



August 22, 2023

Our Ref. 129941

File No. 66200-01/Budget Letter-2023-24

Frank Laezza
Vice President, Finance & Operations
University of British Columbia
6th Floor, Walter C. Koerner Library
Vancouver, BC V6T 1Z2

Email Address: frank.laezza@ubc.ca

Dear Frank Laezza:

I am writing on behalf of the Ministry of Post-Secondary Education and Future Skills (the Ministry) to provide you with information regarding your institution's operating grant and student full-time equivalent (FTE) target for 2023/24, and the associated accountabilities, roles and expectations.

2023/24 Operating Grant and FTEs

Attachment 1 provides details pertaining to your institution's operating grant and student FTE targets for fiscal 2023/24.

As applicable, institution operating grants have been adjusted to reflect:

- funding for collective agreements ratified under the Shared Recovery Mandate; and
- any previously communicated decisions for program expansions.

.../2

Teacher Education

Included within the University of British Columbia's operating grant is \$350,000 for delivery of the West Kootenay Teacher Education Program.

Included within the University of British Columbia's operating grant is \$48,320,000 restricted for the operation of the Medical Expansion Program. This amount is calculated at \$75,500 for each of the 640 target medical school FTEs.

As referenced in our March 2023 letter (Our Ref. 128624), also included in the operating grant is \$4,700,000 to support the 2023/24 costs associated with the phased implementation of the new expansion of the Undergraduate Medical Education Program. The 2023/24 FTE target for the Medical School has been increased by 18 FTEs.

StrongerBC's Future Ready Action Plan

This spring, government released the StrongerBC [Future Ready Action Plan](#). With \$480 million in new funding over three years, the Action Plan is a bold and transformative plan that will help people expand the skills and knowledge they need to succeed in high-demand, good paying jobs. More information on specific StrongerBC Future Ready Action Plan initiatives that support affordable, accessible, and relevant post-secondary education and skills training is available here: [New action plan helps people get skills for in-demand jobs | BC Gov News](#).

Financial Oversight and Accountabilities

Financial accountabilities of institutions are outlined in legislation (the *College and Institute Act*, the *University Act*, the *Royal Roads University Act*, the *Thompson Rivers University Act* and the *Budget Transparency and Accountability Act [BTAA]*), and are grounded in prudent, transparent fiscal management.

Post-secondary institutions are responsible for the effective and efficient use of taxpayer investments to ensure a high quality, accessible post-secondary education system in British Columbia. Institutions are to continue to prioritize their mandates in the context of the health, safety and wellbeing of their students, faculty, staff and broader communities. Good financial management helps ensure that fiscal objectives continue to garner the respect and confidence of funding agencies and other stakeholders during these times, through reasonable and appropriate expenditures that support the core mandate of the institution. The following information is provided to guide and inform institutional financial planning.

Fiscal Year Forecasts and Financial Reporting

The BTAA sets out that all government reporting entities will provide quarterly financial reports of actual results, including year-to-date actuals and four-year forecasts. These reports are consolidated and publicized by specified dates. To support these timeframes, the Ministry of Finance establishes quarterly reporting dates, and institutions are expected to provide all reports on time.

Forecasts reflect best-available estimates of year-end operating and capital results. As such, the accuracy of forecasting is of primary importance to institutional financial health and sectoral sustainability. Institutions' third-quarter projections for the following fiscal year are used to establish the Budget and Fiscal Plan targets. Financial outcomes are monitored against these figures throughout the following year, and institutional reporting on variances from these projections are essential to informing sectoral results.

Material changes to operating results or to capital project schedules and/or provincial cash flows from forecasts should be brought to the Ministry's attention immediately. Where changes may involve an exception to the balanced budget requirement, institutions are expected to adhere to the protocols and timelines outlined in the Deficits section.

Deficits

Under extraordinary circumstances, institutions may seek an exception to the annual balanced budget requirement and request approval from the Minister of Finance and the Minister of Post-Secondary Education and Future Skills to operate in a deficit position.

Requests for deficit approval **must** be provided to the Ministry of Post-Secondary Education and Future Skills **by the end of the second quarter** and include an explanation of key deficit drivers, actions taken to mitigate the deficit, a plan to return to a balanced position with the associated timeframe, and an outline of any extraordinary implications for students. Please note that a request to operate in a periodic deficit does not necessarily predicate approval of the same, as this determination is made by the Minister of Finance.

