



Rebuilding Alberta's Post-secondary Education (PSE) system: Funding Model considerations to future-proof PSE

Presented to the Mintz Expert Panel by:

The Confederation of Alberta Faculty Associations (CAFA)

The Alberta Colleges and Institutes Faculties Association (ACIFA)



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Executive Summary

The Government of Alberta has initiated two reviews of the province's post-secondary education (PSE) sector over the past six years. In the first, which took place in 2019, PSE was part of a broader study of Alberta's finances and economy. The second, now underway, is wholly dedicated to PSE. Facilitated by a panel of experts led by Dr. Jack Mintz, the current study aims to arrive at a more competitive funding model for Alberta PSE. One which prepares Alberta's colleges, universities, and polytechnics to "reduce costs, improve programs, and compete and excel globally."¹

For the Confederation of Alberta Faculty Associations (CAFA) and the Alberta Colleges and Institutes Faculties Association (ACIFA), the Mintz Expert Panel review represents a singular and unprecedented opportunity to contribute to building a better PSE ecosystem...for students, for industry, and for our communities.

As academic staff (comprising teachers, researchers, librarians, instructional designers, counsellors), we understand firsthand the correlation between sufficient funding and student success, and have seen how quickly and easily a post-secondary system can regress due to deep, politically motivated cuts. We recognize the critical need that every Albertan — whether they live in Wetaskiwin or just off Whitemud Drive — feels confident that they can access high-quality post-secondary education from where they are, setting them on a stable path to wherever they want to be. And we believe that there are measures the Alberta government can take now to ensure this in the long term.

This report presents relevant research, expert opinion and evidence-based recommendations for re-investing Alberta's PSE system, to restore it to the world-class engine of innovation it was until very recently--indeed, one of the best systems in the world. While this report flags some real and present risks the sector faces, it also illuminates opportunities and ways to leverage them for the benefit of all.

CAFA and ACIFA respect the Panel's mandate and scope of work, but also accept that not everything we propose will win your approval. That said, we hope that the content of our earlier presentation, supplemented with this follow-up report, sparks vigorous discussion and debate amongst Panel members.

The key sections of our report are:

1. **PSE Sector Risks:** We believe that continued PSE underfunding in the face of an imminent, exponential enrolment surge is an overarching risk to Alberta PSE. Underpinning this risk are several contributing factors, including budget cuts, unpredictable funding, and a sharp decline in revenue from international student tuition. Not to mention faculty workloads and work conditions that are simply not equal to meeting the needs of more students, with different needs and expectations, for the next five years.

¹ Per questions provided to CAFA and ACIFA for a meeting with the Expert Panel

2. **PSE Sector Opportunities:** By reinvesting in Alberta PSE, this province can enhance student access, improve education quality, and increase research competitiveness. Reinvestment can enhance the student experience and foster a culture of innovation. And it can deliver financial stability that institutions, communities, academic faculty, support staff, industry, and students can count on.
3. **Appendices:** You will also find suggested next steps, appendices containing the results of a stakeholder engagement study and literature review we completed, and information on our two organizations. We particularly direct the Panel's attention to *Appendix A: Stakeholder Engagement Results*, which presents verbatim input and insights from post-secondary stakeholders—including faculty members, Indigenous leaders, PSE administrators, and present and past PSI presidents—from within and outside Alberta.

CAFA and ACIFA have a deep interest in a competitive provincial PSE funding model. We are engaging in this process in good faith, believing that our input will be honestly considered, assessed, and potentially integrated with recommendations put forward by the Panel for the government to act upon.

While no PSE funding model will completely satisfy labour market needs, maximize cost-efficiencies, meet student priorities, dismantle bureaucracy, and advance academic excellence (and global notice of it) all at once, it is possible to systematically—and sustainably—move the needle on all these metrics over time. It would require a willingness on the part of multiple PSE stakeholders to consistently direct their current actions toward a shared, future vision. Starting now.

We hope this report offers a viable pathway toward that aim.

Current Status: High Risk, High Opportunity

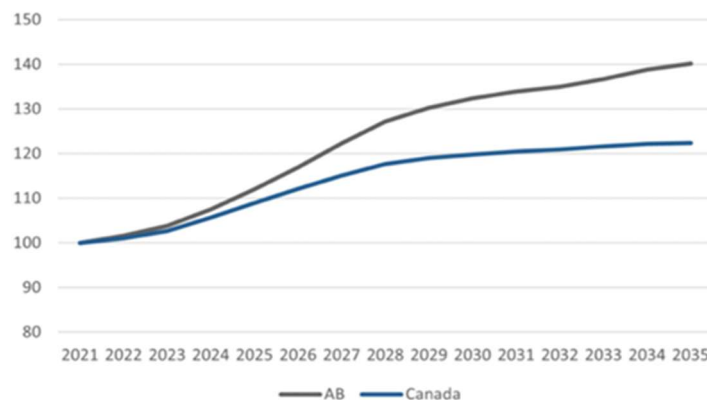
The Risk: Continued PSE underfunding despite dramatic enrolment growth

Focus: Prepare all PSIs across Alberta to fully capitalize on the historic enrolment boom projected from 2025 to 2030

Alberta's Access Crisis

Alberta's PSE sector is *not prepared* for the anticipated surge in student enrolments from 2025 – 2035.²

Population Age 18-21, Canada vs. Alberta, 2021-2035



Alberta is facing the largest youth population explosion in the past 50 years, which is expected to increase the size of the traditional post-secondary education (PSE) population by as much as 40 per cent.

- Demand could increase even more than 40% because much of the population growth is due to immigration, and, traditionally, children of immigrants tend to value post-secondary education far more than the children of 2nd and 3rd-generation Canadians.
- This is especially the case in Alberta, where non-immigrant parents may not see value in their kids spending time and money to gain a PSE credential, since many of them graduated from high school at a time when the oil and gas sector was booming, and six-figure jobs that required no post-secondary training were more plentiful.
- The government has not tabled any plan to increase PSE faculty numbers, student service staff, or infrastructure in response to the significant rise in enrolment, in a sector that is currently closing programs due to staff and funding-shortages that began with the 2019-2023 cuts to provincial funding and have been exacerbated by a decline in foreign-student recruitment.

