



2005-06

Annual Report to the Government of Alberta

Leading into the Knowledge-Based World

***Approved by the Board of Governors
8 December 2006***

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Message from the Board of Governors

Along with my Board of Governors colleagues, I share the pride and sense of accomplishment that comes with the conclusion of another year at the University of Alberta.

To quote President Indira Samarasekera, we successfully continued to “inspire the human spirit through outstanding achievements in learning, discovery and citizenship in a creative community – building one of the world’s great universities for the public good.”

The University of Alberta’s annual report for the year ending March 31, 2006 has been prepared under the Board’s direction in accordance with the *Government Accountability Act*, the *Post-Secondary Learning Act* and all associated ministerial guidelines. All economic, environmental or fiscal implications of which we are aware have been considered in the preparation of this report.

You will find a summary financial report drawn from the University of Alberta’s financial statements for the year ending March 31, 2006. As well, a discussion of the key challenges, risks and opportunities faced by the University over the past year is included. We end with a progress report detailing how well the university performed as set out in its Strategic Business Plan.

The University of Alberta is the province’s first and leading university and one of the country’s premier teaching and research universities. Of particular note is that we continue to lead the country with the most 3M Teaching Fellows--Canada’s only award recognizing undergraduate teaching excellence, and The Edmonton Protocol continues to be recognized as the breakthrough treatment for Type 1 diabetics. For nearly 100 years, the University of Alberta has promoted the application of learning and discovery and provided the motivation for profound advancement and achievement.

The momentum over the past year has been outstanding, thanks in large part to the energy and vision of President Samarasekera, who in just one year has inspired faculty, staff and students to commit to an exciting and daring vision for the University of Alberta that would see us become one of the world’s great universities.

The University of Alberta already gives a national and international voice to innovation. Ideas and advancement are also becoming a closer reality with the Government of Alberta’s investment in major post-secondary education initiatives and commitment to creating more spaces at Alberta post-secondary institutions. This is an exciting time at the University of Alberta and we pledge to work with the provincial government to achieving the most efficient allocation of its investment and to ensure it is returned with immeasurable gains.



Brian Heidecker
Chair, University of Alberta Board of Governors

2005-06 Board of Governors

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Message from the President

During this time of immense promise and opportunity throughout western Canada, I believe Alberta and its first and leading university are poised to be the hub of unprecedented social, economic, and cultural development.

The University of Alberta is recognized as one of the premier institutions in Canada, an incubator of creative research and ground-breaking discovery. We build on Alberta ingenuity and an ambition to attract students and scholars from the entire province and from all over the world. For nearly a century, since our founding in 1908, we have harnessed the indomitable Alberta spirit, while celebrating a global perspective and vibrant intercultural climate.

By the year 2020, we aspire to be one of the top 20 public universities in the world. This goal is bold and ambitious and we are continuously working to secure the resources to provide the best education for our students, to support world-class research and creative activity and its dissemination and translation, and to foster citizenship.

The goal will not be met without addressing key resource gaps. Additional professors are required to raise the University's student faculty ratio of 24:1 to that at top North American public research universities such as the University of Michigan with a student-faculty ratio of 15:1. Further, enhanced support for graduate students is needed to increase the University's graduate to undergraduate student ratio (currently at 1:5), to the 1:3 ratio more representative of leading public North American universities. That will ensure an enriched undergraduate student experience and adequate support for university research and teaching.

Finally, operating revenues at the University of Alberta have not kept pace with enrolment growth. According to the latest data, the University's total funding per FTE student was sixth in Canada. At the same time, deferred maintenance of its buildings and facilities has risen to \$650 million and threatens to hinder the integrity of the University infrastructure and therefore the support to its students, faculty and staff. Increased provincial government funding would help to improve these challenges.

Support from government, business and community provide us with the opportunity to develop the vision for advanced education that is second to none in the world and to implement that vision. Together, we can build one of the world's great universities for the public good.



Indira V. Samarasekera, OC
President and Vice-Chancellor

Executive Summary

In 2005, the Government of Alberta made post-secondary education its top priority and launched a comprehensive review of Alberta's advanced learning system designed to establish a new vision and policy framework to guide Alberta's advanced education system to an exciting new plateau. One year later, the report on *A Learning Alberta* has opened up inspiring opportunities. The University of Alberta embraces the vision in its own planning framework guided by President Indira Samarasekera, *Dare to Discover*.

Both the Government and the University have already begun major preparations. The Government's budget 2006 initiates the long-term development of an accessible, affordable and high-quality learning community in Alberta equipped, in the words of its 20-year plan, for "unleashing innovation, leading in learning, competing in a global marketplace and making Alberta the best place to live, work and visit." The University has laid the groundwork for a number of transforming initiatives, including an Alberta-based internationally-leading Canada School for Sustainable Energy in collaboration with the Universities of Calgary and Lethbridge and Canada's only stand-alone School of Public Health.

The 2005-06 Annual Report outlines the University of Alberta's accomplishments from April 1, 2005 to March 31, 2006 and shows the transition underway into *Dare to Discover* directions for the future. Over the past year, for example, University of Alberta faculty members won two NSERC Industrial Research Chairs, two NSERC Steacie Fellowships and two national 3M Teaching Fellowships. The proportion of courses with WebCT support increased by 11 per cent. These are areas of focus for both *A Learning Alberta* and *Dare to Discover*: innovative learning extensions and research and teaching excellence.

The University of Alberta continued to see tremendous capital growth and expansion during 2005-06, driven by recent and anticipated increases in enrolment and research activity. During the year, the University completed construction on several projects and continued or started work on a number of other large scale projects in support of nanotechnology, agri-food and health research, and interdisciplinary science research and education. This aggressive building boom reflects the University's commitment to research and teaching and successful collaboration with private sector donors. Collaboration has been the hallmark for the University, leading toward such exciting prospects as the National Institute for Nanotechnology, Enterprise Square in the old Bay building in downtown Edmonton and in the long term, the multi-faceted Edmonton Clinic.

Progress made during 2005-06, however, points to the need for ramping up operational commitments for the upcoming 2007-11 planning period. On basic measures like student/faculty ratio and graduate/undergraduate ratio, the University of Alberta falls considerably short of such peer institutions as McGill University in Canada and the University of Michigan in the United States. Improvement is unlikely without considerable new funding commitment. After eliminating rather than filling 48 existing positions in 2004-05, the University received enough funding to avoid further cuts in 2005-06, but not to reverse long-term trends. Since the budget reductions of the mid-nineties, the number of full-time continuing faculty recovered by only 6.5 per cent from 1995-96 to 2005-06, while full-time enrolment increased by 23.5 per cent. This is a pattern that must be broken.

To move to the top international level with and for the Province of Alberta, the University of Alberta must collaborate with government and other partners to break new ground on several basic fronts. One is to support the professor recruitment required for an exceptional learning and research milieu and for expanded graduate and undergraduate enrolment with effective levels of all the attendant operational services. Another is to eliminate the backlog of deferred maintenance and ensure that buildings (old and new) receive "lights on" funding sufficient to effectively manage the institutional risks associated with building shut-downs or major system failures. There is no half-way to generate an internationally transformative university environment.

A Learning Alberta projects initiatives to achieve for Alberta the highest participation rate in post-secondary studies and lifelong learning, a top two Canadian position for research activity in the natural and physical sciences and in the social sciences and humanities, the best support programs for graduate students and the top Canadian rank for post-secondary institutions based on attracting and retaining outstanding faculty, staff and students. *Dare to Discover* invites all of the important participants required to build an outstanding university to join the collective voyage to the forefront of the exciting world of discovery.

Year in Review

The University in 2005-06

Opened in 1908, the University of Alberta is one of Canada's premier comprehensive research universities looking forward to celebrating its centenary in dramatic style. By 2008, the initiatives underway in 2005-06 and rolling out thereafter will engage Albertans in a world of discovery on a scale that repays huge dividends on the commitments and investments of the preceding century.

In the fall and winter sessions of 2005-06, the University's facilities were occupied by nearly 36,500 full and part-time undergraduate and graduate students in more than 200 undergraduate and 170 graduate programs encompassing more than 300 research areas. Fifty-seven per cent of undergraduate students enrolled at the University's Edmonton campuses were from the city, 26% from the rest of Alberta, and 12% from other parts of Canada. The remaining 4.6% were international students - a proportion identical to that of the University of Calgary, slightly lower than the University of Ottawa (5.4%) and much lower than that of the University of Toronto (8.4%). The growth in enrolment over the past several years has not kept pace with the University's capacity to hire new full-time faculty. The ratio of students to faculty at the University is 24:1. Top public four-year universities in the US average a ratio of 15:1.

Depending on program and load, students paid a variety of tuition fees set by the Board of Governors under the Province's tuition fee policy. For the 2005-06 year, a full-time Canadian undergraduate student taking five credit courses at the University of Alberta paid \$4,537 in tuition fees (after government rebates) compared to \$5,829 at Dalhousie University, \$4,185 at the University of Toronto and \$4,092 at the University of British Columbia. The ratio of tuition fee revenue (\$136.4 million) to net operating expenditures (\$585.7 million), calculated according to Alberta's tuition fee policy, was 23.29 per cent.

