12	32
Support Needs	35
Accessibility/Enrolment Plan	
Enrolment	38
Access Funded Programs	39
New Programs	39
Financial Information	41
Capital Projects	
Technology Projects.....	46
Facilities Projects	47
Equipment	49
Library and Art Collections	49
Capital Forecast	50
Ten-Year Capital Plan	52
Tuition Projections	53

INTRODUCTION

As Athabasca University approaches the midpoint, during the 2008-09 fiscal year, of its five-year Strategic University Plan, all university operations are geared to achieving the general goals articulated in that guiding document.

Canada's Open University remains 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. To that end, the university is focused on ensuring the success of current and future students through attention to four key principles: excellence, openness, flexibility and innovation. The plan outlined below will advance AU's goals of

- excellence in teaching, research, scholarship and student service
- openness in guaranteeing access to post-secondary learning to all
- flexibility in adapting to learner needs
- innovation in pioneering new, learner-centred approaches to post-secondary learning and technology-based alternatives to traditional instructional channels and contexts

Within a decade, AU intends, through the realization of its Information Technology Plan, to create a visionary Open Learning Environment, uniting the capabilities of information technology and pedagogical excellence to create a unique virtual campus through which course delivery can be tailored to meet students' individual needs and learning styles. In pursuit of that goal, the university will continue to build on its existing base of programs and services, its network of collaborative partnerships and its established leadership position in online and distance learning.

AU's priorities, as detailed in this plan, are as follows:

- to secure the capital funding necessary for implementation of the Open Learning Environment
- to expand and develop student support services through the Open Learning Environment
- to actively pursue discussions with government to resolve the critical issue of unfunded indirect costs and to secure additional and appropriate base funding for annual operations
- to begin planning for the consolidation of the university's Edmonton and St. Albert teaching, learning and research facilities in a new integrated Greater Edmonton facility and to secure funding for planning and land acquisition
- to participate in the Urban Campus in Calgary
- to expand opportunities for research and publication through development of various research institutes and the open-access AU Press

- to enhance accessibility by developing new academic programs and courses in undergraduate, professional and graduate areas and to provide the support needed to maintain quality in rapidly growing programs
- to enhance marketing strategies and financial supports in order to make post-secondary learning accessible to a greater number of Albertans, particularly the members of under-represented groups (e.g., lower income women, young working men, immigrants, rural and northern Albertans, Aboriginal Albertans)

As the midpoint of the current Strategic University Plan approaches, clearly defined barriers to achieving AU's stated strategic goals have emerged. While capital funding continues to be a top priority for the university, the need for base operating funds more reflective of real indirect cost structures has become a critical issue. If AU is to meet its distance delivery mandate for the next generation of Albertans, additional base funds are required.

INSTITUTIONAL CONTEXT

OUR 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.

OUR MANDATE

Athabasca University is a board-governed open university committed, through distance education, to increasing accessibility in Alberta, throughout Canada and internationally to university-level study and to meeting the educational needs of the workplace.

At the undergraduate level, the university is mandated to offer degree programs and university transfer courses in the natural and pure sciences, humanities, social sciences, interdisciplinary studies, administrative studies, commerce, nursing and allied professional fields. Credit-based university certificates are offered within the structure of the university's undergraduate degree programs. As a partner in Campus Alberta, Athabasca University offers its courses and educational services to students registered in Alberta post-secondary institutions. Working with these and out-of-province institutions, Athabasca University also provides degree completion opportunities for university transfer students and diploma graduates. Non-credit continuing education courses are also offered.

At the graduate level, the university offers degree programs in distance education, health studies, and business administration. Credit-based university graduate diploma programs are offered within the structure of the university's graduate degree programs.

To the benefit of students, Athabasca University is committed to excellence in individualized distance education, co-ordination of credit and credit transfer, assessment of prior learning and associated forms of learning accreditation.

Dedicated to research and scholarship in various disciplines, with a particular focus on distance education and associated learning technologies, Athabasca University provides international leadership in individualized distance education methods and technologies.

Approved by the Minister of Advanced Education, April 1999¹

¹ A revised mandate is under review by Alberta Advanced Education and Technology.

OUR 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

We value accountability.

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

SITUATION OVERVIEW

Athabasca University, Canada's Open University, provides learning for life. AU's approach to post-secondary learning is rooted in its dedication to four central principles: excellence, openness, flexibility and innovation.

EXCELLENCE

Through the achievements of its students and the efforts of its faculty and staff members, AU stands out as a provider of high quality post-secondary education.

AU is one of four public comprehensive Alberta universities, fully accredited by the Government of Alberta and the Campus Alberta Quality Council. AU has the mandate for the provision of university-level distance education programs in Alberta. In addition, AU is fully accredited by the Government of British Columbia and, in the United States, by the Middle States Commission on Higher Education. No other public Canadian university holds this level of foreign accreditation.

AU's students stand out for their dedication to their personal learning goals and for their commitment to advanced learning. They continue to be recognized for their contribution at the community, provincial and national level. Many have advanced to graduate level study, both at AU and at other institutions across North America. AU's programs and courses not only meet but exceed the learning expectations of students, 98 per cent of whom express satisfaction with their AU learning experience.

OPENNESS

Like all other Canadian universities, AU provides post-secondary learning opportunities to Albertans and other Canadians and to students from other countries. It is unique, however, in guaranteeing access to university-level study to a broad range of non-traditional students. By removing geographical, financial, social and cultural barriers that traditionally limit access to post-secondary achievement, AU transforms lives. For example, 74 per cent of AU graduates are the first in their family to complete a degree.

Students recognize the educational opportunities provided by AU: enrolment has grown by 239 per cent in the 11-year period since 1995—by 95 per cent in Alberta alone. This significant rate of growth illustrates the need for such an institution in the Alberta educational marketplace and demonstrates that AU's open access policy is working.

FLEXIBILITY

AU's flexible learning model allows students to start courses at any time and to study at their own pace—at home, at work or wherever they may find themselves. No post-secondary institution is better positioned to provide capacity for Alberta's learning model, quickly and cost effectively.

The need for a university that is accessible to working adults is critical as more and more Albertans and Canadians are drawn into the labour market before completing their education, and most will require periodic retraining or upgrading during the course of their career. Eighty-one per cent of AU students work while studying. AU allows them to earn a degree while continuing to contribute to their families, their communities and the economies of Alberta and Canada.

INNOVATION

From its beginning in 1972, AU has pioneered new approaches to post-secondary learning: through its open philosophy, through its outreach, through its revolutionary methods of course and program design and delivery and through its acceptance and adoption of technology-based alternatives to traditional instructional channels and contexts.

AU AT A GLANCE

- AU serves 37,095 students (70,200 course registrations).
- AU offers over 700 courses in more than 90 undergraduate and graduate programs.
- AU employs 1,226 faculty and staff members.
- AU generates \$3 million annually in research activities.
- AU maintains over 350 collaborative agreements with other Canadian educational institutions 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 other commitments.
- 63 per cent of graduates support dependents.
- 74 per cent of graduates are the first in their family to earn a university degree.

Teaching and Learning

The integration of research and creative teaching informs AU's curriculum and provides opportunities for highly qualified graduates to acquire research skills, to promote innovation and to participate more fully in society. The university's high quality courses and programs are products of an engaged research community, informed teaching and a supportive learning environment.

AU, which now offers over 700 courses in more than 90 undergraduate and graduate degree, diploma and certificate programs, is unique in guaranteeing access to university-level study to a broad range of non-traditional university students:

- those who are seeking an alternative to a conventional, campus-based experience
- those who wish to continue their careers while they augment their education
- those who have ongoing family or community responsibilities
- those living in rural, northern and remote areas
- those who cannot find a place in residential institutions
- those with non-standard academic backgrounds
- those whose family lacks a tradition of formal academic study

Research and Scholarship

Research activity at the university continues to thrive and actively engage students at both the undergraduate and graduate levels.

Mission critical research in the scholarship of teaching and learning in open and distance environments continues to be the primary focus of AU's research activity; however, the university also actively supports and maintains high standards in discipline-based research:

- The Learning Communities Project, funded by a private sector partner and led by Dr. Patrick Fahy of the Centre for Distance Education and Dr. Kinshuk of the School of Computing and Information Systems, is designed to assess the learning needs of rural, remote and isolated communities in Alberta and British Columbia, to develop an enhanced and collaborative mobile learning environment for those who are unable to access the traditional classroom environment and to transform the workplace by providing employees with innovative on-the-job opportunities to pursue educational goals and foster career advancement.
- Dr. Winona Wheeler and Dr. Maria Campbell of the Centre for World Indigenous Knowledge and Research are participants in Indigenous Knowledge Network for Infant, Child and Family Health, a Canadian Institutes of Health Research funded project involving researchers from universities and institutes in Canada's five western provinces. The project aims to enhance First Nations and Métis infant, child and family health by developing an Indigenous knowledge network to gather and synthesize relevant Indigenous and public health knowledge and apply it locally through culture-based parenting and infant/toddler health promotion programs.
- Dr. Martin Connors, Canada Research Chair in Space Science, Instrumentation and Networking, has carried on research, initially funded by Canada Foundation for Innovation, to build the Athabasca University Geophysical Observatory, the most comprehensive facility for auroral studies in Canada and among the best in the world.

- Through a four-and-a-half-year collaboration with the University of Regina, Dr. Bruce Morito has been engaged in a Social Sciences and Humanities Research Council of Canada funded exploration of the complex relationship between climate and society. Bringing together natural and social scientists and institutional and government partners in an integrated team approach, the research involves analysis of multiple natural and social processes including the links between nature and society.
- Dr. Janice Thomas, a world-renowned scholar in project management, continues her project, Understanding the Value of Implementing Project Management, a \$2.5 million (U.S.) investigation funded in part by the Project Management Institute and one which brings together a wide range of experts from around the world. The project is expected to conclude in 2008.

Two innovative research institutes, the Athabasca River Basin Research Institute and the Technology Enhanced Learning Research Institute, are under development.

The Athabasca River Basin Research Institute aspires to become an innovative interdisciplinary research centre that will exclusively study the Athabasca River Basin, Alberta's largest river basin, from a broad range of perspectives. It will seek to undertake a variety of research initiatives that link research and practice in the policy arena. This research will support the natural and human populations in the basin and facilitate the long-term sustainability of the river system and the activities that depend upon it. As envisioned, the institute will build on AU's strong relationships with colleges and Aboriginal and other communities, and with local industries, to co-ordinate the activities of diverse stakeholders and other interested parties in order to develop strategies for public participation in highly contested policy areas and to ensure that sufficient data are available to inform these processes.

