



THE PIERRE ELLIOTT TRUDEAU FOUNDATION

Business Plan 2008-2009

Prepared for Industry Canada as an internal document only

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1. BACKGROUND

An independent and non-partisan Canadian charity, the Pierre Elliott Trudeau Foundation was established in 2001 as a living memorial to the former Prime Minister by his family, friends, and colleagues. In 2002, the Government of Canada endowed the Foundation with a donation of \$125 million.

The Pierre Elliott Trudeau Foundation funds outstanding scholars who conduct research in crucial societal issues, and creates opportunities for dialogue and collaboration across organizations and disciplines under four key themes: Human Rights and Dignity, Responsible Citizenship, Canada in the World, and People and their Natural Environment. Since being established, the Foundation has granted over 150 major awards to top researchers and highly accomplished individuals, in Canada and abroad.

The Foundation is governed by a diverse and highly distinguished board of up to 18 directors, including two directors appointed by the Minister of Industry and two representatives of the family of the late Pierre Trudeau. Directors oversee the approximately \$142 million endowment and an annual operating budget of \$6.5 million, and they set policies and program directions for the Foundation.

The Mission Statement adopted by the Board of Directors inspires the work of the Foundation, and shapes its Business Plan for 2008-2009.

MISSION STATEMENT

The Pierre Elliott Trudeau Foundation promotes outstanding research in the humanities and social sciences, and fosters a fruitful dialogue between scholars and policymakers in the arts community, business, government, the professions, and the voluntary sector.

The Foundation:

- *encourages emerging talent through the awarding of Trudeau Scholarships to the most talented doctoral students in Canada and abroad;*
- *appoints distinguished Trudeau Fellows and Mentors for their knowledge and wisdom to build an intellectual community supporting the work of the Scholars; and*
- *creates and maintains an international network of Trudeau Fellows, Scholars, and Mentors.*

2. FOUNDATION'S FOUR PROGRAMS

The Foundation's activities revolve around four main programs: Scholarships, Fellowships, Mentorships, and the Public Interaction Program (PIP).

Trudeau Scholarships

Up to 15 Scholarships are awarded each year to support doctoral candidates pursuing research of compelling present-day concern, touching upon one or more of the four themes of the Foundation. Scholars are highly gifted individuals who are actively and concretely engaged in their fields and expected to become leading national and international figures.

Trudeau Scholars are encouraged to work with Trudeau Mentors and Fellows. Interaction with the Trudeau community, non-academic spheres and the general public is an essential element of the Scholars program.

Trudeau Fellowships

Up to five Fellows are chosen each year in recognition of outstanding achievement, innovative approaches to issues of public policy and commitment to public engagement. The Foundation provides support for Fellows to make extraordinary contributions in their fields through leading-edge research and creative work. As the Fellowship Program grows, Fellows build a network of imaginative people working together from a variety of perspectives to address fundamental social and policy issues.

Trudeau Mentorships

Up to 12 Mentors are appointed each year in recognition of their outstanding policy and decision-making experience in varied sectors of Canadian society. While recognizing that the Scholar's university-appointed supervisor has full responsibility for the direction of the student's dissertation, the Mentor offers the Scholar the benefit of his or her wisdom, opens a new world of practical experience, and provides access to coveted connections. Mentors also engage actively in the evolving Trudeau Foundation community.

Mentors are drawn from an impressive array of professional backgrounds, including the creative arts, journalism, business, public service, the legal profession, research and advocacy. Most have an international background.

Public Interaction Program

The Public Interaction Program (PIP) brings together all Trudeau award winners — Fellows, Scholars and Mentors — to generate informed and lively debates on major issues of public policy affecting Canadians and global society. The Foundation is building a community of creative and critical thinkers while providing ways for them and the public to work together to generate and communicate ideas that matter.

PIP comes to life through four major annual events — the Trudeau Annual Conference on Public Policy (November), the Mentors-Scholars Retreat (January/February), the

Summer Institute (May), and the Trudeau Lectures (starting in 2008-2009). In addition, members of the Trudeau Community are encouraged to organize public policy workshops and seminars linked to one or several of the Foundation themes with a view to generating a richer debate on important societal issues.

3. ACHIEVEMENTS IN 2007-2008

The Foundation successfully delivered on all commitments made in the Business Plan 2007-2008. Our four programs are now running to their full capacity.

In 2007-2008, the Foundation notably:

- ✓ **Selected fifteen new 2008 Trudeau Scholars** — a \$2.2 million commitment over up to four years to support a group of fifteen outstanding Canadian and foreign Ph.D. students actively engaged in their fields and expected to become leading national and international figures. A total of 68 Scholars are currently funded by the Foundation.
- ✓ **Appointed five 2008 Trudeau Fellows** — an investment of \$1.1 million over three years in five outstanding Canadians who have set themselves apart through their research achievements, creativity and social commitment. The Foundation currently supports 15 Fellows.
- ✓ **Appointed nine 2008 Mentors** — offering \$315,000 to nine highly accomplished Canadians from diverse background that have been paired with 2007 Trudeau Scholars to help them connect with policy networks for 18 months. 16 Mentors are currently enrolled in the Mentoring program.
- ✓ **Held four major Public Interaction events, in addition to six events organized by Trudeau Community Members or with other external partners, and sponsored by the Foundation.** (All Trudeau events are by invitation only, unless otherwise noted.)

Events hosted by the Foundation:

- Former University Presidents Discuss Current Issues Facing Universities — Montreal, QC, September 7, 2007 (10 participants).
- 2007 Trudeau Conference on Public Policy: *A Climate of Reconciliation-Economy, Social Justice and the Environment* — Calgary, AB, November 15-17, 2007 (240 participants).
- Trudeau Mentors-Scholars Retreat 2008 — Toronto, ON, February 4-5, 2008 (50 participants).
- Third Trudeau Foundation Summer Institute: *Culture and Public Policy* — Quebec City, QC, May 27-31, 2008 (97 participants).

