



VANCOUVER COMMUNITY COLLEGE

Public Post-secondary Funding Review



2022

Submitted to:
Ministry of Advanced Education and Skills Training



CONTENTS

PART 1	
Introduction	1
VCC delivers to priority demographics.	2
VCC delivers programs the province needs.	3
Certain programs cost more.	6
The current financials don't work.	8
The consequence of undifferentiated funding.	10
Recommendations	13
PART 2	
Funding Review: 10 Questions	14

INTRODUCTION

Vancouver Community College (VCC) has a long and distinguished history as the largest and oldest community college in British Columbia. Officially, VCC was established in 1965 as Vancouver City College by bringing together the Vancouver Vocational Institute (1949), the Vancouver School of Art (1925), the Vancouver School Board's Night School Program (1909), and the King Edward Senior Matriculation and Continuing Education Centre (1962). VCC's history, however, dates even further back to 1880 as Vancouver High School, located at 250 West Pender Street. In 1974, VCC separated from the Vancouver School Board, was renamed Vancouver Community College, and has since continued to play an important role in the delivery of essential educational programming in British Columbia.

VCC provides educational offerings for special populations, including profoundly deaf and blind students; upgrading programs for adults who have not graduated from high school; and programs catering to new arrivals to Canada. In fact, 29% of our students are new Canadians. This, compared to an average of only 8% for other Lower Mainland institutions.

VCC delivers a wide range of education and trades training, and its students are frequently top performers in provincial, national and international skills competitions. Finally, VCC offers a full range of dental and allied health programs, as well as a Bachelor of Science in Nursing program. To make these programs as accessible as possible, and in alignment with the Government's desire to make life affordable for British Columbians, VCC currently has the lowest per-credit tuition fees in the province.

VCC is pleased to submit this Funding Review document, which is a follow up to an interview held on June 27, 2022, with Don Wright, Engagement Lead for the Post-Secondary Funding Formula Review.

VCC DELIVERS TO PRIORITY DEMOGRAPHICS.

VCC

13,130

STUDENTS REGISTERED

2021-22

*CDW Oct 2021, Institution Demographics, FY 2020-21



489

INDIGENOUS
STUDENTS ENROLLED –
SELF-DECLARED*

OVER 50

LANGUAGES SPOKEN

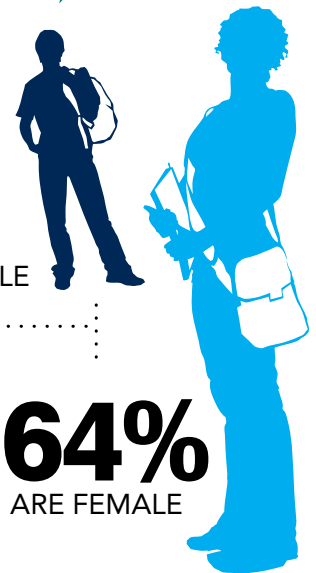
134

FROM
COUNTRIES



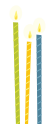
35%

ARE MALE



34

AVERAGE AGE OF
DOMESTIC STUDENT



27

AVERAGE AGE OF
INTERNATIONAL
STUDENT

64%

ARE FEMALE



29%

VCC STUDENTS ARE
NEW CANADIANS



97%

OF STUDENTS
SATISFIED WITH
QUALITY OF
INSTRUCTION†

†2021 BC Student Outcomes Survey of former Diploma, Associate Degree and Certificate Students, data prepared by BC Stats

2

ADVANCED
CERTIFICATES

2

POST
DIPLOMAS

2

UT ASSOCIATE
DEGREES

3

BACHELORS
DEGREES

16

APPRENTICESHIPS

4

SHORT
CERTIFICATES

31

DIPLOMAS

93

CERTIFICATES



6-9%

STUDENTS WHO ACCESS
ACCOMMODATIONS



VCC DELIVERS PROGRAMS THE PROVINCE NEEDS.

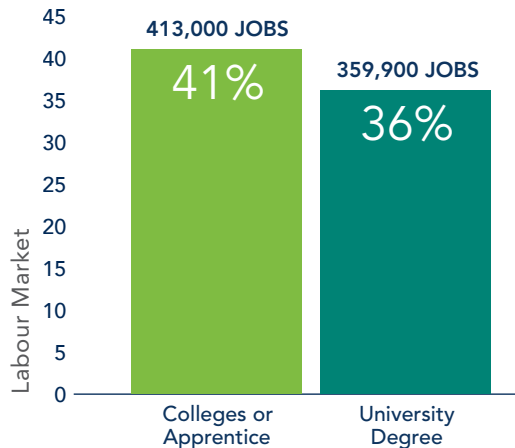
B.C.'S EMPLOYERS ARE LOOKING FOR COLLEGE-LEVEL OR APPRENTICE TRAINING.

The British Columbia Labour Market Outlook 2021 Edition forecasts 1,004,000 job opening in British Columbia in the period 2021 to 2031. Of these jobs, 635,000 (63%) will be replacement jobs while 369,000 will be expansion jobs. 48% of the jobs are forecast to be taken by young people starting work, while 34% will be taken by immigrants, making this latter population a critical element of the future workforce. With 29% of VCC's student body being new Canadians, VCC is playing a critical role in supporting the transition of new Canadians into the workforce and equipping them with the skills needed to succeed.

The B.C. Labour Market Outlook forecast also indicates that 413,000 (41%) of the jobs in the next decade will require college or apprenticeship training while 359,900 (36%) of jobs will require a university degree. The most recent Advanced Education and Skills Training (AEST) data indicate that 72.4% of students in post-secondary education are pursuing an undergraduate or graduate degree while only 27.6% of students are pursuing a college credential or apprentice training. This is a clear mis-match with the labour market forecast, indicating an overemphasis on degree-level education at the expense of college-level and vocational education and training.