The concept underlying the Technology Enhanced Learning Research Institute is of an institution that will create knowledge and foster innovation in the use of digital technologies to support learning. That research is expected to focus on how new technologies and their applications can transform Canadians' learning potential and improve their earning capacity. The institute will network extensively to increase awareness of learning technologies and their potential benefits to educational institutions, business and industry, and learners everywhere. It will serve as a global, open-access repository for research related to learning technologies.

AU's long-term commitment to open access assumed an additional dimension in 2007 with the creation of the AU Press, Canada's first 21st century university press. The new publishing house is dedicated to disseminating knowledge emanating from scholarly research to a broad audience through open-access digital media and in a variety of formats (e.g., journals, monographs, websites, podcasts). All publications will be peer reviewed to ensure scholarly rigour.

Student Support

In recent years, AU has significantly expanded its comprehensive network of supports for students. Student services include information, admission, registration, transfer accreditation, prior learning assessment, advising, counselling, technical support, library, information literacy, mathematics and writing support services as well as services for students with disabilities. Students across Canada and around the world, in all Canadian provinces and territories and in 87 foreign countries, draw upon the university's network of supports.

AU's support services consistently receive very student high approval ratings. In the most recent Government of Alberta university and college satisfaction survey, 97.5 per cent of AU students expressed satisfaction with the quality of their educational experience, well above the provincial average.

Collaborations

Driven by its commitment to removing barriers to post-secondary education, AU continues to open many pathways to learning.

Students registered in other Alberta post-secondary institutions make extensive use of AU's courses and educational services in completing their degrees. This accessibility accounts for a large percentage of students enrolled at the university: 27.5 per cent of AU students were visiting from other Alberta post-secondary institutions during the past year.

AU has entered into hundreds of agreements and partnerships with colleges and technical institutes in Alberta, across Canada and abroad. In 2007-08, for example, 1,768 Alberta college graduates were enrolled in AU degree completion programs. In addition, through programs offered by the Educational Studies Program, AU is able to provide educational opportunities for tradespeople who wish to become involved in trades education and training. AU also collaborates with Alberta public colleges to offer courses on site, enabling access to face-to-face learning where appropriate.

AU's new Heritage Resources Management Program, designed to build or increase the skills of prospective and active heritage professionals, is strengthened through a unique partnership with the Historical Resources Intern Program, an initiative of the Government of Alberta. Courses available to the public are also taken by interns employed throughout the province at government operated museums, archives and historic sites. This partnership enriches the expertise that the program draws upon and guarantees a varied and dynamic student body.

On the international level, the School of Business offers courses at Stamford College in Kuala Lumpur, Malaysia, and at Soochow University in Suzhou, China. Under this collaborative model, students use AU course materials; the local institution provides grouped study tutors;

AU provides academic and support services online to both students and local classroom tutors; and AU employees monitor all final examinations, which are set and marked by AU faculty members.

OPPORTUNITIES AND CHALLENGES

Key forces for and sources of change, including fluctuating enrolment challenges, Alberta Tuition Fee Policy limitations and highly competitive post-secondary educational services, will continue to impact Athabasca University. In addition, conclusion of AU's collaborations with Mount Royal College, nationwide demographic shifts, changing technologies and the ever-present need for program growth, together with initiatives aimed at diversifying funding sources, also affect planning.

Although AU faces a number of challenges, many are related to opportunities for growth and development. These challenges and opportunities may be grouped under general headings as follows:

- funding and affordability
- infrastructure deficits
- the learning environment and the student experience
- enrolment and emerging markets
- collaboration and competition
- recruitment and retention of staff

Funding and Affordability

AU's 2008-09 operating budget plans for total expenditures of over \$125 million. Over 65 per cent of this budget consists of salaries and benefits. The university expects to receive approximately \$37 million in operating grants from the Government of Alberta in 2008-09, \$59 million through tuition and \$15 million through learning resources and research activities.

The \$37 million which AU expects to receive from the Government of Alberta in 2008-09 represents 32 per cent of proposed operating revenue. Although provincial government funding has allowed the university to meet a number of goals, the challenge of maintaining program quality while keeping fees competitive is becoming increasingly problematic, especially as student expectations for use of interactive technologies in distance education courses increase.

Program costs are a major barrier to education for many prospective students. Providing opportunities for Albertans to access university education regardless of geographic location, culture, race, ethnicity, income, disability or educational background is fundamental to AU's identity and mandate and is explicitly endorsed in the Alberta government's Strategic Business Plan of March 2006. In this context, maintaining affordable tuition fees is a serious responsibility, not only for AU but for all Alberta post-secondary institutions.

Meeting students' financial needs through an appropriate student awards program is an additional challenge. As AU serves a more mature student population than traditional universities, and a majority of these students are employed full time, scholarships and bursaries must be tailored to removing the barriers to post-secondary study that these students face. A comprehensive strategy is being applied.

AU continues to work closely with Alberta Advanced Education and Technology to find solutions to its unique funding challenges. In order to ensure that the university can meet its post-secondary mandate, an increase in funding to cover the university's growing indirect costs is required. This increase would represent recognition of the university's learner model, that which makes it distinct among Alberta's four public comprehensive universities. A careful analysis of its costs structures suggests that AU requires a minimum of \$15 million per year to cover unfunded indirect costs. Without this infusion of funds, AU will find it impossible to offer services comparable to those of its sister institutions and find itself unable to carry out its mandate under the Post-Secondary Learning Act. Athabasca University Governing Council has made resolving these funding challenges its highest priority for the coming fiscal year. Further information is available on page 36.

Infrastructure Deficits

Residential universities maintain a significant physical infrastructure in the form of campus buildings. While AU also has a need for buildings, technology is the primary means by which the university connects with its students. Given AU's distance education learner model, it must be recognized that the university is unique among Alberta's post-secondary institutions in that, rather than bricks and mortar, learning technology is its infrastructure. As indicated in earlier business plans, long-term capital funding is needed to provide for sustainability of that technological infrastructure through implementation of the Open Learning Environment. Over the next 10 years, AU needs to invest a total of \$90 million, of which it has been able to contribute \$10 million from previous years' surpluses, in information technology.

Since 2001, staff numbers at AU have increased by nearly 40 per cent. In 2007, the Government of Alberta recognized the university's space shortage and provided \$30 million for a new academic and research facility in Athabasca. This new facility will provide much needed space for faculty and staff to continue to provide quality academic programs to students and to carry out the research that supports that teaching effort. The university will continue to work to realize its space requirements in the Greater Edmonton Area and in Calgary. The focus for 2008-09 will be on planning the consolidation of its operations in the Greater Edmonton Area.

The Learning Environment and the Student Experience

The development of quality courses and the provision of exemplary student services are of the utmost importance, together with continuing to break down barriers to student success and ensuring that programs improve and expand to meet ever-changing student needs. Integration of undergraduate and graduate structures and processes, where practical, is anticipated.

AU has undertaken a series of program reviews as part of its quality assurance process. Each review provides those involved with the program under review with an opportunity to reflect on the structure, strengths and challenges of the program, to assess how well it is meeting students' and employers' needs, to respond to comments from an external panel and to identify actions for implementation in the coming year. In addition, the university is in the process of reviewing all of its courses to ensure that they are numbered at the appropriate level and have learning objectives that reflect that level.

Over the next decade, AU also aspires to complete its visionary Open Learning Environment, uniting the capabilities of information technology and pedagogical excellence to create a unique virtual campus through which course delivery can be tailored to meet students' individual needs and learning styles. This environment will be characterized by innovations such as

- seamless and timely learner support
- virtualized access to multimedia learning materials
- vitalized content creation, storage and retrieval through a centralized content management system
- collaborative technologies and real-time information access

Capital funding continues to be an issue of concern to the university. As stated earlier, AU needs to invest a total of \$90 million in information technology, of which it has been able to contribute \$10 million from previous years' surpluses.

Enrolment and Emerging Markets

Like other Alberta post-secondary institutions, AU has seen a flattening of undergraduate enrolment growth over the past year, dropping to 2.2 per cent from the approximately 10 per cent per year average of the past decade. Over the last three years, growth in undergraduate course registration has varied from four per cent in 2005-06 to eight per cent in 2006-07 to about two per cent anticipated for 2007-08. Indications are now pointing to moderate undergraduate enrolment growth averaging 5.5 per cent over the next four years.

Enrolment in graduate programs continues to expand. Robust growth is expected in 2008-09 in the recently launched Doctor of Education in distance education, the Graduate Diploma in heritage resources management and the Graduate Diploma in legislative drafting programs as well as in the MAIS, MHS, MN, MCounselling and MScIS programs. The mature MBA and MDE

programs expect to maintain existing enrolment levels. Enrolment growth in all graduate programs is projected at 3.5 per cent in 2008-09 and at an average of six per cent over the next four years.

Achieving growth in undergraduate and graduate programs will require careful and ongoing enrolment management. As a result, the university has established an Enrolment Management Committee, co-chaired by the Vice-President (Academic) and the Vice-President (Advancement) and with representation from the various departments across the university that provide recruitment, enrolment, registration and student support services. This committee will co-ordinate activities related to marketing and recruitment, enrolment and registration, and student retention.

In addition, strategic investments for 2008-09 will focus on strengthening student supports (technology, student services), refreshing existing courses and developing new courses and ensuring outcomes in recruitment. While many unique and persuasive appeals for the creation of new positions have been advanced, those supporting Strategic University Plan priorities, especially student recruitment, new program development and research have been deemed especially important for the coming year.

It is anticipated that the majority of AU's Alberta students will continue to be drawn from urban areas, particularly Calgary and Edmonton. The university will concentrate on these important primary markets, but as outlined below, it is also strengthening its focus on recruiting students from rural and remote areas, Aboriginal communities and immigrant populations.

Migration and Immigration

Alberta continues to be challenged by national and international competition for skilled workers. To address labour market requirements, the province relies heavily on workers migrating from other provinces. AU is unique among the province's universities in that its significant out-of-province student population puts it in a position to establish connections with such prospective migrants.

AU is at the forefront of developments in using mobile learning technologies in English-as-a-Second-Language programs. In 2007, the university partnered with the Edmonton Mennonite Centre for Newcomers in a successful pilot program to test the use of cell phone technology to teach English to recent immigrants. A second test will soon be launched near Fort McMurray at the Horizon Oil Sands Project site, a work camp with a significant immigrant worker population.

AU is committed to establishing a presence in the immigrant population by working with communities and other institutions to offer culturally sensitive university-level programs and to develop a better and more comprehensive system of assessing prior learning and experience. The university is also investigating the feasibility of providing online, open and distance education to prospective immigrants in their home countries.

