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July 15, 2022

Mr. Don Wright
Engagement Lead
Post-Secondary Funding Formula Review
VIA EMAIL: aestfundingformulareview@gov.bc.ca

Dear Mr. Wright,

RE: Public Post-Secondary Education Funding Review

Thank you for reaching out to the Federation of Post-Secondary Educators of BC (FPSE) for comment on the current and possible future of funding post-secondary education (PSE) in BC.

This is a very important and timely discussion for all of us to be having. We appreciate you will be hearing from a wide range of stakeholders, all of whom will have competing demands of how best to allocate the sector's limited resources. Currently, BC's funding model is complex and in flux, so our assertions are based on our best understandings, without access to all of the details. We are fully invested in this effort. Our submission to you reflects a wide range of concerns and suggestions, reflecting the many day-to-day challenges and hopes of our diverse membership. We hope you will find our contribution to be a valuable and constructive addition to your understanding of the sector. Should you wish to pursue any of our submission further, we are available to expand on any points you may have questions about.

We feel the timing of this review is especially relevant, coming, as it does, on the heels of the recent Future Ready Skills Plan and the BC Economic Plan, both of which envision enhancing the talents, skills, productivity and competitiveness of British Columbians through PSE. Our 10,000 members are passionate about serving BC's learners. They understand the solemn responsibility they have been given to right Canada's past wrongs through education, and they approach this task fully appreciating that schooling was employed as a tool to eradicate Indigenous cultures. Our members know too that they are teaching at a vital and critical time of social change, when what is learned will not just relate to a graduate's working life but also toward them becoming contributing citizens in a more diverse and globally connected world. Our members are proud of their professionalism, as evidenced in the role they assumed in pivoting their work to support students during Covid-19; they are now looking forward to exploring the possibilities of teaching within a new paradigm,

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as we emerge from the pandemic. In light of these, our members are excited at the prospect of this review. It poses the possibility of a more balanced and equitable approach toward ensuring BC's post-secondary students have access to high quality learning, no matter who they are and no matter where they are studying in the Province.

Respectfully,

A handwritten signature in black ink, appearing to read 'Brent Calvert', with a long horizontal flourish extending to the right.

Brent Calvert
FPSE President

On behalf of the 20 locals and approximately 10,000 members of the Federation of Post-Secondary Educators.

Encls.

cc: Sean Parkinson, Secretary-Treasurer, FPSE

Executive Summary

We are submitting a comprehensive assessment of the sector's challenges, as we see them. FPSE's conclusion is that a block funding model is the appropriate approach for supporting the sector. It is the most equitable and flexible, and it holds the greatest promise of keeping all of the sector's institutions working in concert. However, the current model is vitally in need of updating.

Modification of the base funding model is called for because it has, over the years, become haphazard in its application. Base funding works best when it reflects an actively implemented strategy. Over the years, the existing model has been subjected to both erratic interference and neglect. If the sector is to remain one that drives innovation in support of the economy and a more sustainable future, FPSE recommends that funding needs to be both, increased and reapportioned.

FPSE has a front-row seat to the strains the sector is experiencing. These strains are being borne by our members and their institutions, and they intensify the further away a school is from being a research institution in an urban setting. Reimagining the funding model will only succeed if the government commits to reassessing and realigning its perceptions of the sector, to better appreciate where its value lies in serving the students and citizens of BC.

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Context of the Current PSE Funding Model

We agree with your original letter's statement that funding in BC has become ad hoc. We are worried that what we see in our analysis reflects that PSE in BC no longer adheres to "a system" but is the cumulative result of a series of legacy decisions, political interference, and an outsized reliance on international enrolment, all of which yield a Band-Aid, reactionary patchwork of programming. What is needed now is a cohesive vision.

Over time, the sector, in BC, has become one of "have" (read: mostly urban, mostly research) and "have-not" (read: mostly rural) schools, and the disparity is only growing. Given our member locals' diverse institution sizes, mandates, and locations, we at FPSE, probably more than in any other part of the sector, witness and experience the consequences of BC's historically undisciplined approach towards PSE. We see too how difficult it is on our membership to feel unappreciated as equal contributors towards student success in BC. What needs to occur now, and is long overdue, is a proactive investment and a cohesive vision for the sector. We hope, our assessment and recommendations will help the province make this possible.