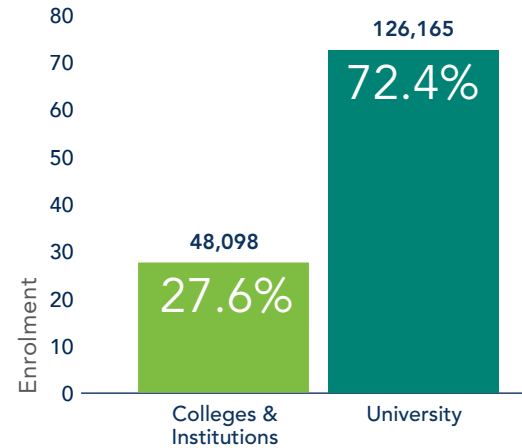
B.C.'S EMPLOYERS ARE LOOKING FOR COLLEGE-LEVEL OR APPRENTICE TRAINING (cont'd).

PREDICTED JOB OPENINGS BY EDUCATION REQUIREMENT 2021 – 2031



Source: BC Labour Market Outlook 2021 Edition

CURRENT FTE BY INSTITUTION TYPE

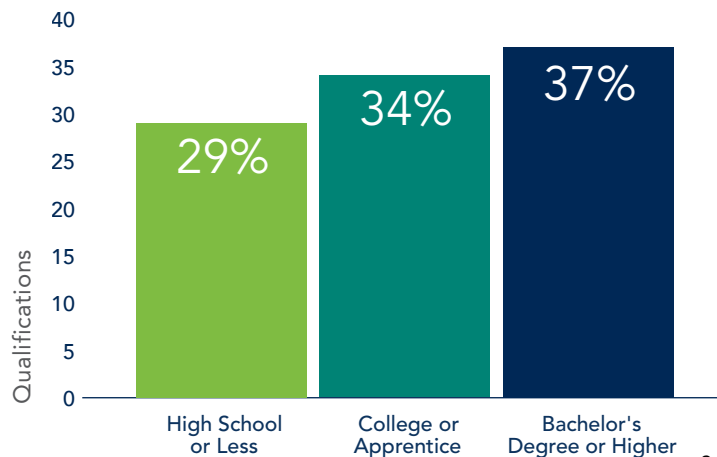


Source: Post-Secondary Central Data Warehouse

The B.C. Labour Market Outlook further suggests that in the next decade, approximately 77% of B.C. jobs will require some level of post-secondary education or training. Current data indicates that approximately 71% of the workforce have some level of credential attainment at the post-secondary level, while 29% of the workforce have obtained a high school diploma or less.

To achieve the 77% of post-secondary education required in the labour market forecast, it is clear that attention must be paid to improving access to those students not currently moving into post-secondary education together with the percentage of the current workforce who have not obtained any post-secondary education or training. VCC's access and applied programming positions it well to serve these prospective students.

EDUCATION LEVEL OF B.C.'S LABOUR FORCE



Source: BC Labour Market Outlook 2021 Edition

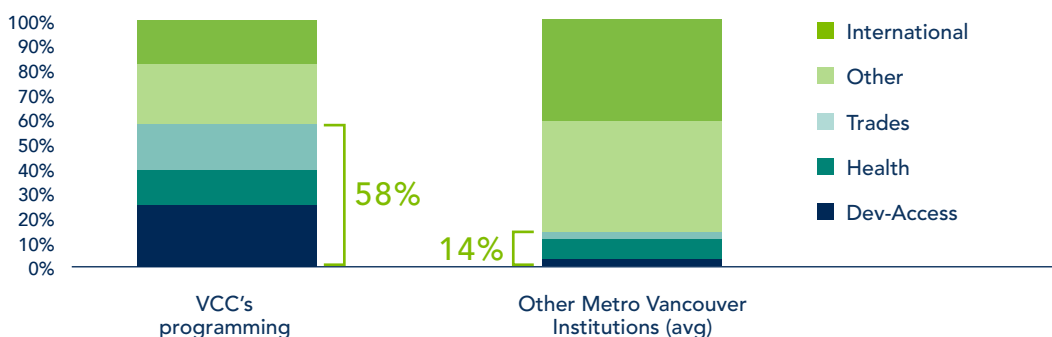
VCC PROGRAMS RESPOND TO B.C.'S NEEDS/PRIORITIES.



Almost 60% of VCC's total programming is in three areas: developmental and access (23%), health (15%), and trades training (20%). This compares with an average of only 14% for developmental, health and trades programming for peer institutions in the Lower Mainland. For these institutions, the educational focus is on degrees or university transfer programming, with most international students also pursuing these credentials. At VCC, a significant proportion of international students, who make up 20% of the total student body, are engaged in allied health, vocational education and trades training programs.

VCC emphasizes programming in high-demand trades including, automotive technician, automotive collision and repair, culinary arts, baking and pastry arts, and hair design and esthetics. We also specialize in high demand health and allied health disciplines (health care assistant, occupational/physical therapist assistant, pharmacy technician, medical laboratory technician, medical office assistant), together with a suite of dental programs. Additionally, we provide developmental programming that prepares students to enter post-secondary education and provide pathways to our various education offerings.

DISTRIBUTION OF AEST PRIORITY PROGRAMMING



Source: Post-Secondary Central Data Warehouse 2018-19



CERTAIN PROGRAMS COST MORE.

VCC programs provide exceptionally high value to students and high employability; however, the programs themselves are expensive to deliver. Since 2019, VCC has engaged in a series of costing exercises to fully understand the cost of delivery of all our programs. This careful and detailed cost analysis, coupled with similarly detailed revenue analysis, has allowed VCC to identify the revenue, costs and contributions of all its programming. The analysis highlights some of the structural disadvantages faced by VCC when compared to other institutions in the Lower Mainland.