Rural Communities

Alberta's rural communities continue to shrink as their young people migrate to urban centres: in the past half century, the percentage of Albertans living in rural areas has dropped from over 50 per cent to below 20 per cent. Post-secondary completion rates for rural and remote communities are also among the lowest in the province. The shortage of skilled professionals in rural and northern communities particularly affects oil, gas, forestry and agricultural industries, which together account for 25 per cent of the province's gross domestic product.

By building appropriate partnerships, AU will enable more Albertans to remain in their home communities while accessing post-secondary education. Achieving this goal will, in turn, help to ensure the sustainability of smaller communities and facilitate their future growth. AU is well positioned to provide access to high quality post-secondary programs for rural and northern Albertans through online and distance learning.

In pursuit of this objective, the university has engaged a senior recruitment officer with specific responsibility for developing, executing and monitoring marketing and recruitment programs in northern Alberta. AU also continues its efforts to strengthen relationships with rural, remote and northern communities through partnerships with local governments, businesses and public institutions.

In 2007-08, AU and its partners in the Alberta-North consortium (Grand Prairie Regional College, Keyano College, NAIT, Northern Lakes College, Portage College) received an Innovation Fund grant for the Best Practices for Attracting and Retaining Learners from Under-represented Populations project. The goal of this project is to increase services to assist rural and Aboriginal learners to make the transition into advanced education successfully.

Aboriginal Communities

Despite improvement in recent years, both employment rates and post-secondary completion rates among Aboriginal Albertans, both on and off reserves, remain low. Since the average age of Aboriginal people is lower than that of Canadians as a whole, Alberta's future success will depend in part on the province's ability to tap into the human resource potential that the Aboriginal population represents.

AU's longstanding collaborative agreements with First Nations colleges and councils have helped to promote equality of access. The university's Centre for World Indigenous Knowledge and Research has undertaken outreach initiatives, and the university has worked directly with the Yellowhead Tribal Council, Blue Quills First Nations, Red Crow College and the Sunrise Project at Northern Lakes College to develop and implement programs and services. This collaborative approach will be carried forward by the Learning Communities Project described above, which will research distance education as a means of providing educational opportunities on Aboriginal reserves.

AU will continue to work with Alberta's Aboriginal peoples to enhance access to and success in post-secondary education.

Collaboration and Competition

The Strategic University Plan goal of building communities is a core principle underlying the development of collaborative agreements during the 2008-12 period.

In order to facilitate effective collaborations, AU will continue in its work with other educational providers to diversify modes of delivery. To support the increasing educational requirements of the knowledge economy, additional collaborations with professional associations to support the accreditation of their members are also planned. For example, AU has recently joined the E-Learning for Business Coalition as the only educational member.

Among other international collaborations, the university anticipates offering its Bachelor of Management degree at both Stamford College and Soochow University and is in discussions regarding similar collaborations with the Canadian University of Dubai and the Ho Chi Minh City University of Industry in Vietnam. The latter two collaborations will likely involve offering the final two years of the Bachelor of Management degree program to cap local diploma or associate degree programs.

AU has also partnered with Xerox Canada to develop a research program focused on advancing mobile learning and e-learning for students living in remote or rural areas of Canada. Under the terms of the partnership agreement, Xerox has awarded AU \$250,000 to develop various technology applications for distance education programs and to support a research chair in learning technologies. Research will be conducted into adaptation of courses and instructional material for delivery through small, portable devices such as MP3 players and PDAs.

Recruitment and Retention of Staff

AU employees work at centres in Athabasca, Edmonton, Calgary and St. Albert and in alternative offices throughout Alberta. The number of full-time equivalent staff has increased by nearly 40 per cent over the past five years.

AU was selected as one of Alberta's top 35 employers for 2008 by Mediacorp Canada Inc., publishers of *Canada's Top 100 Employers*. The award bears testimony to the innovative and progressive AU work environment and will help attract and retain high quality employees. The annual regional ranking, conducted in partnership with Alberta's two largest newspapers, the *Calgary Herald* and the *Edmonton Journal*, recognizes "the Alberta employers that lead their industries in offering exceptional places to work." The criteria

considered in evaluating employers included the organization's leadership in its industry in attracting and retaining quality employees and the organization's ability to offer good job prospects.

Recruitment, retention and negotiation of affordable collective agreements are ongoing challenges. Like other post-secondary institutions in Alberta and across Canada, AU is finding it progressively difficult to recruit and retain highly skilled faculty members and researchers. More employees are needed to serve increasing numbers of students, yet the average age of university employees continues to rise. Many qualified scholars are expected to retire in the next decade, and many other universities will also be renewing their academic and senior management staff. Consequently, it is extremely important to continue to attract and retain highly qualified and credible employees. Without them, the university will not be able to maintain its first-ranked status. AU is finding creative solutions to critical staff shortages in the most rapidly growing program areas such as business, life sciences, nursing and criminal justice.

STRATEGIC GOALS AND PERFORMANCE MEASURES

STRATEGIC GOALS

Accomplishing the goals articulated in the Strategic University Plan 2006-11 will stand as a testament to Athabasca University's values and represent a significant step toward fulfilment of its mission and mandate. It will strengthen the university's commitment to the principles of excellence, openness, flexibility and innovation. Over the next four years, therefore, the university will continue to focus on achieving the goals of the Strategic University Plan:

- ensuring quality in learning
- enhancing open access
- focusing on quality research
- building communities
- recruiting and retaining excellent employees
- allocating resources

These goals are consistent with and supportive of the post-secondary access and quality measures of Alberta Advanced Education and Technology as revealed through the recent work of its Institutional Roles and Mandate Committee, an effort in which AU has played an active role.

Goal 1: to continue to focus on the delivery of high quality open and distance education through a wide range of programs and courses

Strategic objectives	Expected results
<p>Continue to strengthen the quality, accessibility and responsiveness of undergraduate and graduate courses and programs.</p>	<ul style="list-style-type: none"> • Consistent student satisfaction ratings and improvement in some areas • Improvements in measures of student success • Undergraduate and graduate enrolment targets met • Program reviews as per the Education Review Plan continued • Increase in number of approved programs
<p>Ensure that quality is enhanced and that access is not compromised as more course materials and learning activities move online. Adapt course development processes to the demands of e-learning, and develop IT strategies responsive to student learning needs.</p>	<ul style="list-style-type: none"> • Number of available online courses increased • New course development models consistent with advancements in online learning • A balanced curriculum • Improved student satisfaction ratings
<p>Continue to offer a high quality student experience at Athabasca University.</p>	<ul style="list-style-type: none"> • Student satisfaction ratings maintained • Trend in exceeding provincial average in student satisfaction ratings continued • Improved student supports, including technology usage • Improvements in measures of student success
<p>Continue to develop a digital and resource library that will meet the needs of students and researchers.</p>	<ul style="list-style-type: none"> • Increased digital collections • Improved student information literacy rates • Increased use of digital materials

Goal 2: to increase participation rates at Athabasca University and ensure accessibility for students from diverse regions and backgrounds

Strategic objectives	Expected results
Recruit a diverse and wide-ranging group of undergraduate students from all sectors and provinces and abroad to major programs.	<ul style="list-style-type: none"> • Increased undergraduate student registration • Specified undergraduate enrolment targets met • Enhanced opportunities for rural/remote students
Recruit a diverse and wide-ranging group of graduate students from all sectors and provinces and abroad to major graduate programs.	<ul style="list-style-type: none"> • Increased graduate student registration • Specified graduate enrolment targets met • Enhanced opportunities for rural/remote students
Increase opportunities for access to university-level education for students from northern, rural, minority, Aboriginal and other under-represented communities across Canada.	<ul style="list-style-type: none"> • Increased enrolment from rural and remote areas • Increase in partnerships and funding
Continue to be a major contributor to Campus Alberta, to build strong alliances with other post-secondary institutions and to increase availability of university-level education provincially, nationally and internationally.	<ul style="list-style-type: none"> • Increase in number of partnerships and collaborative arrangements • Existing partnerships maintained
Develop a more co-ordinated approach to addressing learner needs and improving student success and better supports for students to achieve their learning goals.	<ul style="list-style-type: none"> • Increased use of student support services • Increase in number of learner support initiatives • Improved student satisfaction ratings • Improved completion rates
Improve financial support for students to reduce barriers to post-secondary education.	<ul style="list-style-type: none"> • Increased financial aid through scholarships and bursaries
Provide a wide range of dynamic services that support the diverse needs of students.	<ul style="list-style-type: none"> • Increase in number of services critical to student success • Increased use of AskAU

Goal 3: to foster and expand research and scholarship at Athabasca University

Strategic objectives	Expected results
Continue to provide and increase appropriate support for student and staff excellence in research and scholarship.	<ul style="list-style-type: none"> • Increased research activity (funding, publications, projects)
Enhance Athabasca University's international reputation in open and distance learning scholarship.	<ul style="list-style-type: none"> • Increased international activity • Increase in number of research partnerships and collaborative arrangements • Increase in international registration
Expand the research culture throughout the university environment.	<ul style="list-style-type: none"> • Increased research activity
Promote and expand the transfer of research knowledge for the benefit of society.	<ul style="list-style-type: none"> • Athabasca University Press established • Increase in number of publications • Increased media for research
Provide the widest possible access to the research created by researchers at Athabasca University.	<ul style="list-style-type: none"> • Increase in number of publications • AU Press regarded as a leading open-access press
Increase research partnerships and collaborations with other internationally recognized research institutions.	<ul style="list-style-type: none"> • Increase in number of research partnerships and collaborations
Develop a clear funding strategy to seek and allocate research funding.	<ul style="list-style-type: none"> • Increase in amount of research funding received

Goal 4: to promote collaboration and foster leadership in the communities we serve

Strategic objectives	Expected results
Raise the profile of Athabasca University as Canada's Open University provincially, nationally and internationally so that students, employers and governments will see it as their first choice for meeting their educational needs.	<ul style="list-style-type: none"> • Research profile increased in line with that of other universities • Awareness increased from benchmark (2006) • Increased student registration • Increased media coverage
Employ university resources in the community to develop initiatives and collaborative partnerships.	<ul style="list-style-type: none"> • Increase in the number/extent of community partnerships • Increase in the number of community events
Foster vital alliances with business and industry to advance mutually beneficial educational goals for employment.	<ul style="list-style-type: none"> • Increase in the number/extent of partnerships and alliances

Goal 5: to recruit and retain the very best staff

Strategic objectives	Expected results
Create an environment that supports Athabasca University's teaching and research priorities, increases recruitment and retention activities and ensures leadership succession.	<ul style="list-style-type: none"> • Increased annual research production
Provide appropriate recognition and support for staff members in their role in the teaching and research mandate of the university.	<ul style="list-style-type: none"> • Increase in the number of external recognition awards, publications and internal success stories
Improve collaboration and foster open dialogue, interpersonal networking and communication throughout the university.	<ul style="list-style-type: none"> • AU staff portal successfully implemented
Strengthen governance and organizational structures within the university.	<ul style="list-style-type: none"> • Governance and organizational structures reviewed and realigned in accordance with position as an established university