The University's endowment is still in its infancy relative to the majority of its North American peers. The University of Alberta's endowment per FTE lagged at \$18,567 per FTE student, behind McGill's \$30,305, the University of Michigan's \$126,721 (\$CAD) and the University of Virginia's \$185,549 (\$CAD).

The University owned 817 hectares of land in 2005-06, including property outside the City of Edmonton, and used approximately 22,700 hectares more under various lease agreements. The University occupied approximately 1.3 million gross square metres of building space, including residences and parkades. The North Campus alone featured 145 buildings (about 1.1 million gross square metres) on 92 hectares of land. The average age of the buildings was 45 years, with insured replacement value estimated at \$7.8 billion*. Due to current marketplace escalation, the value would be considerably higher should the University have to construct the buildings today. Some 12,901 full-time and part-time faculty and staff members worked for the University (5,448 of them non-academic staff and others part-time students). The scope of University activities made it a billion dollar operation and growing.

The University's capital program, valued at over \$1 billion with a capital forecast of \$1.96 billion over the next ten years, continued in 2005-06 with unprecedented building and upgrading to reduce the critical shortage of research, teaching and administration facilities. Beyond some 321 renovation projects and assorted energy management projects undertaken to improve existing facilities, a broad range of major construction projects pointed in many new directions:

- Alberta Cardiovascular and Stroke Research Centre (Abacus) – to house innovative research in the prevention and treatment of heart and lung disease and stroke.

* Estimated as per American Appraisal Canada Inc. for insurance purposes.

- Utilities Upgrade and Expansion – a new thermal energy storage system and upgrade of the chilled water distribution and electrical distribution (completed) and ongoing utilities upgrades to increase capacity.
- Corbett Hall Centre Wing Development – addition of second floor offices and research labs (completed).
- National Institute for Nanotechnology – the new national centre for research.
- Agri-Food Discovery Place – a new centre for research in meat safety processing and crops utilization.
- Civil/Electrical Engineering Building Retrofit – renewal and enhancement of an existing learning and research environment.
- Pembina Hall – retrofit of an existing building for new uses.
- Health Research Innovation Facility, East and West – a new medical health research centre aimed at linking research with health outcomes for Albertans.
- Augustana Library – a modern facility to support separate campus growth.
- Centennial Centre for Interdisciplinary Science (Phase I) – to position scientific, business and community leaders of tomorrow at the interface between traditional scientific disciplines for innovation and discovery (completed).
- The Edmonton Clinic – a joint venture with Capital Health, to create a state of the art facility for integrated, patient centered care, education and research.
- Markin/CNRL Natural Resources Engineering Facility (NREF)- to consolidate and accommodate growth of this department (completed).
- Engineering Technology and Learning Centre – to increase student common space (completed).

Notable Accomplishments in 2005-06

On this expanding base, the University made great strides with repercussions for bold new developments to come. One involved building on the previous addition of Augustana Campus to extend the University's presence in rural and remote areas of Alberta. Memoranda of understanding with Alberta colleges and agencies set the stage for offering University of Alberta programs in a wide variety of locations: Blue Quills First Nation College, East Central Health Region, Grande Prairie Regional College, Keyano College, Lakeland College, Medicine Hat College, Norquest College, Northern Lakes College, Olds College and Portage College.

Growing and changing facilities signaled the advent of exciting new opportunities. Opening the new National Institute for Nanotechnology building (NINT) equips the University and Canada to join the world's leadership ranks in a multitude of disciplines. Not only does the upcoming Centennial Centre for Interdisciplinary Science push the boundaries of discovery, but it provides space for 1,140 undergraduate and 480 graduate students in a state-of-the-art facility. Acquisition of the Bay building downtown will allow the University to partner with new communities in new clusters of excellence with economic benefits for the city while freeing up critically needed space on our north campus (approximately 18,000 m²).

Big new ventures have extended the University of Alberta into areas of paramount international interest. Matching commitments from Alberta Advanced Education and the Chinese Ministry of Science and Technology will fund joint research projects for the University with Chinese laboratories. The China Institute at the University of Alberta, again founded with endowment support from the Government of Alberta to match the initial gift of Sandy and Cécile Mactaggart, will foster many more Chinese linkages.

Collaboration is a key strategy. The Women and Children's Health Research Institute was formed jointly by the University's Faculty of Medicine and Dentistry with Capital Health through the Stollery Children's Hospital and the Lois Hole Hospital for Women. The initial steps to establish a Canada School for Sustainable Energy in Alberta drew together the Universities of Alberta, Calgary and Lethbridge, as did the formation of Canada's only stand-alone School of Public Health.

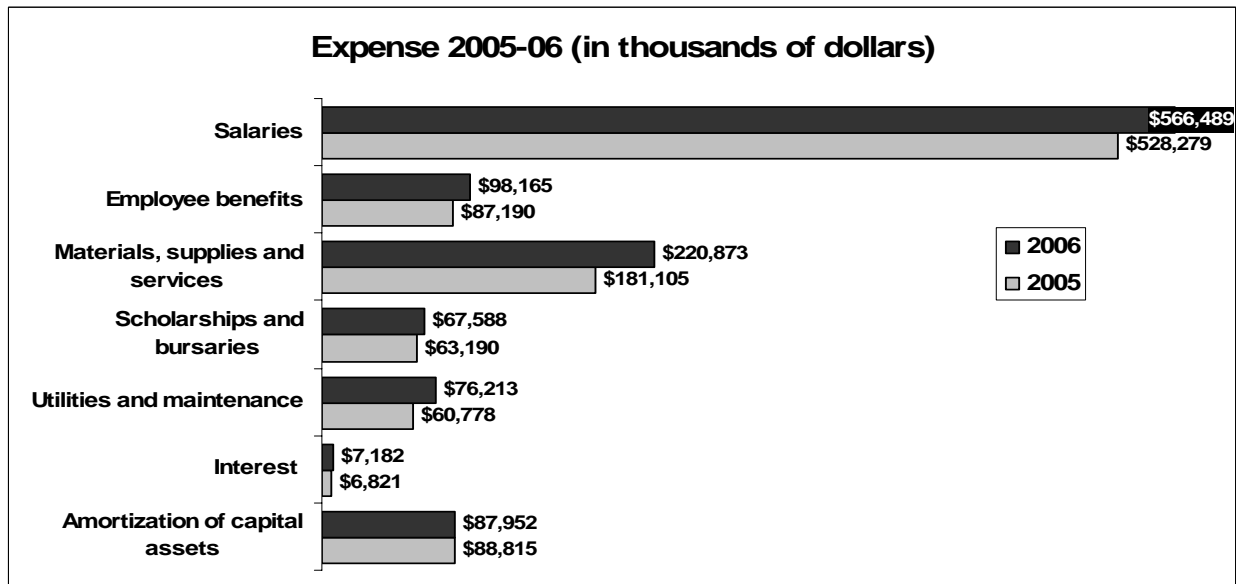
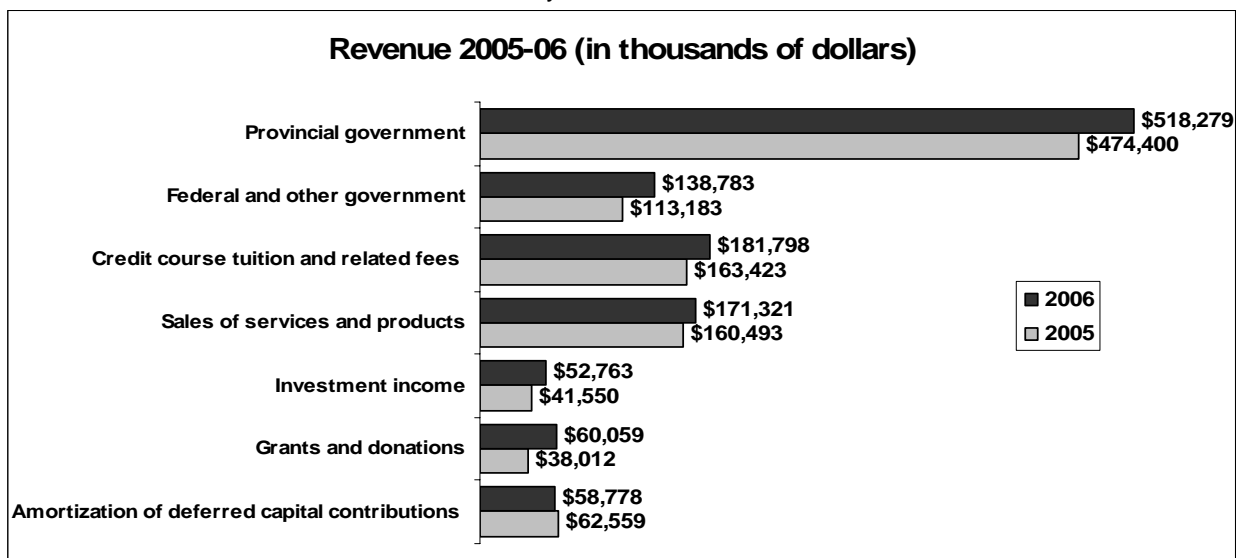
Learning, discovery and citizenship are inextricably linked at the University of Alberta, and are receiving special attention. A new Teaching and Learning Enhancement Fund will promote understanding and enhancement of teaching and learning environments and processes while the Integration of Teaching and Research Initiative will create new ways to bring learning and research experiences together for undergraduates. A brand new Killam Research fund for Social Sciences, Humanities and Performing Arts injects support into traditionally under-funded research fields. A growing number of students are receiving opportunities to participate in Community Service Learning Initiatives, over and above those involved in cooperative, internship, field and clinical work experience programs.