Ramifications of Legacy Decisions:

- Multiple pieces of legislation govern the sector;
- Identical programs may or may not receive provincial funding, depending on how they came about;
 - Programs offering the same credential can have very different price tags, depending on which institution the student attends.
- Schools are grappling with the fallout of their past histories where decisions made in the 80s or 90s have not been revisited;
- Despite elevating University-Colleges to Special Purpose, Teaching University status, and allowing colleges to award degrees, many learners still see these schools as being two-year, feeder institutions;
- The Special Purpose, Teaching University designation is ambiguous and causes confusion in the sector;
- Research universities have been, and continue to be, greatly valued above the province's Colleges and Special Purpose, Teaching Universities (and UBC is, by far, favoured above all); and
- When academic and ITA funding models, and their respective requirements, form the revenue model and mandates of a school, both budgeting and governance become cumbersome.

Result: Living with legacy decisions that remain ignored means that innovation in the sector is impeded and, where innovation is attempted, it cannot flourish. Additionally, some of these decisions have resulted in a redundancy of offerings and a lack of collaboration between institutions.

Ramifications of Political Interference:

- Micromanagement leaves institutional planning efforts at risk of being upended;
- Renders Boards of Governors ineffective toward long-term effective decision making;
- Places PSE's functioning subject to whim;
- Results in the sector operating in an atmosphere of wary distrust;
- Ensures PSE is, and remains low, in the hierarchy of government attention and priority (unless there is an immediate political problem to be addressed, when targeted funding measures are hastily implemented);
- Misguided PSEA and PSEC oversight and interference introduces a layer of bureaucracy, slowing down the sector and preventing it from improving itself;
- The 2% cap on fee increases has distorted the sector's financial picture;
 - Ensures fees increase, whether they are justified or not,
 - Some tuition is under charged, and,
 - Some ancillary fees are overcharged.
- Respective college mandates lack a complementary cohesive definition;
 - Drift from community programming,
 - Fragmented understanding of what a college is and its purpose to the sector.
- Prevents the sector from developing and executing a long-term strategic plan that would make it competitive on the global stage.

Result: Working under the shadow of political interference means our institutions' leaders are hobbled by uncertainty, leaving them second-guessing themselves and their ideas.

Ramifications of Reliance on International Enrolments:

- It is an "open secret" that international enrolments are being employed to meet budget shortfalls and this funding can undermine the building of strong educational infrastructures;
- The volatile nature of international enrolments results in poor program planning;
- The rush to enroll students has meant our schools are culturally unprepared to host them appropriately;
- Poor recruitment strategies mean many underprepared international students erode outcome quality;
- Poor recruitment strategies mean many underfunded international students struggle to make ends meet;
- Poor recruitment strategies mean many underprepared international students increase workload levels of faculty. These faculty become counsellors, advisors, tutors, in an attempt to assist the success of these underprepared students; and
- Because institutions and governments have not set up a well-supported, and monitored system, many international students are unable to achieve their potential.

Result: The pursuit of international enrolment exemplifies the existing ad hoc nature of the BC funding model. Some schools have benefited disproportionately from international enrolment, while others have struggled and are constantly trying to uncover new sources of

learners. In the latter cases, budgets are submitted with only faint confidence that international learners will appear in the numbers projected. Additionally, the fees charged to international learners foster the impression that they are due the degree they have paid for.

Ramifications of the Lack of a Cohesive Vision:

- The PSE sector is reduced to reacting to demographic trends when it should be proactive;
- Both the Ministry of Education and Child Care and AVEST operate in distinct, separate silos;
- Many UNDRIP calls to action related to PSE are not being met;
- BC becomes reliant on being a “skills importer”;
- We are not benefitting from a true integration of the many non-traditional PSE students seeking new skills and talents due to labour changes and evolving labour market needs.

Result: Without a long-term vision, PSE will continue be forced to react to emergencies, rather than building a cohesive system that is nimble enough to meet challenges while maintaining core programming and quality delivery of education.

What are the most important contributions the PSE system makes to the economic, social, and environmental health of BC?

FPSE believes that, when individuals are able to experience stable and reliable work, a significant step towards achieving a stronger society has taken place. For our students, this is often made possible through access to, and an ability to complete, a post-secondary designation. For our colleagues who have non-regular appointments, this occurs when they achieve the certainty of full-time employment, along with the security of receiving benefits and contributing towards a pension. When achieved through one of our institutions, communities and BC benefit in ways that far outweigh the costs.