Goal 6: to secure and steward the resources necessary for Athabasca University and its staff and students to achieve their potential

Strategic objectives	Expected results
Align institutional planning and refine mechanisms to assess the effectiveness of university planning, resource allocation and institutional renewal process.	<ul style="list-style-type: none"> • Targeted investment budgets established
Increase existing and identify new sources of funds to support research, teaching and service at the university.	<ul style="list-style-type: none"> • Increased research links with government agencies and the private sector • Increased revenue from research activity • Increased revenue from advancement activities (grants, donations, strategic partnerships)

PERFORMANCE MEASURES

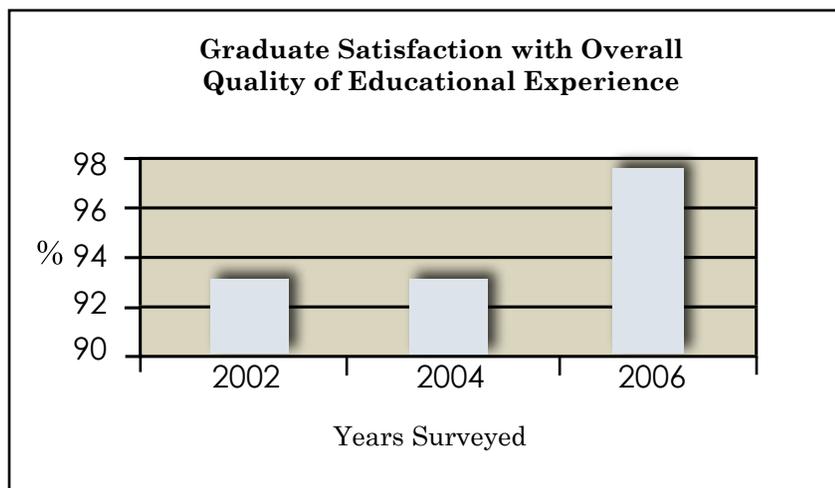
Enrolment: Expected and Targeted Full-load Equivalents (FLEs)

Athabasca University has established the following enrolment targets to aid its planning in support of its goal of satisfying learners' needs through open access to programs and courses. These targets reflect the expectation to grow, on average over the course of this plan, by 383 full-load equivalents per year.

	2006-07 (Actual)	2007-08 (Expected)	2008-09 (Targeted)	2009-10 (Targeted)	2010-11 (Targeted)	2011-12 (Targeted)
Undergraduate	5,919	6,020	6,351	6,700	7,068	7,457
Graduate	1,264	1,299	1,345	1,516	1,608	1,642
Total FLEs (full-load equivalents)		7,319	7,695	8,216	8,677	9,099
Increase		136	376	520	461	423
Rate of growth		2%	5%	7%	6%	5%

Graduate Satisfaction

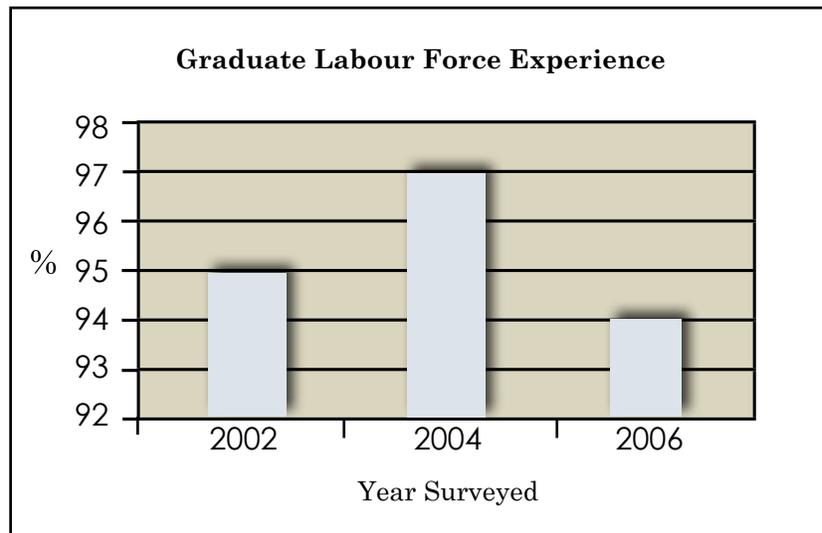
In its value statements, AU indicates that student learning and satisfaction are measures of success. Very significantly, during a period of rapid growth, the university has maintained high levels of student satisfaction with the quality of the educational experience. AU consistently exceeds the provincial average level of satisfaction on the Government of Alberta's university and college satisfaction and labour market experience surveys. Results for the 2002, 2004 and 2006 surveys are provided below:



In 2006, 97.5 per cent of AU students expressed satisfaction with the overall quality of their educational experience. This figure represents a substantial improvement over the 93 per cent satisfaction ratings recorded in 2002 and 2004. AU's goal is to continue to exceed the provincial average and retain its reputation as the best in the province.

Graduate Employment Rate

Measures of student learning are embedded in the curriculum. That AU's graduates consistently enjoy a very high rate of participation in the labour force is an indirect measure of the high quality of the university's programs. The following chart shows employment rates for participants in Government of Alberta's university and college satisfaction and labour market experience surveys:



It is also important to note that a majority of AU students participate in the labour force while completing their courses or programs: 81 per cent work while they study.

Student Consultation

The Athabasca University Executive meets regularly with the Athabasca University Students' Union to review the university's proposed and projected fee increases. The last meeting was in January 2008. The Students' Union is represented on the university's Strategic Budget Committee, Academic Council, Finance Committee and Governing Council. A process to establish a new Graduate Students' Association was initiated in 2007, and once it is established, representatives of this association will also join the committees listed above.

Research Activities

AU is committed to excellence in research and scholarship. Through discovery, dissemination and transfer of new knowledge, the university will continue to integrate research and creative activity with teaching, thereby informing its curriculum and providing opportunities for highly qualified graduates to promote innovation and to participate more fully in society.

As a university with a growing graduate student population, now over 3,000 strong, AU will continue to ensure that the research and publication records of academic staff members are comparable to those of other public universities in Canada. Data on research activities performed the past several years is presented in the following tables.

Research Impact – All Sources (thousands of dollars)

In recent years, external funding from the granting councils has shown a downward trend; however, support from community and industry sources has increased slightly. A summary of all externally funded research at AU is provided in the following table:

Types of Research Support	2004-05	2005-06	2006-07	Three-Year Average 2004-06	Three-Year Average 2005-07
Total sponsored research revenues ¹	\$2,316	\$1,849	\$2,117	\$1,903	\$2,094
Support from council sources	\$724	\$709	\$642	\$625	\$692
Council support ratio (council sources/total sponsored research revenue) ²	31.3%	38.3%	30.3%	32.8%	33.3%
Support from community and industry sources ³	\$1,592	\$1,141	\$1,475	\$1,278	\$1,403
Community and industry support ratio (community and industry/ total sponsored research revenue)	68.7%	61.7%	69.7%	67.2%	66.7%

¹ 2006-07 figures include cash as well as in-kind contributions as recorded in the Audited Financial Statements. The three-year average excludes \$1.3 million of in-kind capital received in 2005-06.

² Council Sources includes Social Sciences and Humanities Research Council of Canada (SSHRC), Natural Sciences and Engineering Research Council of Canada (NSERC) including Canadian Graduate Scholarships, and Canadian Institutes of Health Research (CIHR), as well as Canada Research Chairs and Indirect Costs (Federal).

³ Includes other federal, provincial, and industry funding from sources such as the Canada Foundation for Innovation (CFI), Human Resources and Skills Development Canada (HRSDC) and Office of Learning Technologies (OLT).

***Sponsored Research Revenue as a Percentage of Provincial Grants
(thousands of dollars)***

Sponsored research revenue as a percentage of provincial operating grants is summarized in the following table:

Types of Research Support	2004-05	2005-06	2006-07	Three-Year Average 2004-06	Three-Year Average 2005-07
Total sponsored research revenues	\$2,316	\$1,849	\$2,117	\$1,903	\$2,094
Total Province of Alberta operating grants	\$25,452	\$30,113	\$31,064	\$25,900	\$28,876
Sponsored research revenues as a percentage of provincial operating grants	9.1%	6.1%	6.8%	7.3%	7.3%

As the table shows, the percentage increase has changed significantly in recent years as funding from the granting councils has varied and operating grants have increased substantially.

Research Council Success (thousands of dollars)

AU's success rate with its applications to the granting councils is summarized in the following table.

Granting Councils¹	2004-05	2005-06	2006-07	Three-Year Average 2004-06	Three-Year Average 2005-07
Number of applications	26	21	31	24	26
Number of awards	6	5	7	7	6
Total dollar value of awards (in thousands of dollars)	\$724	\$709	\$642	\$625	\$692

¹ Includes Social Sciences and Humanities Research Council of Canada (SSHRC), Natural Sciences and Engineering Research Council of Canada (NSERC) including graduate scholarships, and Canadian Institutes of Health Research (CIHR). Also includes Canada Research Chairs and Indirect costs, but not Canada Foundation for Innovation (CFI), Human Resources and Skills Development Canada (HRSDC), Office of Learning Technologies (OLT), Industry Canada, etc.

Of note is the increase in the number of applications being submitted. The success rate over the past three years remains at approximately 23 per cent.

Research Publications and Other Creative Works

AU faculty and staff members actively disseminate their research results through various publications and presentations. The following table provides a summary of these activities (Note: Numbers for previous years have been amended to reflect definitions from granting agencies.)

Research Publications¹	2004-05	2005-06	2006-07	Three-Year Average 2004-06	Three-Year Average 2005-07
Number of full-time faculty ²	111	142	162	120	138
Books authored or co-authored	44	61	44	53	50
Books edited or co-edited	7	8	7	7	7
Articles in refereed publications	159	146	164	146	156
Non-refereed publications	36	40	32	39	36
Conference presentations	242	296	277	281	272

¹ Books authored or co-authored include chapters authored or co-authored. Refereed articles include refereed journals and conference proceedings. Conference presentations include invited speaking engagements.

² The number of full-time teaching staff is as reported to Statistics Canada through the University Full-time Teaching Staff System for the period and includes teaching staff employed as of October 1 of the reporting year and research staff who have an academic rank and salary scale similar to teaching staff, appointed on a full-time basis, whose term of appointment is not less than 12 months (including staff members on leave).