The following tables illustrate several scenarios that detail the relative financial costs and contributions of courses delivered in different instructional settings. The data highlights the disadvantage experienced by colleges in delivering high-cost programming in relatively small class size settings.

TYPICAL FIRST-YEAR RESEARCH UNIVERSITY Lecture Course

15 weeks, 3 hours per week, 45 hours total



Students	200
Course credits	3
Tuition per credit	\$ 190.97
Tuition revenue\course	\$ 114,582
Funding per FTE	\$ 17,900
Funding per course	\$ 358,000
Instructional Cost (est.)	\$ 20,000
Net without overhead	\$ 452,582

CERTAIN PROGRAMS COST MORE (cont'd).

TYPICAL TEACHING UNIVERSITY OR COLLEGE University Transfer Lecture Course

15 weeks, 4 hours per week, 60 hours total



Students	40
Course credits	3
Tuition per credit	\$ 91
Tuition revenue\course	\$ 10,938
Funding per FTE	\$ 7,752
Funding per course	\$ 31,008
Instructional Cost (est.)	\$ 15,000
Net without overhead	\$ 26,946

TYPICAL HEALTH SCIENCE PROGRAM Health Care Assistant

30 weeks, 29 hours per week, 860 hours total



Students	28
Course credits	39
Tuition per credit	\$ 76
Tuition revenue\course	\$ 81,585
Funding per FTE	\$ 7,752
Funding per course	\$ 217,056
Instructional Cost (est.)	\$ 367,500
Net without overhead	\$ - 68,858

SPECIAL DEMOGRAPHIC PROGRAM Community and Career Education Food Services Certificate Students With Cognitive Disabilities

38 weeks, 29 hours per week, 1,112 hours total



Students	11
Course credits	38
Tuition per credit	\$ 45
Tuition revenue\course	\$ 18,810
Funding per FTE	\$ 7,752
Funding per course	\$ 85,272
Instructional Cost (est.)	\$ 260,000
Net without overhead	\$ - 155,919

Cost of course delivery involves significant overhead expenses in addition to instructor salaries. Assuming instructional salary costs represent only 50% of instructional delivery costs, net returns for some college courses may operate at significant losses when compared to university lecture or college university transfer courses.



THE CURRENT FINANCIALS DON'T WORK.

The previous section detailed how smaller class sizes, differential tuition fees and unequal funding between various institution types can have a significant and negative impact on course delivery and fiscal sustainability. The following table incorporates average costing data from research work undertaken by VCC to determine cost of delivery for various program types. The average cost of delivery across all program types is \$18,059 per FTE. Average tuition per FTE is approximately \$2,900 and the average provincial grant per FTE is \$8,272. As a result, the deficit incurred for each FTE delivered on average is -\$6,895.

The following table compares revenue (funding and tuition) and cost of delivery for various categories of program types.

THE CURRENT FINANCIALS DON'T WORK (cont'd).

Based on enrolment in each delivery category, the surplus/deficit for that category can be determined for VCC and is shown as follows:

REVENUE (FUNDING AND TUITION) AND COST FOR DELIVERY PER FTE BASED ON 2019-20 FISCAL

	Cost/FTE*	Tuition /FTE	Adjusted to University Standard** (450 Instruction Hours/FTE)	Average Grant /FTE	Surplus/Deficit = (Tuition + Grant) – Cost (Per FTE)	Share of College FTE (%)
VCC						
Arts & Science	\$ 13,909	\$ 2,735	\$ 1,779	\$ 7,752	– \$ 3,422	5%
Trades	\$ 26,733	\$ 4,675	\$ 2,322	\$ 6,642	– \$ 15,416	26%
Health Care	\$ 35,343	\$ 6,371	\$ 2,453	\$ 7,752	– \$ 21,220	16%
Developmental/ Access	\$ 38,569	\$ 2,989	\$ 1,702	\$ 7,752	– \$ 27,828	30%

* Summary of all FTE/area. Tuition/FTE calculated on cross-section of programs/area

** University Standard is 450 Instruction Hours/FTE

The cost disadvantage resulting from smaller class sizes and higher delivery costs is further compounded by lower tuition charged to students in colleges. On average, college tuition is substantially lower than at research universities (average tuition is \$5,652) and teaching universities (average tuition is \$4,600)¹.

Average college tuition is \$3,200 across the college sector with VCC having the lowest average annual tuition of all colleges at \$2,789.

Because of the tuition fee increase limit of 2% per annum, the difference between university and college tuition levels continues to increase in absolute terms over time.

1. Source: BC Public Post-Secondary Institutions, Fall 2021 tuition data submission



THE CONSEQUENCE OF UNDIFFERENTIATED FUNDING.

VCC's ability to operate in accordance with the Government's prohibition against incurring a deficit, has been achieved largely by not fully delivering the Ministry targeted FTE numbers.