² Higher Education Strategy Associates – State of the Sector 2024

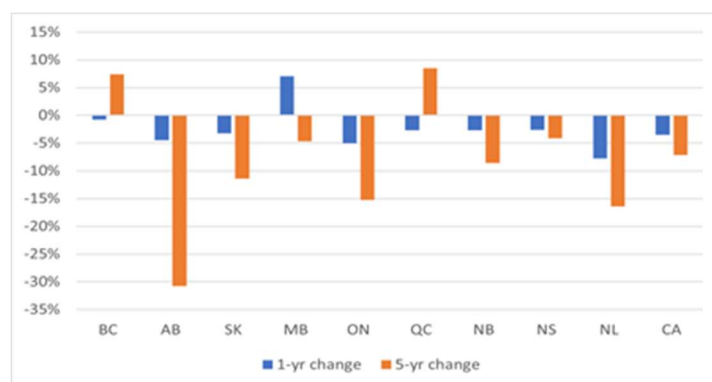
Risk Factor 1: Significant budget cuts

Alberta **PSE funding was reduced by 31%** between 2019-20 and 2023-2024, which amounted to a reduction of over half a billion dollars.³

Changes in Provincial Transfers to Institutions by Province – 2012 to 2023



1- and 5-Year Change in Budgeted Transfers to PSE Institutions by Province, 2023



These steep and rapid cuts significantly reduced institutional quality and resilience through substantial and largely unplanned reductions to programs, faculty, and staff, leaving them profoundly vulnerable to subsequent pressures, such as the decline in foreign student applications.

Currently, universities and colleges struggle to deliver high-quality instruction and research to their current student bodies; they are unprepared — and largely unable — to manage the predicted enrollment surge of the next few years.

Risk Factor 2: Unpredictable PSE funding

The current model is not conducive to future planning for a few reasons:

- **Base Operating Grants fluctuate** year over year.
- **Some IMA metrics reflect factors outside PSI control.** For example:
 - Enrolment numbers can fluctuate with population growth or the availability of high-paying energy sector jobs that do not require prior training.

³ C. Klingbeil (2023), University Affairs

- Graduate employment is susceptible to economic cycles, and careers often take years to establish, particularly in disciplines in the Social Sciences and Humanities, which tend to lead to different (though often equally remunerative on a lifetime basis) patterns of employment and compensation.
- When At Risk allotments are not met, the focus shifts to past analysis instead of future planning.
- Rural colleges and universities cannot scale up or down in response to short-term budget cuts.
- IMAs are an example of a **Performance-Based Funding (PBF)** mechanism. A comprehensive review of 52 of the most rigorous peer-reviewed studies published between 1998-2019 that examined the outcomes of performance-based funding in 41 U.S. states concluded performance-based funding “is generally associated with null or modest positive effects on the intended outcomes of retention and graduation, but there is also compelling evidence that performance-based funding policies lead to unintended outcomes related to restricting access, gaming of the performance-based funding system and disadvantages for underserved student groups and under-resourced institution types.”

Risk Factor 3: Unsustainable international student revenues

Plummeting international student revenue has resulted in significant operational and academic deficits for domestic students. The following are excerpts from relevant media commentary on the effects of international student caps:

Together with provincial realities such as limited funding and declining domestic student revenue, the changes have created a perfect storm across the entire post-secondary sector, leading to impending job losses, hiring freezes, early retirement incentives, fewer courses and sections, and even campus closure. The result is a “dual threat” to Canada, said Gabriel Miller, president and CEO of Universities Canada. The country faces a “constrained ability to create opportunity” for domestic students to get a university education due to lack of money to run programs, and “a loss of really invaluable talent coming into Canada,” he said, because promising international graduate students are turning away from the country for better prospects elsewhere.⁴

Regarding revenue, [U of C Students’ Union Vice President External] Mateusz Salmassi noted that international students have become integral to the university’s financial strategy due to drastic cuts in provincial funding since 2019. He pointed out that international students pay 75 percent more in tuition than domestic students, contributing 17.4 percent to the University of C’s tuition revenue in 2019-20, which increased to 22.8 percent by 2022-23.⁵

Lethbridge post-secondary schools are trying to navigate recent changes to the cap on international students, announced by the federal government in January. Schools are still trying to determine the full extent of the impact on them. “It’s frustrating that here we are, nine months after IRC started the clampdown. They’re still implementing new rules that are making it very difficult,” said Brad Donaldson, Lethbridge Polytechnic president and CEO. In 2023, the University of Lethbridge had

⁴ M. MacDonald, University Affairs (Dec. 16, 2025). <https://universityaffairs.ca/news/international-student-fallout-hits-the-bottom-line/>

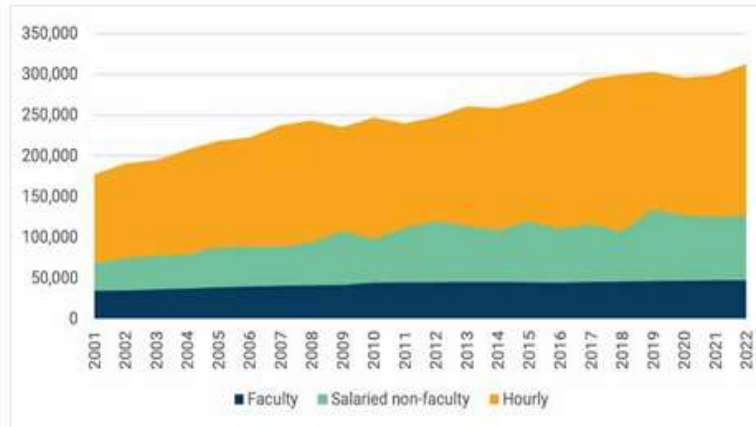
⁵ M. Jolly, The Gauntlet (Oct. 27, 2024). <https://thegauntlet.ca/2024/10/27/students-union-raises-concerns-over-international-student-visa-cuts/>

nearly 1,200 international students, while international students made up around 20 per cent of Lethbridge Polytechnic's student body.⁶

Risk Factor 4: Challenging faculty workloads and work conditions

- **Increased classroom complexity** (and related faculty pressures) have escalated since 2019, with post-pandemic learners needing more one-on-one support and special accommodations.
- **AI usage** not only demands greater faculty vigilance in the classroom but also opens up entirely new fields of study--and both demand urgent, increased attention.
- **Overreliance on contract academic faculty can suppress** long-term academic quality.
- The “boomer bulge” is showing up in **escalating faculty retirements** every year, with many institutions leaving vacated positions unfilled due to financial pressures.
- **Gaps between collective bargaining agreements and market realities** have increased the cost-of-living burdens placed on individual faculty.
- Public PSIs are subject to more regulations than private PSIs--even as new budget measures allow more access to public money for private institutions. These regulations increase the need for **more transactional administrative staff at the expense of frontline faculty** and restrict the competitiveness of public sector institutions.
 - Many institutions spend more on senior administrative positions (represented by the category “Salaried non-faculty” in the following graph) than on faculty positions.