PRIORITIES AND SUPPORT NEEDS

PRIORITIES FOR 2008-12

Overall, Athabasca University's enrolment continues to grow, though at a lower rate than anticipated. The majority of Canadian universities are experiencing a similar slowdown. Growth in some segments of the student population, however, remains strong. For example, the rate of enrolment by Alberta students continues to be higher at AU than at other universities in the province. From April 2007 to January 2008, registration for individualized study courses increased by about two per cent over the same period in 2007, with the largest increases in business, computing science and global and social analysis. In the same period, enrolment in the MAIS program and the graduate program in nursing increased by about 10 per cent.

In 2008-09, undergraduate course registration is targeted to grow by 5.5 per cent, graduate course registration by 3.5 per cent. Continued enrolment growth is also anticipated in non-credential undergraduate programs, particularly the new diploma program in legislative drafting. The number of students visiting from other universities is also expected to remain steady.

As mentioned above, this four-year business plan flows from the university's Strategic University Plan approved in June 2006 and the six priorities identified there: quality, access, people, community, research and resources. A progressive technology plan for an Open Learning Environment, new programs, the introduction of new ways of accessing online and distance material and the founding of Athabasca University Press, Canada's first open-access academic press, are among recent developments that are positioning AU for the future. The Business Plan 2008-12 aims, therefore, to both consolidate and advance these recent gains by investing in the following areas:

- reducing barriers to access
- new program development
- research and scholarship
- technology infrastructure
- student support services

The proposed strategies represent investments in instruments of growth that will position the university for major change.

Investment to Reduce Barriers to Access

AU is a significant and respected leader among providers of open-access university education. Maintaining its leadership position in the Canadian distance education market, as well as its international reputation for quality, is a university priority.

One persistent barrier to university-level education is learners' lack of awareness of the opportunities and supports available to them. This past year, AU focused its attention on expanding its print publications, establishing a greater national online presence and extending its reach in Alberta through very specific marketing initiatives (e.g., billboards and resto-bar ads). Increases in web traffic, the number of information requests received through AskAU and the volume of calls to AU's Information Centre suggest that this increased marketing activity is working.

A critical continuing component of the university's marketing strategy is promotion of the student experience to groups that are under-represented in the post-secondary sector (e.g., lower income students, young men working in industry, immigrants, rural Albertans and Aboriginal Albertans). Satisfying the needs of these groups will be an important strategy over the life of this plan. One significant manifestation of this effort to reach out to prospective students in under-served populations is the Learning Communities project mentioned above.

Special attention is also being given to partnership opportunities that will improve access for learners from other post-secondary institutions, corporations and governments. As mentioned above, AU has become the sole educational partner of the E-Learning Coalition for Business.

AU's geographic focus will continue to be Alberta, Ontario and British Columbia, as well as international markets in India, Asia and Mexico. The emphasis in this international outreach is to assist students who have an interest in Alberta employment readiness.

To ensure that the university is proactive in addressing slower growth, an enrolment management committee has been established to better co-ordinate recruitment, enrolment and retention activities within the institution. The mandate of this committee is to develop and implement university-wide short-, medium- and long-term strategies for strengthening enrolment.

Fundraising is a core activity of all research-based universities. AU continues to investigate opportunities for a comprehensive campaign and has, over the last year, set the stage for raising a minimum of \$39.5 million during the life of this business plan. It expects some of these funds to be matched by Access to the Future funds. The funds raised will be used to support scholarships, new program initiatives and new research directions. The university also intends to lever funds already matched by Access funds through foundation and other opportunities.

Investment in Course and New Program Development

Significant investments in the maintenance and enhancement of course quality will be a priority during the course of this plan. Program review and restructuring, course renumbering and website redevelopment are underway.

During the coming year, new academic and professional positions will support quality maintenance in academic units that are experiencing significant growth: integrated studies,

nursing, health studies, business and state and legal studies are among those that will welcome new faculty members. Slower staff growth is anticipated during 2009-10 as the university consolidates its hiring of the previous two years.

New program development will focus particularly on professional and graduate studies areas. The Doctor of Education in distance education program will accept its first students in 2008, and AU's proposal to offer the first online doctoral program in business administration is under review by the Campus Alberta Quality Council. A consultant has been engaged to explore a model and curriculum for a doctorate in nursing. Undergraduate certificate and graduate diploma programs in heritage resources management opened this year, and a new graduate diploma program in legislative drafting will open on April 1, 2008. The architecture program mentioned in last year's business plan is proceeding through the various internal and external approval processes. One-time funds have also been secured for feasibility studies of new program possibilities in the professions, such as in engineering, where distance education can help meet market needs and increase learning options.

Investment in Research

AU faculty members are active in research within their disciplines. Research outputs and the number of research grants awarded to faculty members have increased significantly in recent years. This trend is expected to continue: as the university expands its graduate programs, research activity will increase proportionally. Continued development of research institutes such as the Technology Enhanced Learning Research Institute and the Athabasca River Basin Research Institute will also facilitate both mission-critical and discipline-based research.

Support from several granting agencies and private sector donors has been targeted and will be actively sought during the coming year. The university has sought Access to the Future funds for an additional research institute, a Centre of Excellence in Project Management, to be based in the Centre for Innovative Management.

Investment in Infrastructure

Technology and Student Support

Students at an open university with e-delivery require support services that employ state-of-the-art technologies. All universities have embraced, to some extent, major changes in technology, but as a distance and online university, AU stands out for the centrality of technology to its students' experience.

Information and communication technology will remain a crucial component of the university's capital plan. An investment of \$35.8 million over the duration of this plan and \$90 million over the next decade is required to support the investment in technology and systems development.

Expanding and enriching online student services will remain a focus for the duration of this plan. Through continuing implementation of the Open Learning Environment, AU will unite the capabilities of information technology with excellence in education to develop a unique and compelling learning experience. The Open Learning Environment will allow Alberta students to benefit from world-class research into online pedagogy and provide them with individualized access to world-class programs and courses.

Realization of the vision of the Open Learning Environment will be accomplished by developing and integrating system components to provide a world-class learning experience. The core components—the Moodle Learning Management System, the Alfresco Content Management System and the myAU portal—are being developed in concert to ensure effective integrated operation. Additional components include the Newton Gradebook, e-Library, e-Exams and e-Advising, which are also scheduled in the ITS plan. Other developments will be the completion of the Banner 7 Student Information System upgrade, the installation of the SAN central storage system, the expansion of a student contact system and the continued upgrading of collaborative technologies.

Facilities

In 2007-08, Advanced Education and Technology provided \$30 million for the new Academic and Research Centre building on AU's Athabasca campus. Capital infrastructure investments, in addition to investments in technology infrastructure, continue to be needed, and securing the funds to develop new facilities in Edmonton and Calgary remains a strategic priority. Over the next four years, more than \$148 million in strategic capital investments will be required.

Priority facilities projects include

- consolidating and expanding operations in the Greater Edmonton Area, including the acquisition of land on which to build a new integrated facility
- participating in the Calgary Urban Campus partnership, a developer-led construction project in east Calgary with a long-term leasing opportunity
- constructing an archival storage facility in Athabasca

SUPPORT NEEDS

AU continues to be appreciative of the work the Ministry of Advanced Education and Technology has done over the last year on behalf of the university and its students. Funding of the new Academic Research Centre building in Athabasca was greatly appreciated, not only by the university but also by the larger Athabasca communities it serves.

In a time of significant new investments in the province's post-secondary system, AU looks forward to working with government and others to secure appropriate funding for its

technological and physical infrastructure, its graduate programs and its research programs (particularly those focused on new learning technologies); most importantly, it looks forward to securing new operational funding to cover the university's indirect costs.

Funding Equity in Post-secondary Education

AU's core operations result in cost structures which are different from those of conventional universities, and these differences need to be recognized in a new funding framework for post-secondary institutions. AU's unique delivery model has, over time, resulted in a structural inequity in government grant funding, an inequity which has been both hidden and exacerbated by AU's exponential growth.

Base operating funding is a significant new issue that has surfaced with the moderating of the double digit enrolment growth of the past decade. AU is no longer able to offset operating shortfalls with revenue generated by extraordinary growth. Without an infusion of funds to both capital and operating budgets, AU will find it increasingly difficult to meet its mandate and to satisfy student expectations for a leading edge technology environment. Providing this level of service will be particularly difficult in rural and remote areas.

Historically, government grant adjustments have, for the most part, provided lift for new program initiatives and funding adjustments in recognition of variable cost increases. In an environment of modest growth, such variable cost adjustments work. However, when significant growth is experienced, as has been the case at AU over the past decade, staged equity grants are required to support increases in structural indirect costs (Indirect costs include academic support, student services, communications, facility operations and maintenance, and institutional support). In this period of significant growth, calculation of AU's funding needs on a variable cost adjustment basis has left the university with a large and growing operational deficit. In the 11-year period from 1995 through 2006, the number of students (FLEs) in the public post-secondary system grew by less than three per cent per year. During that same period, AU's enrolment grew, by an average of 8.25 per cent per year (239 per cent overall for AU versus 32 per cent overall for the four Alberta universities).

Indirect costs do not increase evenly, but rather at certain steps, which are defined by the capacity of the organization to support new volume. Constraining costs, efficiencies and growth, as well as delaying modernization and investments in curriculum redevelopment, information technology and facilities, has enabled AU to survive. However, lack of sufficient investment in indirect costs is now a major issue. Other universities are able to fund indirect costs through a wide range of ancillary enterprises, but AU has limited opportunities to do so.

Careful analysis reveals that AU requires a minimum of \$15 million per year to cover unfunded indirect costs. Without this infusion of funds, AU will find it impossible to carry out its mandate under the Post-Secondary Learning Act. Funding shortfalls are anticipated within two years as the university draws down its reserve funds to cover costs resulting

from the unfunded indirect costs that are no longer being offset by new growth. If additional funds cannot be secured to meet these real costs, the number and types of programs will be significantly reduced and student services will be curtailed.

Athabasca University Governing Council strongly believes that this outcome must be avoided at all costs. Over the next few months, AU will pursue discussions with Advanced Education and Technology in an attempt to resolve this issue.

Information Technology

Students and employers are demanding up-to-date technology, including social networking and other tools, and AU has the research and pedagogical expertise to provide it but lacks the resources to do so in many programs. Residential institutions offering distance education courses do not have to maintain a full distance education curriculum, high levels of specialized student services or flexible entry points. Meeting these requirements is what makes AU unique and also what allows it to make a difference.

While AU is not a traditional bricks and mortar university, it does require funds to increase its investment in information technology: its capital. The investments that AU makes to sustain the capital value of its courses and delivery systems falls outside the traditional funding categories. AU has established a reserve of \$10 million to fund information technology, of which \$2 million was spent in 2007-08. The remaining \$8 million will soon be spent and external funding will be essential.