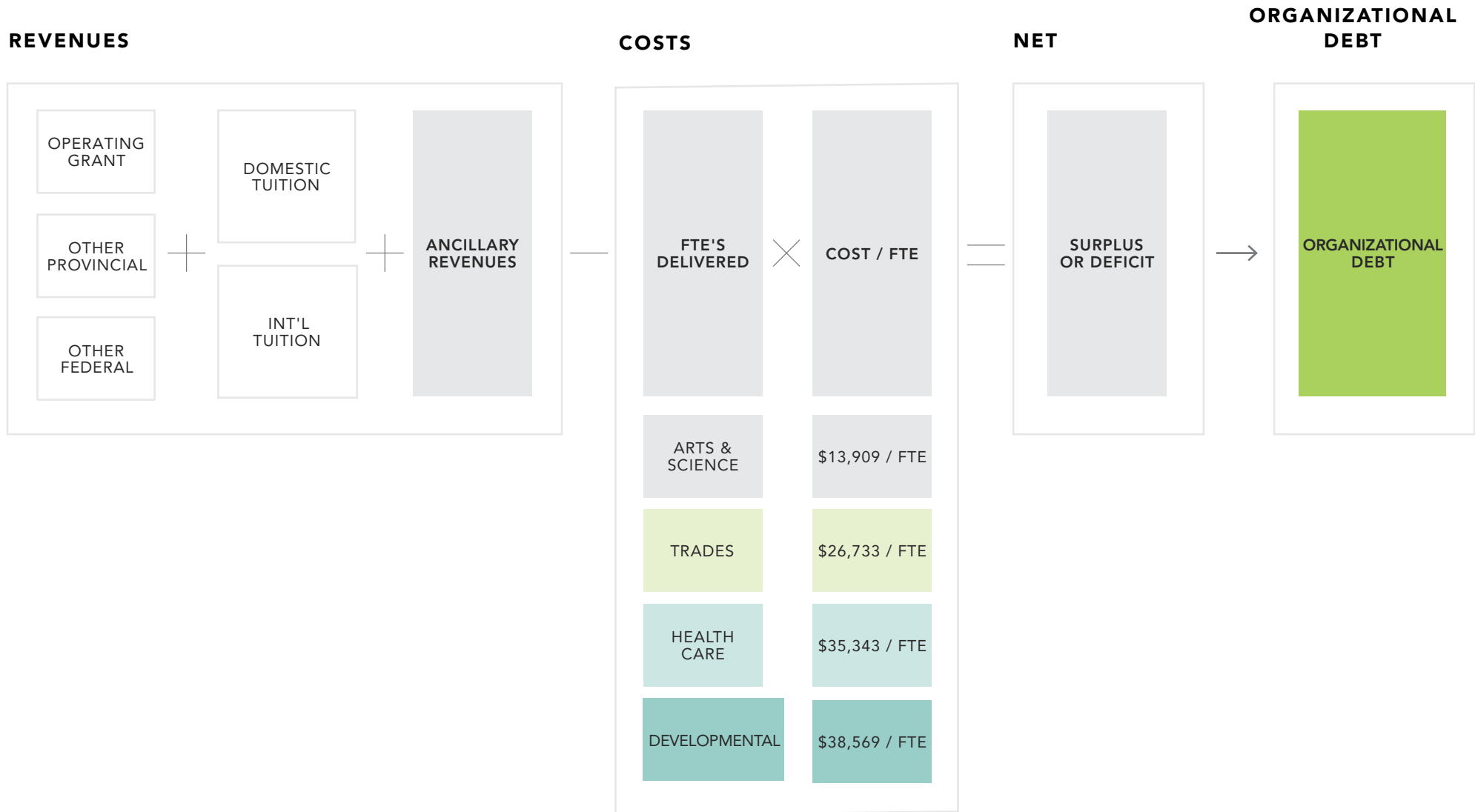
We appreciate and acknowledge that operating grants are not connected to FTE targets or student enrolment. This has allowed the block grant to be distributed across a smaller number of FTE's, thereby increasing the per FTE grant contribution. Additionally, VCC relies on tuition revenue from international students to further reduce the deficit position, together with funding from federal sources and revenues from a variety of ancillary services.

In maintaining a break-even budget position VCC has, however, incurred a real organizational debt. This organizational debt includes:

- lack of investment in capital maintenance for aging facilities,
- reduced investments in technology infrastructure,
- delayed program review and renewal and,
- reduced capacity to update and improve policy and processes.

This results in less efficient business operations and, limitations in support service delivery to VCC student populations requiring enhanced supports. While not visible in VCC's budget, this organizational debt position will have considerable impact on future operations.

THE CONSEQUENCE OF UNDIFFERENTIATED FUNDING (cont'd).



THE CONSEQUENCE OF UNDIFFERENTIATED FUNDING (cont'd).



We are facing challenges with deteriorating facilities, as evidenced by increasing Facilities Condition Indices (FCI) as measured by the total deferred maintenance cost as a proportion of the total building replacement cost. Industry standards support maintaining FCI at below 0.1 to avoid accumulated deferred maintenance costs. In contrast, according to the Facilities Condition Assessment report generated using the Voluntary Framework of Accountability (VFA) software systems, the FCI indices for VCC's buildings are as follows:

FACILITIES CONDITION INDEX OF VCC CAMPUS BUILDINGS – 2022

Location	Building	FCI
Downtown	Dunsmuir	0.51
Downtown	Tower Cambie	0.51
Downtown	Pender	0.42
Broadway	Building A	0.50
Broadway	Building B	0.09

Note: Industry standards recommend maintaining an FCI of below 0.1
Source: CITATION

To address the future financial situation, VCC has developed an ambitious campus plan that proposes leveraging its real estate assets to allow for the complete redevelopment of campus infrastructure and the creation of a significant endowment that can be used to support ongoing operations. Acknowledging that this plan will be realized over two decades, VCC offers the following recommendations in support of near and mid-term funding issues.

RECOMMENDATIONS

VCC recommends the following actions to more equitably support AEST's high-priority programs and demographics. These changes to the current funding model can be made in the immediate term to improve the lives of British Columbians for years to come.

Target labour market needs

Fund priority labour market programs at rates that reflect validated costs of the programs.

Consider developmental and access program costs

Fund programs for development and Access+ demographics (e.g. VCC unique programs that provide career skills to the Deaf, hard of hearing, and visually impaired communities) at rates that reflect validated costs of the programs.

Flag funding shortfalls

Ensure that other funding sources (Industry Training Authority etc.) do not require subsidies via the Operating Grant.

Recognize institutional differences

Recognize all revenue sources available to an institution (e.g. International Student revenues, research, commercial enterprise, federal funding etc.) in calculating appropriate Operating Grants.