Total Staff by Status – Canadian Universities 2001-2002



⁶ Q. Keenan, CTV News (Oct. 17, 2024). <https://www.ctvnews.ca/calgary/article/lethbridge-post-secondary-schools-dealing-with-impact-of-international-student-cap/>

The Opportunity: Reinvest in Alberta PSE

Focus: Increase student access, education quality, research competitiveness, sector-wide innovation, and financial stability

Opportunity 1: Increase student access and enhance the student experience

- **Recognize rural colleges' crucial role in community building** and ensure rural PSIs have the capacity to drive positive outcomes in rural communities /rural economies:
 - With histories stretching back more than 100 years, many rural colleges have a significant impact on the communities they serve, particularly Indigenous communities.
 - Rural colleges play a substantial role in applied research, supporting unique infrastructure (such as farms, breweries, meat labs, greenhouses, and veterinary stations) within the subject areas they serve.
 - Rural colleges support successive generations to stay and thrive in farming.
- **Expand Open Educational Resources (OER)** – including charge-free textbooks – available through Athabasca University.
- Strategically **leverage the enrolment surge**:
 - Alberta PSIs will experience an influx of culturally diverse students between 2025 and 2030, as a sizable contingent of minority children of immigrants, who have been settled in the province since the 1990s, will be entering the system.
 - To maximize retention and completion, PSIs would be well-advised to recruit faculty and staff who reflect the cultural diversity of incoming students and help foster culturally welcoming learning environments.
 - Provide appropriate support for students whose first language is not English, reversing cuts to English language centres at several institutions, such as Lethbridge Polytechnic.
- **Resist program and student service cuts** in reaction to the drop in international student revenues, as this would significantly downgrade the domestic student experience or drive Albertans out of the province to seek similar education.
- Utilize **dual-credit programming** to increase post-secondary participation rates:
 - In the BC model, Grade 11 and 12 students can take post-secondary courses and receive credit towards both high school graduation and PSE credentials.
 - Dual credit students are 7 percent more likely to graduate on time and 16% more likely to make an immediate transition to a B.C. public post-secondary institution.⁷
- Develop a **new, revitalized Indigenous PSE strategy** in collaboration with Indigenous groups.
 - As the province's fastest-growing sub-population, Indigenous learners can lead the way to a revitalized PSE sector across Alberta. In Canada, the Indigenous population grew by 8.0% between 2016 and 2021, compared to 4.7% for non-Indigenous Albertans over the same period.⁸

⁷ <https://www2.gov.bc.ca/gov/content/education-training/k-12/support/dual-credit>

⁸ Census Canada 2016-2021

- Invest in colleges and polytechnics: While 16% of Indigenous peoples hold a university degree (compared to 36% of the overall population), 23% have obtained a college credential, and 11% have completed apprenticeships—figures that surpass those of the general population (Statistics Canada, 2021).⁹
- At all PSIs, integrate arts and humanities programming--trusted by Indigenous leaders to help address mental health issues and intergenerational trauma resulting from the historic and systemic racism that many Indigenous learners experience.

Opportunity 2: Increase education quality

“Future-proof” Alberta’s PSE students by (i) equipping them with **both** current labour market-aligned skills **and** adaptive, pan-sector skills, and (ii) ensuring funding models do not work to the detriment of small, rural institutions that are a major positive force economically, culturally, and in terms of PSE access in rural communities.

- The criteria for Targeted Enrolment Enhancement (**TEE**) **funding contains a bias against Arts and Humanities programs. Why it matters:** Employers seek graduates with the adaptive skills imparted by Arts and Humanities education:
 - Creativity, critical thinking, problem assessment, complex information processing, and communication.
 - The demand for adaptive skills is projected to grow by 19 percent in the U.S. and 14 percent in Europe by 2030.¹⁰
 - These skills are in demand across all occupations, and STEM graduates with strong training in the Arts and Humanities tend to perform better than those without such skills.

Align funding to support **both** skills tied to short-term market conditions **and** long-term adaptive skills perennially sought across sectors to avoid scenarios like the collapsed demand for Coders vs. Prompt Engineers.

- **TEE funding can work to the detriment of smaller rural PSIs. Why it matters:** Although rural PSIs may not have large student populations, they play a major role in community building and maintenance, and providing PSE access to underserved (and often overlooked) rural learners. Their vital role needs to be acknowledged in the enrolment model, or in terms of a base operating grant that recognizes the particular role rural PSIs play in their communities.
- **End over-reliance on contract academic staff** to meet increasing enrolments.
 - The Canadian Association of University Teachers (CAUT) and others have advocated for institutions to address the financial precarity of sessional faculty work, characterized by limited terms, no benefits, and reduced involvement in institutional decisions, yet subject to the same standards of academic quality, academic freedom and academic integrity as tenured faculty.
 - The prevalence of sessional faculty negatively impacts completion rates, graduate readiness to succeed in the labour market, and the overall competitiveness and reputation of Alberta’s PSE sector.

⁹ <https://www.collegesinstitutes.ca/by-the-numbers-indigenous-post-secondary-education-in-canada/>

¹⁰ Automation and the future of the workforce, McKinsey Global, 2018

- Some best practices in sessional faculty engagement – including at the University of Regina, whose collective agreement included provisions for sessional performance reviews, job security, and priority status – present viable adaptations for Alberta.
- **Review employee categories at each PSI** (i.e., administrators, academic faculty, student support staff, and ancillary staff) to prioritize positions that directly serve student and labour market needs and ensure senior administrative roles are essential, with no duplicated responsibilities.
- **Enhance PSI Board effectiveness:** Where corporate Boards largely focus on strategic and operational decisions that advance shareholder value, PSI Boards must also make decisions to advance educational and pedagogical value. As such, PSI Boards can benefit from professional development to better understand program development processes and costing and be better prepared to monitor and provide wise counsel regarding institutional strategies and operations.
- **Restore free collective bargaining between institutions and faculty and staff unions to attract and retain top faculty** for teaching and research. Current provincial collective bargaining models prevent boards and unions from reaching agreements that reflect local conditions and international competition for high-quality faculty. This is particularly important, as many PSE systems around the world are creating new incentive plans to capitalize on the increasing instability in the U.S. post-secondary sector.
- **Create a durable and predictable funding model which rewards long-term success rather than relying on fads and “magic bullets” to solve capacity and revenue problems.**
 - Many post-secondary Institutions in Canada have turned to “magic bullets” as a way of solving domestic capacity and revenue streams. For the last decade, for example, many institutions across the country have identified recruiting foreign students and implementing micro-credentials as key strategic priorities.
 - While innovation in program delivery should be encouraged, care must be taken to ensure that such innovation is grounded in the peer-reviewed quality that underlies our entire system.
 - CAFA and ACIFA’s views on micro-credentials are as follows:
 - Micro-credentials must be solidly grounded in academic rigour, developed and delivered by credentialed academic faculty, and integrate best practices in teaching and learning. Not doing so risks students investing in micro-credentials that do not meet the level of quality required to ladder up to certificates, diplomas, or degrees.
 - To counter this serious risk, any micro-credential must be developed, approved, and regularly peer-reviewed for quality assurance by credentialed academic faculty.
 - Finally, a micro-credential framework (similar to British Columbia’s) must first be developed before it can be funded. See <https://opentextbc.ca/bcmicro-credential/chapter/welcome-to-the-micro-credential-toolkit-for-b-c/>