A revised funding formula must recognize that AU's technological infrastructure is as integral to the learning environment of distance education students as the laboratories and classrooms of campus-based institutions are to those of conventional students. Last year, the Government of Alberta agreed that AU's technology needs were capital. Approximately, \$4 million was requested, but this funding has not yet been received. Over the next year, the direct capital portion of the technology infrastructure budget needed to enhance the administrative and learning support systems will be approximately \$3.5 million. Satisfying this need is the university's top capital priority and AU will be working with the ministry to find a solution. A detailed Information Technology Business Plan is under development.

Facilities Expansion

Finally, the completion of AU's facilities projects will help provide infrastructure catch-up for the exponential enrolment growth experienced by the university over the last 10 years and create an appropriate capacity for future growth. Two proposed projects, a Greater Edmonton Integrated Learning Centre and AU's participation in the Calgary Urban Campus will provide work space for faculty and staff and support the delivery of courses and programs to students. Planning monies for both projects will be required during 2008-09 and, as signalled in last year's Business Plan, external or government funding will be needed for land acquisition for the Greater Edmonton project. Details on these facilities projects are presented on pages 47-48.

ACCESSIBILITY/ENROLMENT PLAN

ENROLMENT

Although enrolment during 2007-08 has been less than estimated, Athabasca University continues to grow. The university anticipates continued steady growth with undergraduate enrolment growing by an average of 5.5 per cent annually and graduate enrolment by an average of six per cent annually throughout the 2008-09 to 2011-12 planning period. A new focus on enrolment management throughout the institution will help to ensure this level of growth.

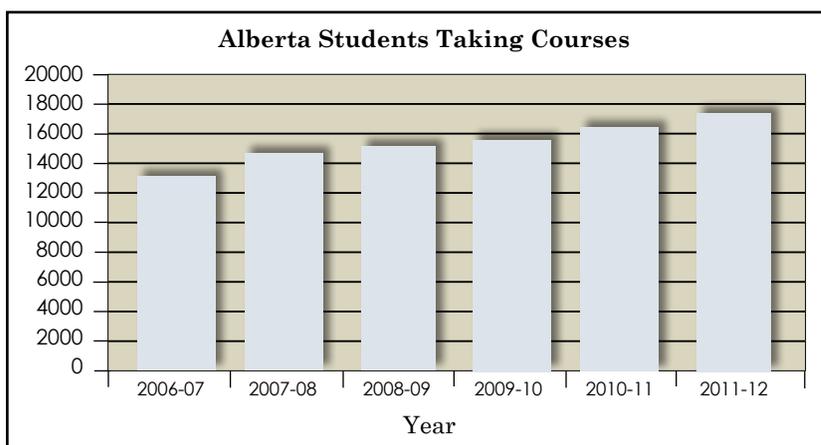
Increases are expected across the board in undergraduate and graduate enrolment. Some growth is also anticipated among non-credential undergraduate students, particularly students visiting from other universities. The growth rate among this group of AU students has increased by an average of 6.8 per cent per year over the past five years.

Out-of-province Students

The 2002-03 double cohort having worked its way through the system, growth in enrolment by Ontario students has slowed. AU is also experiencing increasing competition from Atlantic Canadian institutions in the Ontario market. Growth rates are expected to remain steady in other provinces.

Alberta Students

The number of Alberta residents taking courses through AU increased in 2007-08, growing by 5.6 per cent, and it is targeted to grow by 4.8 per cent per year during this plan. Because AU students are, on average, older than students at Alberta's residential universities, the echo boom that has been swelling undergraduate populations at the residential universities and colleges is likely to continue to affect AU's population well after enrolment has plateaued or declined at the province's other universities. The university will focus on increasing participation rates of Alberta students over the next four years.



ACCESS FUNDED PROGRAMS

Athabasca University's accessibility plan includes meeting specific targets for programs that have received conditional funding. The targets for each program are shown below. Programs are expected to reach their maintenance targets within the period covered by this business plan. Targets are being reviewed with Advanced Education and Technology to reflect the degree granting status of Mount Royal College.

Program	Year First Funded	Initial Target	Maintenance Target
Bachelor of Arts at Mount Royal College	2001-02	15	45
Bachelor of Nursing at Mount Royal College	2001-02	3.2	28
Conjoint Nursing Program, Calgary	2001-02	9.1	80.5
Campus Alberta Applied Psychology: Counselling Initiative	2001-02	7	25
Bachelor of Management (B.Admin.)	2004-05	62	62
Bachelor of Professional Arts	2004-05	66	66
Bachelor of Nursing: LPN	2005-06	17	47
Bachelor of Professional Arts: Criminal Justice	2006-07	16	50
Master of Nursing	2006-07	10	40
Campus Alberta Applied Psychology: Counselling Initiative	2006-07	16.7	16.7

NEW PROGRAMS

AU continues to develop new programs in response to the demonstrated educational needs of Albertans. This growth in the curriculum is expected to continue.

The following new programs were approved by Advanced Education and Technology during the past year:

- Graduate Diploma: heritage resources management
- Graduate Diploma: legislative drafting
- Graduate Diploma: instructional design
- Graduate Certificate: instructional design
- University Certificate: heritage resources management
- University Certificate: financial services

In addition, four additional streams of study were approved for the Master of Arts – Integrated Studies degree program: equity studies, Canadian studies, historical studies and information studies. The four streams are in various stages of development, and all are expected to open during the 2008-09 fiscal year.

AU sent four additional program proposals to Advanced Education and Technology in 2007-08:

- Graduate Diploma: architecture
- Bachelor of Science: architecture
- University Certificate: management foundations
- University Certificate: management applications (a name change request for the existing University Certificate: management)

Four new programs began operations during the past year:

- Graduate Diploma: heritage resources management
- Graduate Diploma: instructional design
- Graduate Certificate: instructional design
- University Certificate: heritage resources management

In addition, the Doctor of Education in distance education, AU's first doctoral program, opened for applications in January 2008 (September 1, 2008, program start date), and the Graduate Diploma in legislative drafting program is scheduled to open April 1, 2008.

Additional programs in the planning stages include a doctorate in nursing and an undergraduate program in environmental studies. The university also expects, again in response to labour market need and student demand, to expand its collaborative and credit co-ordinating activities to fulfil its Campus Alberta mandate.

As noted above, this business plan represents a blueprint to position Athabasca University not only to improve and expand academic programs but also to raise the bar for course delivery and student services. In planning to achieve these far-reaching goals, and in preparing the 2008-09 budget and the statements of operations and financial position for 2008-09 to 2011-12, a number of complex factors had to be considered. Key external forces for and sources of change include fluctuating enrolment and a highly competitive distance education environment.

Growth in course registration of between five and seven per cent is expected annually over the next four years. While these rates of growth are slightly lower than those experienced in the recent past, AU's growth is healthy relative to that of many other post-secondary institutions that are experiencing enrolment declines. This continued growth will result in cumulative revenue growth of 47 per cent over the four years, reaching \$161 million in 2011-12. Similar growth in expenditures is planned to prepare for and respond to this growth.

An Alberta operating grant increase of six per cent per year is anticipated, together with the university's share of the Alberta Affordability Framework grant, so that tuition fee increases are kept affordable for Alberta students. Under the new Alberta Tuition Fee Policy, the maximum permissible tuition increase for 2008-09 is 4.6 per cent. Based on this policy, the maximum tuition fee increase is proposed, this increase being required for ongoing expenditures and major investments. An increase in base funding has not been included in our assumptions in this plan; however, this increase is critical for the university to successfully fulfil both its mandate and its strategic objectives as defined by the Strategic University Plan.

In 2008-09, initiatives to diversify revenue are expanding, and \$5.7 million in restricted donations and endowments and \$1.2 million in matching funds from the Renaissance Fund (Access to the Future Fund) are anticipated. These initiatives are expected to stimulate \$39.5 million in endowments and restricted donations over the life of this plan.

In recent years, substantial permanent staffing increases have been required to support enrolment growth, to staff new academic programs and to enhance student services. Due to enrolment and funding challenges, only moderate staffing increases are planned for 2008-09, to align primarily with direct student service and recruitment needs. As always, salary expenditures continue to be a key budget driver and constitute over 65 per cent of all university expenditures.

The availability of financial and physical resources is key to AU's institutional development. Capital investments for facilities and information technology development continue to be desperately needed. Over the next four years, \$148 million in capital investments are planned,

for which \$30 million of external funding is confirmed and a further \$102 million is needed. Planned investments include \$102 million in buildings, \$36 million in technology development and \$8 million in land.

Net assets (reserves) generated from previous year surpluses will be invested in new program development and technology development. Over the four years of this plan, \$7 million from the new program development reserve will be invested in new program development, and the \$8 million remaining in the \$10 million technology reserve will be invested in technology development, depleting both reserve accounts. These estimates require planning for strategic investments in the next four years. As explained above, because of the lack of growth in tuition revenue to offset the costs associated with the student experience, the university now lacks adequate base funding to support its mandate. In order to achieve this plan without additional base funding, AU would draw down its reserves to less than two per cent of its annual total budget by year four, a position that Governing Council considers unacceptable.

AU is confident, however, that the provincial funding review now underway will provide relief. In addition, a variety of other funding initiatives and operating efficiencies are being pursued. Most importantly, AU is working hard to secure funding for the significant investments in technology and other infrastructure that are essential to meeting the university's unique core mission to serve traditionally under-represented students and to support life-long learning.

Statement of Operations
For the year ended March 31
(thousands of dollars)

	APPROVED BUDGET 2007-08	APPROVED BUDGET 2008-09	Plan* 2009-10	Plan* 2010-11	Plan* 2011-12
Revenues					
Operating grants	34,486	37,485	41,326	43,852	47,419
Undergraduate student fees	38,817	42,149	46,026	49,923	54,064
Graduate student fees	14,261	16,824	19,406	21,588	23,114
Sales of goods and services	14,572	13,730	14,853	15,969	16,868
Research and other grants	888	1,004	997	829	929
Amortization of DCC	2,132	1,007	2,255	3,735	6,095
Interest	2,027	2,275	2,281	2,289	2,291
Donations	2,000	3,500	7,000	10,000	10,000
Other	143	679	504	125	125
	109,326	118,653	134,648	148,310	160,905
Expenses (**)					
Salaries and benefits	76,051	81,369	90,303	96,867	104,302
Fees and purchased services	15,946	19,112	23,280	25,649	25,549
Materials and supplies	10,319	10,742	11,331	12,221	13,478
Communications and travel	6,552	7,052	7,373	7,677	7,800
Amortization	4,783	3,842	5,248	6,660	8,608
Facilities costs	1,858	2,410	2,436	3,038	3,057
Scholarships	615	580	341	353	407
	116,124	125,107	140,312	152,465	163,201
Excess of expense over revenue	(6,798)	(6,454)	(5,664)	(4,155)	(2,296)
Funding source for Excess					
Excess of expense over revenue	(6,798)	(6,454)	(5,664)	(4,155)	(2,296)
Planned transfers from reserves	6,798	6,454	5,664	4,155	2,296
Approved plan	-	-	-	-	-

* 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.