Fund policy priorities

Establish a sectoral approach to support implementation of key government policies and initiatives (e.g. Indigenization (DRIPA), mental health supports, duty to accommodate, sexual violence policy, anti-racism legislation etc.).

Reflect total costs and cost escalations

Ensure funding reflects real cost escalations (e.g. inflation) and regulatory requirements (e.g. accrediting bodies).

PART TWO

FUNDING REVIEW: 10 QUESTIONS

1. WHAT ARE THE MOST IMPORTANT CONTRIBUTIONS YOUR INSTITUTION MAKES TO THE ECONOMIC, SOCIAL, AND ENVIRONMENTAL HEALTH OF BRITISH COLUMBIA?

VCC continues to be the main Access+ institution for Metro Vancouver.

While all colleges offer post-secondary education, VCC provides accessible and affordable essential programming that develops and serves a diverse student population, including equity-deserving and non-traditional learners:

- More than one out of 20 VCC students are Indigenous learners.
- 29% of VCC students are first generation new Canadians or people of refuge:
 - Compared to the sector average of 8%
 - VCC is the largest post-secondary provider of English as Additional Language (EAL) and Language Instruction for Newcomers to Canada (LINC).
- 6~9% of VCC students access disability accommodations for educational success:
 - VCC is the only institution in Metro Vancouver with in-house sign language interpreting services.
 - VCC is the last remaining public institution in Western Canada with developmental programming for the Deaf, Hard of Hearing, and Visually Impaired.
- VCC identifies and supports learners facing multiple barriers for access to post-secondary education:
 - Average age of VCC students is 35 years old and 64% are female
 - Mature or transitional workers requiring up-skilling or re-training
 - Youth in or aging out of care
 - High-risk or youth in corrections
 - Vulnerable women and populations
 - Community-based outreach programs in remote locations

1. CONTINUED

VCC sustains key programming of socioeconomic significance that other institutions have conceded over time.

Fifty-eight per cent of VCC's programming directly responds to the Government of B.C.'s mandates and labour market needs with one of the highest vocational learner outcomes, compared to just 14% in the sector. One out of every 53 jobs in the Metro Vancouver region is supported by the activities of VCC and our students, with 93% of our graduates employed:

- Developmental & access programs:
 - Basic education and foundations
 - Samplers, pathways, and pre-trades
 - High employment vocational education programs:
 - Auto body collision and repair, automotive service technician, and heavy mechanical trades
 - Culinary arts and baking and pastry arts
 - Hair design and esthetics
 - High labour market demand programs:
 - Nursing (BScN) and practical nursing (PN)
 - Dental (dental hygiene, dental technology sciences, dental assistant, dental reception, etc.)
 - Allied health programs (health care assistant, occupational/physical therapist assistant, pharmacy technician, medical laboratory technician, medical office assistant)
-

For More Information

[Strategic Innovation Plan](#)

[Fast Facts Sheet](#)

[Institutional Accountability Report](#)

[E MSI Report](#)

[VCC Foundation Annual Impact Summary](#)

2. WHAT IS YOUR INSTITUTION DOING TO PROMOTE RECONCILIATION WITH INDIGENOUS PEOPLE AND FIRST NATIONS?

VCC's commitment to Reconciliation is demonstrated in both strategy and operations, and is advanced on institutional and individual levels.

VCC's new 10-year Strategic Innovation Plan articulates specific goals on Reconciliation for each of its five key priorities. Our recent work in response to the Truth and Reconciliation Commission's Calls to Action and the Indigenous Education Protocol includes:

- Academic Innovation
 - Indigenous Pedagogy guide update
 - Library's Indigenous collections expansion with special topics in:
 - Indigenous and First Nations Studies research
 - Residential Schools and Sixties & Millennium Scoops
 - Missing and Murdered Indigenous Women
 - Indigenous authors, literature, languages, and business
 - Indigenous health and well-being
 - Annual two-day Indigenous Teaching, Learning and Research Symposium (open to the sector)
 - Campuses of the Future
 - Indigenous community engagement and consultation
 - Indigenous Cultural Advisor appointments
 - Indigenous professional requirement on the architectural staff of the contracted firms
 - Empowered People & Inclusive Culture
 - VCC has met and exceeded Government of Canada's 50/30 Challenge, with diverse Indigenous representation in leadership across key portfolios
 - Indigenous Workforce Recruitment Pilot
 - San'yas Indigenous Cultural Safety Training for board, leadership, staff, and faculty (15% of our 1,200 employees have started and/or completed)
 - Cultural workshops, lunch & learn, book clubs, educational webinars expanded offering
 - Development plan for a cross-institutional Indigenization committee
 - Operational Excellence
 - Institutional Indigenization Readiness Assessment completion with recommendations unanimously supported by the Board of Governors
 - Indigenous policy review for renewal
 - Engaged Communities
 - External Indigenous Advisory Council
 - Community-based applied research on Indigenous post-secondary experience
-

2. CONTINUED

VCC builds responsive programming in partnership with First Nations and Indigenous organizations.

- Musqueam First Nation:
 - Development and in-community delivery of Early Childhood Care and Education program
 - Development of a Professional Cook 1 with Indigenous content at VCC in collaboration with B.C.'s Industry Training Authority (ITA)
- Lil'wat First Nation: Creation of a professional cook training kitchen in the Líl'wat7úl Culture Centre in collaboration with the Whistler Institute and BCIT
- Heiltsuk First Nation: Delivery of culinary training in the community
- Aboriginal Community Career Employment Services Society (ACCESS): Completion of a second Dental Reception Coordinator (DRC) cohort for the urban Indigenous learners

VCC is dedicated to services and initiatives that support our Indigenous learners and communities.

We respectfully acknowledge that Vancouver Community College is located on the traditional and unceded territories of our host nations; our college also provides programs and services to a significant number of urban indigenous youth, not affiliated with any band.