Opportunity 3: Increase research competitiveness

Alberta is home to two world-class research universities: the University of Alberta is ranked in the top 120 in the world, while the University of Calgary is among the top 5 in Canada. Additionally, all Alberta universities and colleges engage in research activities that have practical applications in diverse sectors and workplaces. To make Alberta PSE research a global gold standard:

- **Fund wide-ranging research** to foster innovation.
- **Boost international credibility, attract investors, and foster commercialization** by ensuring PSE research is:
 - Arm's length from industry and government (but may respond to priorities of both).
 - Developed, monitored, and conducted by qualified faculty.
 - Peer reviewed.
- **Include rural colleges** in the research picture, as they play a significant role in advancing applied research around the subject areas they serve.
- Integrate an arm's-length, peer review-grounded **Alberta Research Agency** as a PSE Centre of Excellence.
- **Reduce regulation** around research oversight.
- Collaborate with PSIs to **advocate for sustainable international student quotas** to catalyze future global trade and long-term business connections.

Opportunity 4: Cultivate a culture of innovation

- **Leverage AI:** Prepare students to successfully navigate AI as well as successive, as-yet-unknown technological developments.
 - Thirty years ago, while the internet was burgeoning, social media was still in its infancy. Today, AI is what social media was then, representing both astonishing potential for innovation and efficiencies, and significant societal risk through nefarious applications like identity theft, fraud, and fake news.
 - Faculty members are adept at helping students improve their information literacy, developing assignments that enable students to leverage AI efficiencies without compromising academic integrity, and exploring the viability of AI in the workplace to enhance graduate competitiveness in the labour market.
 - Alberta can engage faculty and staff to lead the development, implementation, and oversight of policy and guidelines for using AI to advance PSE sector objectives—for example, automating transactional processes to free up human resources for more complex and nuanced work.
- **Explore the viability of Centres of Excellence:** The federal government's former Networks of Centres of Excellence (NCE) program earmarked multi-year funding to advance research in focused areas, involving collaboration across disciplines, institutions, and jurisdictions.¹¹
 - Examples: ArcticNet (Université Laval and University of Ottawa, 2003-25), Making the Shift – a Youth Homelessness Social Innovation Lab (York University, 2019-25),

¹¹ https://www.nce-rce.gc.ca/NetworksCentres-CentresReseaux/PreviouslyFunded-FinancesAnterieurement/NCE-RCE_eng.asp

the Canadian Mountain Network (University of Alberta, 2019-24) and Canadian Bacterial Diseases Network (University of Calgary, 1989-2005).

- **Advocate for sustainable international student recruitment:** Alberta can lead other provinces in advocating for sustainable international student recruitment by emphasizing:
 - The need to forge PSE research and teaching connections in new global jurisdictions,
 - The opportunity to boost rural economies by requiring international students to start their education journeys at regional colleges and institutes, and
 - The potential to cultivate long-term business opportunities in international students' countries of origin once graduates return home.

Opportunity 5: Increase financial stability

- **CAFA and ACIFA response to a proposed Enrolment-Based Funding Model :**
 - We are not opposed to this model in principle, but with several important caveats:
 1. Faculty associations in Ontario indicate that enrolment-based funding did not arrive until approximately a year after enrolment numbers were submitted. It is our hope that quarterly reports will help offset the funding lags that occurred in Ontario and encourage the Panel to enact measures that ensure Alberta PSIs do not experience the same problem.
 2. While we appreciate how enrollment-based funding models may improve access to programs, the Ontario experience also shows that this can lead to an unsustainable number of unfunded students whose tuition is applied to the institution's bottom line. Again, we are encouraged by the Panel's note that it is considering enrolment maximums as well as minimums to address this situation.
 3. We need extensive conversations about the definition of direct costs, as this is a key element of enrolment-based models. We need to ensure that program' costs are fully covered. CAFA and ACIFA strongly endorse the concept of "program clusters" that would enable program differences to be accommodated within this model.
 4. CAFA and ACIFA also strongly endorse the concept of base operating grants (BoGs) to ensure that the many costs of operating a college or university are recognized.
 5. While we support a model that respects institutional autonomy, we are wary of a model that would fund private, for-profit academic institutions.
- **CAFA and ACIFA response regarding appropriate BoG metrics** (proposed in addition to enrolment-based funding):
 - Explore the pros and cons of measures in place in other jurisdictions. For example:
 1. Educational attainment of Indigenous populations (SK)
 2. Total number of credentials awarded (SK)
 3. PSE participation targets for students from underrepresented backgrounds (Australia)
 4. Community and local impact of student enrolment, Economic impact (ON)

5. Faculty diversity – such as Gender Balance among tenured faculty (Germany)
 6. Teaching & Learning excellence based on submissions from teaching-focused institutions, including collaborative submissions from teachers from more than one institution (Germany)
 7. Population-wide PSE targets – such as 80% of working age people having achieved a PSE qualification by 2050 (Australia)
 8. Avoid focus on poor-quality research and teaching metrics (e.g. citation-counts, impact measurements, etc.) as these often can be easily gamed and promote poor underlying scholarly and scientific practices.¹²
- Consider a range of possible IMA options. A few options:

Option 1: Lower IMAs plus Support

For more continuity and to improve forward planning:

- Keep at-risk funding consistent and unchanging (e.g. 20%, slightly less than the average of 15-25-40% (currently applied over 3 years).
- Instead of increasing the percentage of At-Risk factors, keep them consistent for year 2 and work with PSE to provide guidance on how to add dollars and where to subtract dollars.
- If the percentage is met by the third year, everything reverts to its original state. If not, the BoG is reduced by the unachieved percentage in the fourth year.

Option 2: Version of Performance-Based Funding (PBF) Envelopes from 1997-98 in Alberta

Offer + incentives to top up institutions' BoGs by an additional 1 percent to 10 percent for:

- Commercialization of research.
- Commercialization of customized professional development & training modules for private industry.
- Adoption of digital technologies or AI for transactional task fulfillment (dependent on investment in broadband)

Option 3: Sector-wide Economic IMAs plus PSE-specific Educational IMAs

Instead of the current five IMA criteria (WIL, Enrolment, Graduate Outcomes, Reduced Administration Costs, Research Commercialization) adapt the Hong Kong model:

- Four sector-wide economic outcome metrics (e.g., Enrolment numbers, Research Income (U's only), International Students #s, Graduate Employment 5 years out)
- Four PSE-specific education experience metrics (e.g., Diversity of faculty, Apprenticeships secured (for Trades students), Course Pass/Fail/Withdrawal rates, WIL numbers)

Option 4: Stable Funding Model

¹²Moore, S., Neylon, C., Paul Eve, M. *et al.* "Excellence R Us": university research and the fetishisation of excellence. *Palgrave Commun* 3, 16105 (2017). <https://doi.org/10.1057/palcomms.2016.105>

Why? No improvement to Ultimate Outcomes, which are less controlled by PSE than Immediate Outcomes:

- Maintain the current Base Operating Grant (BoG) for the coming year.
- Negotiate a BoG agreement with each institution for a five-year period.
- Revisit in five years.