One barometer of University success is the increasing national and international recognition demonstrated by highly prized awards: the international Tyler Prize for Environmental Achievement to David Schindler; the CRM-Fields-PIM Prize (top mathematics prize in Canada) to Nicole Tomczak-Jaegermann; Fellowships in the Royal Society of Canada for seven University of Alberta professors; two of the prestigious NSERC Steacie Fellowships and two national 3M Teaching Fellowships to University of Alberta faculty members. These are but examples of the direction being taken by the whole university community in creating an environment of boundless discovery.

The University of Alberta's national and international reputation is growing. The *Times Higher Education Supplement* of London ranked the University of Alberta in the top 50 universities in North America and *Newsweek* placed it at 35. Nationally, the University of Alberta ranked fourth in *Research InfoSource's* 2006 ranking of the Top 50 Research Universities.

Financial Report 2005-06

The following summary is included for information only. A complete discussion of the revenue and expense of the University is contained in the audited University of Alberta Financial Statements. The University ended the 2006 year with a \$57.3 million excess of revenue over expense (2005 - \$37.4 million) and \$3.9 million in unrestricted net assets (2005 - \$9 million). The increase in excess of revenue over expense is primarily due to increases in provincial government grants. Revenues from the Province of Alberta rose significantly due to increases in the operating grants as well as additional funding for new grants. The base operating grant increased by 6% this year as compared to a 4% increase in the prior year. The University also received new grants from the Province, most notably a grant for indirect costs in support of the University's research activity (\$6 million) and a grant in support of student tuition fees (\$10.7 million). An additional significant impact occurred due to the timing of two major construction projects and the timing of the provincial government's budget approval or cash flow for these capital projects. The unrestricted net assets position reflects the temporary funding from internal sources of \$22.6 million for these two projects. The University has reasonable assurance that funding for these projects will be received from the Province in 2007 and future years.



Sponsored Research Funding 2005-06

(before deferrals)	(thousands of dollars)	
	2006	2005
Government of Alberta (excluding \$6 million in operating budget for indirect costs)	\$101,644	\$154,085
Government of Canada	\$170,507	\$149,731
Municipalities, other provincial governments, hospitals and universities	\$13,843	\$12,370
Canadian associations, foundations, institutes, etc.	\$24,895	\$19,910
Total Canadian Government and Non-Government Organizations	\$310,889	\$336,096
Foreign governments and public institutions	\$5,035	\$3,962
Foreign associations, foundations, institutes, etc.	\$6,497	\$4,372
Total Foreign Government and Non-Government Organizations	\$11,532	\$8,334
Canadian business	\$24,548	\$22,691
Foreign business	\$4,642	\$2,518
Total Business	\$29,190	\$25,209
Endowment and investment income for research	\$22,539	\$20,365
Other revenue	\$8,660	\$6,861
Total Endowment and Other	\$31,199	\$27,226
SUBTOTAL SPONSORED RESEARCH FUNDING: AUDITED FINANCIAL STATEMENTS	\$382,810	\$396,865
Clinical trials and related research - Capital Health and the Alberta Cancer Board	\$21,382	\$20,956
TOTAL SPONSORED RESEARCH FUNDING	\$404,192	\$417,821

Perspective: Opportunities, Challenges and Risks

In 2002, the University of Alberta developed a four-year strategic business plan to chart its future direction, with particular attention to key opportunities, challenges and risks. These were important considerations in setting out the University's key strategic initiatives. The following section revisits these earlier expectations to note consistency or change over the year 2005-06.

The Evolving Global Context

In an age in which geographical positioning matters little, the ideas, creativity and skills of people will be the world's most valuable resources. The University of Alberta is committed to preparing its graduates for the realities of an interdependent world and the need for international and cultural understanding.

Increasing the number of Alberta students who benefit from the experience of studying abroad is a top priority for the University of Alberta, with the establishment of international exchange agreements with various countries. In 2005-06, 521 students participated in the University's International Exchange and Study Abroad programs. Further, 4.7 per cent of full-time undergraduate students enrolled during the 2005-06 fall/winter session held international visas, as did nearly 20 per cent of full- and part-time graduate students.

Attracting bright minds from around the globe is fundamental to the goal of connecting Canada - and Alberta - to the world. The University of Alberta continues to recruit and retain outstanding faculty and staff to conduct leading-edge research and teach from a position of leadership, informed by international experience and collaboration. One-third of new faculty hired at the University of Alberta in 2005-06 came from outside Canada.

University of Alberta geologists Dr. David Selby and Dr. Robert Creaser developed the world's first method of accurately determining the age of oil, which will lead to a better understanding of oil deposits.

Excellent students from other countries bring diverse cultural perspectives to our classrooms. More than 3,000 international students from 127 countries attend the University of Alberta. They are the world's gift to Alberta, and educating more of them will simultaneously enrich Alberta and be Alberta's gift to the world.

University of Alberta student Jeeshan Chowdhury, a member of an interdisciplinary research team developing lab-on-a-chip technology, was accepted to the prestigious Rhodes Scholarship program at Oxford University.

All these objectives will advance the Government of Alberta's 20-year plan to achieve self-reliance in economy and life-style on the four opportunities of "unleashing innovation, leading in learning, competing in a global marketplace and making Alberta the best place to live, work and visit." The University of Alberta will be instrumental in building every one of those foundations.

The Challenge of Sustainable Resources

The past two years of government funding have turned the corner on the previous two decades of funding reductions. The Government of Alberta's Budget 2006 signified a continued commitment to higher education by featuring the largest ever, single-year rise in Advanced

Education spending, a 19 per cent increase of \$353 million. The University of Alberta applauds this commitment to cover tuition increases, increase the base operating grant and create additional new post-secondary spaces for Albertans.

Since 1980-81, there has been tremendous growth at the University of Alberta: enrolment increased by two-thirds and sponsored research funding rose five-and-a-half times (in constant dollars).

Continuing strong investments in post-secondary education are essential to the success of Alberta's long-term plans for sustained development and to future opportunities for individual Albertans. Despite increased tuition revenue fees, the average operating revenue per student at the University of Alberta (in constant dollars) has never recovered to the levels of the early 1980s. Presently, the University's operating revenues per FTE student rank 6th in Canada [CAUBO]. As a result, the University of Alberta's budget has been stretched beyond acceptable limits, using diminishing resources and improved efficiencies to push the boundaries of achievement. The University has advanced its own creative revenue solutions, including cost-saving measures and ambitious fund-raising efforts. The province's flagship university cannot sustain and build on its impressive achievements without significant ongoing investments for faculty and student growth, as well as for infrastructure renewal and expansion.

The fundamental University resource requirement is the recruitment and retention of many more excellent faculty members. 500 new professors would build on recognized strengths to expand the graduate student presence and greatly improve the undergraduate experience, but only if accompanied by other key elements:

- funding for 2,500 new graduate students;
- up-to-date facilities and technology for teaching and learning and research;
- effective support services for evolving technologies and teaching and research innovations;
- library acquisitions and services; and
- scholarship and bursary programs.

The payoffs, however, will be huge: a lower student faculty ratio; smaller class sizes and a competitive advantage for Alberta and Albertans in an increasingly diversified global context.

The University of Alberta finalized the establishment of the Killam Research Fund for Social Sciences, Humanities and Performing Arts.

The Competitive Context for Internationally Recognized Faculty

As baby boomers head towards retirement and birth rates decline globally, the talent pool of top faculty is shrinking and the competition for this valuable resource is intensifying. Heavily-funded private research universities or well-funded public research universities have distinct advantages. At US public research universities, broad-based salary advantages are selectively augmented with supplements committed in the course of recruiting outstanding faculty members. One practice is to top up a salary that is normally represented as a nine-month salary with a further two-ninths.

The University of Alberta has faced a number of challenges in its efforts to attract outstanding faculty members and retain those with international reputations. After eliminating rather than filling 48 existing positions in 2004-05, the University received enough funding to avoid further cuts in 2005-06. Still, the number of full-

time continuing faculty increased by only 6.5 per cent from 1995-96 to 2005-06, while full-time enrolment increased by 23.5 per cent. As the University looks ahead to adding professors, it will be essential to match faculty growth with the learning and research support services that build and sustain excellence.

University of Alberta teaching has attracted national award recognition, earning the most 3M Fellowships for Teaching Awards in the country. University of Alberta research also ranks with the best in Canada. But excellent research and the ability to attract top researchers requires a continuous commitment to strengthen research infrastructure, technology and especially operating support.

Dr. David Schindler received the Tyler Prize for Environmental Achievement, one of the most prestigious international awards for environmental research.