Tuition Limit

Institutions are expected to comply with Government's tuition limit policy. For 2023/24, the 2 percent limit on tuition and mandatory fee increases continues to apply. Existing programs and services must not increase more than this amount.

Institutions are required to consult with the Ministry and students before implementing any new fees for new services and must submit a written request to the Ministry to review substantially revised non-degree programs for determination as to whether the program is new for the purposes of establishing new tuition and mandatory fee rates. The request must outline:

- the revisions and how they lead to new or changed objectives, goals, learning competencies and outcomes for the program and students, and
- the proposed tuition and mandatory fees.

In completing the review, consideration is given to the comparability of the proposed fees to fees for similar programs. Institutions are encouraged to propose fees that are in line with similar programs or provide a rationale if that is not the case.

Substantially revised degree programs must be submitted to the Degree Quality Assessment Board to determine whether the changes are of sufficient magnitude to be classed as a new degree. If the Board determines the program is not a new degree, the 2 percent tuition limit policy continues to apply.

International Students

International education makes an important contribution to the British Columbia education system and the educational experiences of all students. With the ongoing input of institutions, the Ministry is reviewing international education to ensure government policies, standards, guidelines and regulations align with government's values, priorities and interests, and that all support British Columbia's global reputation as a high-quality education destination.

The Ministry's priority focus includes international and domestic student safety, quality of student education and supports, conduct of recruitment agents, high standards of institution accountability, and recruitment to programs that align with local labour market priorities.

The new ministerial mandate letters highlight the importance of ensuring that international students have a positive experience in British Columbia. We want to support British Columbia's international reputation and continue to develop economic, cultural, and personal links with countries around the world. Government values the contribution of international education to British Columbia's post-secondary system, community diversity, and economy.

More information will be shared in the coming year.

Executive and Management Compensation

British Columbia's public sector employers are making compensation decisions based on a common compensation philosophy with shared core principles and benchmarking criteria that ensures greater consistency for excluded and executive employees. This approach refocuses compensation decisions on employee performance and merit rather than an entitlement to a salary increase.

Board Expenses

As the institution's oversight body, the Board of Governors plays an integral role in ensuring that the institution operates within its mandate in an effective and efficient manner, and that the taxpayer funds that are invested in the institution are managed appropriately. The Ministry has developed an [Orientation for B.C. Public Post-Secondary Institution Board Members](#) to provide guidance to members in this regard.

[Treasury Board Directive 2/24](#), section 7, provides guidance on business travel and expense reimbursements for appointed board members.

Capital

The following terms on capital asset management remain in effect:

Capital Procurement

Please ensure that all capital asset procurement is in accordance with the [Capital Asset Management Framework \(CAMF\)](#) developed by the government for public sector bodies. Specifically, procurement must be fair, open, competitive, transparent, and must effectively manage, budget and schedule risk. This includes undertaking the necessary conflict of interest searches for the purpose of identifying any business and professional interests and relationships between capital project procurement team members and their advisors with proponents. All priority investment projects require a procurement options analysis and may be audited to confirm that all procurement activities have been undertaken in accordance with CAMF.

Capital Planning, Real Estate Acquisitions and Dispositions

Capital project(s) will proceed in accordance with various provincial government requirements and policies including, but not limited to:

- Institutions that are members of the University, College & Institute Protection Program, administered by the Risk Management Branch, are required to submit a construction application (available at <https://www.bcucipp.org/>) at the outset of construction and to ensure Owner Controlled Course of Construction and Wrap Up Liability coverage is placed.
- [University Act](#); [College and Institute Act](#); [Thompson Rivers University Act](#); [Royal Roads University Act](#);
- [Climate Change Accountability Act](#);
- [Wood First Act](#);
- [Apprentices on Public Projects in BC Policy and Procedure Guidelines](#); and
- Environmental, Social and Governance Framework for Capital.

For more information on capital planning, acquisitions and dispositions, please visit the Ministry [Capital Planning Site](#).

Routine Capital and Carbon Neutral Capital

The Ministry has provided a letter earlier this year that outlines your institution's 2023/24 to 2025/26 Routine Capital and Carbon Neutral Capital funding amounts.

Five Year Capital Plans

Your institution's Five-Year Capital Plan submission, for the period 2024/25 to 2028/29, were expected by July 14, 2023. The Ministry circulated detailed instructions on the submission process on May 29, 2023.

