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A Statement from the Board Chair regarding correspondence from the Minister of Enterprise and Advanced Education

October 11, 2013

My normal practice as Board Chair is to release correspondence as part of my report to the Board. I have done that again in the packages for the Friday, October 18, 2013 Board of Governors meeting, which is the first regular Board Meeting since June. Due to the great interest in two letters from the Minister of Enterprise and Advanced Education received over the summer, those are attached below.

Douglas O. Goss, Q.C.  
Chair, Board of Governors



ALBERTA  
ENTERPRISE AND ADVANCED EDUCATION

*Deputy Premier  
Office of the Minister*

AR 40573

June 26, 2013

Mr. Doug Goss, QC  
Chair, Board of Governors  
University of Alberta  
3-04 South Academic Building  
Edmonton AB T6G 2J7

Dear Mr. Goss:

I want to thank you and Dr. Indira Samarasekera for meeting with me on June 18, 2013. I felt that we were able to find common ground in a number of areas and initiatives that the Government of Alberta and the University of Alberta can move forward on. I know that as we work together and keep the lines of communication open, our institutions can continue to transform our post-secondary sector so it can continue to improve and be responsive to the needs of today's learners. Some things that we agreed on were:

- **University of Alberta Budget:** We agreed that after presenting a preliminary deficit budget for 2013/14, the University of Alberta would submit an updated budget at the end of the year that would demonstrate a balanced budget. The University would also present a balanced budget in 2014/15. We committed to work together in communicating this budget so we can present a united front. It is important that we work together to communicate the hard work administration is doing, and that while the University has presented deficit budgets in the past, at the end of the year those deficits have been turned into surpluses.
- **Campus Alberta:** we agreed that the Campus Alberta model is important to the entire post-secondary sector in Alberta, and that the University of Alberta will play a vital role. Campus Alberta will ensure that our province will be able to compete with other post-secondary institutions on the world stage. Institutions will work together to find efficiencies in the system, improve learner access and affordability, improve credit transfer and work to collaborate with each other. Institutions will work together to identify programs and research areas in which they can strive for excellence, reducing duplication and ensuring our sector remains strong and competitive.

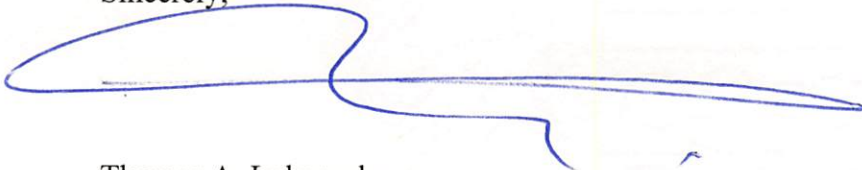
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Mr. Doug Goss, QC  
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- Alberta Research Institute: We agreed that creating an institute that would facilitate the commercialization of the great research being done at our universities is a vital next step for our province. With the right structure, this institute will help to connect researchers with those in industry that can bring those ideas to market where they can help improve the quality of life not only for our institutions, but our province as a whole. The University of Alberta is supportive of this initiative, and can provide leadership as we move forward.
- Communications going forward: We agreed that it is important as we move forward with the changes to Campus Alberta, that we keep the lines of communication open. The Government and the Premier are committed to post-secondary education and to the University of Alberta, and we know that the University of Alberta plays a key role in both Edmonton and our province.

I look forward to continuing our relationship, and watching the University of Alberta take an important role in moving Campus Alberta forward.

Sincerely,



Thomas A. Lukaszuk  
Deputy Premier  
Minister of Enterprise and Advanced Education  
Ministerial Liaison to the Canadian Forces  
MLA, Edmonton – Castle Downs

cc: Dr. Indira V. Samarasekera, O.C., President and Vice-Chancellor



ALBERTA

ENTERPRISE AND ADVANCED EDUCATION

*Deputy Premier  
Office of the Minister*

AR 40708

August 15, 2013

Mr. Douglas O. Goss, Q.C.  
Chair, Board of Governors  
University of Alberta  
3-04 South Academic Building  
Edmonton AB T6G 2G7

Dear Mr. Goss:

Thank you for submitting the University of Alberta's 2013/2014 to 2015/2016 Comprehensive Institutional Plan in fulfillment of the board's accountability responsibilities as set out in our legislated accountability requirements.

Your Comprehensive Institutional Plan (the Plan) is a key source of information as it sets the context and future directions for both the ministry and your institution. From the ministry perspective, the Plan is used to support our integrated, system-level planning and serve as context for our expectations of institutional outcomes on specific aspects of your plans throughout the year. In addition, the Plan is used to inform the next iteration of the Campus Alberta Planning Resource and the Alberta Research and Innovation Plan. Ministry staff has also forwarded a copy of your Plan to Infrastructure officials to support their planning and program administration.

As you know, my ministry is working collectively with post-secondary institutions and others in the advanced learning system to develop system and sector-level outcomes in conjunction with the development of performance and results-based measures. This will provide all of us with a sense of how public investments in advanced learning support the province's social and economic prosperity, and benefit all Albertans. Enterprise and Advanced Education is committed to working collaboratively with institutions to ensure the right outcomes and measures are in place. In future years, the Comprehensive Institutional Plan process will be an important mechanism to ensure that outcomes and measures used at the institution are in alignment with and clearly reflect those used across Campus Alberta.