Events sponsored by the Foundation through PIP:

- Symposium on Knowledge Transfer, in partnership with the Atlantic Health Promotion Research Centre, Dalhousie University — Halifax, NS, December 5, 2007 (17 participants).
 - Celebrating Close Ties between the Trudeau Foundation and the University of Ottawa — Ottawa, ON, September 19, 2007 (20 participants).
 - “Reflecting on the Second Wave, Canadian Feminism between 1960 and 2010,” University of Ottawa — Ottawa, ON, February 28-29, 2008 (20 participants).
 - “The Future of Public Institutions: New Media, the Press and the Museum,” Liu Institute for Global Issues — Vancouver, BC, May 2-3, 2008 (35 participants; open event).
 - The University of British Columbia honours Trudeau Fellows and Scholars — Vancouver, BC, May 3, 2008 (25 participants).
 - “Renewed Visions for Federalism in Quebec,” in collaboration with the Institute for Research on Public Policy and *La Presse* — Montreal, QC, May 13, 2008 (30 participants).
- ✓ **Established and maintained alliances** in the academic world and the research world, and built bridges with non-academic milieus.
 - ✓ **Proceeded with adjustments to our organizational structure.** Two new positions have been created (Corporate Services and Public Affairs; Administrative Assistant), to address specific organizational needs. The Foundation now relies on a very efficient team of six full-time equivalents, in addition to three temporary contractual positions, to deliver its programs.
 - ✓ **Successfully completed its fundraising campaign to support the first season of the new Trudeau Lectures.** The series is scheduled to start in the fall of 2008.

4. THE YEAR AHEAD: FOCUS, DISCIPLINE AND COMMITMENT

The Foundation assists people who are advancing our collective understanding of pressing social issues, either through support for their research efforts or by dissemination of their ideas. It deliberately — and uniquely — chooses to support people who have shown, by virtue of talent and merit, that they are able to propose answers to the big questions of the day or perhaps ask new ones. This trust in individuals and their capacity to create and communicate sets the Foundation apart from other organizations that are interested in social research applications but that largely support research projects or initiatives rather than individuals.

Because we have maintained course on our well-defined goals, the Foundation has met great success in its short history. Clearly, enormous potential remains and the need is very great. This augurs a great future and above all a successful and lasting tenure for our organization.

Accomplishments

Since its creation, the Foundation has distributed more than \$ 13.3 million. Direct transfers to individuals currently account for nearly \$ 10.5 million.

The Foundation has granted 84 doctoral scholarships, recognized the research or creative work of 29 Fellows, and convinced 38 eminent Canadians to become Mentors to our Scholars. Every year, each of these competitions has elicited great interest from our university partners and from groups and organizations involved in public policy research. The very high quality of the nominees also demonstrates that the Foundation's programs quickly took their place among the most coveted awards in the country, a clear indication of the pertinence of our approach.

The Foundation has also dedicated considerable financial resources – nearly \$ 3 million – to fostering a community of engaged citizens. The Public Interaction Program (PIP) continues to create an opportunity for the dissemination of ideas and highlight the work of our members. The annual Trudeau Conference on Public Policy has become a highlight in the intellectual life of the country.

Strategic orientations

In the year ahead, the Foundation's decisions will be guided by three major considerations:

a. We will focus even more directly on activities that disseminate knowledge and contribute to public information

We expect individuals supported by the Foundation to form a “community” and join in a dialogue that goes beyond institutional and disciplinary boundaries. Unlike a policy group or “think tank,” the Foundation does not promote ideologies or programs of action. Rather we support discussion and debate, new levels of civic engagement, within a network comprised of people from different generations, different disciplines, different sectors of society, and different regions of the country, if not different countries.

In 2008-2009, the Foundation will establish a new series of five public lectures intended to give more national visibility to the Trudeau Fellows and to increase the audience for their research. A new publication in which the text of each original lecture will be presented in both official languages will follow at the end of the year. We are taking this step as a contribution to a better public understanding of the role played by social sciences and humanities in the resolution of major issues.

b. We will improve the traceability of the Foundation's spending, while creating new opportunities and choices for our grantees

The Foundation continuously improves its processes to achieve new efficiencies and better accountability. Like other leading organizations in the non-profit and charitable sector, the Foundation would also like to increase the traceability of its spending, without adding to the burden of controls and bureaucracy for its grantees.

For example, in 2008-2009, the Foundation will develop a new management framework for the Trudeau Fellowships in partnership with Canadian universities. The goal is to give our Fellows more flexibility in their use of the award, while getting better information on impact and outcomes. This initiative will align the Fellowships management model with the Foundation's existing practices with Scholars and Mentors.

c. We will dedicate more of our resources to the international aspects of our various programs

Since the knowledge society clearly does not stop at the borders of our country and demands an ever-growing level of international cooperation, it is essential that the Foundation increases its support to foreign Scholars and Fellows willing to contribute to the Canadian social science and humanities' rich landscape.

The Foundation currently supports 14 Canadian Scholars studying in foreign institutions, mostly in the UK and the USA; it has also been successful in attracting six foreign doctoral students to Canadian universities.

Starting in 2008-2009, the Foundation will invite Canadian universities to compete for an annual Visiting Trudeau Fellowship, aimed at recruiting a senior leading intellectual, willing to spend a year of research and teaching in a Canadian institution of higher learning. Every other year, the Visiting Fellowship will be reserved to a candidate coming from outside of the country – the first program of its kind in Canada. The other year, universities will have the opportunity to invite an eminent practitioner to participate into the academic life of their institution, keeping with our aim of building bridges between the worlds of research and practice.