Information Management/Information Technology (IM/IT) Capital Projects

Starting for the 2024/25 fiscal year, IM/IT capital projects should also be submitted through the standard capital planning submission process.

Should you have any questions regarding capital projects and planning, please contact Ali Prince, A/Executive Director, Post-Secondary Capital Branch at Ali.Prince@gov.bc.ca or Christine Neufeld, A/Director, Capital Projects & Planning at Christine.Neufeld@gov.bc.ca or Steven Harney, Director, Capital Projects & Planning at Steven.Harney@gov.bc.ca.

Administrative Services Collaborative (ASC)

The ASC is a collaboration on administrative and support services between all of British Columbia's public post-secondary institutions, BCNET and the Ministry. The ASC recently launched a 2023/24-2025/26 [Strategic Plan](#) that identifies seven strategic priorities for collaboration: procurement, cybersecurity, financial services, business continuity readiness, enterprise resource planning, accessibility, campus safety and security.

The ASC has partnered with BCNET to offer a wide range of joint procurement agreements for services and supplies (e.g., facilities, finance, travel, hardware, and software). Institutions are encouraged to work with BCNET to take advantage of these opportunities and increase their percentage of spending through joint procurement agreements. Institutions are expected to consider the use of joint procurement contracts unless there are unique circumstances such as existing contractual commitments.

Cybersecurity

BCNET continues to provide a range of cybersecurity services to its member community to improve their cybersecurity posture. They are actively working with the public post-secondary institution members, with the support of funding from the Ministry, to extend the benefit of Security Information and Event Management Solution and Distributed Cybersecurity Incident Response Team initiative.

Annual BCNET Circuit and Data Network Service Costs

As in past years the Ministry intends to re-imburse public post-secondary institutions for eligible network service costs procured through BCNET. Please forward copies of the applicable detailed BCNET invoices to Sector.IT@gov.bc.ca to have the transfers processed.

Central Deposit Program (CDP)

The CDP was launched in 2013 as a key initiative to address concerns raised by the Auditor General regarding excess liquidity and idle working capital balances in schools, universities, colleges and hospitals.

Today, the CDP continues to deliver lower deposit risk and competitive, if not superior, deposit rates, while reducing debt costs for taxpayers. The Ministry continues to encourage institutions to participate in the CDP.

Thank you for your cooperation in working with the Ministry and other system partners to provide students with an accessible, affordable, high quality and relevant post-secondary education. If you have any questions, or would like to discuss contents of this letter, please contact Kashi Tanaka, Executive Director, Post-Secondary Operating and Emergency Support Branch by email at Kashi.Tanaka@gov.bc.ca or phone at 250 415-9706.

Sincerely,



Jason Butler
Assistant Deputy Minister
Finance, Technology and Management Services Division
Ministry of Post-Secondary Education and Future Skills

Attachment

pc: Distribution List follows

pc: Dr. Deborah Buszard
Interim President
University of British Columbia
presidents.office@ubc.ca

Bobbi Plecas, Deputy Minister
Ministry of Post-Secondary Education and Future Skills
PSFS.DeputyMinister@gov.bc.ca

Nicola Lemmer, Assistant Deputy Minister
Post-Secondary Policy and Programs Division
Ministry of Post-Secondary Education and Future Skills
PSFS.ADMPost-SecondaryPolicyandPrgms@gov.bc.ca

Joanna White, Assistant Deputy Minister
Labour Market Development Division
Ministry of Post-Secondary Education and Future Skills
PSFS.ADMWorkforceInnovation@gov.bc.ca

Tony Loughran, Assistant Deputy Minister
Governance, Legislation and Engagement Division
Ministry of Post-Secondary Education and Future Skills
PSFS.ADMGovernanceLegislationandCorporatePlanning@gov.bc.ca

Kashi Tanaka, Executive Director
Post-Secondary Operating and Emergency Support Branch
Ministry of Post-Secondary Education and Future Skills
Kashi.Tanaka@gov.bc.ca

Ali Prince, A/Executive Director
Post-Secondary Capital Branch
Ministry of Post-Secondary Education and Future Skills
Ali.Prince@gov.bc.ca

Wendy Grondzil, Director
Post-Secondary Operating and Emergency Support Branch
Ministry of Post-Secondary Education and Future Skills
Wendy.Grondzil@gov.bc.ca

Financial Reporting
Ministry of Post-Secondary and Future Skills
PSFS.FinancialReporting@gov.bc.ca