Statement of Financial Position

For the year ended March 31

(thousands of dollars)

	APPROVED BUDGET 2007-08	APPROVED BUDGET 2008-09	Plan* 2009-10	Plan* 2010-11	Plan* 2011-12
Assets					
Current					
Cash and short-term investments	16,995	22,988	5,502	3,481	3,249
Accounts receivable	5,957	5,091	5,648	6,173	6,662
Inventory of course materials	5,973	3,524	3,718	3,922	4,138
Prepaid expenses	608	861	879	895	912
	29,533	32,463	15,747	14,472	14,961
Non-current investments	27,800	38,640	35,147	36,377	37,614
Capital assets and collections	43,198	57,429	88,111	138,317	159,655
	100,531	128,532	139,005	189,167	212,231
Liabilities and Net Assets					
Current					
Accounts payable and accruals	3,349	3,514	3,970	4,342	4,458
Salaries and benefits payable	9,996	10,494	11,646	12,492	13,451
Deferred revenue	17,600	13,821	14,581	15,383	16,229
Deferred contributions	1,653	21,943	2,943	2,943	2,943
Due to joint venture	287	-	-	-	-
	32,885	49,771	33,140	35,160	37,081
Deferred salaries and benefits payable	2,068	2,151	2,237	2,326	2,426
Deferred capital contributions	17,466	22,568	52,320	102,227	120,990
	52,419	74,490	87,696	139,713	160,498
Net Assets					
Investment in capital assets	24,807	34,860	35,791	36,091	38,666
Endowments	3,750	3,560	5,560	7,560	9,560
Internally restricted	19,555	15,249	9,958	5,803	3,507
Unrestricted	0	373	0	0	0
	48,112	54,042	51,309	49,454	51,733
	100,531	128,532	139,005	189,167	212,231

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

Statement of Cash Flows
For the year ended March 31
(thousands of dollars)

	APPROVED BUDGET 2007-08	APPROVED BUDGET 2008-09
Cash provided from (used in) operating activities:		
Excess of expense over revenue	(6,798)	(6,454)
Amortization of capital assets and deferred course development costs	4,783	3,842
Amortization of deferred capital and deferred course development contributions	(2,132)	(1,007)
Other items not affecting cash	138	(1,421)
	<u>(4,009)</u>	<u>(5,040)</u>
Change in non-cash working capital		
Change in accounts receivable, inventory of course materials and prepaid expenses	(1,328)	(719)
Change in current liabilities, except current portion of obligation under capital lease	4,625	20,821
	<u>(712)</u>	<u>15,062</u>
Cash provided from (used in) investing and financing activities:		
Decrease (increase) in non-current investments, net	(900)	(1,699)
Capital asset and collection acquisitions, net	(20,941)	(24,839)
Endowment awards and contributions, net	2,777	2,000
Deferred capital contributions	5,776	4,443
Capital contributions for land	8,000	8,000
	<u>(5,288)</u>	<u>(12,095)</u>
Increase (decrease) in cash and short-term investments	(6,000)	2,967
Cash and short-term investments, beginning of year *	22,995	20,021
	<u>22,995</u>	<u>20,021</u>
Cash and short-term investments, end of year	16,995	22,988

* Note: The beginning of year cash and short-term investments amount is projected based on forecasted operating results for the previous year. The 2008-09 amount varies from the approved budget amount for 2007-08 by the variances for 2006-07 and 2007-08.

CAPITAL PROJECTS

In response to its exponential growth over the last 10 years and its more moderate projected growth over the next five to 10 years, Athabasca University plans to make major investments in information technology. In addition, it plans to consolidate its operations in the Greater Edmonton Area and join the Urban Campus partnership in Calgary.

Meeting the technological and capital requirements of these projects is a priority. Over the next four years, \$148 million in strategic capital investments are planned, for which \$132 million in external funding is needed. Further, over the next 10 years, \$266 million in capital infrastructure, as outlined in the 10-year capital expenditures projection, is required. The 10-year capital projection for 2008-18 is an update of a previous projection, which was submitted to government with the 2006-11 Capital Plan, and is adjusted to reflect the required investment in 2008 dollars.

TECHNOLOGY PROJECTS

Information technology projects are as important to AU as facilities projects. As explained above, AU believes that the adoption of a revised funding formula which recognizes that AU's technological infrastructure is as integral to the learning environment of its distance education students as the physical infrastructure of campus-based institutions is to the classroom learning environment of conventional students is essential. Satisfying the need for increased capital funding for technological infrastructure maintenance and development is the university's top capital priority.

A continuing high level of investment in systems development is central to AU's strategic and capital plans. Technology enhanced learning environments are integral to accessible distance education and to a high quality student learning experience. Refinement of learning systems, together with development of a content management system, will advance the vision of the Open Learning Environment. A transfer credit optical character recognition process and an upgrade of the Banner student information system will enhance connections with students. Implementation of video conferencing and security infrastructure are also planned in addition to ever-greening of telecommunications and other equipment.

Collaboration is essential to the creation of knowledge. To facilitate collaborative activity, investments in video conferencing, SmartRooms and an online collaboration suite have been scheduled. The need for privacy and improved online security are also being addressed through encryption, identity and access management and improved datacentre infrastructure.

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

Capital plans for hardware and systems development associated with the Open Learning Environment total \$90 million over the next 10 years (as per the capital plan submitted in 2006). AU has committed \$10 million from its reserves for this project, \$2 million of which was spent in the 2007-08 budget year, leaving \$8 million in reserve. Eighty million dollars will be required from government and other sources. A detailed Information Technology Business Plan is under development.

FACILITIES PROJECTS

Athabasca University has experienced significant growth in both undergraduate and graduate registration over the past 10 years but, until the past budget year, has seen no corresponding increase in capital infrastructure investment for facilities and technology development. As it is for other Alberta post-secondary institutions, satisfying the need for capital investments remains a pressing problem for AU.

A \$1.2 million interior renovation, intended to make better use of existing floor space, was completed at the main campus in Athabasca during 2007. Leasehold improvements are underway in new leased space in Athabasca and Edmonton and in existing leased space in Calgary to achieve greater efficiencies of use. The total cost of these improvements is estimated at \$3 million.

Academic and Research Facility - Athabasca

Design and construction of AU's 6,150 m² Academic and Research Centre building on the main campus in Athabasca has begun. When complete, it will provide space and services for the academic, research and educational media development centres of the university. This new facility, being constructed at a total estimated facility capital cost of \$30 million (2008 dollars) over two years, will enhance and support increased collaboration and synergies between researchers and academics. Occupancy is now planned for 2010.

To support existing and new collections and in recognition of the significant heritage and cultural life of the Athabasca regional community, AU, in partnership with the Town and County of Athabasca, is seeking additional funds that would allow it to expand the community/cultural component of the new Academic and Research Centre. The concept is for a significant, appropriately controlled cultural space that would enhance and enrich community social and cultural activities. An additional \$5-8 million is being sought from the federal government and other sources.

Greater Edmonton Integrated Learning Centre

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 those of the Edmonton Learning Centre, now located in downtown Edmonton. The

expected benefits of this project include administrative efficiencies in registration, financial and support processes, including support for those working from alternative offices in the St. Albert and Edmonton areas.

Functional programming is planned for 2008. Approximately 7,400 m² of space will be needed to accommodate existing operations and new positions to support previous and projected growth. In 2008-09, expenditures of \$500,000 for related functional planning and, potentially, \$8 million for land acquisition in the Greater Edmonton Area are planned. The estimated construction or purchase cost of this facility is an additional \$53 million (2008 dollars).

To proceed, external funding for the full cost of land acquisition and construction or purchase of a building is required, whether through government grants or other external sources. However, being cognizant of the demands on the provincial government's post-secondary education budget, the university is actively seeking a development partner in the Greater Edmonton Area. A lease-to-own opportunity would spread the costs of the proposed new building over a longer period.

Calgary Urban Campus

AU is one of six core partners in the Calgary Urban Campus partnership. This development is a mixed-use, multi-partner community learning complex in Calgary's city centre (East Village). For AU, broadening access to learning, enhancing collaboration and ensuring inclusion are important benefits of this project. The proposed location will provide the university with a physical presence in one of its key markets.

The Urban Campus is expected to become one of the first public-private partnerships for post-secondary education in Alberta, and discussions with Advanced Education and Technology are ongoing. The current design proposes a capital lease of 1,700 m² at a cost to the university of \$9 million. Functional programming for this project will begin in 2008-09. The projected date of occupancy is 2011.

Archives Expansion

The university's Capital Plan identifies the need for an archival storage facility, built to Canadian Conservation Institute standards, to house existing and future archival material. Such a structure is also needed to obtain a cultural designation under the federal Cultural Property Import and Export Act. Planning for this building, the estimated capital cost of which is \$1.5 million, will begin in 2008-09 with an anticipated \$300,000 support from the Renaissance Fund.

Central Relocations and Teaching Lab: Athabasca

Once the academic centres have moved into the new Academic and Research Centre in 2010, the existing building on the Athabasca campus will require renovation to meet the needs of

its new identity as the Athabasca University Learning Centre. A conceptual design includes a significant teaching laboratory investment. The cost of renovations is estimated at \$26.4 million. This work is targeted for 2012-13 through 2014-15.

EQUIPMENT

Approximately \$517,000 is proposed for fleet vehicle, maintenance and research equipment over the next four years.

LIBRARY AND ART COLLECTIONS

AU continually updates its library and art collections and is planning to expand them. In 2008-09, \$325,000 is planned for capital acquisitions for the library and \$30,000 for the art collection. Plans for library expansion call for a capital investment of \$775,000 over the next two years and \$75,000 annually thereafter. The \$30,000 art collection budget for 2008-09 is based on one per cent of capital construction costs of the new Academic and Research Centre building, to be spent over 10 years.

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, to Alberta labour organizations, to the work of Alberta women and to Alberta's environmental not-for-profit organizations. In 2007-08, AU received two valuable archival donations, the Weise Collection and the Hendriks Collection.

The Wiese Collection consists of material from the family of Orlando and Edith Roberts, who immigrated to Alberta from Sydenham England in 1885. It includes textual records, photographs, negatives, postcards and artifacts relative to the RNWMP, the Hudson's Bay Company, First Nations, military service, trading posts, the Anglican Church and everyday life in northern Alberta in the late nineteenth and early twentieth century.