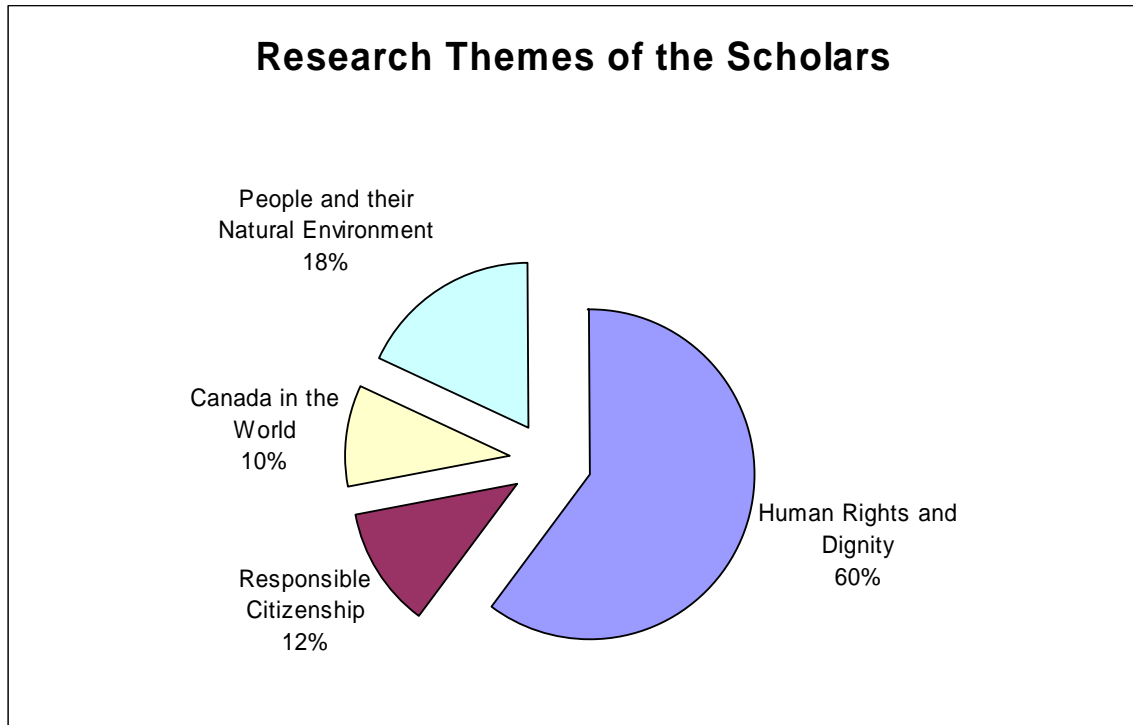
Expected outcomes

➤ ***Trudeau Scholars***

The Foundation currently supports 68 Scholars (as of June 30, 2008). They come from a wide variety of disciplines and represent all regions of the country. Scholars are recruited with the expectation that they will identify and illuminate new and emerging crucial social issues, within the four priority domains of the Foundation.

The 2008 Trudeau Scholarship competition has attracted 160 complete applications from Canadian and foreign universities. Applications were reviewed by an independent File Review Committee of eight members, which presented the Foundation's board with the list of 15 finalists.

Scholars have access to funds to support travel to meetings and to visit collaborators at other institutions. They are also encouraged to participate in all Foundation public activities and to organize workshops and working groups. The program is designed to bridge the gap between the academic and policy communities. Not only are the Scholars engaging in policy-oriented research, but they receive advice and support from a Mentor with direct experience in the policy world. Post-doctoral Scholars are specifically invited to disseminate their research results to audiences beyond the academic community.



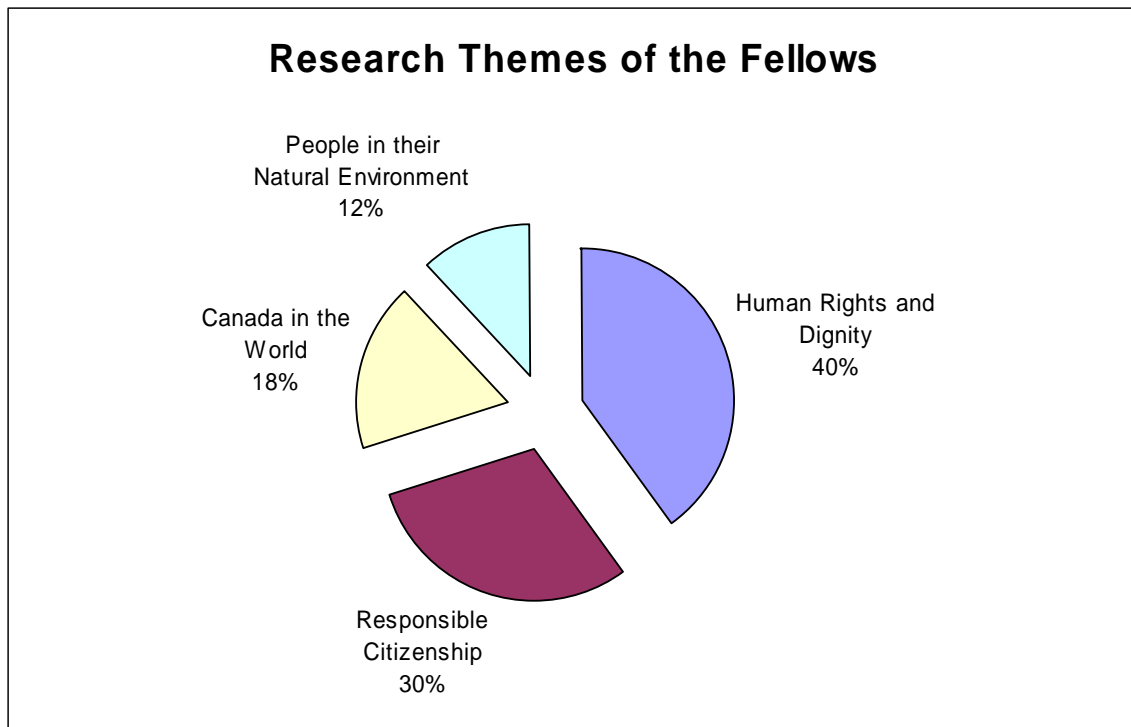
At least 16 Trudeau Scholars should complete their Ph.D. degrees in 2008-2009, for a total of 25 PhDs since the creation of the program. Because of the level and depth of the support provided to the students, Trudeau Scholars need less time on average than other doctoral students to complete their degree. As intended, former Trudeau Scholars stay in Canada after they complete their Ph.D., opting mostly for career paths within education and public service.

□ The Foundation intends to select fifteen new Trudeau Scholars in 2008-2009.

➤ ***Trudeau Fellows***

An impressive number of Canadian universities are represented by the Trudeau Fellows, who are currently located in Newfoundland and Labrador, Quebec, Ontario, Alberta, Saskatchewan and British Columbia. Moreover, one Fellow, who is originally from Saskatchewan, holds a position with the University of Oxford.

Research programs of the Fellows are by definition oriented toward important public policy issues, including at this time: gender and the law (**Backhouse** — Ottawa); Aboriginal law (**Borrows** — Victoria); global social movements (**Coleman** — McMaster); law of international migrations (**Crépeau** — Montreal); transnational financial relations (**Helleiner** — Waterloo); historiography in nation-building (**Létourneau** — Laval); human rights law (**Mahoney** — Calgary); fisheries and community resilience (**Neis** — Memorial); language and citizenship (**Poplack** — Ottawa); ecological footprint analysis (**Rees** — University of British Columbia); interactive research and sustainability (**Robinson** — University of British Columbia); social identity and biography (**Sullivan** — Toronto); political development of francophone communities (**Thériault** — UQAM); historical fiction and citizenship (**Vanderhaeghe** — Saskatoon); and Canada’s international presence (**Welsh** — Oxford). Research conducted by the Fellows may fall under one or more of the four themes prioritized by the Foundation:



The Fellows nomination process was reviewed in 2007-2008, with the dual objective of identifying potential candidates in a wider range of research fields and disciplines, as well as Canadian researchers living outside of the country. The Foundation reviewed a total of 61 nominations, including valid nominations from previous years. A national panel of five outstanding Canadian academics was tasked with an independent review of the files and came with a recommendation of five candidates to be approved by the Foundation’s board.