I commend the University of Alberta for its commitment to its mandate, and for its long-term aspirational goals. In particular, I am pleased to see the continuing focus on sustaining research capacity and capability and for maintaining a strategic approach to developing research priorities that improve student engagement, key collaborations, and academic excellence.

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The University's research plans and priorities are aligned with the priorities identified in the Alberta Research and Innovation Plan, which will ensure the institution contributes to securing Alberta's economic future.

In addition, I am pleased to see that the University of Alberta is committed to exploring innovative teaching and learning technologies, particularly by working with Udacity. This partnership will help Alberta remain at the forefront of leading-edge teaching and learning. I commend the University of Alberta for developing international partnerships, particularly in key international markets such as China and India.

I note that the University of Alberta's enrolment plan has not been revised, despite the revisions provided in the addendum. Given the new fiscal situation and the need for the "fundamental restructuring of the academy," it may be necessary to consider changes to the enrolment plan going forward. In addition, the Plan discusses a number of potential risks inherent in recent funding changes, including those to program quality and maintaining program accreditations, and also alludes to the restructuring that may be required to mitigate those risks. I have asked my department staff to follow up with your officials about how that restructuring will affect enrolment targets, enrolment management decisions, and the sustainability of particular programs, in regards to their quality and accreditations.

I am also interested to know how the University of Alberta is going to manage the enrolments within the context of the institution's plans to increase recruitment of international students (particularly graduate students), as well as increasing the proportionate size of overall graduate student enrolment while decreasing undergraduate enrolment. In addition, the Plan lists a number of new program initiatives at various stages of the development and approval process. I recommend you develop a prioritization for those program initiatives, particularly those requiring external funding.

I note that the University of Alberta refers to itself as "the province's leading research-intensive post-secondary institution" and as the "flagship institution" in Campus Alberta. While the University of Alberta is unquestionably a leader in Campus Alberta, the system is comprised of 26 important institutions, all of which have a critical leadership role to play in a diverse and differentiated system. I suggest that the University of Alberta continue to focus on collaborating with Campus Alberta partners, rather than distinguishing itself from them, in order to ensure that the system is a collaborative model which is learner-centred, efficient, and maximizes expertise and resources.

I understand that you are projecting an operating deficit of \$44,691,000 as a result of increases in primary expenditures and revenue reductions. In response to your request in accordance with Section 78 of the *Post-secondary Learning Act*, and in consideration of the availability of the university's internal resources, I hereby grant my approval for the University of Alberta to submit an operating budget deficit of up to \$44,691,000 for the 2013/2014 fiscal year. Please note that as a condition of this approval, your institution must provide quarterly updates to the ministry on the status of the financial performance for the year.

Mr. Douglas O. Goss, Q.C.

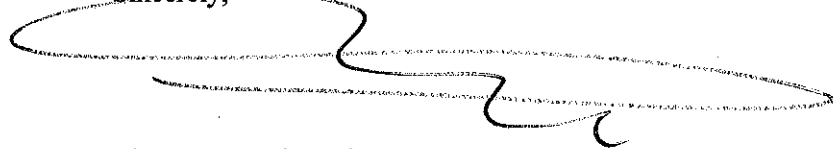
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I am concerned about the projected deficits forecast for 2014/2015 and 2015/2016. I understand that as recent as last week, your institution has begun to take steps towards achieving a balanced budget for the 2014/15 fiscal year. Since this work started after you submitted your Plan to the department, I would appreciate clarification as to whether these steps will help achieve the deficits outlined, or if this is to help achieve a balanced budget. Also, I expect that you will submit a revised Plan reflecting the outcomes of the steps you are currently taking. Please note any subsequent year deficits require my approval on an annual basis.

Shortly after Budget 2013 was presented, many Campus Alberta schools started to review and adjust their budgets accordingly. I am concerned that your institution did not respond in the same way, and as we discussed in our meeting on August 1, 2013, I will be retaining an independent consultant for the short term to work with your institution and department staff on the structural issues you identified. This review will help to identify any potential gaps in fiscal planning for the institution, and ensure the long-term fiscal sustainability. Staff from my ministry will be in touch with your officials shortly to discuss terms of reference for the work of the consultant. Using the principles of results based review, the consultant, jointly with institution and department staff, will assist in the development of strategies ensuring the University of Alberta achieves long-term fiscal sustainability. I encourage you to work collaboratively with the consultant and my department staff.

I appreciate receiving your Plan and look forward to working with you as we continue to implement an efficient and integrated approach to planning and priority setting for Campus Alberta. Our shared goals are to increase collaboration in order to improve access and better serve our students, achieve efficiencies, leverage expertise, and maximize available resources. I encourage you to pursue opportunities for increased collaboration with other providers as the institution implements and continues to deliver the various initiatives identified in its 2013/2014 to 2015/2016 Comprehensive Institutional Plan.

Sincerely,



Thomas A. Lukaszuk  
Deputy Premier  
Minister of Enterprise and Advanced Education  
Ministerial Liaison to the Canadian Forces  
MLA, Edmonton – Castle Downs

cc: Dr. Indira V. Samarasekera, O.C.  
President and Vice-Chancellor, University of Alberta