Several provincial programs initiated by the Province of Alberta need serious re-commitment to prevent the loss of leading Alberta scholars. One is some equivalent to the suspended Research Excellence Envelope, which provided start-up funding for new recruits. The second is commitment of the required provincial matching funds to activate federal awards for research infrastructure and personnel from the Canada Foundation for Innovation (CFI) and Canada

Research Chairs program (CRC), a top-up program that invests in Canada's universities and research hospitals to attract and retain faculty.

The University of Alberta has attracted Dr. Lori West, one of the world's leading heart transplant researchers to the Stollery Children's Hospital. West says that working at the University of Alberta, she will be able to hire twice as many researchers for her lab and have much more work space than she previously had at the Hospital for Sick Children in Toronto.

The Competitive Context for Outstanding Staff

The University must also address the challenge of recruiting and retaining the best administrative and support staff at a time when the University's human capital growth has not kept pace with its growth in infrastructure and student enrolment.

is the one of the main challenges in achieving the University's ambitious capital expansion. Demographic and labour market indicators suggest that these challenges will continue over the next several years.

Employers from all sectors of Alberta's tight labour market are struggling to attract and keep competent employees. The University of Alberta is in direct competition with private industry for this valuable resource. For many positions, the University of Alberta is facing more difficulty in attracting and retaining staff with the skills and experience it needs. In fact, lack of skilled labour

With the volume of mail coming into the university increasing each year, Supply Management Services adopted a new mail sorting technology in 2005 that reads addresses optically before sorting mail into different destination categories for on-campus delivery, allowing staff to direct hands-on efforts elsewhere.

Academic Program Challenges

The University's 17 faculties and three schools actively pursue distinct strategies to achieve the overall vision of the University. In the past year, several major committees have called renewed attention to the quality of the undergraduate experience. The University's Academic Plan sets out a number of strategies aimed at enriching the undergraduate learning experience and promoting student engagement in the classroom, which would benefit from reducing the growing student/faculty ratio. Attention will also be paid to enhancing the undergraduate experience in the community and to developing high quality experiences for graduate students.

Agreements were signed with the Smithsonian Institute and Washington Center to allow University of Alberta students the transformative experience of spending time in their facilities.

The University recognizes the importance of recruiting excellent students from a wide variety of backgrounds. It works on expanding scholarship programs through campus-wide fundraising efforts, devoting special attention to international students (exchange programs and the new "International House") and attracting aboriginal students (enhanced recruitment and retention strategies).

In addition to expanding its reach after the merger with Augustana University College in 2004, the University has been working with various community colleges to establish up-to-date transfer credit agreements that ensure high quality. Taking the lead in developing a Campus Alberta framework, the University entered into a number of Memoranda of Understanding (MOUs) with other colleges across Alberta in the past year, including Blue Quills First Nation College, East Central Health Region, Keyano College, Lakeland College, Medicine Hat College, Norquest College, Northern Lakes College, Olds College and Portage College. Success in all these directions, of course, also highlights significant capacity issues.

The University also recognizes the benefit and power of partnerships with other Alberta universities. For example, the Universities of Alberta, Calgary and Lethbridge have been collaborating towards the development of the Canada School for Sustainable Energy, seeking funding from the Governments of Alberta and Canada to focus on research and education for those who will shape the world's energy future. The Universities of Alberta and Calgary jointly offer the Alberta/Haskayne Executive MBA program. They also have an agreement enabling academic staff members from one university to serve as co-supervisors or members of the supervisory committees of graduate students at the other university.

The University of Alberta announced the creation of Canada's first School of Public Health, which will draw students, academics and researchers from a variety of disciplines and will collaborate with public health research activities at the universities of Calgary and Lethbridge.

Space, Infrastructure and Technology

As the University of Alberta continues to expand, it will face increasing pressure for physical space to grow, change, evolve and be utilized efficiently. Sustainable funding to maintain, develop and modernize infrastructure remains an important issue. Student access and program quality depend upon regular maintenance and renewal of facilities and

The University continued to develop an integrated approach to its aboriginal programs through the School of Native Studies and cross-Faculty programs. In 2005-06, 36 students actively pursued degrees at off-campus locations in local colleges through the Faculty of Education's Aboriginal Teacher Education Program (ATEP). With the contribution of elders, community members, partner colleges and school districts, the ATEP aims to develop the capacity of pre-service teacher education students to understand and work within an indigenous worldview.

By meeting the diverse academic needs of its many communities, the University of Alberta strives to be the university of choice for as many as possible from a wide variety of backgrounds and for a broad spectrum of studies. The results of these initiatives are evident, as the number applications for admission to the University continue to increase each year.

The University of Alberta is establishing Canada's first endowed chair in Islamic Studies.

The University is pleased that the final report of *A Learning Alberta* recommended expanding and creating scholarships for graduate students, including students in humanities and social sciences. Administration, staff and students look forward to the unveiling of the strategies to expedite this recommendation.

increased space. Many faculties note the critical needs that have accumulated over the past years. Recruitment competition and modern curriculum changes also demand appropriate reconfigurations of existing space. In several faculties, all these complexities are now boiling down to one simple fact: lack of sufficient space.

The University of Alberta has partnered with the Province, the Government of Canada and the City of Edmonton to transform the downtown Bay building to house the University's research and technology commercialization initiatives through TEC Edmonton. This venture brings the University to a new central location in the city helping to realize the long-term plan for rejuvenation of the downtown core.

Growth inevitably draws attention to the ongoing need for maintenance and renewal. Infrastructure renewal is largely an unglamorous activity that is, nevertheless, critical to support the mission of the University. As new facilities come on line, the funding gap for preventive maintenance activities increases. Deferred

maintenance is currently approaching \$650 million and places at risk many valuable programs and initiatives.

Information technology infrastructure also requires ongoing maintenance, renewal, expansion and effective response to innovations. Staying current and responsive to the needs of students and faculty for up-to-date information technology infrastructure demands the support of large initial investments (e.g., for the communications network backbone) followed by continuing maintenance and renewal. As additional new facilities are added to the campus infrastructure and the teaching day extends into the evening, additional people resources are required to provide appropriate information technology support services.

The University's Impact and Potential in Alberta

The University of Alberta connects with its communities in many different ways and its impact on economic development is multi-dimensional:

- graduates (close to 7,800 from the University of Alberta in 2005);
- 47 alumni branches around the world and 201,000 living alumni;
- a tremendous range of research programs;
- more than \$1 billion of expenditures in 2005-06, principally in Alberta;
- employment of more than 12,600 people in full-time and part-time jobs;
- more than 50,000 direct and indirect jobs in Alberta (estimate); and
- 71 active spin-off companies to the end of March 2006.

The productive impact through graduates and research results has many layers already effectively contributing to the four opportunities of Alberta's 20-year Strategic Plan. The challenge is to ensure that more Albertans receive the benefits of university education and research. Alberta's university participation rate ranks among the lowest in the country, and Canada's average typically lags behind that of

such countries as Korea, the United Kingdom, the United States, France, Australia and Finland. Increased capacity at the University of Alberta (space and facilities as well as faculty and programs) would accomplish two kinds of objectives critical to Alberta's 20-year plan:

- meet the demand for enrolment growth and propel Alberta into the forefront of the knowledge society; and
- focus unprecedented expert resources on Alberta's priorities.

The University of Alberta's Augustana Faculty in Camrose and the East Central Health region have formed a partnership to provide rural Albertans with increased opportunities to pursue professional health education and careers.

The University of Alberta is already making solid gains toward its goal of being one of the world's great universities with the resources at hand, the sure sign that this institution can turn strategic investment into learning, innovation, and an internationally attractive Alberta economy and society.

Strategic Performance

The University of Alberta identified 37 performance measures to gauge the success of goals and key strategic initiatives outlined in its Strategic Business Plan 2002-07. The original 2002-06 planning period was extended to 2007 to enable the University to complete an intensive consultation process leading to a new vision document and an academic plan and development of the next long-range strategic business plan with the new president. The following tables provide an indication to students, faculty and staff, the Board of Governors, governments and the community of the University's progress through 2005-06 in achieving its goals and objectives set for the end of this strategic business cycle in 2006-07.

Key Performance Indicators are updated in the following progress tables:

- | | |
|--|--|
| 1) Quality of Entering Students | 20) New Spin-off Companies (3-year annual average) |
| 2) Satisfaction with Educational Quality | 21) Federal Councils Operating Grants per Continuing Faculty |
| 3) Undergraduate and Graduate Enrolment | 22) Competitive Faculty Salaries |
| 4) Quality of Teaching | 23) Faculty and Staff Job Satisfaction |
| 5) Graduate Employment Success | 24) 3M Teaching Awards since 1986 |
| 6) Student Satisfaction with Relevance of Programs | 25) Awards to Faculty |
| 7) CIS Academic All-Canadians since 1990-91 | 26) Comparative Operating Revenue per Student |
| 8) Classroom Technology | 27) Charitable Receipted Gifts |
| 9) Year One Classes Taught by Continuing Faculty | 28) Alumni Support |
| 10) WebCT Learning Support Development | 29) Net Assets (Deficit) |
| 11) Work Experience Programs | 30) Administrative Expenditures |
| 12) International Exchange Students | 31) Accessible Policies and Procedures |
| 13) International Undergraduate Student Enrolment | 32) Facilities Condition Index |
| 14) Sponsored Research Revenue | 33) Stakeholder Satisfaction with Services |
| 15) Federal Research Granting Councils Funding | 34) Association of Research Libraries Index |
| 16) NSERC Steacie Fellowships | 35) National Media Exposure |
| 17) Networks of Centres of Excellence | 36) Public Awareness of Excellence |
| 18) NSERC Industrial Research Chairs | 37) Increase in Life-long Learning Opportunities |
| 19) Gross Licensing Revenue (Cdn\$, 3-year annual average) | |

Goal 1: The University of Alberta will prepare our students for successful lives and careers as leaders of tomorrow.