Benefits of PSE in BC:

- PSE has become a significant export for BC;
- PSE is a gateway for many new Canadians wishing to immigrate;
- PSE is a key to assisting business and industry by providing an educated workforce with critical literacy and numeracy skills;
- Allows BC companies to create globally competitive products and services;
- Graduates of a healthy PSE sector:
 - Are talented and skilled employees, willing entrepreneurs, inspired artists,
 - Bring innovation and critical thinking to the many challenges they will face as employees and as members of the communities,
 - Strengthen communities, especially remote ones,
 - Contribute toward a more diverse, fair and just society,
 - Share access to all the opportunities BC has to offer its citizens.
- PSE provides communities with stable employment bases;

- PSE employees add their knowledge and skills to the communities where they live, work and play;
- PSE institutions bring otherwise inaccessible expertise and technologies into communities.

What could the system be doing differently to enhance its contributions to the economic, social, and environmental health of BC?

- Develop the sector's campuses to become true Centres of Reconciliation that actively remove structural barriers, engage with Indigenous Peoples as academic partners, and promote indigenous ways of teaching and learning;
- Recognize that a PSE designation today, and for some time now, has replaced the high school diploma of 40 years ago as the minimum requirement to enter stable employment. In light of this, the Province should work towards the bold plan of making all undergraduate and trades education free to students (following the historical pattern of how K-12 education was made free);
- Promote the value, accessibility and many achievements of BC's post-secondary sector to the Province's population. At FPSE, we believe BC's taxpayers do not fully appreciate the many valuable contributions the sector makes to BC's quality of life and economy;
- Promote and enhance opportunities for students to travel abroad for study. BC's international competitiveness will benefit from a more globally aware population;
- Recognize that the reality of life-long learning has arrived and that BC' post-secondary strategies (e.g., grants, supports, infrastructure, accessibility etc.) need to catch up to make PSE more accessible to mid-career, mature, family learners;
- Support and enhance opportunities for schools to offer applied learning through multiple avenues such as, co-op programming, field schools, paid internships, hybrid study-work programming, etc.; and
- Take a "whole province" approach to investing in the sector, thereby making full-service PSE accessible to more people in more places;
 - Repeatedly placing "centres" in the major urban centres reinforces the notion that quality education is not offered in rural settings.

What do you see as the key economic, demographic, social and technological trends that will impact post-secondary education in BC over the next 30 years?

This week's amazing images from NASA's James Webb Space Telescope are confirming evidence that we are experiencing a period of profound discovery and change and that our innovation cycle is only accelerating. Along with being on the cusp of developing new scientific tools (e.g., quantum computing, artificial intelligence, Genetics), we are living through enormous societal changes being brought about by our instantaneous connections and reaching the limits of our planet. There is going to be a lot to teach about in the coming decades. The challenge will be in deciding what not to include.

Significant trends are already emerging, and we have highlighted a few of them for you below. The challenge for BC will be to meet these upcoming trends with a system that is already overstretched.

Economic Trends

Real estate prices are affecting both access to and provision of PSE

- More and more young faculty are unable to buy or rent and live close to their institutions;
- Housing costs are limiting access to education; and
- Housing costs are leading to unscrupulous exploitation of students (especially international students).

Inflation

- Means real funding has steadily decreased;
- Financially starved institutions are going to struggle more after inflation takes its bite; and
- Low salaries have been unable to keep abreast of inflation and that issue is only getting worse, which is a real concern to our 10,000 members.

Public Sector Salaries in BC

- The persistently low salaries in the sector are demoralizing;
- Low regional salaries in British Columbia hamper recruitment efforts of not only faculty but also of qualified senior administrators with sectoral experience; and
- We are losing faculty and administrators to the more lucrative private sector or other provincial jurisdictions that have seen continued improvements.

Sectoral Trends

Changing Assessments of Student Success

- Move from recall testing to evaluations of applied learning;
- Inverted classrooms; and
- Team-Based Learning.

Growing Emphasis on STEM Programming

- By institutions and students;
- Higher per student costs; and
- Potential to devalue the contributions of the arts, humanities, and social sciences.