As mentioned earlier, the Foundation is currently discussing with Canadian universities to reflect upon a new structure for the financial administration of the Trudeau Fellowship to give Trudeau Fellows more possibilities to use the allocated award for creating and disseminating applied social knowledge.

□ The Foundation intends to appoint five new Fellows in 2009.

➤ ***Trudeau Mentors***

The Trudeau Mentorship program is a bold experiment, based on the premise that Ph.D. students need help and hindsight to integrate a policy perspective in their doctoral research, as well as to learn how to translate their results to a complex set of audiences. Since 2006, Mentors are also invited to participate extensively in Foundation events. This approach has given the Scholars more opportunities to interact with their designated Mentor, but it has also given them access to the full roster of Trudeau Mentors on a regular basis.

Trudeau Mentors are expected to participate in major annual events organized by the Trudeau Foundation, adding to individual meetings and exchanges with their Scholar(s).

In 2007, the selection process for the Trudeau Mentors has been streamlined and a new list of nominators has been assembled by the Foundation. In addition, candidates are now screened and selected by an independent panel composed of a majority of senior decision-makers and social entrepreneurs, including leading members of the media, business and policy community.

The Foundation considered 83 new nominations and 47 valid nominations from previous years for the 2007-2008 competition to appoint 2008 Trudeau Mentors. After review and discussion, a list of nine candidates was submitted to the Board for approval.

As demonstrated in the following list of current Trudeau Mentors (2008-2009), this group is indeed a unique pool of talent, experience and intellectual resources.

Trudeau Mentor		Year	Position at time of mentorship
Adam	Dyane	2008	Former Commissioner of Official Languages
Axworthy	Lloyd	2007	President, University of Winnipeg
Battle	Ken	2007	Director, Caledon Institute of Social Policy
Bégin	Monique	2007	Professor, University of Ottawa
Davis	Elizabeth	2007	Health Care Advocate, Sisters of Mercy of Newfoundland and Labrador

Trudeau Mentor		Year	Position at time of mentorship
Fowler	Robert	2008	Senior Fellow, University of Ottawa; former diplomat
Franklin	Ursula	2007	Physicist, University of Toronto
Hamilton	Sylvia	2008	Filmmaker; writer
Labelle	Huguette	2007	Chancellor, University of Ottawa
MacKinnon	Janice	2008	Professor, History, University of Saskatchewan; former Minister of Finance, Saskatchewan
Mailhot	Louise	2008	Strategic Counsel, Fasken Martineau; former Justice, Court of Appeal of Quebec
Murray	Larry	2008	Former Acting Chief of Defence Staff; former Associate Deputy Minister and Deputy Minister
Neve	Alex	2008	Secretary General, Amnesty International Canada
Patten	Monica	2008	President and CEO, Community Foundations Canada
Smith	Gordon	2007	Executive Director, Centre for Global Studies, University of Victoria
Speaker	Ray	2008	Security Intelligence Review Committee; former Leader of the Representative Party of Alberta; former Minister with different portfolios

□ **The Foundation intends to select and appoint nine new Mentors in 2008-2009.**

➤ ***Public Interaction Events***

The Public Interaction Program (PIP) helps to ensure that the people supported by the Foundation through our major granting programs get their voices heard by policy makers, the media and the public. It includes two complementary streams of events. One stream consists of four major meetings recurring every year: the Annual Trudeau Conference on Public Policy, the Scholars-Mentors Retreat, the Summer Institute and the Trudeau Lectures (starting in the fall of 2008). A second stream includes policy workshops and seminars initiated by members of the Trudeau Community and supported by the Foundation, with the aim of disseminating the results of their research and engaging the public in a dialogue on crucial policy issues. Trudeau Scholars and Fellows are also expected to participate individually in all sorts of conferences and other scholarly meetings, where they help build a wider and stronger policy network around the Foundation.

The Trudeau Conference on Public Policy brings together distinguished scholars and policy leaders from government, business, the arts and the voluntary sector. In November 2008, the Foundation will hold this annual conference in Montreal. For the first time, we

will explore the theme “Canada in the World,” which is one of the Foundation’s four thematic areas. The conference will be limited to 210 invited participants, including 80 from the Pierre Elliott Trudeau Foundation’s network of Fellows, Scholars and Mentors.

The Scholars-Mentors Retreat will be held at Memorial University, Newfoundland, in January 2009. The meeting will be an occasion to consult the Trudeau community on the mentorship program and to foster relationships between Scholars and the group of Mentors as a whole.

The Summer Institute will convene in Gananoque, Ontario, in May 2009. The Summer Institute is the occasion when all members of the Trudeau community meet with an array of invited guests, to discuss important strategic issues and to familiarize themselves with new questions and methodologies.

The Trudeau Lectures series will start in the fall of 2008. The series will formally introduce the five Trudeau Fellows appointed in 2007 to the Canadian public. Each Trudeau Lecture will be held in collaboration with a different Canadian university and should give rise to a new publication: the *Pierre Elliott Trudeau Foundation Papers*, published yearly in both official languages. As of June 2008, the calendar is the following:

- October 2008: **University of Northern British Columbia, BC**, Trudeau Lecture by Professor William Coleman (McMaster University);
- November 2008: **University of Lethbridge, AB**, Trudeau Lecture by Professor Eric Helleiner (University of Waterloo);
- January 2009: **Memorial University, NL**, January 2009, Trudeau Lecture by Professor William Rees (University of British Columbia);
- April 2009: **Université de Sherbrooke, QC**, Trudeau Lecture by Professor Shana Poplack (University of Ottawa);
- May 2009: **Carleton University, ON**, Trudeau Lecture by Professor Joseph Yvon Thériault (Université du Québec à Montréal).

Five-year review of the Foundation’s programs and activities

In 2008-2009, we are committed to provide the Minister of Industry with the results of the periodic evaluation of the Pierre Elliott Trudeau Foundation. According to section 10.07 of the Funding Agreement, the purpose of the periodic evaluation is to “assess the relevancy of the Fund in terms of realistic and actual needs, whether the fund is successful in meeting its purposes and objectives and, to the extent possible, whether adjustments to the program can and should be made. The periodic evaluation will focus on the administration of the Fund and provide commentary on results achieved by the date of the evaluation. The Foundation will respond to the findings by making the adjustments, consistent with this Agreement, that it considers necessary and make these adjustments known to the Minister.”