The University has four key strategic initiatives that are associated with achieving this goal:

- 1.1 Recruit and satisfy outstanding undergraduate and graduate students and students with outstanding potential;
- 1.2 Provide the best possible learning experience for our undergraduate and graduate students' lives and careers;
- 1.3 Create an improved learning environment inside and outside the classroom; and
- 1.4 Provide each undergraduate and graduate student with a significant international experience.

The University of Alberta has seen modest enrolment growth during the past year, some advance in the quality and diversity of its students, and more than half of its courses have WebCT support.

Key Strategic Initiative 1.1
Recruit and satisfy outstanding students and students with outstanding potential.

The University's strategy is to recruit outstanding students even as its programs remain accessible to the majority of those who will graduate with Alberta degrees.

1) Quality of Entering Students

Despite enrolment increases, the proportion of first year students who have achieved 80 per cent or better in their high school programs has increased by over 40 per cent since 1998. This trend can be explained two ways. One is technical: as entering averages rise even modestly toward upper levels, the proportion over 80 per cent rises much faster. The second explanation is a cause for concern about accessibility: in the previous year, first year entering averages in some programs were raised significantly in response to very high demand beyond capacity.

University of Alberta 1st Year Students: Entering Grades from High School Averaging 80% or Better								
History							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
61.6%	65.3%	67.9%	70.8%	72.6%	81.9%	84.6%	87.0%	75.0%

2) Satisfaction with Educational Quality

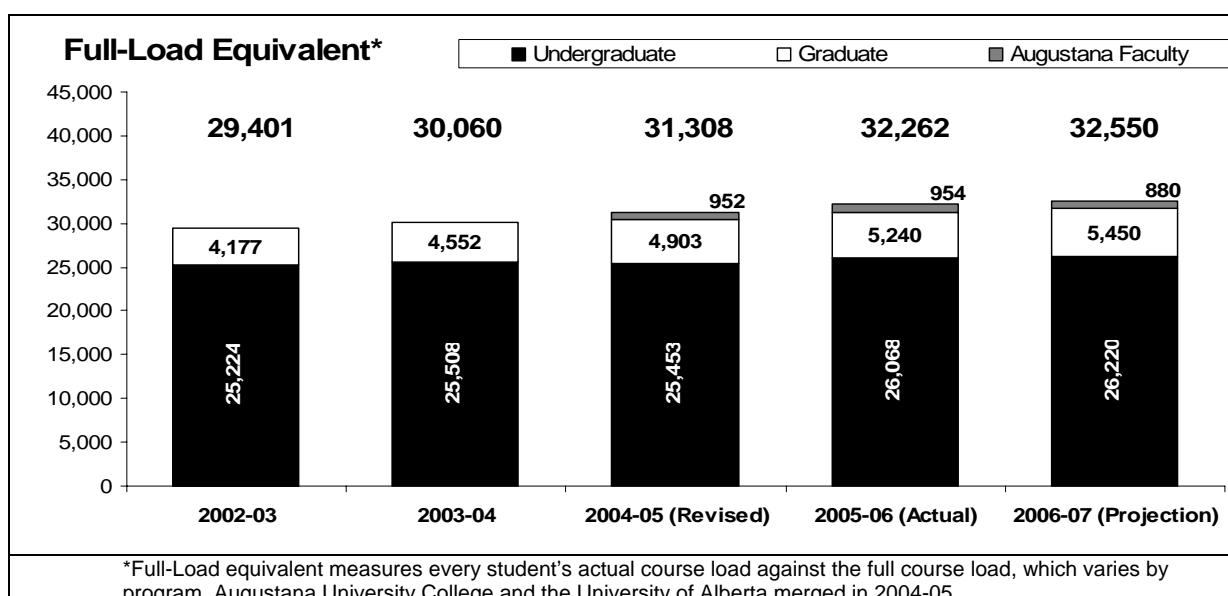
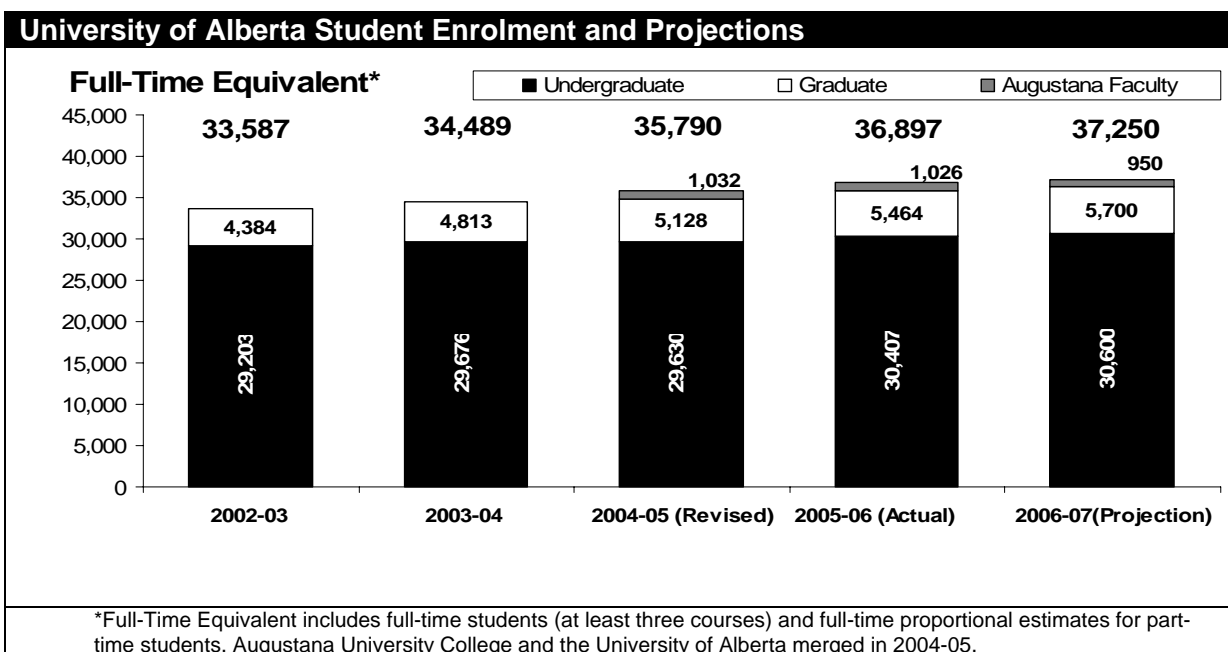
Alberta Advanced Education has historically measured student satisfaction with educational quality through its *Student Satisfaction Survey*. In 2004, this survey was combined with Alberta Advanced Education's *Graduate Employment Survey*. The new *Graduate Outcomes Survey* measures student satisfaction by asking them "Overall, how satisfied are you with the quality of your educational experience?" The 2006 survey differs from previous ones in that it does not provide respondents with the opportunity to report a "neutral" response.

Proportion of students satisfied or very satisfied (biennial survey)				
	History		Target	Actual
	2004*	2005	2006*	
Graduate Outcomes Survey	77.4%	No survey	80.0%	89.3%

Source: Alberta Advanced Education's Biennial Graduate Outcomes Survey
*Neutral option in 2004 not available in 2006.

3) Undergraduate and Graduate Enrolment

Enrolment in undergraduate and graduate programs is carefully managed through the University's admission process. Each Faculty has been assigned an enrolment target based on several factors including quotas established by Alberta Advanced Education, student demand, capacity and market issues. The University has projected enrolment growth based on increased student spaces resulting from targeted provincial funding and the very high demand that has been demonstrated by applications for admission from both high school graduates and transfer students. Faculties have been encouraged to continue to increase graduate student enrolment to the extent possible with current resources. Undergraduate student demand for space at the University has grown dramatically over the past few years and the grades required for admission have increased in recent years in order to maintain enrolment at acceptable levels. The projection for 2006-07 will only be met if increased funding supports the required capacity.



Key Strategic Initiative 1.2
Provide the best possible learning experience for our students' lives and careers.

The success of a university education is also measured in part by the students' satisfaction with their educational experience and their success in future employment. Measures of teaching quality and employment outcome are available from Alberta Advanced Education's combined biennial graduate satisfaction and employment survey (*Graduate Outcomes Survey*).

4) Quality of Teaching

A performance measure in this area will be selected for the next four-year plan with attention to Alberta Advanced Education's Biennial Graduate Outcomes Survey and the National Survey of Student Engagement. Research is required to select the appropriate measure and target.