A Growing Reliance by Institutions to Cut Costs

- Outsourcing of content and service provision;
- Over reliance on sessional instruction.
 - Robs students of educational mentorship and future faculty relationships,
 - Leaves universities/colleges, faculties and departments with fewer people for committee and governance work,

- Creates a precarious and outsourced workforce that cannot fully join the communities they serve.

Institutions Being Forced into Pursuing Income Generation Activities (i.e., “Hustle Money”)

- Distracts leaders from their primary mission;
- Introduces a degree of privatization of the sector; and
- Employees are not rewarded accordingly for their contributions to the success of these efforts.

Emphasis on Increasing Utilization of Facilities

- Campuses are moving to six day per week, and year-round teaching;
 - Note, the programming is charged at the regular rate, however, service provision (e.g., cafeterias, librarians, advisors, bookstores, gyms...) are often unavailable
- Strains infrastructure by preventing routine maintenance;
- Strains infrastructure that was not designed for the wear & tear they are experiencing;
- Has prolonged the use of facilities that are well past their intended life cycles; and
- Impacts the traditional rhythms of PSE.
 - E.g., professional development, conference attendance, data gathering, field work, collaboration...

Increased Cross-Jurisdictional Recruitment of BC Students

- We anticipate branded US institutions, with deep pockets, will sharpen their focus on luring the most promising students (especially post-graduates) to their schools and students will be hard pressed to resist the offers they receive;
 - Richer bursaries, scholarships, and grants,
 - Students and parents perceive greater value coming from these institutions,
 - Top tier employers hire from these schools.
- From for-profit providers who offer industry specific, targeted instruction.

Demographic Trends

Lifelong Education

- Will see a growth in:
 - Returning students,
 - Mid-career, mature, married and students with dependants,
 - Micro credentials,
 - Post-graduate education, and
 - More varied program delivery,
 - E.g., weekends, evenings, condensed, residencies, online, hybrid...

A More Complex Student Body

- Faculty are increasingly in the position of supporting students experiencing mental health crises;
- More students are presenting with a wider variety of accommodations to be met;

- Overstretched counseling services can not keep up in terms of:
 - Service hours,
 - Facilities,
 - Number of counselors.
- Faculty are being asked to teach to wider range of student needs and preparedness; and
- The province is, in effect, offloading social support costs onto the sector.

Technological Trends

Online & Hybrid Learning

- Recognize that “moving online” is not a panacea to either, accessibility challenges or to lowering costs.
- Recognize that while this evolution is in its early stages, some schools are already well ahead of BC’s offerings.
 - Threats:
 - Will result in students bypassing rural institutions,
 - Will result in students bypassing BC institutions altogether.
 - Opportunities:
 - Create innovative distance learning programs that go beyond a mere transfer of the classroom to a digital format (see: [The Man Who Made Online College Work - WSJ](#)¹)

How do you think the PSE system needs to evolve in response to those trends?

Move the Sector from Competition to “Co-opetition” and Collaboration

- Reimagine and foster constructive links between institutions;
- Strengthen the ties between the various PSE institutions;
 - Currently a win-lose mindset has taken over, and schools are working in silos;
- More innovative pathways between institutions for students; and
- More collaboration linking programs between institutions.

Reimagine Campuses and Campus Life to Reflect BC’s Sustainable Goals:

- Provision of student housing, ranging from undergrad housing to married student housing. These should include culturally sensitive amenities.
- Provision of daycare, Pre-K and Kindergarten spots;
- Provision of affordable faculty housing;
- Improve public transportation networks serving campuses; and
- Develop campuses to provide more day-to-day needed services and amenities (e.g. medical services, retail, entertainment...).

¹ Varadarajan, Tunku; The Man Who Made Online College Work (2021); Wall Street Journal; ([The Man Who Made Online College Work - WSJ](#)); Accessed July 11, 2022

Evolutionary Recommendations

- Either clarify, reinforce, or eliminate the Special Purpose, Teaching University designation;
- Clarify the role of colleges in the sector. Do they primarily offer two-year programs, post-degree diplomas, trades diplomas and certificates, developmental education, and community programs? Or, are they expected to deliver niche and high demand degrees?
- Facilitate plans to allow TRU and the Special Purpose, Teaching Universities to offer more terminal degrees, up to and including PhDs;
 - First, in partnership with established PhD granting universities, and then proceed unilaterally.
- Commit to make distance learning offerings professional and desirable to students (i.e., develop proper AV-supported settings to allow faculty to teach from spaces that are not their bedrooms or basements); and
- Ensure student loan and grant guidelines, reflect, and are responsive to, the evolving demographics and realities of the student body.