Following the results of a preliminary evaluation of the Foundation conducted by an external consultant in 2006, the five-year evaluation has been postponed. We are committed to provide the Minister with the results of the periodic evaluation of the Pierre Elliott Trudeau Foundation by March 31, 2009, as agreed in the exchange of letters of

July 2006 between our Board Chair and the Minister of Industry. The terms of reference and other arrangements will be approved by the Directors of the Pierre Elliott Trudeau Foundation at their mid-November meeting. The evaluation itself will take place in January-February 2009.

Fundraising efforts

Last year, the Foundation has successfully started to invite donations from corporate donors to support the new Trudeau Lectures. This highly targeted campaign also served as a pre-test for systematic fundraising efforts, planned for fiscal year 2008. In addition to further invitations to support the Trudeau Lectures, the Foundation is currently engaged in a project in partnership with the Calgary business community to establish new scholarships in the field of environmental social studies. A temporary Partnerships and Development Officer position has been created for this purpose.

5. BUDGET IMPLICATIONS

Program Costs

Overall Budget Framework for Programs

For budgetary purposes, the core programs of the Foundation are as follows:

Scholarships are tenable for three years, with a possible fourth year extension to permit either the completion of the doctorate, or the undertaking of a post-doctoral opportunity. The Foundation offers this extension only where there is strong evidence that the doctorate will be completed during this fourth year, or upon proof of an exceptional post-doctoral opportunity. Supervisors are contacted directly to provide detailed reports on the students' progress. Starting with the 2009 cohort, the amount of the Trudeau Scholarship will be adjusted for the first time in six years, to offset inflationary pressures and maintain the prestige of the award. The 2009 stipend will be \$40,000 per year, to cover the cost of tuition and reasonable living expenses. An additional \$20,000 per year (the ATA level beginning with the 2009 cohort) is available to support approved research-related travel, and to cover networking expenses associated with events and joint projects undertaken within the framework of the Foundation's programs.

In April 2004, the Board of Directors approved a policy with regard to the accumulation of awards. Essentially, the Trudeau Scholarship allows for the accumulation of awards each year in amounts up to the annual stipend plus \$10,000. When a Scholar's total external awards in a given year exceed \$10,000, the stipend for that year is reduced by the amount in excess of \$10,000. The ATA of \$20,000 is never reduced by outside scholarship income. Unused balances generated by a given cohort are available to fund the fourth-year extension for the cohort.

Where a fourth-year extension is granted, the Scholar receives the stipend (\$35,000 for completion of the doctoral studies) and the ATA (\$2,000 for completion, or \$15,000 for post-doctoral), the stipend being subject to the restriction on accumulation of awards.

For presentation purposes, the stipend is reflected within the Scholarship program budget, whereas the ATA forms an integral part of the PIP budget.

Fellowships are tenable for three years, the stipend being \$50,000 per year. An additional \$25,000 per year (the Annual Travel Allocation, “ATA”) is available for approved travel and networking expenses associated with events and joint projects undertaken within the framework of the Foundation’s programs.

Starting in 2009, one of the five Fellows will be an international guest invited by a Canadian university. The Visiting Trudeau Fellowship is tenable for one year, the stipend being \$50,000. An additional amount of up to \$175,000, administered by the host university, is offered to cover the Fellow’s research, travel, networking and knowledge dissemination activities.

For presentation purposes, the stipend is reflected within the Fellowship program budget, whereas the ATA forms an integral part of the PIP budget.

Mentorships, originally tenable for one year, are now tenable for 18 months, as modified by the Board of Directors in November 2005. The honorarium is \$20,000 per 18-month term. An additional \$15,000 per term (the “ATA”) is available to cover approved networking expenses associated with events and joint projects undertaken within the framework of the Foundation’s programs.

For presentation purposes, the honorarium is reflected within the Mentorship program budget, whereas the ATA forms an integral part of the PIP budget.

Public Interaction Program (PIP). Fulfilling as it does the specific mandate to build “an innovative network of study and exchange,” the ATA component from each of the Fellowship, Scholarship and Mentorship programs constitutes the bulk of the PIP budget. As all three programs are now running at capacity, the utilization of the ATA is approaching its maximum budget. In any given year, the ATA could now be drawn upon by as many as 20 Fellows (\$25,000 per fellow), 60-75 Scholars (\$15,000± per scholar), and 16 Mentors (\$15,000 per mentor).

The balance of the PIP budget consists mainly of expenses for one-time and regular annual events, the costs to maintain and update the Trudeau Foundation website, and communication expenses for public engagement activities.

Budgeted Program Costs for 2008-2009

➤ *Scholarships*

The single largest program expense is base awards to the Scholars, with allowances made for the various mitigating factors. The 2009 budget anticipates 15 new scholars, seven

fourth-year extensions, and a number of stipend reductions due to the external prizes that have been awarded to our Scholars.¹

The ATA budget for all active Scholars is included within the PIP budget.

➤ ***Fellowships***

The Fellowship Program's budget represents the third largest budgetary envelope among Program costs, and reflects the selection costs and awards committed to 2008 Fellows.²

The ATA budget for all active Fellows is included within the PIP budget.

➤ ***Mentorships***

The Mentorship program anticipates the selection and appointment of nine new Mentors in January 2009. In similar fashion to the Fellows and Scholars, multiple groups of Mentors will be active participants during fiscal 2008-2009.³

The ATA budget for all active Mentors is included within PIP budget.

➤ ***Public Interaction Program***

The Public Interaction Program's (PIP) steady growth from fiscal 2006 through fiscal 2008 stems mainly from the increasing use of ATA funds by Fellows, Mentors and Scholars. It is worth mentioning that unlike the Awards, the ATA expenses are reflective of the actual payout in a given year. As multiple cohorts of Fellows, Scholars and Mentors are now participating alongside each other in any one year, the ATA costs are expected to rise year over year, until maximum participation levels are achieved.

The evolution and growing success of the PIP program's organized activities is also reflected in Budget 2009, with the elaboration of four major annual events comprising the second largest element within this expanding budgetary envelope.