- Co-development of Canada's first Gladue Report Writing credential program from an Indigenous perspective
- Creation of a new Indigenous Business in Canada course
- Long-standing partnership with Native Education College
- Outreach partnership with RayCam Cooperative Centre (tuition-free basic upgrading classes for Indigenous learners)
- Enhanced student supports and services (ie. emergency bursaries, Indigenous student awards, conference/research sponsorship, designated loaner laptops and tablets, community cupboards, expanded Elders-in-Residence program, Indigenous student leadership program)
- Priority enrolment and guaranteed seats for Indigenous students

For More Information

[Strategic Innovation Plan](#)

[Institutional Accountability Report \(TRC Progress\)](#)

3. WHAT IS YOUR INSTITUTION DOING TO PROMOTE EQUITABLE ACCESS FOR PEOPLE WHO COME FROM DISADVANTAGED SOCIO-ECONOMIC CIRCUMSTANCES?

VCC embraces its mandate as a truly accessible institution.

We are skilled educators that provide comprehensive educational opportunities and integrated services and experiences for a range of populations, with different strengths, backgrounds, and needs.

- We are actively engaging former Youth in Care (YIC) students to access the tuition waiver program
- Tuition waivers for low-income seniors

VCC ensures that Post-Secondary Education is accessible to all British Columbians with diverse abilities and barriers.

VCC provides some of the most comprehensive Adult Special Education training in the province. These specialty programs require dedicated, highly trained staff to deliver. For example, we maintain a staff of nine, in-house sign language interpreters to provide service to profoundly deaf and hard of hearing students. Specific programs include:

- Technology courses for students with visual impairments
- Language and job readiness courses for adults who are deaf or hard of hearing
- Career Access Special Education (CASE) for students with cognitive disabilities focuses on career preparation and training in retail, hospitality and food service which often leads to employment
- We support students who self-identify as having a physical, mental, and/or emotional challenges

New Canadians are essential to the growth of British Columbia's skilled labour force.

- VCC supports a large number of new Canadians or first-generation Canadians with 29% of our students being new Canadians, compared to a sector average of 8%
 - VCC Supports students in Language Instruction for Newcomers to Canada ("LINC"), English as Additional Language ("EAL") and a comprehensive Adult Basic Education program
 - VCC ensures technology access through provision of dedicated loaner laptops and tablets
-

3. CONTINUED

VCC partners with community, business, and industry groups to deliver responsive programs.

- Medical Office Assistant training for unemployed/underemployed people returning to labour market
 - Building Service Worker training project to help unemployed/underemployed individuals return to the labour market
 - Basic Counselling Skills and Kitchen Basics with the Open Door Group (a non-profit organization with the mission of supporting sustainable employment for people of all abilities)
 - Employability Skills training and service-learning placements for new Canadians looking for Canadian work experience
 - In a Pan-Canadian partnership with Mohawk College, Nova Scotia Community College, and Red River College Polytechnic, VCC offers a nine-week Material Handling 4.0 training program for unemployed and underserved learners, tuition free
-

For More Information
[Fast Facts Sheet](#)

4. WHAT ARE YOUR MAJOR CHALLENGES IN ENHANCING THE CONTRIBUTION YOUR INSTITUTION MAKES TO THE ECONOMIC, SOCIAL, AND ENVIRONMENTAL HEALTH OF BRITISH COLUMBIA?

Careful analysis of program delivery costs indicates serious funding discrepancy against the priority labour market programs that VCC delivers in majority.

VCC has undertaken a detailed costing analysis for all of its programming. The analysis looked at both revenue derived from government funding together with tuition revenue together with a detailed attribution of costs to each program activity. Costs for labour in instruction and instructional support, special materials, and overhead costs of designated facilities and services were attributed as direct costs of each program. Costs for services to support the whole institution such as the registrar's office, library services, centralized administration etc. were attributed to each program on a pro rata FTE basis. Results of the analysis indicated that:

We offer high-value, high-cost programming relevant and responsive to the labour market, to diverse student populations.

- The students we serve and the subjects we teach require smaller cohorts and small student to instructor ratios.
 - Hands-on technical training requires specialized facilities and low student-to-instructor ratios and cannot be scaled to large auditoriums.
 - The higher-delivery costs of this programming does not align with the undifferentiated block funding per FTE model.
-

Even though costs are higher, the revenue deck is stacked against colleges.

Tuition is one of a limited number of revenue streams available to colleges. Comparison of tuition rates at research intensive universities, teaching universities, and colleges indicates that:

- Average college tuition is 77% lower than research universities.
 - Average college tuition is 39% lower than teaching universities.
 - Average college tuition is \$3200.
 - VCC has one of the lowest per-credit tuition rates in the province.
 - Two-percent tuition increase limits disproportionately affects colleges that deliver low-tuition programs and/or programs with small class-size.
-

4. CONTINUED

Base funding favours research intensive universities when compared to colleges and teaching universities.

A recent Fact Sheet issued by AEST indicated that operating grants are not connected to FTE targets or student enrolment and that the Ministry does not use a formula to determine each institution's operating grant. However, a comparison of funding and FTE targets indicates that funding per FTE at research intensive universities be as much as twice what VCC receives per FTE.

Structural constraints limit options for reducing expenditures.

Cost containment and reduction are critical elements in delivering a balanced budget. However, VCC is constrained in its ability to manage costs due to a number of factors including:

- Slightly more than 70% of expenses relate to salaries and benefits that are governed by collective agreements.
 - An additional 15% of expenses relate to fixed costs, outside of the control of the institution.
 - **Limited tuition increases do not fund real costs and escalations (benefit packages, duty to accommodate, increased cost of software).**
-

A balanced budget belies an organizational debt.