The Hendriks Collection includes the papers and artifacts of William Bleasdel (W.B.) Cameron, who was a clerk in the Hudson's Bay Company trading post at Frog Lake during the Riel Rebellion and survived the Frog Lake massacre in 1885. A pharmacist, fur trader, newspaper publisher and author, Cameron was a prolific writer, his work appearing in many newspapers and western adventure magazines. He also published a book, *The War Trail of Big Bear*.

CAPITAL FORECAST

To reflect Athabasca University's plans to meet capital needs, a forecast of projected capital investments and funding sources is provided in the following tables:

Capital Expenditure Projections

For the year ended March 31
(thousands of dollars)

	BUDGET 2008-09	Plan 2009-10	Plan 2010-11	Plan 2011-12	TOTAL
Capital Expenditures					
Land	8,000	-	-	-	8,000
Buildings, leaseholds and site improvements	12,700	25,686	46,162	17,602	102,149
Hardware and software	3,540	9,621	10,500	12,151	35,811
Equipment	244	123	80	70	517
Library and art collections	355	500	125	125	1,105
	24,839	35,930	56,867	29,947	147,583
External Capital Contributions - Provincial and Other					
Land	8,000	-	-	-	8,000
Building	12,450	25,646	46,122	17,569	101,787
Information technology	1,000	6,360	7,520	7,290	22,170
Capital Expenditures, Externally Funded	21,450	32,006	53,642	24,859	131,957
Internal Capital Contributions					
From amortization	2,835	2,993	2,925	2,513	11,266
Other (Reserves)	554	931	300	2,575	4,360
Capital Expenditures, Internally Funded	3,389	3,924	3,225	5,088	15,626
	24,839	35,930	56,867	29,947	147,583

Capital Expenditure Projections

For the year ended March 31

(thousands of dollars)

	BUDGET 2008-09	Plan 2009-10	Plan 2010-11	Plan 2011-12	TOTAL
Land					
EXTERNALLY FUNDED					
Land in Greater Edmonton	8,000	-	-	-	8,000
Total land	8,000	-	-	-	8,000
Buildings, leaseholds and site improvements					
EXTERNALLY FUNDED					
AU Central Academic and Research Facility	11,000	19,000	-	-	30,000
AU Central Building - Major Renovations 2nd Floor	-	-	500	1,500	2,000
Integrated Learning Centre, Edmonton	500	4,356	34,232	13,794	52,882
AU at Calgary Urban Campus	500	740	6,370	1,450	9,060
Athabasca River Basin Research Centre	-	-	-	825	825
Self Contained Observatory Building	200	-	-	-	200
Archive Storage Facility Expansion	200	1,500	-	-	1,700
Science Laboratory	50	50	5,020	-	5,120
	12,450	25,646	46,122	17,569	101,787
INTERNALLY FUNDED					
Leasehold Improvements - CIM	10	-	-	-	10
Leasehold Improvements - Athabasca	8	7	7	-	22
Leasehold Improvements - Edmonton	22	23	23	23	91
Leasehold Improvements - Calgary	210	10	10	10	240
	250	40	40	33	363
Total buildings, leaseholds and site improvements	12,700	25,686	46,162	17,602	102,150
Hardware and software - major projects					
EXTERNALLY FUNDED					
Computing services	-	1,060	820	390	2,270
Administrative systems	-	1,000	1,000	1,500	3,500
Learning and research systems	1,000	4,300	5,700	5,400	16,400
	1,000	6,360	7,520	7,290	22,170
INTERNALLY FUNDED					
Computing services	1,333	1,781	1,201	2,981	7,295
Administrative systems	300	400	500	500	1,701
Learning and research systems	700	900	1,000	1,100	3,700
Hardware provisions	207	179	279	279	944
	2,540	3,261	2,980	4,861	13,640
Total hardware and software	3,540	9,621	10,500	12,151	35,810
Equipment					
Vehicles	115	50	55	40	260
Other equipment	129	73	25	30	257
Total equipment	244	123	80	70	517
Library and art collections					
Library	325	450	75	75	925
Art	30	50	50	50	180
Total library and art collections	355	500	125	125	1,105
TOTAL CAPITAL EXPENDITURES	24,839	35,930	56,867	29,947	147,583

TEN-YEAR CAPITAL PLAN

The following table illustrates Athabasca University's capital needs until 2017-18: a ten-year planning horizon.

Capital Expenditure Projections: 10-Year Horizon

For the year ended March 31

Fiscal Year (cash flow in millions 2008 \$)

Project	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13	2013 -14	2014 -15	2015 -16	2016 -17	2017 -18	Totals
Category 1: Preservation											43.48
Infrastructure Renewal	-	-	-	-	0.50	0.50	0.50	0.50	0.50	0.50	2.97
AU Central Building - 2nd Floor Renovations	-	-	0.50	1.50	-	-	-	-	-	-	2.00
Equipment	0.24	0.12	0.08	0.07	-	-	-	-	-	-	0.52
Trails and Landscape Enhancements	-	-	-	-	-	0.83	0.83	-	-	-	1.65
Other	0.36	0.50	0.13	0.13	0.83	0.83	0.83	0.83	0.83	0.83	6.06
Collaborations and Contracts System	0.82	0.98	0.65	-	-	-	-	-	-	-	2.44
Student Information Systems Upgrade - Phases 1 & 2	0.84	1.59	0.77	0.95	-	-	-	2.01	3.35	3.88	13.40
Articulations and Advising System	-	0.90	1.72	1.61	2.19	-	-	-	-	-	6.42
Disaster Recovery and Security System	-	-	1.61	3.41	3.00	-	-	-	-	-	8.02
Category 2: Expansion and/or Replacement											72.56
Archive Storage Facility Expansion	0.20	1.50	-	-	-	-	-	-	-	-	1.70
Observatory Building	0.20	-	-	-	-	-	-	-	-	-	0.20
AU Central Building - Major Renovations	-	-	-	-	3.30	19.80	3.30	-	-	-	26.40
Leasehold Improvements - CIM	0.01	-	-	-	-	-	-	-	-	-	0.01
Leasehold Improvements - Athabasca	0.01	0.01	0.01	-	-	-	-	-	-	-	0.02
Leasehold Improvements - Edmonton	0.02	0.02	0.02	0.02	0.83	-	-	-	-	-	0.92
Leasehold Improvements - Calgary	0.21	0.01	0.01	0.01	0.83	-	-	-	-	-	1.07
Learning Management System - Phases 1 & 2	-	3.36	2.83	2.71	1.48	1.94	3.50	3.92	1.40	-	21.16
Content Management System - Phases 1 & 2	-	2.09	2.43	2.76	0.98	-	-	3.98	4.43	4.43	21.08
Category 3: New Facilities of Major Economic Benefits to the Province											135.02
Land	8.00	-	-	-	-	-	-	-	-	-	8.00
Academic & Research Centre (ARC)	11.00	19.00	-	-	-	-	-	-	-	-	30.00
Integrated Learning Centre, Edmonton	0.50	4.36	34.23	13.79	-	-	-	-	-	-	52.88
AU at Calgary Urban Campus	0.50	0.74	6.37	1.45	-	-	-	-	-	-	9.06
Athabasca River Basin Research Centre	-	-	-	0.83	6.60	0.83	-	-	-	-	8.25
Conference Centre	-	-	-	-	0.83	8.25	1.65	-	-	-	10.73
Smart Identification and Encryption Systems	0.50	0.70	0.50	-	-	-	-	-	-	-	1.70
New Learning Systems	-	-	-	-	0.50	2.20	2.50	1.00	-	-	6.20
Academetrics System	-	-	-	0.70	2.50	2.50	2.50	-	-	-	8.20
Category 4: Capital Planning for Major Projects											15.41
Capital Planning for Future Projects	0.05	0.05	5.02	-	1.49	1.49	1.49	1.49	1.49	1.49	14.03
Open Learning Environment Planning	1.38	-	-	-	-	-	-	-	-	-	1.38
Annual Capital Requirements	24.84	35.93	56.87	29.95	25.84	39.15	17.08	13.71	11.98	11.11	266.45

Source: Appendix A 2007-12 Capital Plan (Updated)

TUITION PROJECTIONS

Athabasca University's tuition fee projections 2008-09 to 2011-12 are as follows:

	2007-08 Actual	2008-09 BUDGET	2009-10 Plan*	2010-11 Plan*	2011-12 Plan*
COURSE-BASED FEES					
Undergraduate Student Fees					
All undergraduate programs					
Course fee (3-credit)	\$ 421	\$ 440	\$ 457	\$ 473	\$ 489
Percentage change	3.2%	4.5%	3.9%	3.5%	3.4%
Graduate Student Fees					
Master of Distance Education					
Course fee	\$ 1,300	\$ 1,350	\$ 1,400	\$ 1,450	\$ 1,500
Percentage change	19.3%	3.8%	3.7%	3.6%	3.4%
Master of Health Studies and Master of Nursing					
Course fee	\$ 1,025	\$ 1,080	\$ 1,122	\$ 1,161	\$ 1,200
Percentage change	-1.4%	5.4%	3.9%	3.5%	3.4%
Master of Arts—Integrated Studies					
Course fee	\$ 1,150	\$ 1,205	\$ 1,265	\$ 1,329	\$ 1,395
Percentage change	5.5%	4.8%	5.0%	5.1%	5.0%
Master of Science—Information Systems					
Course fee	\$ 1,350	\$ 1,375	\$ 1,400	\$ 1,425	\$ 1,450
Percentage change	0.0%	1.9%	1.8%	1.8%	1.8%
Master of Counselling					
Course fee	\$ -	\$ 1,150	\$ 1,195	\$ 1,237	\$ 1,279
Percentage change		-	3.9%	3.5%	3.4%
Graduate Diploma Heritage Resources Management					
Course fee	\$ -	1,205	1,265	1,329	1,395
Percentage change		-	5.0%	5.1%	5.0%
Graduate Diploma in Legislative Drafting					
Course fee	\$ -	\$ 1,300	\$ 1,365	\$ 1,433	\$ 1,505
Percentage change		-	5.0%	5.0%	5.0%
PROGRAM-BASED FEES					
Graduate Student Fees					
Master of Business Administration					
Program tuition	\$ 42,000	\$ 42,000	\$ 43,245	\$ 43,245	\$ 43,245
Percentage change	3.9%	-	3.0%	-	-
Doctor of Education in Distance Education					
Program tuition	\$ -	\$ 41,080	\$ 41,830	\$ 42,580	\$ 43,330
Percentage change		-	1.8%	1.8%	1.8%

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

excellence • openness • flexibility • innovation



1 University Drive
Athabasca, AB T9S 3A3
Canada

Phone 780-675-6100
1-800-788-9041 (toll-free in Canada and the U.S.)
www.athabascau.ca