Option 5: Input-based Funding Model with Discretionary Incentives

- University BoG is tied exclusively to per capita dollars for enrolments at undergraduate, graduate and post-graduate levels, with amounts varying by level.
 - College and polytechnic BoGs are tied to per capita dollars for enrolments, which will vary for undergraduate academic credentials versus trades credentials.
 - All PSEs are eligible for Discretionary Incentives of 5%-10% of BoG every 5 years
 - Based on metrics agreed upon through negotiation between the government and each institution.
- **Reflect realistic program completion timelines** (5-6 years vs. 3 years) in funding cycles.
 - **Revisit current funding practices:**
 - The current model does not account for the effects of inflation or reflect the Bank of Canada's 2% target inflation rate, which would result in a corresponding increase in provincial revenues.
 - Funding caps pit larger institutions against smaller ones, as they must compete for a limited funding pot.
 - At Risk and IMA allocations will leave Alberta's institutions vulnerable to funding cuts, even as enrolment levels are starting to surge and international competition for faculty and students increases.
 - **Negotiate multi-year funding with the federal government** through initiatives such as labour market transfer agreements (LMTAs) and/or invest in Foundational Learning Assistance Programs (FLAPs) with provincial funding alone, as programs such as English as a Second Language and Academic Upgrading provide important pathways into post-secondary education..
 - **Use public funds to maximize public PSI capacity¹³:**
 - Non-profit Independent Academic Institutions (IAIs): IAIs operate under independent accountabilities, governance and board guidelines. This can result in unhealthy competition between for-profit and publicly funded PSIs.
 1. As IAIs do not have to meet the same quality controls as public PSEs, IAI graduates may not have the same competencies as public PSE graduates.
 - For-profit IAIs: In 2024, a for-profit IAI – MaKami College – was added to Alberta's five existing non-profit IAIs. This channelled public dollars toward a private, for-profit PSE offering programs already offered at public colleges and institutes, but at higher fees.

¹³ https://www.parklandinstitute.ca/subsidizing_profit

Next Steps

Together, CAFA and ACIFA represent more than 12,500 continuing and contract faculty members. As such, we appreciate the opportunity to present our priorities and recommendations to The Mintz Expert.

In closing, we respectfully suggest a second round of key stakeholder engagements on the Panel's draft recommendations (prior to their finalization) from:

- Students: College, polytechnic and university
- PSE Student Services staff
- Rural and Urban Municipalities and Community Members
- Indigenous communities and Indigenous learners
- Online learners and researchers (Athabasca University)
- Employers
- And, of course, faculty.

The principle “not about us without us” applies here. Engaging those who will be involved in or affected by a new Alberta PSE funding framework would increase their willingness to adopt and adapt to new realities.

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Appendix A – Stakeholder Engagement Results

CAFA and ACIFA conducted 1:1 interviews with 11 post-secondary education subject matter experts (SMEs) from within and outside Alberta.

Interview Participants and Process

For privacy purposes, SME roles and institutional descriptors (rather than name and titles) are provided below:

1. Faculty Member, Online University (AB)
2. Administrator / Former Faculty Member, Online University (AB)
3. Indigenous Faculty Member, Undergraduate University (AB)
4. Former President, Regional College (SK)
5. Faculty Member, Comprehensive University (SK)
6. President, BC University, Former Faculty Member, Ontario Universities (BC, ON)
7. Administrator / Former Faculty Member, Ontario College (ON)
8. Senior Administrator, Special Purpose Academic Institution (AB)
9. DEI Administrator, BC University (BC)
10. Faculty Member, Medical & Doctoral University (MB)
11. Indigenous Leader, Community and Province (AB)

Interview transcripts were aggregated and anonymized to remove personal identifiers, then reviewed to identify comments aligned with one or more of six core themes:

Participant Input: Summary

Core Theme	Core Theme Description
1	Develop effective funding mechanisms for Alberta PSIs *
2	Manage impacts of federal immigration policies on Alberta's PSIs *
3	Reduce the administrative and regulatory burden on Alberta PSIs *
4	Increase overall competitiveness of Alberta's PSE system *
5	Community engagement to inform funding model validation +
6	"Both/And" instead of "Either/Or" program funding guidelines +

*Stated priorities of Mintz Expert Panel

+Key considerations for province-wide PSE sector funding model

Participant Input: Details

Core Theme 1: **Develop effective funding mechanisms for Alberta PSIs**

Key directions:

- Develop more stable PSE funding mechanisms that don't rise and fall with the boom & bust cycles of the oil & gas industry.

- In light of an anticipated economic downturn, adapt the Ontario example of a multi-year tuition freeze to maximize enrolments in light of an anticipated recession, and give PSIs leeway to raise out-of-province domestic tuitions to stabilize budgeting.¹⁴
- Encourage institutions to review their processes and explore opportunities for efficiencies through AI integration, freeing up more time for staff to tackle complex tasks.
- Measure inputs (education metrics) as well as outcomes (economic metrics).
- Invest now in increasing PSE access, particularly to Indigenous people who constitute the province's fastest-growing population. See also *Shaping Alberta's Future: report of the Premier's Council for Economic Strategy*¹⁵

Verbatim Stakeholder Comments related to Core Theme 1:

"At 13 of the largest institutions in Canada, 52 percent of the teaching was being done by adjunct faculty—who are not eligible for research funds. So, you're talking about 52 percent of your academic faculty not contributing to the research across all the various disciplines, and that's what feeds a society."

"When people talk about skills, you have to go: Is this in the best interest of the company or the employee?"

"Rural and remote institutions, specifically staff and faculty, understand the labour market challenges connected to local industry."

"...college is laying off a huge percentage of their faculty, yet they're advertising for a Dean of Academic Integration at a salary of hundred-and-forty-thousand to a hundred-and-seventy-thousand dollars a year. And the kicker? The Dean will report to an AVP of Academic Integration."