Each year VCC works hard to comply with the requirement to present a balanced budget. Balancing the budget does, however, contribute to an ongoing and escalating organizational debt that is manifest in the college's inability to invest appropriately in important activities essential to maintaining viability and currency. This includes:

- Inability to offer additional intakes of high demand programs due to negative revenue contribution.
 - Timely program development and/or renewal to maintain currency in rapidly changing labour markets.
 - Inability to offer enhanced services to students requiring important supports.
 - Limited capacity to invest in evolving technologies critical in maintaining technological currency.
 - Deferred major capital maintenance resulting in deteriorating facilities with increasing high facilities condition indices. The majority of VCC's facilities have a Facilities Condition Index higher than 0.5.
-

5. WHAT ARE THE MOST SIGNIFICANT CONTRIBUTIONS YOUR INSTITUTION MAKES IN COLLABORATION WITH OTHER PARTS OF B.C.'S PSE SYSTEM?

VCC believes in and actively engages post-secondary collaborations to drive together common initiatives in the interest of public resources.

Our recent work with PSE partners and systems include:

- VCC joined more than 30 other colleges and universities in adopting the Okanagan Charter to promote mental health and well-being on campus and developed a framework in partnership with Healthy Minds, Healthy Campuses and the Canadian Mental Health Association BC Division.
 - VCC is a part of Coastal Corridor Consortium (C3) with Capilano University, Native Education College (NEC), and local First Nation partners to create stronger relationships between our institutions and the Indigenous communities.
 - Shared affiliation agreement with NEC extends access for Indigenous learners with post-secondary benefits like UPass.
 - An open faculty and staff development resource was designed with Justice Institute of BC, Camosun College, and Selkirk College to better support students with disabilities.
 - VCC has fully implemented both XML high school and post secondary transcripts through active engagement with EducationPlannerBC.
 - A national Supportive Care Assistant (SCA) training project was launched in partnership with Colleges and Institutes Canada (CICan).
 - VCC has K-12 dual credit agreements with 19 school districts in BC for access points.
 - VCC is a major proponent of the Trades Sampler program with Trades Training BC.
 - Through articulation agreements, VCC students in Math, Sciences, Software, and Statistics can apply directly into select second-year programs at Simon Fraser University.
 - VCC works with Private Training Institution Branch (PTIB) to support labour market program delivery.
-

6. WHAT STANDS IN THE WAY OF YOU COLLABORATING MORE WITH THE REST OF B.C.'S PSE SYSTEM?

Institutions within the post-secondary system have been set up as independent entities with separate boards and have developed their own collective agreements and different operational structures that complicate exchangeability and partnership.

Our best collaborative potential can be realized with government direction and incentive.

- Legacy of a proprietary approach and behavior on intellectual and capital assets of institutions despite operating from the same public fund.
- Increasing institutional isomorphism from revenue positive programmatic developments that appeal to the same prospective student base further drives competition over collaboration.

Successful collaborative examples already exist in the sector. Government (and government adjacent) organizations have shown significant promise for synergy.

- Leverage organizations like BCcampus, BCNET, PSEA, BCCAT have provided frameworks for benchmarking, collaborations, and shared investment in services to incentivize collaborations, common asset development (centralized curriculum), and mutual sectoral priorities.
- Expand and replicate province-wide initiatives like:
 - Central legislations and policies for consistency across the sector like Gendered Violence Policy, and Accessibility Act
 - The Centre for Accessible Post-Secondary Resources (CAPER-BC) and Here2Talk for providing specialized services for the full sector
 - Shared services for classification and benefits through PSEA
- Regional Centres of Excellence to support distributed delivery and avoid duplication.

7. WHAT ARE THE KEY ECONOMIC, DEMOGRAPHIC, SOCIAL, AND TECHNOLOGICAL TRENDS THAT WILL UNFOLD OVER THE NEXT 30 YEARS THAT WILL IMPACT BRITISH COLUMBIA'S PSE SYSTEM?

VCC is committed to equity, inclusion, reconciliation, but we are hampered in our ability to support economic and social aspirations.

Post-secondary education is a vital part of our civil society and a major contributor to our economic health by providing the highly skilled workforce of the future. If education is broadly available it supports social and economic mobility, supports the evolving skills required in the workforce, improves social cohesion, and can even improve health outcomes. We are in an era of unprecedented technological, social, and climate change that will create new challenges for PSE.

There is increasing need for PSE institutions to focus efforts on decolonization, indigenization and reconciliation.

With high and increasing numbers of students self-identifying as Indigenous learners, VCC is committed to:

- Establishing new and maintaining current pathways for Indigenous learners.
- Exploring and incorporating Indigenous ways of knowing into our courses and programs.
- Seeking new ways to engage with our host Nations in expanding the delivery of supportive programming in situ.

These efforts need to be recognized as critical in the future of PSE and to be supported with appropriate levels of funding.

Our economy will become increasingly dependent on new Canadians to satisfy the growth of a highly skilled workforce.

VCC already caters to a significant and growing population of new Canadians (29% of our student body are new Canadians). We have developed and continue to deliver important programming to new Canadians that leads to employment. We believe the PSE system needs to support education that acknowledges:

- Increasing numbers of new Canadians.
 - Retention of international students looking to transition to permanent residence.
 - The specific needs of equity-deserving groups.
 - Changing demographics including an aging population requiring continuous up-skilling.
-

7. CONTINUED

Post-Secondary education has become increasingly imbalanced between university and vocational forms.

VCC plays a critical role in B.C.'s PSE system by focusing on vocational education in areas of high employment demand. Labour market forecasts in B.C. for the next decade support continued focus on these vocational education areas. VCC will continue to develop and deliver hands-on, vocational education in areas of growth including:

- Automation, digitization, artificial intelligence
- Clean energy
 - Hydrogen fuel cell technology
 - Heat transfer from sewage – neighborhood energy utility
- Automotive innovation including:
 - Hydrogen fuel cell technology
 - Plug-in hybrid and fully electric vehicles
 - RADAR and LiDAR and other collision avoidance systems
 - Advanced on-board transportation computer systems

The implications of climate change are pervasive, affecting the whole world.