University of British Columbia

2023/24 Operating Grant and Student FTE Targets

	FTE	Operating Grant
2022/23 (as at Final Budget letter)		\$ 776,831,490
Shared Recovery Mandate 2022/23		\$ 37,017,078
2022/23 Restated	43,364	\$ 813,848,568
<u>2023/24 Adjustments</u>		
Budget Adjustment (reinstate 2022/23)		12,628,003
Shared Recovery Mandate		74,346,589
Technology Expansion	55	962,500
Health Programs One-time	2	967,300
Health Programs Base	165	3,117,800
ECE Expansion One-time	6	-
ECE Expansion Base	45	-
Medical School Expansion	18	4,700,000
2023/24	43,655	\$ 910,570,760
<i>Year over Year Change</i>	<i>291</i>	<i>\$ 96,722,192</i>

2023/24 Targeted Program FTE Details

	FUNS Code	CIP Code	Change	Total FTE Target
Campus				
UBC - Vancouver			203	36,400
UBC - Okanagan			88	7,255
Total Student FTE Target			291	43,655
Graduate and Undergraduate				
Undergraduate	UNGR	Multiple	225	37,508
Graduate	GRAD	Multiple	66	6,147
Total Student FTE Target			291	43,655

UBC - Vancouver Targeted Program FTE Details

Health				
RNs, PNs and HCAs				
Bachelor of Science in Nursing	NURS	51.3801	26	355
Master of Science in Nursing	NURS	51.3801		82
Master of Nursing Nurse Practitioner	NURS	51.3805		60
Allied Health				
Other Graduate Level Health Sciences	HLTH	Multiple		688
Audiology	HLTH	51.0202		24
Speech Pathology	HLTH	51.0203		72
Speech Pathology	HLOT	51.0203	2	2
Dental Hygiene	HLTH	51.0602		25
Genetic Counselling	HLTH	51.1509	2	2
Medical Lab	HLTH	51.1005		46
Pharmacy	HLTH	51.2001		896

	FUNS Code	CIP Code	Change	Total FTE Target
Occupational Therapy	HLTH	51.2306		112
Occupational Therapy - North	HLTH	51.2306	16	32
Occupational Therapy - Surrey	HLTH	51.2306	16	16
Physiotherapy	HLTH	51.2308		160
Physiotherapy - Fraser	HLTH	51.2308	20	40
Physiotherapy - North	HLTH	51.2308		40
Midwifery Internationally Educated	HLTH	51.3401		16
Midwifery	HLTH	51.3401	12	96
Total Health			94	2,764
Medical School	MEDI	51.1201	18	1,170
Total Medical			18	1,170
Technology-Related Program Expansion*				
Microbiology and Immunology Degree	AVED	26.0508	40	40
Bachelor of Science in Computer Science	AVED	11.07		154
Bachelor of Applied Science in Biomedical Engineering	AVED	14.05		355
 Bachelor of Applied Science in Manufacturing Engineering	AVED	14.36		55
Total Technology-Related Program Expansion			40	604
Early Childhood Education Program Expansion*				
One-time				
ECE Basic Certificate – Deaf & Hard of Hearing Cohort	AVED	19.07	6	6
Base				
Online ECE Basic Certificate	AVED	19.07	45	45
Total Early Childhood Education Program Expansion			51	51
 AVED all other programs	AVED	Multiple		31,811
Total UBC Vancouver FTE Targets			203	36,400
UBC - Okanagan Program FTE Details	FUNS Code	CIP Code	Change	Total FTE Target
RNs, PNs and HCAs				
Master of Science in Nursing	NURS	51.3801		45
Bachelor of Science in Nursing	NURS	51.3801	63	609
Allied Health				
Master of Social Work (Foundational two-year track)	HLTH	51.1503	10	20
Total Health			73	674
Technology-Related Program Expansion*				
Bachelor of Science in Computer Science	AVED	11.07		76
 Bachelor of Applied Science in Manufacturing Engineering	AVED	14.36		80
Bachelor of Science Degree, Data Science	AVED	30.7001	15	15
Total Technology-Related Program Expansion			15	171
 ABAC Reporting Requirement	ABAC	Multiple	-18	-
AVED all other programs	AVED	Multiple	18	6,410
Total UBC Okanagan FTE Targets			88	7,255
Total UBC FTE Target			291	43,655

*Where applicable PSFS will be monitoring enrolment growth over previous activity supported through base funding.