Core Theme 2: **Manage the impacts of federal immigration policies on Alberta's PSIs**

Key directions:

- Explore international student placements in rural colleges, as they can contribute to rural economies and be a source of part-time labour for rural employers.
- The importance of employee diversity and intercultural understanding in attracting and retaining International students.
- As an interim step, given the uncertainty around U.S. relations and the new federal government, immediately cease or adjust IMAs until international student caps are lifted to prevent or mitigate job losses in ESOL language programs¹⁶ just as Alberta is receiving more immigrants than ever.¹⁷

¹⁴ <https://news.ontario.ca/en/release/1004227/ontario-investing-nearly-13-billion-to-stabilize-colleges-and-universities>

¹⁵ <https://open.alberta.ca/publications/report-of-the-premiers-council-for-economic-strategy>

¹⁶ <https://lethbridgeherald.com/news/lethbridge-news/2025/01/24/english-language-centre-cut-at-lethbridge-polytechnic/>

¹⁷ <https://www.oxfordeconomics.com/resource/albertas-success-at-attracting-migrants-is-building-pressure/>

Verbatim Stakeholder Comments related to Core Theme 2:

“...[Institution] has developed lots of housing for International students, and these allow for greater monitoring (Drug-free policies, for example) and boost the local economy.”

“So, they want to bring international students because they bring money into the institution. But then we cut out EDI. What does that do for current international students’ sense of belonging or inclusion in our institutions?”

“International students are important to the sector and bring a lot to Alberta too. One, they help make connections to other places that lead to greater understanding, but also, when they go back home, they remember services and commodities that can be purchased in Alberta. They make important business linkages in that way.”

Core Theme 3: **Reduce administrative and regulatory burden on Alberta PSIs**

Key directions:

- Too many senior administrative roles.
 - Do not add to bureaucracy by micromanaging (i.e., ensure current exemptions remain in place to provide certainty for researchers, and end reporting requirements for cancelled or over-budget events related to equity or diversity issues).
-

Verbatim Stakeholder Comments related to Core Theme 3:

“The province has said we’re not allowed to receive federal research money until they’ve had a chance to review it and give us permission to receive it. All I can imagine is it’s a bureaucratic nightmare.”

“Eliminate all this excessive, excessive, senior administration. There are VPs of everything you can imagine.”

“AI can automate a lot of the mundane tasks and do it with more accuracy. What it means is that workers can be freed up and upskilled to do more meaningful work.”

“If grants go down, tuition goes up – and students already feel they’re paying more and getting less.”

Core Theme 4: **Increase overall competitiveness of Alberta’s PSE system**

Key directions:

- Foster and entrench perceptions of Alberta as a desirable place to work with excellent research resources, respect for institutional autonomy and academic freedom – the freedom

to pursue knowledge wherever it goes – and adequate resources for faculty who deliver programs.

- Recognize relevant expertise, including industry links and relevance, that sessional faculty bring by right-sizing contract academic faculty pools.
- Prepare rural colleges and institutes to play a key role in increasing Indigenous PSE participation.
- Increase PSE participation rates: PSE-holders earn more, put more dollars into the economy, and pay more taxes than non-PSE-holders.
- PSE must develop both *specific skills* (tied to current, known needs) and *adaptable skills* (tied to future, unknown needs).¹⁸
- Get ahead of AI, teaching students about virtual reality, nuclear energy, and other areas where Canada is behind – faculty can lead.
- Consider hubs of specialized teaching & research for different sectors of the economy (e.g., resource extraction, digital tech, agriculture, entrepreneurship).
- Get more people out of the margins and contributing to society.
- Dual credits enable high school students to earn credits toward their diploma and a post-secondary program simultaneously.

Verbatim Stakeholder Comments related to Core Theme 4:

“There’s value to saying, you know what, go work. If you’re training somebody to work in forestry, go work in forestry for a week, right? See what technologies they’re using, see where your curriculum is and if you can tailor it.”

“We have students from education, social work, nursing who have frontline relationships with Indigenous people who have no knowledge of their historical experiences with Canadian policy and are hindered in providing them with services in safe, culturally aligned ways. That’s why liberal arts are so important! To create ethically minded, ethically focused graduates.”

“Post-secondary institutions are great at adding things on. We’re terrible at getting rid of anything or maneuvering in a way that utilizes our resources more effectively.”

“Don’t just look at what artificial intelligence can do. Be smart—look at what it can’t do. Where does it fail? Where does it not prosper?”

“Bring in people who are out there in the margins so they can finish high school, go to post-secondary, feel valued. Then they’re gonna contribute more to society.”

Core Theme 5: **Community engagement to inform funding model validation**

Key directions:

- Make community input a guiding principle in developing a new PSE funding model.

¹⁸ **Specific skills:** Tied to present, known labour market needs. Typically taught in trades, STEM, business programs. **Portable skills:** Tied to future, unknown needs. Typically taught in liberal arts and humanities programs.

- Implement a “Phase 2” that consists of consultations with key stakeholder groups for input on the Mintz Expert Panel’s recommendations.
- Review, reflect on, and appropriately integrate community and stakeholder input into the updated PSE funding model.

Verbatim Stakeholder Comments related to Core Theme 5:

“Many faculty members are engaged in community activities, they're sitting on community boards, they're volunteering their time. They're bringing new knowledge and a new worldview.”

“...partnering collaboratively with Indigenous communities to help build Indigenous support for these massive projects through education and training.”

“It is absolutely fundamental that we understand, strategize with, and respond to our communities. We can’t risk being insular.”

“Ask people: What are the connections between your realities and post-secondary education? And listen to what they say.”

Core Theme 6: **“Both/And” instead of “Either/Or” program funding guidelines**

Key directions:

- Place equal value on (i) STEM, Trades, Technology, Resource Science and Business programs that impart *specific skills [to meet current labour market needs]*, and (ii) arts and humanities disciplines that impart *adaptable skills with ongoing value*, [such as] critical thinking, problem analysis and persuasion capacity. Where the former may be time-dated and job-specific, the latter remains useful over time and across sectors.
- “Both/And” thinking considers the employer’s need for adaptable skills and the importance of optimizing both the learning experience and learning outcomes.

Verbatim Stakeholder Comments related to Core Theme 6:

“We need to start thinking differently and our ability to predict the future is terrible. So, let's go with the thing that is foundational, which is critical thinking. People need to be able to question things. And yes, sometimes that's unpleasant. And sometimes people raise their voices.”

“Jobs and work are nuanced. Students must learn how to express themselves, how to work in teams, how to make a recommendation and support it with persuasive evidence. And to do it with confidence.”

“People don’t live in factories. They live in culture.”

“...train for the known but prepare for the unknown. Unpredictability is what can spark innovation.”