5) Graduate Employment Success

Alberta Advanced Education has historically measured student employment success through its *Graduate Employment Survey*, completed two years after graduation. In 2004, this survey was combined with Alberta Advanced Education's *Student Satisfaction Survey*. This new *Graduate Outcomes* survey is also conducted every other year, surveying graduates two years after graduation.

Proportion of graduates employed – Two Years Out								
History							Target	Actual
1999	2000	2001	2002	2003	2004	2005	2006	
no survey	96%	no survey	96%	no survey	96%	no survey	96%	96%

Source: Alberta Advanced Education's Biennial Graduate Outcomes Survey and its predecessors.

6) Student Satisfaction with Relevance of Programs

A broader measure of success in developing suitable skill sets for life and career will be selected for the next four-year plan with attention to Alberta Advanced Education and Technology's Biennial *Graduate Outcomes Survey* and the *National Survey of Student Engagement*. Research is required to select the appropriate measure and target.

7) CIS Academic All-Canadians since 1990-91 (cumulative)

CIS Academic All-Canadians are students at Canadian universities who have combined representative sports participation with academic excellence in their degree programs. The original goal of having at least 100 students recognized as CIS Academic All-Canadians each year while remaining a leading winner of national athletic championships, proved insufficient to hold the cumulative lead. The University has maintained its targeted balance of academic and athletic excellence, but for the past three years, McGill had exceptionally high numbers of Academic All-Canadians.

CIS Academic All-Canadians National Awards to University of Alberta since 1990 (cumulative)							
History (cumulative)						Actual	Target
1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
686 (1 st)	792 (1 st)	901 (1 st)	1,000 (1 st)	1,101 (2 nd)	1,234 (2 nd)	1,377 (2 nd)	1,392 (1 st)

Source: Canadian Interuniversity Sport

Key Strategic Initiative 1.3
Create an improved learning environment inside and outside the classroom.

As the nature of and resources available for teaching change, the University must be flexible. This involves improving not only the actual classroom experience but also the transition of the student from high school to the university and from the university to employment. To facilitate this, the University has developed several strategies.

8) Classroom Technology

Upgrading classroom technology must be followed by yearly renewal. Targets have been established based on realistic assessments of resources that might be available: financial and resource constraints may well moderate progress in both upgrading and renewal. Classrooms are only one of the many demands on the Facility Alteration Request funding envelope, the primary source for infrastructure upgrades. Each year, additional classrooms are targeted for technology enhancements and existing Smart Classrooms are scheduled for equipment renewal, in order to facilitate consistent and effective use of instructional resources.

Classroom Technology (renewals and upgrades – including new installations)						
	History				Actual	Target
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Renewals	5	25	37	40	23	14
Upgrades	1	5	14	14	7	Not set

9) Year One Classes Taught by Continuing Faculty

Quality of instruction is a vital part of the learning experience. After funding cuts of the mid-1990's, this proportion has climbed gradually in the direction of the target, exceeding it one year early. On occasion, significant enrolment growth without equivalent funding increases required a balance between reasonable class sizes and first-year exposure to continuing faculty, introducing some annual volatility. It should also be noted that many first-year classes in such areas as languages, the social sciences, the various fine arts and physical activity are very effectively taught by non-continuing instructors and senior graduate students with high levels of expertise.

Percentage of Year One Classes Taught by Continuing Faculty								
History							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
43.4%	43.3%	44.5%	46.9%	50.3%	45.9%	53.3%	56.1%	54.0%

10) WebCT Learning Support Development

One limited measure of the broader learning innovations at the University is the rate at which instructors develop the WebCT integrated suite of web-based course development and delivery tools. The number of courses with WebCT support has more than tripled in the last five years, exceeding the target. The University of Alberta will continue to use new instructional technologies where appropriate to improve the learning experience.

WebCT Learning Support Development and Use (average % over both terms each year)*								
History							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
5.4%	12.7%	18.3%	27.6%	30.5%	33.8%	45.1%	56.2%	50%

*This measure is currently based on a per-course figure; a per-section measure is under review.

11) Work Experience Programs

An increasingly important element of the learning environment at the University of Alberta is related work experience. These internship, cooperative, field and clinical programs provide students with a 'hands-on' learning opportunity and the vital experience needed in the job market. The University is expanding the number of programs that include work experience, and the trend is expected to increase again in the coming years.

Proportion of First Degree and Professional Graduates with Program Work Experience (excludes articling Law students)								
History							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
41.7%	43.4%	43.4%	45.7%	46.7%	46.8%	46.7%	45.2%	50%

Key Strategic Initiative 1.4
Provide each student with a significant international experience.

The final strategy in preparing students for successful lives and careers is to provide international experiences and exposure. Two approaches that help are: encouraging students to participate in international exchange programs and increasing the number of international students and professors here.

12) International Exchange Students

One measure is the number of students going abroad for a term or terms in official exchange programs from the University. Participation in 2005-06 increased only marginally from the previous year, and it will be a major challenge to reach the 2006-07 goal of more than doubling the 2000-01 level of involvement in international exchanges.

It should be noted that in addition to those taking part in official exchange programs, University students study and work abroad under a variety of other types of arrangements that are not included in this measure. These include practicum programs, volunteer work programs and research projects.

Official International Exchange Students Going Abroad from the University of Alberta							
History						Actual	Target
1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
136	117	127	129	134	168	170	250

13) International Undergraduate Student Enrolment

International students on campus enrich the learning environment and raise the international profile of the University while paying their own way without diminishing access for Alberta students. This measure has been refined to include only those undergraduates who hold visas, and there is considerable progress toward the target of five percent by 2006-07. Many other students also bring international residence experience to the University: for example, recent arrivals classified as "permanent residents." On the other hand, other universities have significantly better proportions of undergraduates with visas, e.g. 8.4% at the University of Toronto.

International Undergraduate Student Enrolment (as a proportion of head-count winter-session enrolment)							
History						Actual	Target
1999-00	2000-01	2001-02*	2002-03*	2003-04	2004-05	2005-06	2006-07
2.3%	2.6%	2.8%	3.1%	3.7%	4.2%	4.6%	5.0%

* Data in previous reports have been updated.

Goal 2: The University of Alberta will be a leader in the creation, integration, dissemination and application of knowledge.

The University has two key strategic initiatives that are associated with achieving this goal:

- 2.1 Achieve national and international leadership in research; and
- 2.2 Build productive partnerships to facilitate collaborative research and knowledge transfer.

With research revenues exceeding \$400 million and receiving two prestigious NSERC Steacie Fellowships, the University of Alberta remained a major player in Canada’s university research system in 2005-06.

<p>Key Strategic Initiative 2.1 Achieve national and international leadership in research.</p>	<p>Leading-edge research is a key element of the University’s strategy to be a leader in the creation of knowledge. The University will continue to build on its research base by attracting new resources through initiatives involving government programs, matching opportunities, and strategic partnerships and alliances.</p>
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14) Sponsored Research Revenue

A measure of the quality of its research is the comparative amount of sponsored revenue the University receives for research projects awarded following peer review. The University exceeded its 2006-07 target of \$400 million each of the past two years. Research funding levels directed towards specific priorities in particular years (e.g. indirect costs for research or capital funding) can be erratic from year to year. Despite the volatility, the University of Alberta has been one of the top four Canadian universities in research funding for the past seven years.

Sponsored Research Revenue (in \$ millions)								
History & Rank in Canada							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
\$174.3 (4 th)	\$213.9 (4 th)	\$255.5 (4 th)	\$304.2 (3 rd)	\$295.9 (4 th)*	\$377.2 (4 th)*	\$417.8 (4 th)*	\$404.2	\$400.0 (Top 2)
<p>The rankings for sponsored research revenue since 2002-03 include the University of Alberta’s clinical trials and related research, which is not reported to CAUBO by the University of Alberta, but is reported by other universities. <i>Ranking Source: CAUBO, Financial Information of Universities and Colleges</i></p>								

15) Federal Research Granting Councils Funding

Federal research council funding includes support from the Canadian Institutes of Health Research (CIHR), the Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). This peer-reviewed funding serves as a measure of the academic quality of the University’s research programs. The University’s goal to rank in the top four universities for every Council and in the top two for at least one Council is an ambitious one.

Federal Research Granting Councils Funding (national ranking)									
	History							Actual	Target
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
CIHR	5 th	5 th	5 th	5 th	5 th	5 th	5 th	6 th	2 nd to 4 th
NSERC	3 rd	3 rd	2 nd	3 rd	3 rd	3 rd	3 rd	3 rd	2 nd to 4 th
SSHRC	5 th	5 th	5 th	4 th	4 th	4 th	4 th	5 th	2 nd to 4 th

Ranking Source: CIHR, NSERC and SSHRC

16) NSERC Steacie Fellowships

The University’s objective of attaining national recognition for its research programs is measured in part through the awards received by its faculty members. Up to six E.W.R. Steacie Fellowships are awarded nationally to recognize highly promising science and engineering faculty members at Canadian universities and to enhance their career development. To average one per year at the University of Alberta is an ambitious target; two awards this past years is exceptional. Since 1996, the University has received nine Steacie awards, second only to the University of Toronto’s thirteen. The University of British Columbia received seven and McGill University four.