¹ The Scholarships are expensed in a lump sum each year in order to comply with accounting standards. In fact, however, six cohorts will be receiving some form of funding during fiscal 2008-2009, being at various stages of their studies. In addition to the 15 Scholars of 2009, fourth-year funding will be received by one Scholar of 2004 and seven Scholars of 2005. In the 2006 cohort, 13 will be receiving their third-year installments. The 15 Scholars of the 2007 cohort will be receiving their second-year installments. Finally, the 15 Scholars of the 2008 cohort will be receiving their first-year installments.

² These Prizes are expensed in a lump sum each year in order to comply with accounting standards. In actual fact, however, four groups of Fellows will be receiving funding during fiscal 2008-2009, being at various stages of their respective mandates: the five Fellows named in April 2006 will be receiving their final installments during 2008-2009; the April 2007 Fellows receiving funding from 2007-2010; the April 2008 Fellows from 2008-2011. The 2009 Fellows will receive their funding from fiscal 2009 through fiscal 2012.

³ The nine Mentors who started in January 2008 will be funded in 2008 and 2009, and the nine Mentors appointed in January 2009 will be funded in 2009 and 2010.

Operating Costs

Overall Budget Framework and Budgeted Costs for 2008-2009

In May of 2004, the *Funding Agreement* was amended to allow the Foundation to spend up to 1.5% of the total value of the Fund on “**operating costs**”, as defined in Section I.

Every effort is made to keep operating costs under strict control. During the 2008 fiscal year, the Foundation had one part-time and six full-time staff members to run its ambitious programs. For 2008-2009, the operations and program staffing will be revised in order to better manage the increasing responsibilities. To limit salary and benefit costs, some work, especially in the areas of accounting, communications and information services will continue to be contracted out. Investment counsel fees, which are a function of the Portfolio’s fair market value, fall squarely within the range typical of fixed-income portfolios.

- The budget for 2008-2009 projects an expenditure of roughly 1.16% of Total Net Assets on operating costs, which encompasses investment counsel fees, administrative expenses, all program planning and delivery, and costs related to the Foundation’s obligations under ATIP legislation.

In order to protect the buying power of the Foundation endowment, the Board of Directors had decided to internally restrict 1.5% of the value of the original Fund (\$125 million) each year as a hedge against **inflation**. This effectively requires the Foundation to operate so as to guarantee a cash surplus of \$1.875 million each year.

The *Funding Agreement* requires that a **Comprehensive Program Evaluation** be undertaken every five years, as a part of Program Planning and Delivery. The Foundation undertook a preliminary external evaluation, which was completed and reviewed by the Evaluation Steering Committee in June 2006. Due in part to the thoroughness of this preliminary review, the Foundation Board’s good governance practices and the Foundation’s rapid implementation of the evaluator’s recommendations, the Steering Committee submitted a request to Industry Canada that the comprehensive evaluation of 2007 be postponed to 2009, which was approved.

- The 2009 budget for Program Delivery includes a provision of \$88,000 for the 2009 evaluation that will be conducted between November 2008 and February 2009.

The Trudeau Foundation is now subject to the **Access to Information and Privacy Act** (“ATIP”), effective April 1, 2007. A certain number of processes and documents have been created to assure our compliance under this Act, and some additional investments are required to comply with the Library and Archives Act triggered by ATIP, although the actual costs are difficult to assess at this point. As per Industry Canada’s directive, these costs must be absorbed by the Operating budget and as such fall within the 1.5% spending cap.

- The 2009 budget includes a provision of \$63,150 for costs related to ATIP compliance.

The *Funding Agreement* also requires that an **Annual Report** be prepared each year, and this is included within Administrative expenses. In order to minimize costs and adhere to good environmental practices, the Annual Report is primarily web-based.

6. INVESTMENT PERFORMANCE

Of foremost concern to many investors has been the turmoil surrounding non-bank Asset Backed Commercial Paper (ABCP) in Canada, which remains a very real concern to this day. Although commercial paper was explicitly listed among the *Funding Agreement*'s eligible investment options, we are able to confirm that the Foundation came out of this crisis unscathed as neither of the portfolios contained this type of asset class. After discussions involving management, the fund managers and the Finance Committee, the Board of Directors resolved to formally advise the fund managers to continue to avoid certain investment vehicles until further notice.

Having said that, investments will remain in fixed-income securities as per the *Funding Agreement*'s restriction against equity holdings, and the Foundation has suspended its efforts to amend the Funding Agreement in this regard for as long as the current market insecurities remain. This deliberately cautious approach to safeguard the Fund might come at the expense of program integrity, given that the internal restriction for inflationary protection must also remain in force at a time where inflationary pressure is a very real force to be reckoned with. This is discussed further under the *Financial Issues* section.

As at May 31, 2008, the market value of all Fund investments stood at \$144,933,452 compared with \$139,732,690 at May 31, 2007. In the aggregate, the return on investment for the 12 months ended May 31st, 2008, was just above the benchmark whereas the lifetime rate of return lags somewhat, as shown in the chart below. During the 12 months ended May 31st, 2008, \$4.750 million was withdrawn to provide operating capital.

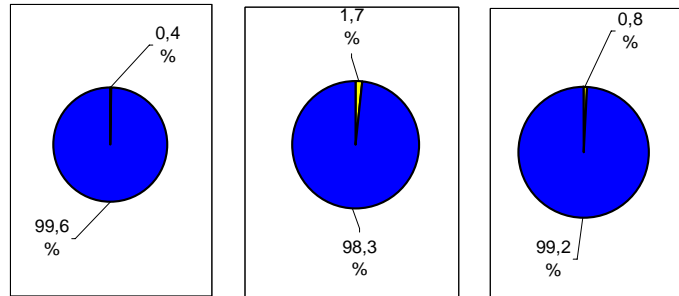
7. FINANCIAL ISSUES

The comprehensive evaluation required by the Funding Agreement will be effected during fiscal 2009, and constitutes a major element of the Program Delivery budget. Cutbacks have been implemented across other budgetary envelopes in an attempt to keep the overall financial impact manageable. The challenge will be to find every means possible to contain the evaluation costs, which are significant, and to maintain adequate operating functions within the curtailed budget envelopes.

