



INVESTMENT MANAGEMENT AGREEMENTS

Late in 2019 the Provincial Government announced that each Alberta Post-Secondary Institution (PSI) will be required to sign off on an Investment Management Agreement (IMA) which will include the institution's mandate, a financial commitment from government (i.e. provincial grants), mutual priorities, and performance metrics to facilitate the allocation of outcomes-based funding. The IMAs were introduced to ensure government and institutions are focused on meeting the needs of the province and to advance the goals of [Alberta 2030 - Building Skills for Jobs Strategy](#). Implementation of the IMAs was delayed from 2020-21 until 2021-22, with only the Work Integrated Learning metric reported on for 2021-22. The Board of Governors approved the first IMA for the University of Lethbridge in May 2021. Starting in 2022, the IMA is a multi-year agreement with multiple metrics, including performance-based funding metrics and transparency metrics. The IMA signed in May 2022 is effective from April 1, 2022 to March 31, 2025. Amendments to the IMA were signed in January 2024 and October 2024.

Specifically, the IMAs:

1. Identify and explain the shared objectives and priorities between the Alberta government and the PSI.
2. Describe the agreed upon investment framework that includes performance metrics in three priority areas:
 - Skills and labour market outcomes
 - Institutional performance
 - Teaching and research
3. There will be transparency metrics that are not tied to risk funding that will serve to enhance the accountability of delivering post-secondary education to Albertans.

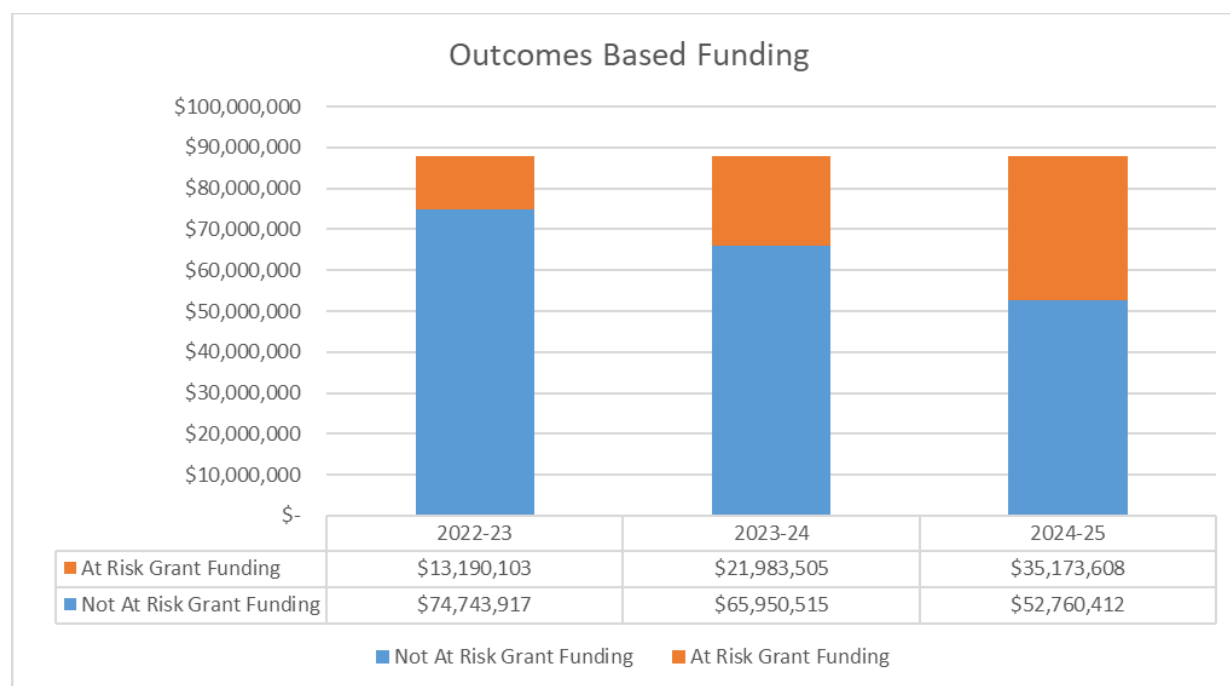
Amended funding and transparency metrics for 2022-23 and beyond are as follows:

Funding and Transparency Metrics								
	Weighting (2024-25)	Tolerance Threshold (2024-25)	2020-21 Actual	2021-22 Target	2021-22 Actual	2022-23 Estimate	2023-24 Target	2024-25 Target
Funding Metrics								
Work Integrated Learning (WIL) by School Year	20%	5%	100%	100%	100%	100%	100%	100%
Total Domestic Enrolment by School Year	5%	590	6,684	6,485	7,100	6,232	6,200	5,900
Graduate Outcomes by Survey Year	5%	10%	95%	89%	94%	n/a	92%	n/a
Administrative Expense Ratio	5%	15%	6%	-	7%	7%	7%	7%
Research Commercialisation	5%	40%	\$1.026 m	-	\$1.427 m	n/a	\$1.0 m	\$1.0 m
Transparency Metrics								
International Student Enrolment by School Year		-	495	559	622	594	700	800

Outcomes-Based Funding

The Province and each PSI negotiate the metrics' targets, tolerance bands and weightings. The at risk grant funding as a percentage of the institution's base operating grant is 15% (2022-23 metrics), 25% (2023-24 metrics), and 40% (2024-25 metrics).

Fiscal Year	Base Operating Grant	Total Percentage of Base Operating Grant Funding At Risk	Not At Risk Grant Funding	At Risk Grant Funding
2022-23	\$ 87,934,020	15%	\$ 74,743,917	\$ 13,190,103
2023-24	\$ 87,934,020	25%	\$ 65,950,515	\$ 21,983,505
2024-25	\$ 87,934,020	40%	\$ 52,760,412	\$ 35,173,608



The Province is tying the University's provincial operating grant amount to the performance metrics. A target and tolerance band is negotiated with the Province. The University met its targets for 2022-23, so there was no adjustment to the 2024-25 operating grant funding related to these metrics. Moving forward, if the University fails to meet its funding metric targets, and is not within the tolerance threshold, then an adjustment will be applied against the 2nd subsequent fiscal year's funding (i.e. if the University did not achieve the metric in 2023-24, the funding will be reduced in 2025-26) proportionate to the achievement from the expected result (to a maximum percentage, as identified above).

The performance on the outcomes-based funding, whether the PSI has achieved the funding metrics, will be evaluated annually.