Appendix B – Relevant Findings from Literature Review

The following is a summary of research that reflects the following core themes:

Core Theme	Core Theme Description
1	Develop effective funding mechanisms for Alberta PSIs
2	Manage the impacts of federal immigration policies on Alberta's PSIs
3	Reduce the administrative and regulatory burden on Alberta PSIs
4	Increase the overall competitiveness of Alberta's PSE system
5	Community engagement to inform funding model validation
6	"Both/And" instead of "Either/Or" program funding guidelines

Tertiary sector reforms slated for implementation from 2023 to 2050 in Australia (1, 2, 4)

- Government statement: "\$1.1 billion invested over 5 years (plus an additional \$2.7 billion from 2028-29 to 2034-35) for the first stage of reforms to deliver a larger, more skilled and productive workforce while also providing cost of living relief for students, and equity and affordability measures to increase access to university." Of 47 recommendations, 29 were initiated from 2023 to 2025¹⁹. Relevant reforms include:
 - Expanded Demand-Driven/Needs-Based funding with more funds for public education providers to help graduate more students from low socio-economic standard (SES) backgrounds, First Nations, and regional campuses.
 - A 20% reduction in all student debts.
 - The target is for 80% of working age people to have achieved a tertiary qualification (higher education or vocational education and training or VET) by 2050.
 - \$27.7 million allocated to support better student pathways between VET and universities and reduce red tape for dual sector providers.
 - Participation targets set for students from underrepresented backgrounds.²⁰

Employability in higher education:

Core Theme Alignments	2, 4, 6
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- The government's definition of employability prioritizes the development and accreditation of knowledge and vocational skills. Other perspectives are associated with other stakeholders:
 - Employers define employability in terms of soft skills and attitudes.
 - Students interpret employability as not only gaining employment but also building a career.
 - PSIs appear influenced by government policy by emphasizing their role to support students to become employable, ignoring external factors such as economic and labour market conditions, age, race, gender and discipline (Cheng et. al., 2022).

¹⁹ Australian Universities Accord: 2024-25 Mid-Year Economic and Fiscal Outlook (MYEFO) Summary

²⁰ <https://www.charteredaccountantsanz.com/news-and-analysis/news/federal-budget-2024-25-education>

- A study of Australia’s 42 operating universities’ strategic plans (Baron & McCormack, 2024) sought to better understand (i) the extent to which employability was embedded in each university’s strategic priorities, (ii) how employability was positioned in the plans, and (iii) whether/how that position could be described as “performative”—i.e., projecting or mirroring government goals. The research found the following impacts:
 - **‘Graduate Employment’ narrows the value of education to outcomes** rather than preparing graduates for less quantifiable but arguably more valuable outcomes, such as social citizenship.
 - **Impact on the mental health of students:** If the university’s ‘product’ is the ‘work-ready graduate’, then ...[students’] success in the job market risks becoming the external measure of their value.
 - **Misconception of the term ‘graduate employment’:** There are many variables that impact employment, such as labour market volatility and the perceived reputation of one’s alma mater. For example, graduating from Australia’s “Group of 8” research-intensive universities can increase a student’s chance of gaining full-time employment by 38 percent. It was found that by 2015, 52 percent had at least a bachelor’s degree, and 26 percent were pursuing their second tertiary degree in different fields from the first, as the first qualification did not translate into adequate employment outcomes.

Students’ views on the purpose of higher education:

Core Theme Alignments	4, 5, 6
<ul style="list-style-type: none"> ● [Denmark, England, Germany, Ireland, Poland, Spain]... even in nations that charge high fees, many students see higher education as a public good through which they contribute to society rather than as a private good linked to the labour market (Brooks et. al., 2021). ● Those working in higher education institutions should be aware of students’ broad views about purpose and not assume they are solely or even primarily focused on employment or position themselves as ‘consumers’ of education’ (Sanchez-Campos et. al., 2024). 	

Performance-based Funding:

Core Theme Alignments	1
<p>A thesis on performance-based funding (PBF) in Australia (Holliday, 2024) made several recommendations for designing a PBF funding model. For example:</p> <ul style="list-style-type: none"> ● Include the “student voice” in the design process ● Include employer input in the design process ● Measure the same things for all PSIs ● Include teaching innovation as a key metric ● Incentivize equity and inclusion measures separately from other PBF metrics²¹ 	

²¹ Holliday, Steven (2024). A Study on Australian Performance-Based Funding for Domestic Bachelor Level Undergraduate Students. CQUniversity. Thesis. <https://doi.org/10.25946/26308375>

Performance Based Funding: An article in the CAUT Education Review in 2019, might be useful: https://www.caut.ca/sites/default/files/caut-education-review-performance-based_funding_in_higher_education.pdf

Micro-credentials:

Core Theme Alignments	1, 4, 6
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As stated under Opportunity 2, CAFA and ACIFA's principles on micro-credentials are as follows:

- Micro-credentials must be solidly grounded in academic rigour, developed and delivered by credentialed academic faculty, and integrate best practices in teaching and learning. Not doing so risks students investing in micro-credentials that do not meet the level of quality required to ladder up to certificates, diplomas, or degrees.
- To counter this serious risk, any micro-credential must be developed, approved, and regularly peer-reviewed for quality assurance by credentialed academic faculty.
- Finally, a micro-credential framework (similar to British Columbia's) must first be developed before it can be funded. See <https://opentextbc.ca/bcmicro-credential/chapter/welcome-to-the-micro-credential-toolkit-for-b-c/>

Generative AI:

Core Theme Alignments	3, 4
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- The CRAFT framework (Liu & Bates, 2025) provides a guideline for effectively integrating generative AI in education, research and operations. The PSI must aim to clarify and balance **Rules**, **Access**, and **Familiarity** among key stakeholders, including students, faculty and staff. These three areas are grounded by **Trust** (between all stakeholders, and of AI itself), and **Culture** (the attitudes, philosophies and perspectives within the institution and in the wider world).
 - The following rubric addresses the “**R**” of the CRAFT model:

Rules: Self-positioning rubric

Table 1. Rubric for establishing rules around engaging with generative AI.