The Pierre Elliott Trudeau Foundation
Average Annual Compounded Rate of return of investments (gross of fees)
Market value - May 31, 2008

	BMO - Harris Rate of return	RBC Investments Rate of return	Combined Rate of return
Rate of Return since inception	5,86%	4,68%	5,44%
	vs	vs	vs
Benchmark Scotia MacLeod MT (50%), ST (50%) BI	5,74%	5,34%	5,74%
One-year Rate of Return for the period ended May 31st, 2008	7,42%	5,76%	6,97%
	vs	vs	vs
Benchmark Scotia MacLeod MT (50%), ST (50%) BI	6,69%	7,25%	6,69%
Total funds invested	\$ 94 553 920	\$ 31 936 913	\$ 126 490 833
Investment Counsel fees	\$ 1 288 746	\$ 753 050	\$ 2 041 796
Transferred to operating	\$ 20 852 871	\$ 707 687	\$ 21 560 558
Total cash withdrawn	\$ 22 141 617	\$ 1 460 737	\$ 23 602 354
Market value - May 31, 2008	\$ 105 548 861	\$ 39 384 591	\$ 144 933 452
Market value - May 31, 2007	\$ 102 373 498	\$ 37 359 192	\$ 139 732 690

Cash & short-term investments
 Fixed income



The impact of the adjusted Scholarship amounts is actually offset by various elements that come into play. By maintaining the prestige of the Scholarship, the Foundation is able to attract top-level candidates who generally receive additional external awards as well. The savings generated this way have historically offset the costs of fourth-year extensions, which allow the Foundation to bring its candidates to the successful completion of their doctorate and even post-doctoral studies. The enhanced Travel Allowance for the scholars has a small impact which will only be felt in fiscal 2010, as the 2009 cohort is nominated close to the end of fiscal 2009 and generally begin their activities somewhat later.

Some changes to the Fellowship program are envisaged and likely beginning in fiscal 2009 and/or 2010, although they have yet to be finalized. The overall amount remains the

same and as such, the GAAP impact to the Fellowship program expenses will be nil. However, the timing of the disbursements will change and will affect cash flows. At this time, the impact to interest income is not expected to be significant, subject to the adopted changes.

By way of background, the internal restriction inserted as a hedge against **inflation** requires the Foundation to operate to guarantee a cash surplus of \$1.875 million each year which is reinvested in the Fund as a “reserve against inflation”. In 2004-2005, when programs were almost fully rolled out, the Foundation was able to meet the 1.5% target. However, in 2005-2006, the Foundation was obliged to draw from its unrestricted net assets in order to meet this target. To deal with this problem, which had been anticipated, the Foundation undertook a three-pronged strategy during 2005-2006: (1) careful control of expenses and a possible contraction of future program expenditures; (2) development of a private fundraising initiative; (3) consider some mitigation strategies to increase the return on the Fund within the current investment policy.

During fiscal 2007 and fiscal 2008, numerous initiatives were put on hold or cancelled outright in order to contain costs and slow the erosion of the accumulated surplus. Nevertheless, expenses which proved to be unavoidable reappeared in Budget 2009, and a marked erosion of unrestricted net assets resumes (c.f. Appendix 1).

Compounding matters was the global market crisis. The Foundation suspended its efforts to amend the Funding Agreement, as the more pressing issue was to avoid jeopardizing the Fund rather than enabling program growth with enhanced investment returns. However, rising inflation was also looming large as a threat and the Scholarships had to be adjusted upwards for the first time in six years, in response to this.

How to deal with this unfortunate combination of circumstances?

The time is ripe for seeking partnerships. Renewed efforts for fund-raising have been made during fiscal 2008 and continue in 2009. Corporate sponsorships continue to be actively solicited for the new Trudeau Lectures series, which begins in fiscal 2009, with some success already. Additionally, a pilot project to target corporate sponsorships for theme-specific scholarships began in April 2008, and will continue into the fall of 2008. Partnerships with organizations whose missions align with the Foundation’s goals have successfully been, and continue to be, garnered for the Trudeau Conference and other events wherever feasible. A financial investment has obviously been required to undertake these sponsorships, as reflected in Latest Estimate for 2008 and Budget 2009, but we believe that the rewards will be worth it.

Appendix 1—*Financial Information*, follows.

APPENDIX 1

Statement of Financial Position

as at August 31st

	2009 ¹ budget	2008 ¹ latest estimate	2007 audited	2006 audited	2005 audited	2004 audited
Assets						
Current Assets						
Cash	250 000	250 000	217 029	233 632	201 847	147 054
Short-term investments	100 000	100 000	37 781	42 712	3 871 893	1 401 537
Investments in fixed-income securities (note 2)	142 780 702	141 977 406	140 126 149	139 098 186	134 160 334	132 553 146
Interest receivable	1 600 000	1 600 000	1 987 910	1 900 835	1 662 395	1 574 426
Other receivable	105 000	105 000	97 108	104 438	111 174	85 372
	144 835 702	144 032 406	142 465 977	141 379 803	140 007 643	135 761 535
Capital Assets, gross						
Capital Assets, acc depreciation	571 553	556 553	544 671	525 742	510 882	481 832
Capital Assets, net	391 150	349 123	306 350	261 270	213 984	124 476
Deferred Website Dvpmnt costs, gross	171 413	171 413	171 413	171 413	142 799	117 791
Deferred Website Dvpmnt costs, acc amortization	171 413	171 413	161 873	144 000	117 361	69 761
Deferred Website Dvpmnt costs, net	0	0	9 540	27 413	25 438	48 030
	145 016 105	144 239 836	142 713 838	141 671 688	140 329 979	136 166 921
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities	160 000	160 000	216 490	156 639	182 621	107 229
Deferred revenue	0	46 153	46 153	0	0	0
Current portion of fellowship prizes payable	625 000	625 000	625 000	625 000	600 000	450 000
Current portion of scholarship prizes payable (note 3)	1 320 000	1 395 000	798 452	841 736	736 504	483 706
Current portion of mentorships payable	135 000	135 000	90 000	100 000	0	0
	2 240 000	2 361 153	1 776 095	1 723 375	1 519 125	1 040 935
Long-term liabilities						
Fellowship prizes payable	500 000	500 000	500 000	500 000	500 000	475 000
Scholarships payable	1 725 000	1 485 000	1 515 000	1 327 000	1 362 467	1 300 000
	2 225 000	1 985 000	2 015 000	1 827 000	1 862 467	1 775 000
Total Liabilities	4 465 000	4 346 153	3 791 095	3 550 375	3 381 592	2 815 935
Net Assets						
Net assets restricted for endowment purposes	125 000 000	125 000 000	125 000 000	125 000 000	125 000 000	125 000 000
Net assets invested in capital assets	180 403	207 430	238 321	264 472	296 898	357 356
Reserve against inflation (note 4)	13 125 000	11 250 000	9 375 000	7 500 000	5 625 000	3 750 000
TF private donations fund (note 5)	351 671	363 697	336 269	278 790	315 409	311 579
Unrestricted net assets	1 894 031	3 072 556	3 973 153	5 078 051	5 711 080	3 932 051
	140 551 105	139 893 683	138 922 743	138 121 313	136 948 387	133 350 986
	145 016 105	144 239 836	142 713 838	141 671 688	140 329 979	136 166 921

Note 1.