Revitalize BC's Rural Services

- Turn BC's PSE investment "inside out". We need to revisit the repeated, significant investments in urban/research-oriented schools. We need to envision a funding system that matches our diverse province's needs and better utilizes our rural campuses. This long-standing pattern has:
 - Implicitly undermined and devalued BC's existing, widespread network of institutions
 - Reinforced the belief by students (and their parents) that they must leave their home communities to access a good education
- Evaluate approaches to take better advantage of remote campuses to keep and attract students and faculty.
 - Move from a "maintain" approach to one that places high-grade, in-demand programming that will draw students to remote regions

Reimagining the Government's Approach Towards the Sector

Governance

- Weave post-secondary education into other Ministries' strategic planning to support a clear path to provincial economic growth;
- Allow the sector to operate at arms' length from political shifts;
 - De-couple institutions' "internally restricted funds" from provincial control,
 - Allow schools to operate as truly autonomous entities within their own communities.
- Rationalize the number of pieces of legislation that govern the sector from some six acts down to one or two;

Financial

- Commit to managing the sector as an investment and not as a cost centre, recognizing that the economic benefits will outstrip the outlay;
- Recognize that the need for ongoing “maintenance money” is as important to the sector as is the need for one-time new capital projects;
- Ensure funding reviews occur within, at least, every 10 years.

Approaches

- Make a concerted effort to recruit people with key sectoral experience into AVEST and develop consultative pathways of communication with the province’s community of educators;
- Overtly recognize and celebrate the academic and teaching achievements of the sector;
- Return to a traditional view that faculty make up an institution and should be the ultimate drivers of institutional program decisions.

What modifications to the funding formula would you recommend considering the above?

As things stand, the current model of block funding remains unclear even to the stakeholders; for example, this call for input has not provided either, a backgrounder or a primer on how funding currently operates in BC. It is difficult to evaluate a funding model without an understanding of the parameters and their application. We note too, the omission of targeted funding from the discussion, which is, in itself, a significant element of the existing model. Such asymmetrical data sharing is a longstanding hallmark of BC’s PSE sector and, moving forward, needs to be addressed, if the hope is to begin a process of engaging in dialogue.

FPSE’s Position

FPSE opposes adoption of performance-based funding. Performance based funding results in a “what gets measured, gets done” mindset. We contend that a healthy PSE sector, like any good service, includes much that cannot be readily quantified.

Secondly, FPSE maintains that the “per FTE”, or “headcount”, funding model hurts rural schools disproportionately. Rural schools, based on their geographic footprints, have higher relative per student operating costs. It also encourages poaching of students.

Sadly, as the funding model in BC has frayed, both performance metrics and poaching of students have come into play in the sector.

In light of the above, FPSE favours keeping and enhancing the existing block funding model as it is the most equitable, helps to serve local communities and minimizes competition among schools. Our recommendation is that overall funding for the sector be increased and that the allocations be reapportioned.

Further, to ensure accountability, government must re-establish academic oversight as the guiding principle of higher education. Programming and program mix need to be determined

by faculty; neither administrations nor the legislature are well suited to making these decisions. For evidence, note that UBC, through its financial security, has been able to maintain its academic-centred mission and high standards.

We urge the government to invest more in the sector's rural PSE network with the aim of making studying and teaching outside of the major urban centres more attractive. Our suggestion is to place high demand, intense programs (like nursing, medicine, engineering etc.) on rural campuses where costs are lower, and the quality of life might be appreciated by some students and employees.

Lastly, FPSE also recommends setting a schedule for comprehensive reviews of funding of the BC PSE sector, if for no other reason than to ensure that decades do not go past without this important work being done.

In conclusion, we acknowledge that we have placed a lot in front of you. We are grateful for this opportunity to share with you some of our perspectives on the current state of post-secondary funding in BC. We believe much needs to be done and, like our members, we are passionate about seeing the sector reach its full potential. We look forward to working with you more on this project over the coming months.

Respectfully,

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Brent Calvert
FPSE President

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