VCC has taken significant steps toward energy reduction and decarbonization in the last decade. These efforts have resulted in more than \$4 million dollars of costs avoided. Aging infrastructure will limit our ability to move further and in response to these limitations VCC is embarking on a significant campus plan that will renew our facilities. This development will be undertaken achieve as a minimum the following environmental targets:

- LEED gold certification
 - BC Energy Step Code 4
 - WELL building standards
 - Incorporation of mass timber whenever possible
-

7. CONTINUED

Technology is changing the way education is delivered and accessed.

The COVID-19 pandemic has accelerated the adoption of technology to deliver education and PSE has adopted new forms of delivery to enhance online education delivery. VCC has, and will continue to explore opportunities in the following areas:

- Completely online and blended delivery
- Incorporation of augmented and virtual reality delivery options
- The adoption of hi-flex delivery to increase access and accommodate personal preference for students
- Collaborative opportunities for the development of content with local, regional, national, and global reach

New program delivery options (e.g. blended, hyflex, and online delivery) are placing increased stress on the registrar's office, institutional research, facilities, information technology, and finance departments as institutions face increased costs of software, information technology infrastructure, and support for the move to online Software as a Service (SaaS) options.

VCC is facing increased challenges in providing a safe and inclusive learning environment for students with various accommodation needs.

VCC considers itself to be an Access+ institution, providing learning opportunities for a multi-barriered student population. We forecast that the need to provide accommodations to students will continue to grow. We are challenged in providing services to specific groups including:

- Profoundly deaf and hard of hearing students
 - Blind students
 - Students with mental health challenges
 - Students living with cognitive disabilities
-

The future as we see it will require VCC to adopt a strategy best suited to our own context, one in which we continue to provide Access+ to high employability, vocational education.

We believe that VCC is well positioned to adapt to the new future with focus in the following areas:

- Modular, stackable, and portable courses, micro-credentials, and prior learning assessment and recognition, especially for newcomers to Canada.
 - Diverse and flexible modes of curricular access and instructional delivery for students who are increasingly "digital natives" as well as those working with other significant life responsibilities.
 - Continuing our focus on experiential learning, the bedrock of vocational education.
 - Expanding program offerings for upskilling and retraining the workforce in recognition that learning is a lifelong exercise with rapidly evolving technology and new economies.
-

8. **HOW DO YOU THINK THE PSE SYSTEM NEEDS TO EVOLVE IN RESPONSE TO THOSE TRENDS?**
 9. **HOW DOES YOUR INSTITUTION NEED TO EVOLVE IN RESPONSE TO THOSE TRENDS?**
-

The post-secondary system needs to do more to ensure alignment between programming and government priorities.

The current funding model incentivizes homogenous programming. There is an abundance of seminar-style academic training, and institutions have moved away from offering development, access, allied health, and trades programming. This has produced a misalignment between programs offered and government priorities.

Funding needs to be allocated to support institutions with a higher exposure in delivering provincially prioritized programming (high-cost/high value programming) and serving high-barrier student population needs.

The post-secondary system needs to foster new opportunities for collaboration and cost-sharing.

Institutions need to work collaboratively to develop learning outcomes and means of evaluation. For example, VCC is piloting a microcredential with Creative Technology Association of BC (Digi BC) which will be made available to all public post-secondary institutions.

VCC needs to resolve structural issues that undermine organizational sustainability.

VCC has is well-positioned to continue offering training, education, and high-employment vocational education programs in some of B.C.'s fastest growing industries: health care and social assistance, tourism, hospitality, food services, educational services, hair, esthetics, and automotive.

VCC's main challenge in continuing to meet the needs of our diverse learners will be resolving structural issues that impede organizational sustainability and fiscal health (delivering high-value, low-barrier programs that are costly to offer and underfunded).

- VCC cannot continue to operate our current suite of programs without changes to the funding model.
 - If high-cost programming for high-barrier students cannot be properly funded, VCC will need to adjust its programming mix to move away from programs that draw heavily on our base funding.
 - Institutional cohort is aging; need to have good workforce planning.
 - Campus Plan - in order to provide high-cost / high-value programming for future generations, VCC needs to modernize our infrastructure and be able to leverage our real estate assets to generate independent revenues to offset high-cost of delivery.
-

10. CONSIDERING THE ABOVE, WHAT MODIFICATIONS TO THE FUNDING FORMULA WOULD YOU RECOMMEND?

RECOMMENDATIONS

VCC recommends the following actions to more equitably support AEST's high-priority programs and demographics. These changes to the current funding model can be made in the immediate term to improve the lives of British Columbians for years to come.

Target labour market needs

Fund priority labour market programs at rates that reflect validated costs of the programs.

Consider developmental and access program costs

Fund programs for development and Access+ demographics (e.g. VCC unique programs that provide career skills to the Deaf, hard of hearing, and visually impaired communities) at rates that reflect validated costs of the programs.

Flag funding shortfalls

Ensure that other funding sources (Industry Training Authority etc.) do not require subsidies via the Operating Grant.

Recognize institutional differences

Recognize all revenue sources available to an institution (e.g. International Student revenues, research, commercial enterprise, federal funding etc.) in calculating appropriate Operating Grants.

Fund policy priorities

Establish a sectoral approach to support implementation of key government policies and initiatives (e.g. Indigenization (DRIPA), mental health supports, duty to accommodate, sexual violence policy, anti-racism legislation etc.).

Reflect total costs and cost escalations

Ensure funding reflects real cost escalations (e.g. inflation) and regulatory requirements (e.g. accrediting bodies).