Years 2008 and 2009 are subject to year-end adjustments.

Note 2.

Beginning with fiscal year 2008, fair-value accounting (mark-to-market) will be in effect for Investment assets, and interest revenues will be measured on a different basis. In the interest of maintaining comparability, this Appendix reflects the former GAAP rules for LE-2008 and BGT-2009 projections. Fair Value at May 31, 2008 is \$145,325,114, of which \$2,524,807 is accrued income.

Note 3.

Scholarship reductions due to external awards were previously returned to the general Fund. Beginning 2008, any such savings are kept in play to fund the respective cohort's 4th year extensions. BGT-2009 scholarships (short-term and long-term) are increased from \$105,000 to \$120,000 per scholar.

Note 4.

An amount of \$1,875,000 must be internally restricted each year in order to counter inflationary impacts, as per Board Resolution.

Note 5.

Fundraising expenses are covered from the Private Fund, rather than Unrestricted Net Assets.

Statement of Revenues & Expenses

for the year ended August 31st

	2009 ¹ budget	2008 ¹ latest estimate	2007 audited	2006 audited	2005 audited	2004 audited
Revenues						
Interest income (note 2)	6 858 046	6 894 850	6 012 057	6 001 474	5 982 085	5 903 411
Gain on disposal of fixed income securities (note 2)			22 905	92 017	2 500 007	785 917
Other revenues						1 183
Donations	46 153	0	0	0	0	154 188
Total Revenues	6 904 199	6 894 850	6 034 962	6 093 491	8 482 092	6 844 699
Expenses						
Programme Costs (note 3)						
Fellowship programme	787 500	785 050	760 461	758 811	752 528	757 467
Mentorship programme	191 000	189 215	149 067	180 584	140 290	129 639
Scholarship programme (note 3.1)	1 796 400	1 796 000	1 512 846	1 308 420	1 271 660	1 196 133
PIP programme (note 4)	1 649 897	1 501 515	1 270 177	1 096 352	1 050 567	451 106
sub-total, Programmes:	4 424 797	4 271 780	3 692 551	3 344 167	3 215 045	2 534 345
Operating Costs						
Investment counsel fees	365 000	365 000	353 421	356 382	358 544	352 148
Programme Delivery costs (note 5)	725 000	576 510	633 904	615 936	685 032	471 736
Admin costs (note 6)	668 830	645 100	524 693	604 080	626 070	577 420
Accountability & Transparency under ATIP (note 7)	63 150	65 520	28 963	0	0	0
sub-total, Operating Costs:	1 821 980	1 652 130	1 540 981	1 576 398	1 669 646	1 401 304
Total expenses, GAAP basis:	6 246 777	5 923 910	5 233 532	4 920 565	4 884 691	3 935 649
Excess of Revenues over Expenses:	657 422	970 940	801 430	1 172 926	3 597 401	2 909 050

Note 1.

Years 2008 and 2009 are subject to year-end adjustments.

Note 2.

GAAP adjustments for bond premium amortization and gains/losses on disposal of securities were recorded up until fiscal year 2007 inclusive.

With the adoption of the Fair Value accounting standard taking effect in fiscal year 2008, unrealized gains/losses on Fair Value changes and the effective interest method of recording revenues will have an impact on Investment Income, in lieu of bond premium amortization.

Given that certain requisite elections under the new GAAP standard had not been made when this Budget was prepared, the corresponding revenue calculation method could not be selected, nor could GAAP-adjusted revenues be reliably estimated. Under the circumstances, it seemed more informative to simply show the projected annual income for LE-2008 and BGT-2009 as estimated by the Portfolio Fund Managers.

Note 3.

Generally accepted accounting principles require that the full amount of an Award be expensed in the year that the commitment is established.

TF Fellowships are tenable for 3 years, Mentorships for 18 months, Scholarships for 3 or 4 years.

Note 3.1

Beginning in fiscal 2007, prior savings in Scholarship costs (from external award reductions) were returned to the Program to the extent necessary to fund 4th year extensions to complete the doctorate or to undertake post-doctoral studies.

Effective with fiscal year 2008, the full amount of the scholarship commitment will be kept in play to make 4th year extensions available to the respective cohorts.

Beginning in fiscal year 2009 and with the 2009 cohort, the value of the Trudeau Scholarship increases from \$105,000 to \$120,000.

Note 4.

PIP increase from 2007 - 2008 results from the decision to keep the full amount of Travel Allowances across all award categories available to the recipients for an extended period in order to enable their continued involvement within the Trudeau Community, rather than returning unused amounts to the general Fund.

PIP increase from 2008 - 2009 results from: as-yet unsponsored portion of the new Trudeau Lectures series for 2009 (\$100,000 minus \$46,000 funded), as well as a greater allowance for some annual and one-time events, in view of the increasingly higher participation rates being enjoyed.

Note 5.

The comprehensive Program evaluation required by the Funding Agreement and originally budgeted in fiscal 2008 (\$50,000) and 2009 (\$100,000) was deferred; it is now expected to occur in late 2008/early 2009 (fiscal 2009 budget - \$88,000).

Note 6.

Fundraising costs are included under Admin, and covered by the Private Donations fund.

Note 7.

The TF became subject to ATIP effective April 1st, 2007.

Operating Expenses restriction, as per Funding Agreement

	2009 budget	2008 LE	2007 audited	2006 audited	2005 audited	2004 audited
Total Operating Costs, as per pro-forma financial statements	1 821 980	1 652 130	1 540 981	1 576 398	1 669 646	1 401 304
less: fund-raising expenses paid from Private Donations fund	26 600	33 575	0	53 856	14 512	527
Total Operating Costs paid from "Humanities... Fund"	1 795 380	1 618 555	1 540 981	1 522 542	1 655 134	1 400 777

Humanities & Human Sciences Fund value	140 199 434	139 529 986	138 586 474	137 842 523	136 632 978	133 039 407
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Operating Expenses as a % of Fund Value	1,2867%	1,1679%	1,1179%	1,1143%	1,2441%	1,0751%
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