NSERC Steacie Fellowships (4 to 6 awarded nationally per year)									
	History						Actual	Target	
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
	1	2	1	1	0	0	0	2	1

Source: NSERC

Key Strategic Initiative 2.2
Build productive partnerships to facilitate collaborative research and knowledge transfer.

In a global, knowledge-based environment, collaboration is key to the success of research and knowledge transfer. Strategies include the development of national and international interdisciplinary research initiatives, and participation in collaborative research with industry and public institutions and organizations. In addition, the transfer of knowledge to broad communities is the one of the primary aims of research.

17) Networks of Centres of Excellence

Networks of Centres of Excellence (NCE) are coordinated by the federal government and bring together researchers from universities, the public sector and industry. The University of Alberta participated in 18 of the 21 the NCEs active in 2004-05, more than Toronto, McGill and Montréal, but fewer than British Columbia, which had the highest rate of participation at 19.

Networks of Centres of Excellence (Participation Rank in Canada)								
History							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
2 nd	2 nd (tie)	1 st (tie)	1 st (tie)	1 st (tie)	1st	2nd	Not Available	Top 2

Source: NCE, 2004-2005 Annual Report

18) NSERC Industrial Research Chairs

Industrial Research Chairs are awarded to Canadian researchers for excellent research of great industrial promise and are co-funded by the federal government and industry. In 2005-06, 21 research chairs were granted to Canadian universities; the two for University of Alberta researchers represents a disproportionate share.

NSERC Industrial Research Chairs								
History							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
2	2	2	1	1	1	0	2	2

Source: NSERC

19) Gross Licensing Revenue (Cdn\$, 3-year annual average)

The licensing revenue received by the University is one measure of the success of research efforts and new technology developments, providing a clue to the much greater activity and revenue flowing to the company licensing the technology. By its nature, licensing revenue fluctuates greatly from one year to another. Therefore, a three-year average is used to track progress. At times, the University has been the top revenue generator in the country in what is a volatile measure, and would like to be consistently in the top two.

Gross Licensing Revenue (Cdn\$, 3-year annual average)						
History					Actual	Target
1997-99	1998-00	1999-01	2000-02	2001-03	2002-04	2003-05
1 st (\$4.03M)	4 th (\$3.15M)	4 th (\$4.28M)	5 th (\$3.78M)	5 th (\$3.60M)	Not Available (\$1.57M)	Top 2
<i>Source: Association of University Technology Managers (AUTM)</i>						

20) New Spin-off Companies (3-year annual average)

The rate at which technology is being transferred to the community is also demonstrated by the formation of spin-off companies. The University has consciously decided to wait to announce spin-off companies until each has moved beyond its initial start-up phase. The average number of spin-off companies announced has, therefore, slowed.

New Spin-off Companies (3-year annual average)						
History					Actual	Target
1997-99	1998-00	1999-01	2000-02	2001-03	2002-04	2003-05
(2 nd) 8.0	(4 th) 6.0	(6 th) 5.3	(4 th) 5.7	(3 rd) 4.0	(tie 4 th) 4.0	Top 2
<i>Source: Association of University Technology Managers (AUTM)</i>						

Goal 3: The University of Alberta will achieve institutional excellence.

The University has three key strategic initiatives that are associated with achieving this goal:

- 3.1 Attract and retain outstanding faculty, researchers and staff;
- 3.2 Attract and allocate the necessary resources to achieve the University's mission; and
- 3.3 Renew and enhance the University's infrastructure and provide high-quality support services to meet the needs of the future.

The University has earned a national reputation for its high-quality research and undergraduate teaching by world-class faculty, and is building and effectively managing an enhanced resource base.

Key Strategic Initiative 3.1
Attract and retain outstanding faculty, researchers and staff.

The University must attract and retain an outstanding faculty in order to achieve institutional excellence. As faculty and staff demonstrate excellence, the challenge of retaining them is compounded by the recruitment efforts of competing institutions.

21) Federal Councils Operating Grants per Continuing Faculty

Research funding by the federal granting councils indicates peer recognition of research programs. The sample is restricted to funding programs primarily for individual researchers (rather than groups). Updates to this measure (as calculated for the Alberta Advanced Education Key Performance Indicators) are delayed by gaps in Statistics Canada data on full-time faculty for some key universities.

Federal Councils Operating Grants per Continuing Faculty (3-year average, ranked among Canadian medical/doctoral universities)

History								Target
1995-97	1996-98	1997-99	1998-00	1999-01	2000-02	2001-03	2002-04	2005-07
\$4,882 (2 nd)	\$5,186 (2 nd)	\$5,940 (2 nd)	\$6,120 (3 rd)	Not Available	\$7,971 (3 rd)	Not Available	Not Available	1 st

Source: Alberta Advanced Education KPI calculations, based on federal councils individual operating grants and Statistics Canada full-time faculty data, ranking Canadian medical/doctoral universities

22) Competitive Faculty Salaries

Competitive salary levels are necessary to ensure that outstanding faculty will come to, or remain at, the University of Alberta. The University's rank among reporting G13 universities* moves slowly and irregularly, reflecting the intense competition.

Average Salaries of Full-Time Faculty Rank in Group of 13 Universities*

History							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
\$76,421 (7 th)	\$81,881 (6 th)	\$84,141 (6 th)	\$87,637 (6 th)	\$91,457 (5 th)	\$96,442 (6 th)	\$101,240 (est. 4 th)	\$104,060 (est. 5 th)	3 rd

*G13 (Group of 13) universities include: British Columbia, Alberta, Calgary, Western Ontario, Toronto, McMaster, Waterloo, Queen's, Ottawa, Laval, Montréal, McGill and Dalhousie.
Source: Statistics Canada (non-medical/dental full-time faculty down to Assistant Professors, including Deans and Chairs)

23) Faculty and Staff Job Satisfaction

Job satisfaction often ranks above pay in the reasons given by employees for remaining in a position. The design and implementation of a valid measure is under consideration for the next four-year planning cycle, to identify the appropriate measure and target. In the meantime, the University continues to develop an HR Report Card that will measure and report on a number of performance metrics.

24) 3M Teaching Awards since 1986

A 3M award for outstanding undergraduate teaching is a rare national distinction. The University of Alberta has received more than any other Canadian university, and is within striking distance of the ambitious 2007 target of 29 awards.

Teaching Awards: National 3M Awards to University of Alberta (cumulative since 1986)									
History								Actual	Target
1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
18 (1 st)	22(1 st)	22 (1 st)	23 (1 st)	23 (1 st)	23 (1 st)	24 (1 st)	24 (1 st)	26 (1 st)	29 (1 st)

Source: The Society for Teaching and Learning in Higher Education

25) Awards to Faculty

Selection and implementation of a performance measure is under consideration for the next four-year planning cycle. Research is required to ensure selection of an appropriate measure and target.

Key Strategic Initiative 3.2
Attract and allocate the necessary resources to achieve the University's mission.

In order to achieve its goals the University must have the necessary resources. The composition of the University's funding sources is changing: increases in recent years have been primarily associated with sponsored research, infrastructure and specific academic programs.

26) Comparative Operating Revenue per Student

Operating revenue per student provides a measure by which the University can benchmark its resources against those of other Canadian universities. Operating revenues must be competitive to support the University's initiatives as one of Canada's top teaching and research institutions. Although the University seemed to have reached its third place target in 2003-04, CAUBO comparisons include some misleading volatility based on endowment and investment earning entries that do not reflect the actual funds available from that source for use each year, illustrated by the return to 6th place in 2004-05.

Operating Revenue per Winter Student FTE (Rank in Group of 13 Universities*)								
History							Actual	Target
1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2006-07
\$12,208	\$12,640	\$14,431	\$15,466 (5 th)	\$15,730 (4 th)	\$14,775 (6 th)	\$17,036 (3 rd)	\$16,867 (6 th)	3rd

*G13 (Group of 13) universities include: British Columbia, Alberta, Calgary, Western Ontario, Toronto, McMaster, Waterloo, Queen's, Ottawa, Laval, Montréal, McGill and Dalhousie. Pre 2004-05 data refers to the University of Alberta's rank within the former Group of Ten universities, excluding Calgary, Dalhousie and Ottawa.

Source: CAUBO Financial Information 2004-2005; AUCC's Preliminary fall 2004 enrolment figures

Note: FTE (full-time equivalent) means full-time students plus part-time students divided by 3.5.

27) Charitable Gifts

While overall receipted gifts not including new pledge balances were down from 2004-05, it should be noted that previous years results included extraordinary gifts in kinds of \$31.4 million in 2003-04 and \$23.5 million in 2004-05. On a cash only basis, 2005-06 results were slightly up over those of previous two fiscal years.

Charitable Gifts (for fiscal year*, in current \$ millions)								
History							Actual	Target
1998-99	1999-00*	2000-01*	2001-02*	2002-03*	2003-04*	2004-05	2005-06	2006-07
\$24.4 M	\$39.6 M	\$35.6 M	\$43.4 M	\$30.8M	\$64.2M	\$55.7M	\$42.2M	\$57M
* Data in previous reports has been revised to correspond with the University's fiscal year (ending March).								
Note: Charitable gifts refer to philanthropic contributions and include general donations, donations to endowments, certain deferred contributions, gifts in kind, and gifts of securities. Charitable gifts may be for immediate or future use.								