	Emerging	Established	Evolved	Extending
Leaders	Desire for / initial discussions leading to drafts of institution-wide principles and policies, such as privacy, security, ethics, and integrity. Formation of some governance structures.	Committees and working groups formed, leading to principles and policies around privacy, security, ethics, compliance, quality assurance, and academic integrity as relates to generative AI. AI governance structure with clear accountability. Clear guidance and resources provided and communicated to educators, researchers, and students. Impacts on diversity, equity, and inclusion are considered.	Collaboration internally and externally (other universities, industry, accrediting bodies) on standards and resources. Regular validation and review of rules. Comprehensive AI strategy, monitoring, and quality assurance mechanisms articulated and integrated into institutional plans. Diversity, equity, and inclusion are central to institutional approaches to AI.	Cross-sector partnerships (with industry, accrediting bodies, government, community) to define responsible AI use. Influencing wider policies such as industry practices and codes of conduct.
Educators	Uncertainty about permissible roles for AI in teaching, learning, and assessment. Ad hoc rules set by individual educators. Some acknowledgement of AI use (or not) in course documents. May be banning AI entirely in assessments.	Institutional rules about AI in teaching, learning, and assessment are clearly understood, consistently cascaded and appropriately applied in different disciplinary contexts. Responding to the need to assure learning outcomes and prepare students for the future.	Providing feedback on policy effectiveness for on-going enhancement. Aligning course-specific nuances of institutional rules to disciplinary needs. Securing assurance of learning outcomes at key points of students' journeys. Consideration and integration of AI in curriculum review processes.	Contributing to educator-led AI working groups to influence policy directions and wider practice.
Researchers	Ad hoc use with limited institutional guidance. May be unclear about data security requirements.	Developing discipline-specific guidelines and approach for responsible AI use in research. Safely using AI in research, maintaining data security. Involving research ethics boards in generative AI decisions.	Active contributions to refining institutional rules on AI for research. Contributing to AI research standards and developing best practices for specific domains.	Collaborating on AI-enabled research methodologies. Contributing to global AI research standards.
Students	Basic awareness of rules and policies around AI use, but some apprehension about application in different learning contexts.	Clear understanding of permissible AI use in learning and assessment and adherence to different guidelines across courses and programs.	Active engagement in discourse around AI. Student partnership in AI governance.	Student-led initiatives to ideate, refine and feed back on AI policies.

Five areas for action

Immediate key areas of activity

There are three core areas of focus for universities to enable work towards the goal of productively and responsibly integrating generative AI into their education, research, and operational functions. A combination of and balance between (1) **rules**, (2) **access**, and (3) **familiarity** is needed to enable appropriate adoption. A lack, or misbalance, of one or more of these areas may lead to ethical, privacy, security, academic integrity, or other challenges.

These three areas are underpinned by a foundational layer of (4) **trust** between students, educators, leaders, vendors, partners (industry, government, and community), and AI itself. Rules, access, familiarity, and trust are then situated in, and influenced by, an institution's local, regional, and even global (5) **culture** that includes attitudes, philosophies, and perspectives of individuals and groups of society, academia (universities and subunits), and governments.

Together, these make the CRAFT framework (Figure 1) for generative AI adoption in higher education. We unpack each of these components, along with implications for different stakeholder groups along their generative AI journey.

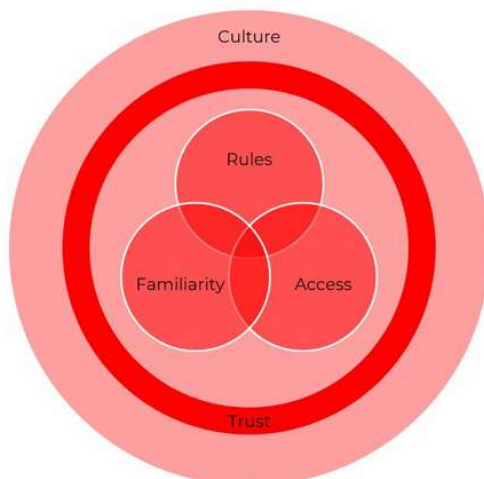


Figure 1. Interaction between the five core areas of activity needed to address generative AI in higher education.

Connections between Regional PSEs and Rural Communities:

Core Theme Alignments	1, 4, 5
<ul style="list-style-type: none">● Education empowers individuals and contributes to individual resilience which, in turn, fosters community resilience.<ul style="list-style-type: none">○ Resilient communities are better positioned to respond to socio-economic changes, environmental shifts, and global challenges.○ To enable community resilience through quality higher education, education providers must be prepared to substantively grapple with both the challenges and opportunities inherent in rural education (as depicted in the diagram below) and strive to balance these in their educational content, delivery, services, operations, and outcomes.	



Figure 3. Delivering quality education in rural communities. Source: OECD (2019) [63].

(Yu et. al., 2024)

- Community engagement is commonly used in public healthcare to build trust relationships between healthcare providers and the people they serve, inform policy and practice, build social capital for public health initiatives, and gain early warnings of emergent issues or challenges.
- According to Babawarun et. al. (2024), “engaging local communities ... can help tailor services to meet local needs and preferences, fostering community trust and support.” One example is the Vancouver Coastal Health Authority’s Community Engagement Framework, appended below.



VCH

[CE-Framework.pdf](#)

- Facilitate specific, culturally inclusive engagements with Indigenous communities to foster increased post-secondary participation “to build trust, understand their unique needs and preferences, and tailor services accordingly” (Kale et al., 2023).
- Involve community members in planning and decision-making processes to align services with community needs and preferences and enhance service relevance and acceptance (LeBan et. al., 2021).

PSE Reforms:

Core Theme Alignments	1, 4, 5
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- Tertiary sector reforms slated for implementation from 2023 to 2050 in Australia (1, 2, 4)
 - Government statement: “\$1.1 billion invested over 5 years (plus an additional \$2.7 billion from 2028-29 to 2034-35) for the first stage of reforms to deliver a larger, more skilled and productive workforce while also providing cost of living relief for students, and equity and affordability measures to increase access to university.”
 - Of 47 recommendations, 29 were initiated from 2023 to 2025²². Relevant reforms include:
 - Expanded Demand-Driven/Needs-Based funding with more funds for public education providers to help graduate more students from low socio-economic standard (SES) backgrounds, First Nations, and regional campuses.
 - A 20% reduction in all student debts.
 - The target is set for 80% of working age people to have achieved a tertiary qualification (higher education or vocational education and training or VET) by 2050.
 - \$27.7 million allocated to support better student pathways between VET and universities and reduce red tape for dual sector providers.
 - Participation targets set for students from underrepresented backgrounds.²³

²² Australian Universities Accord: 2024-25 Mid-Year Economic and Fiscal Outlook (MYEFO) Summary

²³ <https://www.charteredaccountantsanz.com/news-and-analysis/news/federal-budget-2024-25-education>

Appendix C – About CAFA and ACIFA

Confederation of Alberta Faculty Associations

- Federation of University Academic Staff Associations in Alberta.
- Represents the interests of four dues-paying faculty associations (AUFA, GMUFA, MRFA, ULFA)
- Coordinates provincial activity across PSE, working with ACIFA, TUCFA, and AASUA
- Members represent 3,000 academic staff.
- Objectives: To promote the quality of education in the province and the well-being of Alberta universities and their academic staff.

Alberta Colleges and Institutes Faculties Association

- Representative body for college and polytechnic academic staff associations in Alberta.
- 13 member associations from Alberta University of the Arts, Northwestern Polytechnic, Keyano College, Lakeland College, Lethbridge Polytechnic, Medicine Hat College, NAIT, NorQuest College, Northern Lakes College, Olds College, Portage College, Red Deer Polytechnic, and SAIT.
- Member associations represent 7,000 academic staff at more than 20 communities across the province.
- Objectives: Supporting labour relations, advocating quality education, facilitating collaboration, and representing members provincially and nationally.