28) Alumni Support

Increasing total dollars given by alumni each year have recently come from a declining number of donors. This is consistent with giving trends experienced across Canada and North America. The Development Office has implemented strategies to bolster alumni giving and the Office of Alumni Affairs has launched a series of strategies to enhance alumni engagement and maximize the potential for strong and supportive relationships with alumni constituents. In 2005-06, alumni participation increased again and alumni have contributed 61 per cent of total gifts to Campaign 2008 to date, including more than 50 percent of the lead gifts of \$1 million plus. This does not include the many corporate gifts given as a result of alumni influence. It should be noted that although the absolute number of alumni who give to the University is growing, the pool of total alumni grows at a more accelerated rate. It therefore becomes more difficult to increase or maintain alumni giving proportions. The University will consider a more appropriate measure for the next four-year planning cycle.

Alumni Support (proportion making gifts to the University of Alberta)								
History - restated from new database							Actual	Target
1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
16.5%	15.6%	14.8%	17.2%	14.8%	13.6%	12.1%	12.9%	15.5%

29) Net Assets (Deficit)

The Net Assets (Deficit) is a measure of the University's success in eliminating its structural deficit. The original long-term goal for this measure was set to reach a positive position by 2007-08. That was achieved three years earlier than originally anticipated and maintained this past year. In the past two years, revenues from several sources, most notably the Province of Alberta, were much better than anticipated and the University has been successful in its cost containment efforts, with the most significant impacts achieved in the areas of employee benefits and utility costs.

Net Assets Deficit (unrestricted proportion of net assets)					
History				Actual	Target
2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
surplus	6.4% deficit	0.5% deficit	0.96% surplus	0.37% surplus	0%

30) Administrative Expenditures

The University seeks a high level of administrative efficiency in its operations, striving for the top level in Alberta Advanced Education's Key Performance Indicator (five per cent or less of expenditures for administration). The measure presented here conforms to Alberta Advanced Education's KPI detailed specifications. Several new factors have intervened and suggest reconsideration of the original four per cent target, including additions made to the definition of entries deemed "administration". More important, very large increases in sponsored research and capital development activity have changed operating expenditure patterns.

Administrative Expenditures Proportion (proportion of total less ancillaries, over two fiscal years)							
History						Actual	Target
1998-00	1999-01	2000-02	2001-03	2002-04	2003-05	2004-06	2005-07
4.3%	4.6%	4.9%	4.9%	5.1%	5.2%	5.2%	4.0%

Key Strategic Initiative 3.3
Renew and enhance the University's infrastructure and provide high quality support services to meet the needs of the future.

While new construction and expanded services are important to meet the needs of faculty, staff and students as the University grows, the existing infrastructure and services must also be maintained.

31) Accessible Policies and Procedures

The "University of Alberta Policies and Procedures Online" (UAPPOL) project reviews and updates the University's administrative policies and procedures and makes them accessible through a web-based content management application. The Manual of Administrative Policies, Procedures and Services (MAPPS) has been rescinded and the project scope has expanded to include complete Academic, Research and Student policies and procedures by 2008-09.

Accessible Administrative Policies and Procedures (UAPPOL project completion level)						
History				Target	Actual	Target
2001-02	2002-03	2003-04	2004-05	2005-06		2006-07
10%	20%	40%	60%	90%	95%	100%*
* 100% completion of the original target – administrative policies and procedures only.						

32) Facilities Condition Index

The Facility Condition Index is an indicator of relative building condition. It is a ratio of the deferred maintenance cost divided by the current replacement value of the facility. A higher rating indicates poorer condition. On an annual basis, strategic facilities and facilities with high emerging deferred maintenance issues are reviewed. Index reduction targets were based on Alberta Infrastructure and Transportation's 2000-01 audit and updated on a province-wide basis for 2005. Despite exceeding its targeted reductions in identified strategic facilities, the University faces continuing increases in overall facility condition index of the combined campus facilities.

As part of its ongoing review of grants, Alberta Infrastructure and Transportation monitors the expenditure of Infrastructure Maintenance Program funds against safety issues that were identified in the 2000-01 audit. In 2005-06, the University applied \$3.084 million (34 per cent of the Infrastructure Maintenance Program funds) to these safety issues.

Facilities Condition Index (for key strategic and high maintenance buildings in the Capital Plan)					
	History			Actual	Target
	2002-03	2003-04	2004-05	2005-06	2006-07
Reduction in facilities condition index	2.0%	3.4%	0.77%	2%	0.5%-0.7%
Expenditures on safety issues	\$1.974M	\$2.062M	\$1.475M	\$3.084M	\$1M

33) Stakeholder Satisfaction with Services

A target will not be identified within the current planning cycle. Research is required to ensure appropriate measure and targets. The University will revisit this indicator for the next four-year planning cycle.

34) Association of Research Libraries Index

The Association of Research Libraries Index Rank for Canadian universities takes into account the number of volumes held, the number of volumes added during the previous fiscal year, the number of current serials, the total operating expenditures, and the size of "permanent" staff including professional and support workers, but not students.

Association of Research Libraries Index Rank in Canada (composite of five indicators)								
History							Actual	Target
1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2006-07
2 nd	2 nd	2 nd	2 nd	2 nd	2 nd	3 rd	2 nd	To be determined
<i>Source: Association of Research Libraries (ARL)</i>								

Goal 4: The University of Alberta will contribute to the needs of its communities.

The University's key strategic initiative for achieving this goal is to enhance and build connections with its communities.

Key Strategic Initiative 4.1 Enhance and build connections with our communities.	The University plays an integral role in the community through the services it provides and in the development of partnerships with its neighbours, the business community, multicultural communities and the government.
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35) National Media Exposure

A key measure of the University of Alberta's research and academic impact in its broader communities is the amount of national news coverage featuring it as a source for information on major issues facing Albertans and Canadians as well as attention to University issues. The amount of media exposure can be influenced by national and world events, the relevance of issues to the University and the proximity of University spokespersons to national media sources. In 2005-06, national media exposure overall continued to be strong for the University of Alberta: fourth among top universities surveyed. The University of Alberta made additional gains in international media attention in a number of research areas.

National Media Exposure (proportion of university news covering the University of Alberta)							
	History					Actual	Target
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
TV	9%	6%	10.3%	12.5%	9.6%	13%	14%
Print Media	8%	6%	6%	8.5%	8.6%	9%	9.5%
<i>Source: Professional media analysis commissioned by the University of Alberta</i>							

36) Public Awareness of Excellence

The latest telephone survey of 1,808 respondents across Canada conducted in spring 2005 showed relatively steady awareness of excellence. Broader general awareness of the University is growing. When the question was first asked in 1999, only 9 per cent of Canadians reported recently seeing, hearing or reading something about the University of Alberta during the two months prior to the survey. That grew to 25 per cent in 2005. The same awareness among Albertans rose from 36 per cent in 1999 to 70 per cent in 2005.

In the 2005 survey, 35 per cent of Alberta respondents said they regularly pay attention to research conducted at the University of Alberta. Of those, 91 per cent agreed or strongly agreed that the University of Alberta conducts high quality research (68 per cent in 1995). Eighty-nine per cent agreed that University of Alberta research has practical value (62 per cent in 1995); and 83 per cent agreed it had economic benefits (58 per cent in 1995). Eighty per cent of Albertans and 36 per cent of Canadians would recommend the University of Alberta as one of the top three universities in Canada.

Public Awareness of Excellence at the University of Alberta (proportion rating academic excellence above average or outstanding)							
	History					Actual	Target
	2001	2002	2003	2004	2005	2006	2007
Within Alberta	76%	No poll conducted	72%	No poll conducted	74%	No poll conducted	80%
Within Canada	21%		14%		17%		27%
<i>Source: National poll commissioned by the University of Alberta</i>							

36) Increase in Life-long Learning Opportunities

A target will not be identified within the current planning cycle. Research is required to ensure an appropriate measure and target. The University will revisit this indicator for the next four-year planning cycle.

Conclusion

During 2005-06, the University of Alberta launched academic and strategic planning processes aimed at the next four-year planning cycle (2007-11). At the same time, the University extended its accomplishments in teaching, research and community service as projected in the University's current 2002-07 Strategic Business Plan. For pursuit of those goals and strategic initiatives, the growing commitments of the Government of Alberta are proving to be instrumental.

The ambitious objectives of the University's 2002-07 Strategic Business Plan have required imaginative responses to the risks and challenges of global competition for internationally recognized faculty, limited operating revenues per student and increasing space and infrastructure demands, all driven by the evolving academic and community needs of a diverse and changing society. The Government's budget for 2006-07 and Alberta Advanced Education's report, *A Learning Alberta*, set a new stage for the University's emerging plans based on the framework outlined in *Dare to Discover*. From the foundations already established, both *A Learning Alberta* and *Dare to Discover* envision new paths for Alberta and Albertans into a world of superior learning, scholarship and innovation to be accomplished through highly original investments in carefully chosen and integrated initiatives. As this report for 2005-06 demonstrates, the University has been preparing for this opportunity and is well placed and eager to break into new territory.